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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 2014

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 2014 together with the comparative figures of 2013 are as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS For the year ended 31 December 2014

	Notes	2014 HK\$'000	2013 HK\$'000
Revenue	4	668,521	884,184
Interest income		26,410	29,123
Other income		22,988	25,113
Costs:			
Property and related costs	5	(73,501)	(155,029)
Staff costs		(188,240)	(177,393)
Depreciation and amortisation		(61,844)	(83,029)
Other expenses		(153,542)	(158,247)
		<u>(477,127)</u>	<u>(573,698)</u>
Profit from operations before fair value changes on investment properties		240,792	364,722
Fair value changes on investment properties		<u>616,314</u>	<u>277,219</u>
Profit from operations after fair value changes on investment properties		857,106	641,941
Share of results of associates		-	27,886
Gain on disposal of assets classified as held for sale		-	21,640
Finance costs	6	<u>(107,173)</u>	<u>(91,159)</u>
Profit before taxation		749,933	600,308
Income tax expense	7	<u>(46,346)</u>	<u>(75,474)</u>
Profit for the year		<u><u>703,587</u></u>	<u><u>524,834</u></u>

\* For identification purpose only

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS** *(Continued)*  
**For the year ended 31 December 2014**

	<i>Notes</i>	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
Attributable to:			
Company's shareholders		<b>684,462</b>	510,090
Non-controlling interests		<b>19,125</b>	14,744
		<u><b>703,587</b></u>	<u>524,834</u>
		<b>HK cents</b>	HK cents
Earnings per share for profit attributable to the Company's shareholders			
	9		
Basic		<u><b>100.1</b></u>	<u>75.9</u>
Diluted		<u><b>99.0</b></u>	<u>74.6</u>
<i>Earnings per share excluding fair value changes on investment properties net of deferred tax</i>			
	9		
<i>Basic</i>		<u><b>15.0</b></u>	<u>38.6</u>
<i>Diluted</i>		<u><b>14.9</b></u>	<u>37.9</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
**For the year ended 31 December 2014**

	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
Profit for the year	<u><b>703,587</b></u>	<u>524,834</u>
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss:</i>		
Revaluation increase upon reclassification of property, plant and equipment to investment properties	<u><b>1,594</b></u>	<u>3,801</u>
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<b>(23,334)</b>	108,291
Release of translation reserve upon disposal of assets classified as held for sale	-	(2,480)
Share of exchange differences of associates	<u>-</u>	<u>(417)</u>
	<u><b>(23,334)</b></u>	<u>105,394</u>
	<u><b>(21,740)</b></u>	<u>109,195</u>
Total comprehensive income for the year	<u><b>681,847</b></u>	<u>634,029</u>
Total comprehensive income attributable to:		
Company's shareholders	<b>663,287</b>	614,325
Non-controlling interests	<u><b>18,560</b></u>	<u>19,704</u>
	<u><b>681,847</b></u>	<u>634,029</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 31 December 2014**

	<i>Notes</i>	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
<b>Non-current assets</b>			
Investment properties		<b>10,546,169</b>	9,952,179
Property, plant and equipment		<b>984,475</b>	1,025,066
Properties for development		<b>1,248,432</b>	1,350,813
Club memberships		<b>8,574</b>	8,574
Other financial assets		<b>7,764</b>	-
Loan receivables		<b>4,118</b>	7,072
Note receivables		<b>54,289</b>	54,279
Other receivables		<b>391,173</b>	384,794
Restricted bank deposits		<b>6,338</b>	6,360
		<b>13,251,332</b>	12,789,137
<b>Current assets</b>			
Properties held for sale			
Completed properties		<b>218,395</b>	219,277
Properties under development		<b>1,297,343</b>	959,091
Other inventories		<b>1,333</b>	1,119
Loan receivables		<b>362</b>	463
Trade receivables, deposits and prepayments	10	<b>166,563</b>	126,946
Tax recoverable		<b>4,549</b>	3,542
Amounts due from non-controlling interests		<b>70</b>	265
Bank balances and cash		<b>3,007,591</b>	2,150,101
		<b>4,696,206</b>	3,460,804
<b>Current liabilities</b>			
Payables, rental deposits and accrued charges	11	<b>340,826</b>	323,028
Sales deposits		<b>64,389</b>	-
Tax liabilities		<b>103,690</b>	133,403
Amounts due to non-controlling interests		<b>99,505</b>	96,985
Bank borrowings – due within one year		<b>546,568</b>	1,499,192
Derivative financial instrument		<b>-</b>	1,132
		<b>1,154,978</b>	2,053,740
<b>Net current assets</b>		<b>3,541,228</b>	1,407,064
<b>Total assets less current liabilities</b>		<b>16,792,560</b>	14,196,201

