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SEA 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 2015

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 2015 together with the comparative figures of 2014 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS For the year ended 31 December 2015

	Notes	2015 HK\$'000	2014 HK\$'000
Revenue	4	732,696	668,521
Interest income		24,127	26,410
Other income		42,855	22,988
Costs:			
Property and related costs	5	(133,891)	(73,501)
Staff costs		(267,033)	(188,240)
Depreciation and amortisation		(65,327)	(61,844)
Other expenses		(171,573)	(153,542)
		(637,824)	(477,127)
Profit from operations before fair value changes on investment properties		161,854	240,792
Fair value changes on investment properties		953,077	616,314
Profit from operations after fair value changes on investment properties		1,114,931	857,106
Gain on disposal of subsidiaries	6	464,162	-
Finance costs	7	(117,133)	(107,173)
Profit before taxation		1,461,960	749,933
Income tax credit (expense)	8	1,252	(46,346)
Profit for the year		1,463,212	703,587

* For identification purpose only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*
For the year ended 31 December 2015

	<i>Notes</i>	2015 HK\$'000	2014 HK\$'000
Attributable to:			
Company's shareholders		1,435,932	684,462
Non-controlling interests		27,280	19,125
		<u>1,463,212</u>	<u>703,587</u>
		HK cents	HK cents
Earnings per share for profit attributable to the Company's shareholders	10		
Basic		<u>209.3</u>	<u>100.1</u>
Diluted		<u>205.3</u>	<u>99.0</u>
<i>Earnings per share excluding fair value changes on investment properties net of deferred tax</i>	10		
<i>Basic</i>		<u>69.9</u>	<u>15.0</u>
<i>Diluted</i>		<u>68.5</u>	<u>14.9</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
For the year ended 31 December 2015

	2015	2014
	HK\$'000	HK\$'000
Profit for the year	<u>1,463,212</u>	<u>703,587</u>
Other comprehensive (expense) 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>-</u>	<u>1,594</u>
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>(257,956)</u>	<u>(23,334)</u>
Fair value loss on other financial assets	<u>(60,004)</u>	<u>-</u>
	<u>(317,960)</u>	<u>(23,334)</u>
	<u>(317,960)</u>	<u>(21,740)</u>
Total comprehensive income for the year	<u>1,145,252</u>	<u>681,847</u>
Total comprehensive income attributable to:		
Company's shareholders	<u>1,128,046</u>	<u>663,287</u>
Non-controlling interests	<u>17,206</u>	<u>18,560</u>
	<u>1,145,252</u>	<u>681,847</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2015

	<i>Notes</i>	2015 HK\$'000	2014 HK\$'000
Non-current assets			
Investment properties		11,422,459	10,546,169
Property, plant and equipment		946,483	984,475
Properties for development		1,200,180	1,248,432
Club memberships		8,920	8,574
Other financial assets		147,307	7,764
Loan receivables		3,789	4,118
Note receivables		54,256	54,289
Other receivables		361,114	391,173
Restricted bank deposits		5,613	6,338
		<u>14,150,121</u>	<u>13,251,332</u>
Current assets			
Properties held for sale			
Completed properties		627,384	218,395
Properties under development		231,667	1,297,343
Inventories		1,251	1,333
Loan receivables		371	362
Trade receivables, deposits and prepayments	11	128,147	166,563
Tax recoverable		17,795	4,549
Amounts due from non-controlling interests		-	70
Bank balances and cash		3,923,012	3,007,591
		<u>4,929,627</u>	<u>4,696,206</u>
Current liabilities			
Payables, rental deposits and accrued charges	12	433,552	340,826
Sales deposits		13,064	64,389
Tax liabilities		84,469	103,690
Amounts due to non-controlling interests		93,696	99,505
Bank borrowings – due within one year		1,536,781	546,568
		<u>2,161,562</u>	<u>1,154,978</u>
Net current assets		<u>2,768,065</u>	<u>3,541,228</u>
Total assets less current liabilities		<u><u>16,918,186</u></u>	<u><u>16,792,560</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
At 31 December 2015

