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**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

HIGHLIGHTS

For the period ended 30 June 2023

- Revenue: HK\$196.4 million (2022: HK\$189.5 million), 4% increase
- Loss attributable to the shareholders of the Company: HK\$436.9 million (2022: HK\$65.3 million)
- Net asset value (“NAV”) and NAV per share of the Group attributable to the shareholders of the Company as at 30 June 2023: HK\$9,300.5 million and HK\$15.4 respectively[#].

[#] *The NAV is calculated on the basis of the Group’s book NAV of HK\$4,496.7 million after adjusting hotel property (which is on cost basis in the book) to fair market value determined by an independent property valuer.*

** For identification purpose only*

UNAUDITED RESULTS

The board of directors (the “**Board**”) of S E A Holdings Limited (the “**Company**”) announces the unaudited consolidated financial results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 June 2023 together with the comparative figures of 2022.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	4		
– Renting of investment properties		96,453	101,240
– Hotel operation		91,967	64,053
– Return from financial investment			
– Interest income and others		7,955	24,205
Total revenue		196,375	189,498
Other income	5	12,061	3,266
Costs:			
Property and related costs	6	(1,912)	(2,012)
Staff costs		(50,659)	(44,207)
Depreciation and amortisation		(20,820)	(21,373)
Other expenses		(46,758)	(46,561)
		(120,149)	(114,153)
Profit before fair value changes on investment properties, impairment loss and other gains and losses		88,287	78,611
Fair value changes on investment properties		(185,713)	104
(Loss) profit after fair value changes on investment properties		(97,426)	78,715
Other gains and losses	7	35,224	68,798
Share of results of joint ventures		10,087	(4,887)
Impairment loss recognised on debt instruments at fair value through other comprehensive income	12	(208,151)	(93,143)
Finance costs	8	(173,566)	(105,588)
Loss before taxation		(433,832)	(56,105)
Income tax expense	9	(3,024)	(9,157)
Loss for the period		(436,856)	(65,262)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*
For the six months ended 30 June 2023

		Six months ended 30 June	
	<i>Note</i>	2023	2022
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Loss for the period attributable to the Company's shareholders		<u>(436,856)</u>	<u>(65,262)</u>
		<i>HK cents</i>	<i>HK cents</i>
		(unaudited)	(unaudited)
Basic and diluted loss per share attributable to the Company's shareholders	<i>11</i>	<u>(72.6)</u>	<u>(10.8)</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
For the six months ended 30 June 2023

		Six months ended 30 June	
	<i>Note</i>	2023	2022
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Loss for the period		<u>(436,856)</u>	<u>(65,262)</u>
Other comprehensive (expense) income:			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Fair value loss on equity instruments at fair value through other comprehensive income		(12,104)	(70,246)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value loss on debt instruments at fair value through other comprehensive income		(33,665)	(242,211)
Impairment loss recognised on debt instruments at fair value through other comprehensive income	12	208,151	93,143
Reclassification to profit or loss upon disposal/derecognition of debt instruments at fair value through other comprehensive income		26,398	(10,631)
Exchange differences arising on translation of foreign operations		70,516	(157,249)
Share of other comprehensive income (expense) of a joint venture		<u>4,592</u>	<u>(1,230)</u>
Other comprehensive income (expense) for the period		<u>263,888</u>	<u>(388,424)</u>
Total comprehensive expense for the period attributable to the Company's shareholders		<u><u>(172,968)</u></u>	<u><u>(453,686)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2023

