



S E A HOLDINGS LIMITED

爪哇控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 251)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2008

The board of directors (the “Board”) of S E A Holdings Limited (the “Company”) announces that the unaudited consolidated results of the Company and its subsidiaries (together the “Group”) for the six months ended 30th June, 2008 together with the comparative figures of 2007 are as follows:

1. CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30TH JUNE, 2008

	<i>Notes</i>	2008 <i>HK\$'000</i> (unaudited)	2007 <i>HK\$'000</i> (unaudited)
Revenue		1,171,055	694,906
Other income		33,722	49,550
Costs:			
Property and related costs	(iv)	(822,550)	(462,431)
Staff costs		(32,752)	(40,681)
Depreciation		(1,757)	(2,357)
Other expenses		(31,560)	(30,878)
		(888,619)	(536,347)
Profit from operations before fair value changes on investment properties		316,158	208,109
Fair value changes on properties held for sales upon transfer to investment properties		269,242	-
Fair value changes on investment properties		395,083	175,598
Profit from operations after fair value changes on investment properties		980,483	383,707
Gain on liquidation of a jointly controlled entity		50,356	-
Share of results of associates		(142)	1,497
Finance costs		(57,291)	(52,132)
Profit before taxation	(v)	973,406	333,072
Income tax expense	(vi)	(180,110)	(24,152)
Profit for the period		793,296	308,920
Attributable to:			
Company's shareholders		733,141	250,383
Minority interests		60,155	58,537
		793,296	308,920
Dividends paid	(vii)	58,925	41,632
Earnings per share for profit attributable to the Company's shareholders	(viii)		
- Basic		HK114.5 cents	HK42.4 cents
- Diluted		HK111.9 cents	HK39.1 cents

* For identification purpose only

	2008 <i>HK\$'000</i> (unaudited)	2007 <i>HK\$'000</i> (unaudited)
Earnings per share excluding changes in fair value of investment properties net of deferred tax		
- Basic	HK29.8 cents	HK13.3 cents
- Diluted	HK29.1 cents	HK12.3 cents

2. CONDENSED CONSOLIDATED BALANCE SHEET

	<i>Notes</i>	As at 30th June, 2008 <i>HK\$'000</i> (unaudited)	As at 31 st December, 2007 <i>HK\$'000</i> (audited)
Non-current Assets			
Investment properties		6,812,747	5,752,782
Property, plant and equipment		203,480	146,375
Prepaid lease payments		347,880	358,448
Interests in associates		19,778	19,689
Interests in jointly controlled entities		-	-
Club memberships		8,574	8,574
Other loans receivable		129,003	125,235
		7,521,462	6,411,103
Current Assets			
Properties held for sale		953,528	565,770
Properties under development held for sale		707,741	1,867,149
Prepaid lease payments		8,607	8,805
Held for trading investments		398	398
Other loans receivable		5,259	41,063
Receivables, deposits and prepayments	(ix)	226,433	345,141
Amount due from a minority shareholder		70,857	-
Income tax recoverable		3	2,794
Amounts due from jointly controlled entities		-	17,100
Pledged bank deposits		748,277	420,277
Restricted bank balances and deposits		123,014	134,240
Bank balances and deposits		1,119,659	1,186,259
		3,963,776	4,588,996
Current Liabilities			
Payables, deposits received and accrued charges	(x)	290,103	416,721
Sales deposits on properties held for sale received		33,545	357,498
Provisions		17,004	15,965
Income tax payable		155,943	109,200
Bank borrowings – due within one year		1,836,265	1,991,549
Amount due to a minority shareholder		91,173	87,177
		2,424,033	2,978,110
Net Current Assets		1,539,743	1,610,886
Total Assets Less Current Liabilities		9,061,205	8,021,989

	As at 30 th June, 2008 HK\$'000 (unaudited)	As at 31 st December, 2007 HK\$'000 (audited)
Non-current Liabilities		
Amounts due to minority shareholders	6,492	6,492
Bank borrowings – due after one year	890,056	864,687
Deferred taxation	817,609	692,574
	<u>1,714,157</u>	<u>1,563,753</u>
Net Assets	<u>7,347,048</u>	<u>6,458,236</u>
Capital and Reserves		
Share capital	65,472	60,283
Reserves	6,945,645	6,125,560
Equity attributable to the Company's shareholders	7,011,117	6,185,843
Minority interests	335,931	272,393
Total Equity	<u>7,347,048</u>	<u>6,458,236</u>

Notes to the condensed consolidated financial statements:

(i) **BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

(ii) **PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31st December, 2007.