	2015	2014
	HK\$'000	HK\$'000
Capital and reserves		
Share capital	67,765	68,962
Reserves	13,006,638	12,128,083
Equity attributable to the Company's shareholders	13,074,403	12,197,045
Non-controlling interests	444,030	427,632
Total equity	13,518,433	12,624,677
Non-current liabilities		
Bank borrowings – due after one year	2,953,381	3,665,523
Deferred taxation	446,372	502,360
	3,399,753	4,167,883
Total equity and non-current liabilities	16,918,186	16,792,560

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, listed investments and derivative financial instruments, which are measured at revalued amount or fair values. 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 amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle

The application of the amendments to 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 consolidated 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 ¹
HKFRS 14	Regulatory Deferral Accounts ²
HKFRS 15	Revenue from Contracts with Customers ¹
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ³
Amendments to HKAS 1	Disclosure Initiative ³
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ³
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle ³
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ³
Amendments to HKAS 27	Equity Method in Separate Financial Statements ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception ³

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

³ Effective for annual periods beginning on or after 1 January 2016

⁴ Effective for annual periods beginning on or after a date to be determined

The directors of the Company do not anticipate that the application of the remaining HKFRSs in the future will have a material impact on the Group's consolidated financial statements.

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 activities are in Hong Kong, the People's Republic of China (the "PRC"), Australia and the United Kingdom; property development activities are in Hong Kong and the PRC whereas the 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 2015

	Property development HK\$'000	Property investment HK\$'000	Hotel operation HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE				
External sales	<u>94,285</u>	<u>409,160</u>	<u>229,251</u>	<u>732,696</u>
SEGMENT RESULTS				
Segment profit	<u>420,541</u>	<u>1,298,303</u>	<u>59,194</u>	1,778,038
Interest income				24,127
Corporate income less expenses				(223,072)
Finance costs				<u>(117,133)</u>
Profit before taxation				<u>1,461,960</u>

For the year ended 31 December 2014

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

3. SEGMENT INFORMATION *(Continued)*

The Group does not allocate interest income, corporate income less expenses 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.

	2015 HK\$'000	2014 HK\$'000
Sale of properties	94,285	520
Renting of investment properties	409,160	405,014
Hotel operation	229,251	262,987
	<u>732,696</u>	<u>668,521</u>

5. PROPERTY AND RELATED COSTS

	2015 HK\$'000	2014 HK\$'000
Cost of properties sold	76,699	615
Selling and marketing expenses	9,909	21,192
Direct operating expenses of investment properties	47,283	51,694
	<u>133,891</u>	<u>73,501</u>

6. GAIN ON DISPOSAL OF SUBSIDIARIES

On 30 September 2015, after taking into account the market conditions, the current development plan has been changed. The Group entered into a sale and purchase agreement, pursuant to which the Group agreed to dispose of the entire interest in the subsidiaries, being the owner of a piece of land known as Sha Tin Town Lot No. 75 and the Remaining Portion of Lot No. 744 in the Demarcation District No. 176 and situated at 1-11 Au Pui Wan Street, Fo Tan, Sha Tin, New Territories, Hong Kong, to an independent third party at an aggregate consideration of HK\$1,400 million, subject to post-completion adjustments. Such disposal was completed on 30 November 2015. Management do not consider the disposal of the subsidiaries comprising an entire early stage development project, to be in the normal course of business of the Group and for that reason the gain on disposal is presented below profit from operations after fair value changes on investment properties.