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)*  
**At 31 December 2014**

	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
<b>Capital and reserves</b>		
Share capital	<b>68,962</b>	67,237
Reserves	<b>12,128,083</b>	11,483,916
Equity attributable to the Company's shareholders	<b>12,197,045</b>	11,551,153
Non-controlling interests	<b>427,632</b>	410,287
<b>Total equity</b>	<b>12,624,677</b>	11,961,440
<b>Non-current liabilities</b>		
Bank borrowings – due after one year	<b>3,665,523</b>	1,722,108
Deferred taxation	<b>502,360</b>	512,653
	<b>4,167,883</b>	2,234,761
<b>Total equity and non-current liabilities</b>	<b>16,792,560</b>	14,196,201

*Notes:*

**1. BASIS OF PREPARATION**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) 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 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 derivative financial instruments, which are measured at revalued amount or fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has applied the following new and revised HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

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 and prior years and/or on the disclosures set out in these financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 14	Regulatory Deferral Accounts <sup>2</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>3</sup>
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations <sup>5</sup>
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>5</sup>
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions <sup>4</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle <sup>6</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle <sup>4</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle <sup>5</sup>
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants <sup>5</sup>
Amendments to HKAS 27	Equity Method in Separate Financial Statements <sup>5</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>2</sup> Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2017

<sup>4</sup> Effective for annual periods beginning on or after 1 July 2014

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>6</sup> Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements or it is not practicable to provide a reasonable estimate of the effect of these until the Group performs a detailed review.

### 3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance is mainly focused on the property development, property investment and hotel operation. No operating segments identified by the chief operating decision makers have been aggregated in arriving at the reportable segments of the Group.

During the year, the Group's property investment activity is in Hong Kong, the People's Republic of China (the "PRC") and Australia; property development activity is in Hong Kong and the PRC; and hotel operation is in Hong Kong.

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

#### For the year ended 31 December 2014

	Property development HK\$'000	Property investment HK\$'000	Hotel operation HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
<b>SEGMENT REVENUE</b>					
External sales	520	405,014	262,987	-	668,521
Inter-segment sales	-	-	-	-	-
<b>Total</b>	<b>520</b>	<b>405,014</b>	<b>262,987</b>	<b>-</b>	<b>668,521</b>
<b>SEGMENT RESULTS</b>					
Segment (loss) profit	(77,958)	949,591	85,774		957,407
Interest income					26,410
Corporate income less expenses					(126,711)
Finance costs					(107,173)
<b>Profit before taxation</b>					<b>749,933</b>

#### For the year ended 31 December 2013

	Property development HK\$'000	Property investment HK\$'000	Hotel operation HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
<b>SEGMENT REVENUE</b>					
External sales	235,465	392,342	256,377	-	884,184
Inter-segment sales	-	498	-	(498)	-
<b>Total</b>	<b>235,465</b>	<b>392,840</b>	<b>256,377</b>	<b>(498)</b>	<b>884,184</b>
<b>SEGMENT RESULTS</b>					
Segment profit	71,639	623,315	56,994		751,948
Interest income					29,123
Corporate income less expenses					(117,490)
Share of results of associates					27,886
Finance costs					(91,159)
<b>Profit before taxation</b>					<b>600,308</b>

Inter-segment sales are at mutually agreed terms.