In the current interim period, the Group has applied, for the first time, the following new interpretations ("new interpretation") issued by the HKICPA, which are effective for the Group's financial year beginning on 1st January, 2008.

HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new Interpretations had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

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

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32 and 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Int 13	Customer Loyalty Programmes ³
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate ¹
HK(IFRIC) – Int 16	Hedges of Net Investment in a Foreign Operation ⁴

¹Effective for annual periods beginning on or after 1st January, 2009

²Effective for annual periods beginning on or after 1st July, 2009

³Effective for annual periods beginning on or after 1st July, 2008

⁴Effective for annual periods beginning on or after 1st October, 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new and revised standards, amendment and interpretations will have no material impact on the results and the financial position of the Group.

(iii) SEGMENT INFORMATION

(a) Geographical segments

The operations of the Group are currently located in New Zealand, Australia, Hong Kong and the other regions of The People's Republic of China (the "PRC"). The corresponding geographical locations of the Group's assets, which is the same as locations of customers, are the basis on which the Group reports its primary segment information.

Six months ended 30th June, 2008

	New Zealand HK\$'000	Australia HK\$'000	Hong Kong HK\$'000	PRC HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
REVENUE							
External	49,938	8,543	1,082,368	30,206	-	-	1,171,055
Inter-segment sales*	146	-	16,496	-	-	(16,642)	-
Total	50,084	8,543	1,098,864	30,206	-	(16,642)	1,171,055

* Inter-segment sales are charged at prevailing market rates.

SEGMENT (LOSS) PROFIT	(86,330)	7,945	868,146	201,914	(514)	-	991,161
Interest income							22,907
Unallocated corporate expenses							(33,585)
Gain on liquidation of a jointly controlled entity	-	-	-	50,356	-	-	50,356
Share of results of associates	(142)	-	-	-	-	-	(142)
Finance costs							(57,291)
Profit before taxation							973,406
Income tax expense							(180,110)
PROFIT FOR THE PERIOD							793,296

Six months ended 30th June, 2007

	New Zealand HK\$'000	Australia HK\$'000	Hong Kong HK\$'000	PRC HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
REVENUE							
External	299,990	8,667	367,556	18,693	-	-	694,906
Inter-segment sales*	-	-	16,694	-	-	(16,694)	-
Total	299,990	8,667	384,250	18,693	-	(16,694)	694,906

* Inter-segment sales are charged at prevailing market rates.

SEGMENT PROFIT (LOSS)	21,764	9,920	349,830	2,702	(414)	-	383,802
Interest income							31,959
Unallocated corporate expenses							(32,054)
Share of results of associates	1,497	-	-	-	-	-	1,497
Finance costs							(52,132)
Profit before taxation							333,072
Income tax expense							(24,152)
PROFIT FOR THE PERIOD							308,920

(b) Business segments

The Group was currently organised into two operating divisions – property investment and property development following the disposal of major equity securities held by the Group during the prior year and the disposal of the Group's entire interest in Unimilo's Knitwear Company Limited in August 2007, of which was principally engaged in garment manufacturing and trading. Hence, the comparative figures have been restated to conform with current year's presentation.

Principal activities are as follows:-

Property investment	- rental of properties
Property development	- development of properties

Six months ended 30th June, 2008

	Property Investment HK\$'000	Property development HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
REVENUE					
External	115,021	1,055,516	518	-	1,171,055
Inter-segment sales*	4,268	-	-	(4,268)	-
Total	119,289	1,055,516	518	(4,268)	1,171,055

* Inter-segment sales are charged at prevailing market rates.