7. FINANCE COSTS

	2015 HK\$'000	2014 HK\$'000
Interest on bank borrowings	125,990	108,373
Less: Amounts capitalised to property development project	<u>(19,524)</u>	<u>(10,442)</u>
	106,466	97,931
Front end fee	6,966	5,423
Other charges	<u>3,701</u>	<u>3,819</u>
	<u>117,133</u>	<u>107,173</u>

8. INCOME TAX CREDIT (EXPENSE)

	2015 HK\$'000	2014 HK\$'000
Tax credit (charge) comprises:		
Current tax		
Hong Kong Profits Tax	(19,489)	(37,912)
PRC Enterprise Income Tax	(14,933)	(11,809)
Other jurisdictions	<u>(2,899)</u>	<u>(2,638)</u>
	<u>(37,321)</u>	<u>(52,359)</u>
Overprovision in prior years		
Hong Kong Profits Tax	4,001	100
PRC Enterprise Income Tax	<u>6,666</u>	<u>-</u>
	<u>10,667</u>	<u>100</u>
Deferred tax		
- current year	27,906	(19,763)
- overprovision in prior years	<u>-</u>	<u>25,676</u>
	<u>27,906</u>	<u>5,913</u>
	<u>1,252</u>	<u>(46,346)</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.

9. DIVIDENDS

	2015 HK\$'000	2014 HK\$'000
Dividends recognised as distributions during the year:		
2015 interim dividend – HK5 cents (2014: 2014 interim dividend – HK5 cents) per share	34,168	34,460
2014 final dividend – HK6 cents (2014: 2013 final dividend – HK6 cents) per share	<u>41,512</u>	<u>40,980</u>
	<u>75,680</u>	<u>75,440</u>
2015 final dividend proposed: HK6 cents (2014: HK6 cents) per share	40,711	41,484
Special dividend proposed: HK\$2 (2014: Nil) per share	<u>1,357,049</u>	<u>-</u>
	<u>1,397,760</u>	<u>41,484</u>

A 2015 final dividend of HK6 cents (2014: HK6 cents) per share and a special dividend of HK\$2 (2014: Nil) per share have been proposed by the directors of the Company and are subject to approval by the Company's shareholders at the forthcoming annual general meeting.

10. 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:

	2015 HK\$'000	2014 HK\$'000
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the year attributable to the Company's shareholders	<u>1,435,932</u>	<u>684,462</u>
	Number of shares	
	2015	2014
Weighted average number of ordinary shares for the purpose of basic earnings per share	686,089,849	683,757,101
Effect of dilutive potential ordinary share options	<u>13,502,911</u>	<u>7,706,945</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>699,592,760</u>	<u>691,464,046</u>

10. EARNINGS PER SHARE (Continued)

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

	2015 HK\$'000	2014 HK\$'000
Profit for the year attributable to the Company’s shareholders as shown in the consolidated statement of profit or loss	1,435,932	684,462
Fair value changes on investment properties	(953,077)	(616,314)
Deferred tax thereon	(31,129)	17,588
Attributable to non-controlling interests	<u>27,758</u>	<u>16,990</u>
Adjusted profit attributable to the Company’s shareholders	<u><u>479,484</u></u>	<u><u>102,726</u></u>
Earnings per share excluding fair value changes on investment properties net of deferred tax		
Basic	<u><u>HK69.9 cents</u></u>	<u><u>HK15.0 cents</u></u>
Diluted	<u><u>HK68.5 cents</u></u>	<u><u>HK14.9 cents</u></u>

The denominators used in the calculation of basic and diluted adjusted earnings per share for the year ended 31 December 2015 and 31 December 2014 are the same as those detailed above.

11. TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2015 HK\$'000	2014 HK\$'000
Trade receivables	10,000	10,603
Accrued income	99,159	99,415
Deposits and prepayments	<u>18,988</u>	<u>56,545</u>
	<u><u>128,147</u></u>	<u><u>166,563</u></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.

11. TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS *(Continued)*

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

	2015	2014
	HK\$'000	HK\$'000
0 to 30 days	8,167	8,014
31 to 60 days	271	590
61 to 90 days	232	207
91 to 365 days	1,110	1,148
Over 365 days	220	644
	10,000	10,603

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\$2,498,000 (2014: HK\$3,100,000) at the end of the reporting period are past due but not considered impaired as most of them are sufficiently covered by rental deposits received from respective tenants and considers that the amounts are still recoverable and no provision is required. The Group does not hold any collateral over these balances.