### 3. SEGMENT INFORMATION *(Continued)*

The Group does not allocate interest income, corporate income less expenses, share of results of associates and finance costs to individual reportable segment profit or loss for the purposes of resource allocation and performance assessment by the chief operating decision makers.

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

### 4. REVENUE

The following is an analysis of the Group's revenue from its major business activities.

	2014 HK\$'000	2013 HK\$'000
Sale of properties	520	235,465
Renting of investment properties	405,014	392,342
Hotel operation	262,987	256,377
	<u>668,521</u>	<u>844,184</u>

### 5. PROPERTY AND RELATED COSTS

	2014 HK\$'000	2013 HK\$'000
Cost of properties sold	615	98,369
Selling and marketing expenses	21,192	6,472
Direct operating expenses of investment properties	51,694	50,188
	<u>73,501</u>	<u>155,029</u>

### 6. FINANCE COSTS

	2014 HK\$'000	2013 HK\$'000
Interest on:		
Bank borrowings wholly repayable within 5 years	71,731	50,930
Bank borrowings not wholly repayable within 5 years	36,642	37,427
	<u>108,373</u>	<u>88,357</u>
Less: Amounts capitalised to property development project	<u>(10,442)</u>	<u>(4,676)</u>
	97,931	83,681
Front end fee	5,423	4,005
Other charges	3,819	3,473
	<u>107,173</u>	<u>91,159</u>



## 7. INCOME TAX EXPENSE

	2014 HK\$'000	2013 HK\$'000
The charge comprises:		
Current tax		
Hong Kong Profits Tax	37,912	51,196
PRC Enterprise Income Tax	11,809	11,232
Other jurisdictions	2,638	192
	<u>52,359</u>	<u>62,620</u>
Overprovision in prior years		
Hong Kong Profits Tax	<u>(100)</u>	<u>(10,451)</u>
Deferred tax		
- current year	19,763	23,305
- overprovision in prior years	<u>(25,676)</u>	<u>-</u>
	<u>(5,913)</u>	<u>23,305</u>
	<u><b>46,346</b></u>	<u><b>75,474</b></u>

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

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

## 8. DIVIDENDS

	2014 HK\$'000	2013 HK\$'000
Dividends recognised as distributions during the year:		
2014 interim dividend – HK5 cents (2013: 2013 interim dividend – HK5 cents) per share	34,460	33,618
2013 final dividend – HK6 cents (2013: 2012 final dividend – HK6 cents) per share	<u>40,980</u>	<u>40,318</u>
	<u><b>75,440</b></u>	<u><b>73,936</b></u>
2014 final dividend proposed: HK6 cents (2013: HK6 cents) per share	<u><b>41,484</b></u>	<u><b>40,509</b></u>

A final dividend of HK6 cents (2013: HK6 cents) per share has been proposed by the directors of the Company and is subject to approval by the Company's shareholders at the forthcoming annual general meeting.

## 9. 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:

	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the year attributable to the Company's shareholders	<b>684,462</b>	510,090
	<b>Number of shares</b>	
	<b>2014</b>	2013
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>683,757,101</b>	672,145,397
Effect of dilutive potential ordinary share options	<b>7,706,945</b>	11,424,870
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>691,464,046</b>	683,570,267

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 investment 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:

	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
Profit for the year attributable to the Company's shareholders as shown in the consolidated statement of profit or loss	<b>684,462</b>	510,090
Fair value changes on investment properties	<b>(616,314)</b>	(277,219)
Deferred tax thereon	<b>17,588</b>	18,774
Attributable to non-controlling interests	<b>16,990</b>	7,627
Adjusted profit attributable to the Company's shareholders	<b>102,726</b>	259,272
Earnings per share excluding fair value changes on investment properties net of deferred tax		
Basic	<b>HK15.0 cents</b>	HK38.6 cents
Diluted	<b>HK14.9 cents</b>	HK37.9 cents

The denominators used in the calculation of basic and diluted adjusted earnings per share for the year ended 31 December 2014 and 31 December 2013 are the same as those detailed above.