SEGMENT PROFIT	490,048	498,447	2,666	-	991,161
Interest income					22,907
Unallocated corporate expenses					(33,585)
Gain on liquidation of a jointly controlled entity	50,356	-	-	-	50,356
Share of results of associates	-	-	(142)	-	(142)
Finance costs					(57,291)
Profit before taxation					973,406
Income tax expense					(180,110)
PROFIT FOR THE PERIOD					793,296

Six months ended 30th June, 2007

	Property Investment HK\$'000	Property development HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
REVENUE					
External	82,820	601,427	10,659	-	694,906
Inter-segment sales*	7,381	-	-	(7,381)	-
Total	90,201	601,427	10,659	(7,381)	694,906

* Inter-segment sales are charged at prevailing market rates.

SEGMENT PROFIT (LOSS)	244,193	140,568	(959)	-	383,802
Interest income					31,959
Unallocated corporate expenses					(32,054)
Share of results of associates	-	-	1,497	-	1,497
Finance costs					(52,132)
Profit before taxation					333,072
Income tax expense					(24,152)
PROFIT FOR THE PERIOD					308,920

(iv) **PROPERTY AND RELATED COSTS**

Six months ended 30th June,
2008 2007
HK\$'000 **HK\$'000**

Changes in inventories of consolidated finished goods and work-in-progress	-	(641)
Raw materials and consumables used	-	(6,369)
Changes in properties held for sale / properties under development held for sale	(608,545)	(98,379)
Costs incurred on properties held for sale / properties under development held for sale	(42,096)	(278,160)
Write down of properties held for sale / properties under development held for sales	(74,429)	-
Selling and marketing expenses	(79,805)	(71,529)
Direct operating expense from investment properties that generate rental income	(17,675)	(7,353)
	(822,550)	(462,431)

(v) **PROFIT BEFORE TAXATION**

Six months ended 30th June,
2008 2007
HK\$'000 **HK\$'000**

Profit before taxation has been arrived at after charging (crediting):

Loss on disposal of property, plant and equipment	-	194
Dividend income from equity investments	-	(272)
Interest earned on bank deposits	(17,780)	(20,675)
Other interest income	(5,127)	(11,284)
	(22,907)	(31,959)

(vi) **INCOME TAX EXPENSE**

	Six months ended 30th June,	
	2008	2007
	HK\$'000	HK\$'000
Hong Kong Profits Tax	71,462	24,704
Income tax outside Hong Kong	168	613
	71,630	25,317
Deferred taxation		
Attributable to change in tax rates	(27,489)	(33,278)
Current period	135,969	32,113
	108,480	(1,165)
	180,110	24,152

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in corporate profit tax rate by 1% to 16.5% effective from the year of assessment 2008-2009. The effect of such decrease has been reflected in measuring the current and deferred tax for the six months ended 30th June, 2008. The estimated average annual tax rate used is 16.5% (1.1.2007 to 30.6.2007: 17.5%) for the six months ended 30th June, 2008.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

On 16th March, 2007, the PRC government promulgated the Law of The People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63. On 6th December, 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate from 33% to 25% for subsidiaries in the PRC from 1st January, 2008.

(vii) **DIVIDENDS PAID**

During the current period, a dividend of HK9 cents (2007: final dividend for 2006 at HK7 cents) per share amounting to HK\$58,925,000 (2007: HK\$41,632,000) was paid to the shareholders as the final dividend for 2007.

The directors have declared that an interim dividend of HK5 cents (2007: HK5 cents) per share be paid to the shareholders of the Company whose names appear in the Register of Members on 24th October, 2008.