12. PAYABLES, RENTAL DEPOSITS AND ACCRUED CHARGES

	2015	2014
	HK\$'000	HK\$'000
Trade payables	3,052	3,018
Rental deposits	113,809	115,925
Rental received in advance	13,463	16,399
Other payables, other deposits and accrued charges	303,228	205,484
	433,552	340,826

Included in other payables is an aggregate amount of HK\$93,010,000 (2014: HK\$91,759,000) payable to contractors for the cost in relation to the tenant relocation arrangements, excavation and infrastructure work on certain pieces of land and HK\$67,436,000 (2014: HK\$4,207,000) payable to contractors for properties held for sale.

Rental deposits to be settled after twelve months from the end of the reporting period based on the respective lease terms amounted to HK\$76,421,000 (2014: HK\$71,151,000).

DIVIDENDS

The Board has resolved to recommend for shareholders' approval at the forthcoming annual general meeting (the "2016 AGM") of the Company the payment of a final dividend of HK6 cents (2014: HK6 cents) per share for the year ended 31 December 2015 and a special dividend of HK\$2 (2014: Nil) per share to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Friday, 10 June 2016. The relevant dividend warrants are expected to be despatched on or before Tuesday, 21 June 2016.

Together with the interim dividend of HK5 cents per share already paid (2014: HK5 cents), the total dividend for the year (including the proposed special dividend of HK\$2 per share) will be HK\$2.11 per share (2014: HK11 cents).

ANNUAL GENERAL MEETING

The 2016 AGM will be held in Hong Kong on Monday, 30 May 2016 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) and the Company (www.seagroup.com.hk) no later than late April 2016.

BOOK CLOSE DATES

For the purpose of ascertaining the entitlements to attend and vote at the 2016 AGM and to qualify for the proposed final dividend and special 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 2016 AGM

Latest time to lodge transfers documents	4:30 pm on 25 May 2016 (Wednesday)
Closure of register of members	26 May 2016 (Thursday) to 30 May 2016 (Monday) (both days inclusive)
Record date	30 May 2016 (Monday)

For ascertaining shareholders' entitlement to the proposed final dividend and special dividend

Latest time to lodge transfers documents	4:30 pm on 6 June 2016 (Monday)
Closure of register of members	7 June 2016 (Tuesday) to 10 June 2016 (Friday) (both days inclusive)
Record date	10 June 2016 (Friday)

During the above closure periods, no transfer of shares will be registered. To be entitled to attend and vote at the 2016 AGM and to qualify for the proposed final dividend and special 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 Registrar in Hong Kong, Tricor Standard Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong before the above latest time.

DISCUSSION AND ANALYSIS

Financial Summary

Turnover for the year ended 31 December 2015 amounted to HK\$732.7 million (2014: HK\$668.5 million). The turnover was principally attributable to the recognition of rental income from investment properties, revenue from hotel operation and the sales of residential units in Kaifeng Nova City.

Profit attributable to the Company's shareholders for the year amounted to HK\$1,435.9 million (2014: HK\$684.5 million), equivalent to a basic earnings per share of HK209.3 cents (2014: HK100.1 cents). The reported profit attributable to the Company's shareholders included a revaluation surplus on investment properties net of deferred taxation of HK\$984.2 million (2014: HK\$598.7 million). By excluding the effect of such surplus, the Group's net profit attributable to the Company's shareholders was HK\$479.5 million (2014: HK\$102.7 million), equivalent to HK69.9 cents (2014: HK15.0 cents) per share.

As at 31 December 2015, the Group's equity attributable to the Company's shareholders amounted to HK\$13,074.4 million (2014: HK\$12,197.1 million). The net asset value per share attributable to the Company's shareholders as at 31 December 2015 was HK\$19.29 as compared with HK\$17.69 as at 31 December 2014.

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

	31 December 2015	31 December 2014
	HK\$' million	HK\$' million
Hong Kong	9,880.4	9,720.9
Mainland China	4,278.7	4,361.7
Australia	158.7	173.6
United Kingdom	79.7	-
Total	14,397.5	14,256.2

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 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 95% as at 31 December 2015 (31 December 2014: 94%).