## 10. TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2014 HK\$'000	2013 HK\$'000
Trade receivables	10,603	9,150
Accrued income	99,415	92,234
Deposits and prepayments	56,545	25,562
	<u>166,563</u>	<u>126,946</u>

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

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

	2014 HK\$'000	2013 HK\$'000
0 to 30 days	8,014	8,214
31 to 60 days	590	936
61 to 90 days	207	-
91 to 365 days	1,148	-
Over 365 days	644	-
	<u>10,603</u>	<u>9,150</u>

Before granting credit to any customer, the Group uses an internal credit assessment policy to assess the potential customers' credit quality and defines credit limit by customer. Trade receivables of HK\$3,100,000 (2013: HK\$940,000) at the end of the reporting period are past due but are not considered impaired as these debtors have good repayment history and the Group has assessed the creditworthiness, default history of independent customers, and considers that the amounts are still recoverable and no provision is required. The Group does not hold any collateral over these balances.

## 11. PAYABLES, RENTAL DEPOSITS AND ACCRUED CHARGES

	2014 HK\$'000	2013 HK\$'000
Trade payables	3,018	2,609
Rental deposits	115,925	113,185
Rental received in advance	16,399	12,052
Other payables, other deposits and accrued charges	205,484	195,182
	<u>340,826</u>	<u>323,028</u>

Included in other payables is an aggregate amount of HK\$91,759,000 (2013: HK\$87,876,000) payable to contractors for the cost in relation to the tenant relocation arrangements, excavation and infrastructure work on certain pieces of land.

## **11. PAYABLES, RENTAL DEPOSITS AND ACCRUED CHARGES** *(Continued)*

Rental deposits to be settled after twelve months from the end of the reporting period based on the respective lease terms which amounted to HK\$71,151,000 (2013: HK\$87,302,000).

### **FINAL DIVIDEND**

The Board has resolved to recommend for shareholders' approval at the forthcoming annual general meeting (the "**2015 AGM**") of the Company the payment of a final dividend of HK6 cents (2013: HK6 cents) per share for the year ended 31 December 2014 to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Wednesday, 10 June 2015. The relevant dividend warrants are expected to be despatched on or before Monday, 22 June 2015.

Together with the interim dividend of HK5 cents per share already paid (2013: HK5 cents), the total dividend for the year will be HK11 cents per share (2013: HK11 cents).

### **ANNUAL GENERAL MEETING**

The 2015 AGM will be held in Hong Kong on Friday, 29 May 2015 and the relevant notice and documents will be despatched to the shareholders of the Company and published on the websites of Hong Kong Exchanges and Clearing Limited ("**HKEx**") ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.seagroup.com.hk](http://www.seagroup.com.hk)) no later than late April 2015.

### **BOOK CLOSE DATES**

For the purpose of ascertaining the entitlements to attend and vote at the 2015 AGM and to 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 the 2015 AGM

Latest time to lodge transfers documents	4:30 pm on 26 May 2015 (Tuesday)
Closure of register of members	27 May 2015 (Wednesday) to 29 May 2015 (Friday) (both days inclusive)
Record date	29 May 2015 (Friday)

#### For ascertaining shareholders' entitlement to the proposed final dividend

Latest time to lodge transfers documents	4:30 pm on 5 June 2015 (Friday)
Closure of register of members	8 June 2015 (Monday) to 10 June 2015 (Wednesday) (both days inclusive)
Record date	10 June 2015 (Wednesday)

During the above closure periods, no transfer of shares will be registered. To be entitled to attend and vote at the 2015 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong before the above latest time.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Summary

Turnover for the year ended 31 December 2014 amounted to HK\$668.5 million (2013: HK\$884.2 million). The turnover was principally attributable to the recognition of rental income from investment properties and revenue from hotel operation.