(viii) **EARNINGS PER SHARE**

The calculation of basic and diluted earnings per share attributable to the Company's shareholders is based on the following data:

	Six months ended 30th June,	
	2008	2007
	HK\$'000	HK\$'000
Earnings for the purposes of basic and diluted earnings per share	733,141	250,383

	Number of shares	
Weighted average number of ordinary shares for the purpose of basic earnings per share	640,467,413	591,057,786
Effect of dilutive potential ordinary shares		
Options	2,193,239	2,068,002
Warrants	12,515,516	46,481,654
Weighted average number of ordinary shares for the purpose of diluted earnings per share	655,176,168	639,607,442

(ix) RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30.6.2008	31.12.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	2,243	3,009
Other receivables, deposits received and prepayments	224,190	342,132
	226,433	345,141

The Group has a policy of allowing an average credit period of 1 to 3 months to its trade customers.

For the receivable from the sales of properties, the repayment terms are based on the respective agreements.

Included in receivables, deposits and prepayments are trade receivables with an aged analysis as follows:

	30.6.2008	31.12.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 60 days	1,766	2,605
61 to 90 days	63	214
91 to 365 days	406	89
Over 365 days	8	101
	2,243	3,009

(x) PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

	30.6.2008	31.12.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	37,926	70,877
Other payables, deposits received and accrued charges	252,177	345,844
	290,103	416,721

Included in payables, deposits received and accrued charges are trade payables with an aged analysis as follows:

	30.6.2008	31.12.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 60 days	37,598	70,855
61 to 90 days	237	6
91 to 365 days	91	16
	37,926	70,877

3. INTERIM DIVIDEND

The Board has declared the payment of an interim dividend of HK5 cents per share for the six months ended 30th June, 2008 (2007: HK5 cents) on Friday, 31st October, 2008 to the shareholders of the Company whose names appear on the Register of Members at the close of business on Friday, 24th

October, 2008. Total interim dividends payable at the date of this Announcement are HK\$32.7 million which will be increased by a maximum of HK\$0.3 million if additional ordinary shares are issued upon the exercise by the respective holders of the subscription rights attached to all the outstanding warrants and share options before the commencement of the fixed period of closure of the Register of Members mentioned in Section 4 below.

4. CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 20th October, 2008 to Friday, 24th October, 2008, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the proposed interim dividend, those shareholders whose names are presently not on the Register of Members must lodge all duly completed transfer documents accompanied by the relevant share certificates with the Company's Branch Share Registrars in Hong Kong, Tricor Standard Limited ("TSL") of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Friday, 17th October, 2008.

Holders of 2008 warrants who wish to be entitled to the above interim dividend must exercise their rights to subscribe for shares in the Company and lodge the duly completed subscription forms together with the relevant warrant certificates and subscription moneys with TSL not later than 4:00 p.m. on Friday, 17th October, 2008.

5. MANAGEMENT DISCUSSION AND ANALYSIS

Financial Summary

Turnover for the six months ended 30th June, 2008 amounted to HK\$1,171.1 million (2007: HK\$694.9 million). The increase was mainly attributable to the recognition of the sales of the completed development projects in Hong Kong.

Profit attributable to the Company's shareholders for the period amounted to HK\$733.1 million (2007: HK\$250.4 million), equivalent to basic earnings per share of HK\$1.15 (2007: HK\$0.42) and diluted earnings per share of HK\$1.12 (2007: HK\$0.39). The reported profit included a surplus arising from the revaluation of investment properties net of deferred taxation. By excluding the net effect of such surplus, the Group's profit attributable to the Company's shareholders was HK\$191.0 million for the period (2007: HK\$78.8 million), equivalent to basic earnings per share of HK\$0.30 (2007: HK\$0.13) and diluted earnings per share of HK\$0.29 (2007: HK\$0.12).

As at 30th June, 2008, the Group's equity attributable to the Company's shareholders amounted to HK\$7,011.1 million, an increase of HK\$825.3 million over the comparable figure as at 31st December, 2007 of HK\$6,185.8 million. The net asset value per share attributable to the Company's shareholders as at 30th June, 2008 was HK\$10.71 (31st December, 2007: HK\$10.26) and taking into consideration the potential dilutive effect of outstanding warrants and share options, the net asset value per share attributable to the Company's shareholders would become HK\$10.62.