		At 30 June 2023 <i>HK\$'000</i> (unaudited)	At 31 December 2022 <i>HK\$'000</i> (audited)
Non-current assets			
Investment properties		6,987,041	6,958,517
Property, plant and equipment		583,663	595,662
Investments in joint ventures		621,995	883,374
Equity instruments at fair value through other comprehensive income		97,438	109,236
Debt instruments at fair value through other comprehensive income		68,981	73,820
Financial assets at fair value through profit or loss		59,646	57,234
Pledged bank deposits		209,052	105,979
Other assets		5,704	6,719
		<u>8,633,520</u>	<u>8,790,541</u>
Current assets			
Inventories		1,820	1,587
Loans to joint ventures		1,800,000	1,000,000
Debt instruments at fair value through other comprehensive income		107,582	135,854
Trade and other receivables, deposits and prepayments	13	158,922	150,942
Tax recoverable		6	6
Cash and cash equivalents		2,308,134	2,457,179
		<u>4,376,464</u>	<u>3,745,568</u>
Assets classified as held for sale	15	–	1,249,948
		<u>4,376,464</u>	<u>4,995,516</u>
Current liabilities			
Payables, rental deposits and accrued charges	14	117,173	189,943
Tax liabilities		14,882	14,145
Lease liabilities		12,208	11,925
Guaranteed notes		–	1,105,767
Bank borrowings – due within one year		2,220,270	539,927
		<u>2,364,533</u>	<u>1,861,707</u>
Liabilities associated with assets classified as held for sale	15	–	466,656
		<u>2,364,533</u>	<u>2,328,363</u>
Net current assets		<u>2,011,931</u>	<u>2,667,153</u>
Total assets less current liabilities		<u><u>10,645,451</u></u>	<u><u>11,457,694</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)
At 30 June 2023

	<i>Note</i>	At 30 June 2023 <i>HK\$'000</i> (unaudited)	At 31 December 2022 <i>HK\$'000</i> (audited)
Capital and reserves			
Share capital		60,212	60,212
Reserves		4,436,484	4,627,516
Total equity		4,496,696	4,687,728
Non-current liabilities			
Payables, rental deposits and accrued charges	<i>14</i>	70,516	71,488
Lease liabilities		173,167	171,065
Bank borrowings – due after one year		5,893,390	6,519,231
Deferred taxation		11,682	8,182
		6,148,755	6,769,966
Total equity and non-current liabilities		10,645,451	11,457,694

Notes:

1. BASIS OF PREPARATION

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

2. 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.

Other than additional accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2022.

Application of new and amendments to Hong Kong Financial Reporting Standards

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Except as described below, the application of other new and amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Application of new and amendments to Hong Kong Financial Reporting Standards *(Continued)*

2.1 *Impacts on application of Amendments to HKAS 8 Definition of Accounting Estimates*

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current period had no material impact on the condensed consolidated financial statements.

2.2 *Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies*

In addition, the Group will apply Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the Group’s consolidated financial statements for the year ending 31 December 2023.

HKAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments in the current period had no material impact on the condensed consolidated financial statements but is expected to affect the disclosures of the Group’s accounting policies in the Group’s annual consolidated financial statements for the year ending 31 December 2023.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers (“CODM”), for the purposes of resource allocation and assessment of segment performance is mainly focused on the property development, property investment, hotel operation and financial investment.

The property investment segment includes a number of various property locations. Each location is considered as a separate operating segment by the CODM. For segment reporting, these individual operating segments have been aggregated into a single reportable segment as property investment provides the same nature of income with the same recognition criteria.

The financial investment segment includes interest income from time deposits and investment income from listed investments.

It is the Group’s strategy to make financial investment, particularly fixed income debt securities, from time to time in order to generate stable financial investment income for the Group.

Segment revenues and results

The following is an analysis of the Group’s revenue and results from operating and reportable segments:

For the six months ended 30 June 2023 (unaudited)

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Hotel operation <i>HK\$'000</i>	Financial investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT REVENUE					
External revenue	<u>–</u>	<u>96,453</u>	<u>91,967</u>	<u>7,955</u>	<u>196,375</u>
SEGMENT RESULTS					
Segment profit (loss)	<u>66,295</u>	<u>(93,493)</u>	<u>17,445</u>	<u>(222,924)</u>	(232,677)
Unallocated interest income					4,155
Corporate expenses					(31,743)
Share of result of a joint venture					(1)
Finance costs					<u>(173,566)</u>
Loss before taxation					<u>(433,832)</u>

3. SEGMENT INFORMATION *(Continued)*

Segment revenues and results *(Continued)*

For the six months ended 30 June 2022 (unaudited)

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Hotel operation <i>HK\$'000</i>	Financial investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT REVENUE					
External revenue	<u>–</u>	<u>101,240</u>	<u>64,053</u>	<u>24,205</u>	<u>189,498</u>
SEGMENT RESULTS					
Segment profit (loss)	<u>45,917</u>	<u>85,196</u>	<u>4,877</u>	<u>(58,702)</u>	77,288
Unallocated interest income					503
Corporate expenses					(25,849)
Share of result of a joint venture					(2,459)
Finance costs					<u>(105,588)</u>
Loss before taxation					<u>(56,105)</u>

Segment (loss) profit of the property investment division for the six months ended 30 June 2023 included a decrease in fair value of investment properties of HK\$185,713,000 (for the six months ended 30 June 2022: an increase in fair value of investment properties of HK\$104,000).