Profit attributable to the Company's shareholders for the year amounted to HK\$684.5 million (2013: HK\$510.1 million), equivalent to a basic earnings per share of HK100.1 cents (2013: HK75.9 cents). The reported profit attributable to the Company's shareholders included a revaluation surplus on investment properties net of deferred taxation of HK\$598.7 million (2013: HK\$258.4 million). By excluding the effect of such surplus, the Group's net profit attributable to the Company's shareholders was HK\$102.7 million (2013: HK\$259.3 million), equivalent to HK15.0 cents (2013: HK38.6 cents) per share.

As at 31 December 2014, the Group's equity attributable to the Company's shareholders amounted to HK\$12,197.1 million (2013: HK\$11,551.2 million). The net asset value per share attributable to the Company's shareholders as at 31 December 2014 was HK\$17.69 as compared with HK\$17.18 as at 31 December 2013.

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

	<b>31 December 2014</b>	31 December 2013
	<b>HK\$' million</b>	HK\$' million
Hong Kong	<b>9,720.9</b>	9,184.7
Mainland China	<b>4,361.7</b>	4,078.9
Australia	<b>173.6</b>	191.5
Total	<b>14,256.2</b>	13,455.1

### Business Review

#### Property Investment and Development

The Group continues to focus on its development and investment projects in Hong Kong and Mainland China. It is the Group's approach to review and optimise the project portfolios from time to time. The Group's core projects located in Hong Kong and Mainland China are listed below.

#### Hong Kong

The office leasing market was stable during the year. With several tenancies of Dah Sing Financial Centre, a 39-storey commercial building, being renewed at market rates, rental income received during the year increased. The occupancy rate of Dah Sing Financial Centre remains at a high level of approximately 94% as at 31 December 2014.

The negotiation of land premium with the Government for the development project at Fo Tan is in progress. This development project has a site area of approximately 20,000 square metres and envisages, among other facilities, residential units, car parks, educational facilities and a bus terminus. The foundation work of the project has been completed and advanced pile cap is in progress.

## Mainland China

### *Chengdu, Sichuan Province*

During the year under review, the occupancy rate for the two 30-storey office towers of Plaza Central remained at a high level and its retail podium with a gross floor area of about 29,000 square metres is fully let principally to Chengdu New World Department Store on a long-term lease. As at 31 December 2014, 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 is fully let to a hotel on a long-term lease. The previous lease to a furniture retailer expired in late 2014, and a new lease to a hotel operator was entered into in late 2014.

The master layout plan of the Longquan project (known as “Chengdu Nova City”), which has a site area of 506,000 square metres, was approved by the local government in January 2014. Preliminary site works and site formation works for Phase I of the project have been completed. Superstructure works for Phase I are scheduled to commence in the second quarter of 2015.

### *Kaifeng, Henan Province*

The Kaifeng project, known as “Kaifeng Nova City”, is situated in Zheng-Kai District, a new town in Kaifeng and envisages shopping mall, premium offices, exhibition hall, hotel, serviced apartments and residential towers. This project has a site area of 735,000 square metres and for providing better living environment, the gross floor area of the development will vary from 2,000,000 to 2,500,000 square metres only. The master layout plan has been approved by the local government and foundation work for Phase I of the residential has been completed. The superstructure works for Phase IA of the residential are in progress. Pre-sale consent for Phase IA was issued and 50% of the residential units were launched into the market. The superstructure works for Phase IB of the residential units are scheduled to commence by the end of the first quarter of 2015.