Business Review

During the period, the Group has continued its development and investment activities in the Asia Pacific region. In Hong Kong, marketing for The Forest Hills development continued with satisfactory responses received from buyers. The Group's rental income from Dah Sing Financial Centre benefited from the increased demand resulting in higher average rentals. In mainland China, the development of Westmin Plaza Phase II was completed in March 2008. In Australia and New Zealand, the intended disposal of properties was affected by the severe downturn of the markets.

Property Investment and Development

The Company through its 97.2% owned subsidiary Asian Growth Properties Limited ("AGP"), whose shares are listed on the AIM Market of London Stock Exchange Plc., holds the following property development and investment projects in Hong Kong and mainland China:

Hong Kong

Dah Sing Financial Centre, Gloucester Road, Wanchai

The 39-storey commercial building includes offices and shops (total gross floor area of about 37,171 square metres) and with ancillary car-parking facilities for 137 covered and 27 open car-parking spaces. Gross rental income generated for the period was HK\$72.1 million compared with HK\$50.0 million for the corresponding period in 2007. During the period, occupancy rate increased from 90.7% to 97.6% at 30th June, 2008 with the average rent per month increasing from HK\$32.5 per square foot to HK\$37.2 per square foot owing to the strong demand for office space.

Royal Green, Sheung Shui

The Group has a 53.4% interest in this private residential development comprising 922 residential units contained in three 40-storey residential towers with ancillary recreational and car-parking facilities. Turnover for the period, representing completion of the sales of 74 residential units and 19 carparking spaces, was HK\$231.1 million generating a net profit of HK\$99.9 million after taking into account the related expenses. During the period, a total of 6 residential units and 16 car-parking spaces were sold. The marketing campaign for the remaining 2 furnished duplex residential units in Tower 3 known as Green Palace and 5 car-parking spaces is continuing.

The Morrison, Wanchai

The property is a 30-storey residential and commercial composite building, with a total gross floor area of approximately 5,837 square metres, comprising 104 residential units above a club-house floor and a 3-storey commercial podium. The development was completed in October of 2007 and has won the Best Interior Design Award of the CNBC Asia Pacific Property Awards 2008 organised by the International Homes Magazine. Turnover for the period, representing completion of the sales of 47 residential units, was HK\$227.4 million generating a net profit of HK\$60.4 million after taking into account the related expenses.

During the period, a total of 2 residential units were sold and marketing for the remaining 6 units is continuing. In February 2008, the entire commercial podium of The Morrison was leased at a satisfactory rental yield to Volkswagen Hong Kong Limited for car showroom purpose for a term of six years.

The Forest Hills, Diamond Hill

The property has been developed as a 48-storey residential and commercial composite building, with a total gross floor area of approximately 18,825 square metres, comprising 304 residential units above a 7-level retail podium, a clubhouse and car parks. The development was completed in April 2008 and delivery of the residential units to buyers commenced in May 2008. Turnover for the period, representing completion of the sales of 144 residential units, was HK\$548.8 million generating a net profit of HK\$92.0 million after taking into account the related expenses.

During the period, a total of 52 residential units were sold. The marketing campaign for 76 private car parks commenced in August 2008. To date, over two-thirds of the 304 residential units and 26 car parks have been sold and marketing for the remaining residential units and leasing activities for the retail podium are continuing.

Crowne Plaza Hong Kong Causeway Bay

The project is being developed into a 29-storey five-star hotel comprising 262 guest rooms (gross floor area of approximately 14,945 square metres) with ancillary facilities. The Group engaged a subsidiary of the InterContinental Hotels Group to manage the operation of the hotel under the name of "Crowne Plaza Hong Kong Causeway Bay". Key management team (including the general manager seconded from the InterContinental Hotels Group) of the future hotel operation has been put into place and is actively pursuing hotel opening preparations. Superstructure construction works are in progress and the hotel project is scheduled to be opened by the middle of 2009.