The Group has entered into an agreement in February 2016 to conditionally dispose of its entire interest in companies which beneficially owns Dah Sing Financial Centre (being the property with owner occupied portion classified as property, plant and equipment of HK\$216 million and the remaining portion as investment property of HK\$8,983 million as at 31 December 2015), for a consideration of approximately HK\$10,000 million, subject to adjustment. The disposal is expected to complete in May 2016 and generate a net cash consideration (after repayment of bank loans) of approximately HK\$8,019 million.

On 30 September 2015, the Group entered into an agreement to dispose of its entire interest in the development land at Fo Tan for a consideration of HK\$1,400 million. The sale of the development land at Fo Tan was completed on 30 November 2015. The sale realised a gain on disposal of HK\$464 million and generated net cash after repayment of bank loans of approximately HK\$1,250 million.

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 2015, the aggregate occupancy rate for the two office towers and the retail podium was approximately 84% (31 December 2014: 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 was fully let to a hotel on a long-term lease.

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. Commercial basement works for Phase I are in progress.

Kaifeng, Henan Province

The Kaifeng project, known as “Kaifeng Nova City”, is situated in Zheng-Kai District, a new town in Kaifeng and envisages a 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 a 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. The construction works of Phase IA of the residential were completed and the superstructure works for Phase IB of the residential are in progress. Pre-sale consent for Phase IA and IB were issued, and 50% and 30% of the residential units were launched to the market respectively.

Kaifeng Nova City is divided into different phases, Phase IA comprises 10 residential blocks and car parking spaces with a total gross floor area of 84,500 square metres. During the year under review, 116 residential units with gross floor area of 12,500 square metres were handed over to the buyers.

Guangzhou, Guangdong Province

As at 31 December 2015, 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 (31 December 2014: 100%). 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 substructure works are in progress.

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 projects in Australia for the year ended 31 December 2015 was HK\$15.2 million (2014: HK\$18.6 million).

United Kingdom

In December 2015, the Group acquired a commercial property at Edinburgh, United Kingdom which is fully let to a government body.

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. Its performance dropped comparing with 2014, which was a result in line with the weaker hotel business market. The hotel will strive to gain further market share and look for cost saving measures in the challenging market situation.

Financial Resources and Liquidity

Working Capital and Loan Facilities

As at 31 December 2015, the Group's total bank deposits, bank balances and cash was HK\$3,928.6 million (2014: HK\$3,013.9 million) and unutilised facilities were HK\$500.2 million (2014: HK\$965 million).

The gearing ratio as at 31 December 2015, calculated on the basis of net interest bearing debts minus cash and restricted and pledged deposits as a percentage of total property assets, was 3.9% (2014: 8.4%).

As at 31 December 2015, maturity of the Group's outstanding borrowings was as follows:

	31 December 2015 HK\$' million	31 December 2014 HK\$' million
Due		
Within 1 year	1,539.2	548.4
1-2 years	164.1	1,385.9
3-5 years	1,869.4	1,221.5
Over 5 years	939.5	1,078.7
	4,512.2	4,234.5
Less: Front-end fee	(22.1)	(22.4)
	4,490.1	4,212.1

Pledge of Assets

For the Company's subsidiaries operating in Hong Kong and Mainland China, the total bank loans drawn as at 31 December 2015 amounted to HK\$4,416.4 million (2014: HK\$4,129.7 million) which comprised of secured bank loans of HK\$4,013.4 million (2014: HK\$3,919.7 million) and unsecured bank loans of HK\$403.0 million (2014: HK\$210.0 million). The secured bank loans were secured by properties valued at HK\$11,796.0 million (2014: HK\$11,605.9 million) and note receivables of HK\$54.3 million (2014: HK\$54.3 million).

A subsidiary of the Company operating in Australia pledged its investment properties with an aggregate carrying value of HK\$158.7 million as at 31 December 2015 (2014: HK\$173.6 million) to secure bank loans of HK\$73.7 million (2014: HK\$82.4 million).