### *Guangzhou, Guangdong Province*

As at 31 December 2014, the occupancy rate of the 14-storey office tower of Westmin Plaza Phase II of about 16,100 square metres was 100% with more than one-third of the total office space being leased to AIA. Leasing activities for the 3-storey shopping arcade of Westmin Plaza Phase II 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 337,000 square metres comprising of development land of about 117,000 square metres and landscape land of 220,000 square metres. The master layout plan for the development of the project comprising a hotel, serviced apartments and resort villas in the integrated resort site has been approved by the local government and site formation work for phase I of the project has been completed. Phase I foundation works for hotel are now scheduled to commence in the first quarter of 2015.

### *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 land in Chi Shan. The Group intends to acquire such lands through land auctions by different stages.

## Australia

Turnover generated from the property investment project in Australia for the year ended 31 December 2014 was HK\$18.6 million (2013: HK\$19.4 million).

## Hotel Operation

Crowne Plaza Hong Kong Causeway Bay is a 29-storey five-star hotel comprising 263 guest rooms with ancillary facilities and is managed by the InterContinental Hotels Group. It has achieved satisfactory occupancy and room rates for the year under review.

## **Financial Resources and Liquidity**

### Working Capital and Loan Facilities

As at 31 December 2014, the Group's total cash balance was HK\$3,013.9 million (2013: HK\$2,156.5 million) and unutilised facilities were HK\$965 million (2013: HK\$965 million).

The gearing ratio as at 31 December 2014, calculated on the basis of net interest bearing debts minus cash and restricted and pledged deposits as a percentage of total property assets, was 8.4% (2013: 7.9%).

As at 31 December 2014, maturity of the Group's outstanding borrowings was as follows:

	<b>31 December 2014</b> <b>HK\$' million</b>	31 December 2013 HK\$' million
Due		
Within 1 year	<b>548.4</b>	1,500.3
1-2 years	<b>1,385.9</b>	395.2
3-5 years	<b>1,221.5</b>	1,082.9
Over 5 years	<b>1,078.7</b>	256.6
	<b>4,234.5</b>	3,235.0
Less: Front-end fee	<b>(22.4)</b>	(13.7)
	<b>4,212.1</b>	3,221.3

### Pledge of Assets

For the Company's subsidiaries operating in Hong Kong and Mainland China, the total bank loans drawn as at 31 December 2014 amounted to HK\$4,129.7 million (2013: HK\$3,104.8 million), which comprised of secured bank loans of HK\$3,919.7 million (2013: HK\$2,894.8 million) and unsecured bank loans of HK\$210.0 million (2013: HK\$210.0 million). The secured bank loans were secured by properties valued at HK\$11,605.9 million (2013: HK\$10,865.5 million) and note receivables of HK\$54.3 million (2013: HK\$54.3 million).

A subsidiary of the Company operating in Australia pledged their properties with an aggregate carrying value of HK\$173.6 million as at 31 December 2014 (2013: HK\$191.5 million) to secure bank loans of HK\$82.4 million (2013: HK\$116.5 million).

## Treasury Policies

The Group adheres to prudent treasury policies. As at 31 December 2014, 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 2014, the Group had a total of 447 employees (2013: 426 employees) in Hong Kong and Mainland China. Employee costs, including the emoluments of the directors of the Group, amounted to HK\$188.2 million for the year ended 31 December 2014 (2013: 177.4 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**

In the U.S., job growth appears to be improving with interest rates forecast to rise this year. Commodity prices have dropped like a stone, the European markets are in trouble with an uncertain time in respect of the Greek economy and the ever present threat of war in various parts of the world remains omnipresent with events in the Ukraine, The Middle East and the South China Sea causing cause for concern.