Fo Tan, Sha Tin

The property with a site area of about 20,092 square metres is currently leased out as a logistic centre. Rezoning applications with several master layout plans and design schemes have been submitted to the Town Planning Board and relevant parties for consideration. The proposed development will comprise,

among other facilities, residential units, car parks, educational facilities and a bus terminus. The Town Planning Board held a hearing in July 2008 and rejected the Group's town planning application due to a number of outstanding environmental, traffic and urban design issues and the Group intends to appeal to the Town Planning Appeal Board shortly. Discussions are ongoing with various relevant parties with a view to securing the requisite town planning approvals.

28/F., 9 Queen's Road Central, Central

The property is the entire floor of a 35-storey Grade A commercial building in Central with a gross floor area of approximately 1,279 square metres. It is currently let to a tenant for a term of three years until May 2009.

Excelsior Plaza Shop, Causeway Bay

The shop with a gross floor area of approximately 39 square metres was let to a retail tenant for a term of two years until the end of June 2008. A new lease with an international jewellery retailer has been signed for a term of three years commencing from early July 2008 at a significantly higher rental.

Mainland China

Westmin Plaza Phase II, Guangzhou

The Westmin Plaza Phase II project, which has a total construction floor area of about 118,966 square metres, comprises four residential blocks of 646 units and one office block erected on a six-storey commercial/car-parking podium. The whole development was completed in March 2008.

The marketing campaign for the 45 unsold residential units is expected to commence in the fourth quarter of 2008 upon payment of the land premium. The leasing campaign for the 14-storey office tower with a total gross floor area of about 16,112 square metres has achieved initial success by securing an anchor tenant, a member of the American International Assurance group, for more than one-third of the total space with naming rights for the office tower with a six-year lease commencing in April 2008. The office tower was 45% let as at 30th June, 2008 at satisfactory rent levels and a further 16% has been let subsequently. Leasing activities for the remaining office space are continuing. In addition, leasing campaign for the 3-storey shopping arcade with a total gross floor area of about 26,945 square metres is in progress. Stable recurrent rental income from this property is expected.

Plaza Central, Chengdu

Plaza Central comprises two 30-storey office blocks erected on a common podium of six commercial/retail floors and two car-parking floors with a total construction floor area of approximately 91,455 square metres. As at 30th June, 2008, the occupancy rates for office tower I and II were about 73% and 12% respectively and leasing activities for the remaining area of the office towers are continuing. The retail podium with a construction floor area of about 28,758 square metres has been fully let principally to Chengdu New World Department Store. Rental return from this property will benefit from the improved occupancy.

Plaza Central was temporarily closed for safety inspection after the Sichuan earthquake in mid May 2008. With the exception of minor damage to certain non-structural parts of the complex and accessories, it was confirmed by the appropriate authorities that the property is suitable for normal use. As a result, the complex was subsequently re-opened for occupation by tenants.

Huangshan, Anhui Province

In March 2008, the Group acquired a 91 per cent. interest in a mainland China company with the remaining interest being held by a Chinese party. This joint venture company has the right to develop tourist leisure facilities on land located in the famous scenic Huangshan area of Anhui Province. The land to be developed by the joint venture company has a site area of about 333,500 square metres comprising about 66,700 square metres owned by the company and the rights to develop about 266,800 square metres which are leased from the local authority for a 40-year period. A total cash consideration of HK\$43.8 million has been paid by the Group for the acquisition of its interest in this project. The Group has appointed an international property consultancy firm to prepare a survey for the market positioning of the project.

Australia and New Zealand

During the period, the Group sold further properties in New Zealand but the intended disposal was affected by the severe downturn of the markets in the region due to credit crunch caused by the U.S. sub-prime mortgage crisis. Accordingly, the Group finds it prudent to make a provision for diminution in value of HK\$78.1 million for certain property projects in New Zealand. Turnover generated from the property investment and development projects in Australia and New Zealand for the six month ended 30th June, 2008 was HK\$58.5 million (2007: HK\$308.7 million) which incurred a net loss of HK\$92.1 million after taking into account the above provision (2007: net profit of HK\$31.7 million).

The value of the property portfolio in Australia and New Zealand was HK\$573.3 million as at 30th June, 2008 as compared with HK\$588.5 million as at 31st December, 2007.