Treasury Policies

The Group adheres to prudent treasury policies. As at 31 December 2015, 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 2015, the Group had a total of 459 employees (2014: 447 employees) in Hong Kong and Mainland China. Employee costs, including the emoluments of the directors of the Group, amounted to HK\$267.0 million for the year ended 31 December 2015 (2014: HK\$188.2 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 complicated global economy continues to create a challenging business environment. The United States economy has been growing at a moderate pace with improved labour market and household spending which led the Federal Reserve to start increasing interest rates. However, the European Central Bank introduced a new round of quantitative easing. Japan remained in recession without growth. 2016 has began with significant financial market volatilities and uncertainty.

Mainland China's economy experienced a moderate slowdown with increasing downside risks becoming apparent. The Mainland China's authorities have been implementing policies to boost the PRC property market, such as, a series of official lending rate cuts, targeted tax reduction, easing of restrictions on the property market and relaxation of mortgage requirements of first and second home buyers.

In Mainland China, a 6.9 percent of GDP growth was reported in 2015. Mainland China home prices rose since April 2015, on a monthly basis, indicating that government's efforts to boost the property market have gained traction. Overall average new home prices increased 0.74% in December 2015 versus November 2015, which is higher than the 0.46% increase in November 2015. It increased 4.15% in December 2015 as compared with that in 2014. Such of increasing prices are a sign of bottoming out for the property market.

Hong Kong's economic growth slowed down during the third quarter of 2015, with GDP up by only 2.3% year-on-year, less than the expansion of 2.8% and 2.4% year-on-year of the preceding two quarters. Residential sales in the first month 2016 hit a 25-year low, with the market anticipating an increase in supply and expected rising mortgage rates to cause a drop in prices. The appreciation of the Hong Kong dollar against the RMB and other major currencies reduced Hong Kong's attractiveness to visitors. Apart, the tense relationship between Hong Kong residents and China visitors may also have negative impacts to the number of visitors. Nevertheless, the demand for Grade-A office market continued to be driven by Mainland Chinese firms but the increasing challenges facing the Hong Kong and Mainland economies could add uncertainty to the sustainability of office demand.

After the disposal of the Fo Tan development land near the end of 2015, we have continued to closely monitor the residential property market in Hong Kong, and will seize opportunities for property development projects in Hong Kong. With the challenging hotel business environment in Hong Kong, Crowne Plaza Hong Kong Causeway Bay was able to maintain the market share among the primary competitors. With a tougher year to come, we strive to gain market share, improve the hotel operation's efficiency and at the same time look for cost saving measures, so as to maintain the return of the operations. In respect to our development projects in Mainland China, despite the rebound in housing prices in Tier I and II cities, the markets in Tier III and IV cities are still a challenging environment. Phase IA of Kaifeng Nova City was completed with the contracted sales recognised while the construction works for Phase IB are still in progress. In Chengdu, the master layout plan was approved and basement works are in progress.

Assuming completion of the disposal of the Dah Sing Financial Centre, the Group will have significant funds for future investment into its other development and investment projects and other potential real estate projects and as general working capital for the Group.

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

During the year ended 31 December 2015, the Company repurchased a total of 29,590,000 issued ordinary shares of the Company on the Stock Exchange at an aggregate cash consideration of HK\$228,529,700 (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:

Period of repurchase	Total number of shares repurchased	Price paid per share		Aggregate consideration HK\$
		Highest HK\$	Lowest HK\$	
April 2015	360,000	5.90	5.58	2,103,540
July 2015	9,704,000	7.19	5.79	67,629,380
August 2015	106,000	6.93	6.72	726,700
September 2015	12,690,000	8.65	6.85	90,006,720
October 2015	3,574,000	8.91	7.95	30,145,720
December 2015	<u>3,156,000</u>	12.80	10.78	<u>37,917,640</u>
	<u>29,590,000</u>			<u>228,529,700</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 2015.

CORPORATE GOVERNANCE PRACTICES

Throughout the year ended 31 December 2015, 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:

CG Code	Deviations and reasons
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 of the Company (including the INED) 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 2015.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

PUBLICATION OF ANNUAL REPORT

The 2015 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 2016.

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, 24 March 2016

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