At no time in the past few years has the Group had to face the challenges it currently faces in terms of geopolitical risk globally. China is experiencing a dramatic slowdown in both export and import growth with the People's Bank of China reducing capital adequacy ratios in an attempt to encourage growth. Full year GDP growth was 7.4%, which was slightly below the government's target of 7.5%, marking the weakest expansion in the past 24 years. GDP growth for 2015 has been lowered and is now targeted at around 7%. Property prices have softened over the past nine months and whilst this is difficult to predict we expect this trend to continue without new policy initiatives.

Hong Kong's economy remained relatively stable with solid demand for residential real estate continuing. The popularity of small flat sales was an emerging trend. The continuing low interest rate environment together with affordability should help maintain the property market at healthy levels of turnover despite government imposing substantive increases in stamp duty during 2014.

The Group's investment properties remain substantially let at good rents and the hotel property in Hong Kong continues to perform in line with expectations although affected somewhat by the Occupy Central movement. Year to date occupancy rates are encouraging.



In Hong Kong, the premium on our Fo Tan development site has yet to be finally agreed with government although we are hopeful that an acceptable figure will be agreed shortly which will enable us to move forward with development of this asset.

Our development portfolio in Mainland China is likely to benefit from infrastructure works. In particular in Kaifeng, the light rail system between Zhengzhou and Kai Feng is completed which will enhance accessibility to our development site and already is increasing in patronage. Phase 1A comprising 444 residential units is under construction with 50% of these units launched for pre-sale. Due to the existing poor market sentiment, sales are slower than originally anticipated. Sales are recognizable upon obtaining occupation permit which is expected for the end of this year. In Chengdu, our master layout plan has been approved and the site will benefit from new road connections to the area with two new major roads enhancing access.

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

During the year ended 31 December 2014, the Company repurchased a total of 1,242,000 issued ordinary shares of the Company on the Stock Exchange at an aggregate cash consideration of HK\$5,990,520 (excluding expenses). All the purchased shares were then cancelled and the number of issued shares of the Company was reduced accordingly. Particulars of the repurchases are as follows:

<b>Period of repurchase</b>	<b>Total number of shares repurchased</b>	<b>Price paid per share</b>		<b>Aggregate consideration HK\$</b>
		<b>Highest HK\$</b>	<b>Lowest HK\$</b>	
July 2014	392,000	4.79	4.69	1,860,720
September 2014	254,000	4.90	4.63	1,206,120
October 2014	242,000	4.85	4.70	1,155,600
November 2014	318,000	5.00	4.95	1,588,320
December 2014	36,000	5.00	4.96	179,760
	<u>1,242,000</u>			<u>5,990,520</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 2014.

## CORPORATE GOVERNANCE PRACTICES

Through the year ended 31 December 2014, the Company has applied the principles and complied with all the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules except for the following deviations:

<b>CG Code</b>	<b>Deviations and reasons</b>
A.2.1 The roles of the chairman and chief executive should be separate and should not be performed by the same individual.	Mr. Lu Wing Chi, 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 operations 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 (“INED”).
A.4.1 Non-executive directors should be appointed for a specific term, subject to re-election.	Each of the existing non-executive directors (including the INED) 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. Further, 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.

## **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 2014.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU (“DTT”)**

The figures in respect of this announcement of the Group’s financial results for the year ended 31 December 2014 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 2014 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 websites of HKEx (www.hkex.com.hk) and the Company (www.seagroup.com.hk) no later than late April 2015.

## **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  
**S E A Holdings Limited**  
**Lu Wing Chi**  
*Chairman and Managing Director*

Hong Kong, 27 March 2015

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

Executive Directors:

Mr. Lu Wing Chi (*Chairman and Managing Director*)  
Mr. Lu Wing Yuk, Andrew  
Mr. Lincoln Lu  
Mr. Lambert Lu

Independent Non-executive Directors:

Mr. Walujo Santoso, Wally  
Mr. Leung Hok Lim  
Mr. Chung Pui Lam

Non-executive Director:

Mr. Lam Sing Tai