Others

Commercial podium and car parks, New Century Plaza, Chengdu

The Company had a 50 per cent. interest in a joint venture which completed a commercial development known as New Century Plaza in Chengdu comprising a 35-storey plus a 3-level basement commercial/office building. In March 2008, through a restructuring of the jointly controlled entity, the Company was distributed all the commercial space on levels 1 to 5 and basement 1 in Zone B with a total gross floor area of about 16,280 square metres and 50 carparks on basements 2 and 3 of the development. The commercial podium is fully let to a furniture retailer until August 2009. The properties were subsequently transferred by the Company to AGP in July 2008.

Financial Resources and Liquidity

Working Capital and Loan Facilities

As at 30th June, 2008, the Group's cash balance was HK\$1,119.7 million (2007: HK\$1,186.3 million) and unutilized facilities were HK\$1,467.9 million (2007: HK\$1,756.7 million).

Gearing ratio as at 30th June, 2008, calculated on the basis of net interest bearing debts minus cash and restricted and pledged deposits as a percentage of total property assets, was 8.2% (2007: 12.9%).

As at 30th June, 2008, maturities of the Group's outstanding borrowings were as follows:

	30th June, 2008	31 st December, 2007
	HK\$' million	HK\$' million
Due		
Within 1 year	1,836.3	1,991.5
1-2 years	67.0	64.4
3-5 years	779.2	733.1
Over 5 years	43.9	67.2
	<u>2,726.4</u>	<u>2,856.2</u>

Pledge of Assets

For the Company's subsidiaries operating in Hong Kong and mainland China, the total bank loans drawn as at 30th June, 2008 amounted to HK\$2,268.8 million (31st December, 2007: HK\$2,400.8 million), which were mainly secured by properties valued at HK\$5,891.2 million (31st December, 2007: HK\$7,689.0 million) and fixed deposits of HK\$691.3 million (31st December, 2007: HK\$370.3 million).

Certain subsidiaries of the Company operating in New Zealand and Australia pledged their properties with an aggregate carrying value of HK\$529.1 million as at 30th June, 2008 (31st December, 2007: HK\$533.9 million) to secure bank loans of HK\$407.0 million (31st December, 2007: HK\$405.3 million) and fixed deposits of HK\$6.7 million (31st December, 2007: HK\$Nil).

In Indonesia, the total bank loans drawn by certain subsidiaries as at 30th June, 2008 amounted to HK\$50.6 million (31st December, 2007: HK\$50.1 million), which were secured by fixed deposits of

HK\$50.3 million (31st December, 2007: HK\$50.0 million).

Treasury Policies

The Group adheres to prudent treasury policies. As at 30th June, 2008, all of the Group's borrowings were raised through its wholly-owned or substantially controlled subsidiaries on a non-recourse basis. Currently, borrowings are primarily denominated in Hong Kong dollars and mainly based on floating rate terms. There were no derivative financial instruments employed during the year.

Staff and Emolument Policy

The Group had 147 employees at 30th June, 2008 (31st December, 2007: 137). Salary and benefits are reviewed at least annually both in response to market conditions and trends and in conjunction with individual performance appraisals. Fringe benefits including study and training allowances and voluntary employer contributions to retirement schemes are offered to employees. The Company has adopted an employee share option scheme with options granted by the Board to the Group's employees (including directors of the Company) on a discretionary basis.

Disposal by the Group after 30th June, 2008

In late August 2008, the Group completed the disposal of its 52 per cent. equity interest in each of the two companies held by a 64 per cent. indirect subsidiary of the Company to independent purchasers for a total consideration of about HK\$163.3 million. Such companies own various pieces of land in Indonesia with an aggregate area of about 1.4 million square metres and a right to redevelop them into residential properties.

Outlook

The booming of the global economy and surging in commodity prices have turned into an economic bubble for the past few years. Triggered by the sub-prime mortgage crisis, the bubble bursts. It has resulted in a credit crunch and meltdown of the global financial system. In the past two weeks, this has evolved rapidly and caused insolvency of a few leading financial institutions and instability of the global capital market. The deep and far-reaching ripple effect casts uncertainty on the future global economic outlook. The Group believes that the market needs to be closely monitored and the situation be evaluated in the coming few months in order to have a clearer view.

In mainland China, there has recently been a moderate relaxation of the macro-economic measures introduced by the government due to the global financial crisis. However, it is believed that the measures to regulate the overheated property market (including regulations restricting foreign investments in property projects) will continue and the property market is likely to consolidate for a longer period. Certain property companies will be severely affected by the tight control of commercial lending to the property sector and failure of fund raisings from the financial market which the Group believes will lead to increasingly attractive opportunities. We believe that despite current economic conditions, the market continues to present future growth potential for the Group as the long term economic prospects of mainland China still remain positive given its strong economic fundamentals. The Group will adhere to its focused approach to the expansion of its mainland China property portfolio.

In Hong Kong, the economy continued to grow in the first half of 2008 but the pace was inevitably affected due to rising inflation and a significant drop in the financial market. The local property market recorded substantially reduced transaction volumes in recent months. The Group expects that there will be further correction to the property market as the demand for top grade office premises and luxury residential units will be adversely affected. The Group will continue its marketing campaign and leasing activities for the remaining residential units in various development projects and the retail podium of The Forest Hills respectively. The rental income from Dah Sing Financial Centre will continue to grow but the pace will be affected by weakening demand. Construction of the Crowne Plaza Hong Kong Causeway Bay is in progress with a grand-opening date targeted in mid 2009.

In Australia and New Zealand, the Group will continue its strategy to sell further properties under very difficult market conditions.

Going forward, the Group will cautiously continue to target development and investment opportunities in mainland China and Hong Kong and other Asia Pacific cities.

6. DEALINGS IN THE COMPANY'S LISTED SECURITIES

During the six months ended 30th June, 2008, the Company did not redeem any of its listed shares or warrants nor did the Company and its subsidiaries purchase or sell any such shares or warrants.

7. REVIEW OF RESULTS

The Group's condensed consolidated financial statements for the six months ended 30th June, 2008 have not been audited but have been reviewed by Deloitte Touche Tohmatsu ("DTT"), the Company's external independent auditor, whose review report will be contained in the Company's 2008 interim report to be dispatched to shareholders.

The audit committee comprises three members, namely Messrs. Leung Hok Lim, Walujo Santoso, Wally and Chung Pui Lam, all being independent non-executive directors of the Company. In the presence of the representatives of DTT, the audit committee met on 17th September, 2008 and reviewed with the management the unaudited condensed consolidated financial statements of the Company for the six months ended 30th June, 2008 and expressed no disagreement with the accounting policies and principles adopted by the Group.

8. CORPORATE GOVERNANCE

Throughout the period for the six months ended 30th June, 2008, the Company has applied the principles and complied with all the code provisions and adopted certain recommended best practices of the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited except for 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.

As mentioned under the section headed "Corporate Governance Practices" in the Corporate Governance Report of the Company's 2007 Annual Report, the Board believes that the underlying rationale for such a deviation still holds.

The Company does not propose to comply with code provision A.2.1 for the time being. The Chairman 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 considerable period of time and 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.

The Board will continue to review and recommend such proposals as appropriate in the circumstances of such a deviation.

9. PUBLICATION OF INTERIM REPORT

The 2008 Interim Report of the Company containing all the applicable information required by the Listing Rules will be dispatched to the shareholders and warrant-holders of the Company and published on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under "Latest Listed Company Information" and the website of the Company at www.seagroup.com.hk under "Investor Relations/News/Announcements" not later than 29th September, 2008.

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

Hong Kong, 19th September, 2008

As at the date of this announcement, the Board comprises the following members:-

Executive Directors: Messrs. Lu Wing Chi (*Chairman and Managing Director*),
Lu Wing Yuk, Andrew, David Hsu, Lincoln Lu and Lambert Lu

Non-executive Directors: Messrs. Lam Sing Tai and Tse Man Bun

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