Segment profit of the property development division for the six months ended 30 June 2023 included an amortisation of discount on acquisition of additional investment in joint ventures of HK\$57,095,000 (for the six months ended 30 June 2022: HK\$49,674,000).

The accounting policies for operating segments are the same as the Group's accounting policies.

The Group does not allocate interest income generated from bank deposits, corporate expenses, share of result of a joint venture and finance costs to individual reportable segment profit or loss for the purposes of resource allocation and performance assessment by the CODM.

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

4. REVENUE

	Six months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Renting of investment properties <i>(note i)</i>	96,453	101,240
Hotel operation <i>(note ii)</i>	91,967	64,053
Return from financial investment		
– Interest income and others <i>(note iii)</i>	<u>7,955</u>	<u>24,205</u>
	<u>196,375</u>	<u>189,498</u>

4. REVENUE (Continued)

Notes:

- i. Included in revenue generated from renting of investment properties, HK\$96,453,000 (for the six months ended 30 June 2022: HK\$101,240,000) is rental income from leasing of investment properties under operating leases in which the lease payments are fixed. No rental income from leasing of investment properties under operating leases in which the lease payments depend on an index or a certain rate is generated for both periods.
- ii. For the six months ended 30 June 2023, revenue from hotel operation, which arose from contracts with customers comprises of (i) hotel room revenue of HK\$73,318,000 (for the six months ended 30 June 2022: HK\$42,404,000) being recognised over time and based on output method; (ii) food and beverage sales of HK\$13,405,000 (for the six months ended 30 June 2022: HK\$17,584,000) and ancillary service of HK\$1,818,000 (for the six months ended 30 June 2022: HK\$851,000) being recognised at point in time. The remaining revenue of HK\$3,426,000 (for the six months ended 30 June 2022: HK\$3,214,000) is rental income from leasing of hotel's retail portion under operating lease.
- iii. Interest income and others includes interest income from listed debt securities and time deposits of HK\$7,688,000 (for the six months ended 30 June 2022: HK\$21,242,000) and dividend income from listed equity securities of HK\$267,000 (for the six months ended 30 June 2022: HK\$2,963,000).

5. OTHER INCOME

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest income from bank deposits	4,155	503
Management fee income	5,278	–
Government grants	1,704	1,743
Others	924	1,020
	<u>12,061</u>	<u>3,266</u>

For the six months ended 30 June 2023, the Group recognised government grants of HK\$1,704,000 (for the six months ended 30 June 2022: HK\$1,743,000) from Employment Support Scheme, Club-house Subsidy Scheme, Catering Business Subsidy Scheme, Designated Quarantine Hotel Scheme and Hotel Sector Support Scheme under Anti-Epidemic Fund of the government of the Hong Kong Special Administrative Region.

6. PROPERTY AND RELATED COSTS

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Selling and marketing expenses	216	255
Direct operating expenses on investment properties	1,696	1,757
	<u>1,912</u>	<u>2,012</u>

7. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2023 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)
Net exchange gains	654	8,433
(Loss) gain on derecognition/disposal of debt instruments at fair value through other comprehensive income	(26,398)	10,631
Gain on early redemption of guaranteed notes	–	60
Gain on disposal of club memberships	3,226	–
Amortisation of discount on acquisition of additional investments in joint ventures (<i>note</i>)	57,095	49,674
Others	647	–
	<u>35,224</u>	<u>68,798</u>

Note: During the six months ended 30 June 2023, amortisation of discount on additional investment in joint ventures HK\$57,095,000 (for the six months ended 30 June 2022: HK\$49,674,000) has been recognised in the profit or loss.

8. FINANCE COSTS

	Six months ended 30 June	
	2023 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)
Bank borrowings:		
Interest on bank borrowings	154,777	58,278
Amortisation of bank borrowings front-end fee	8,717	10,948
	<u>163,494</u>	<u>69,226</u>
Guaranteed notes:		
Interest on guaranteed notes	2,710	27,820
Amortisation of guaranteed notes issue costs	103	763
	<u>2,813</u>	<u>28,583</u>
Lease liabilities:		
Interest on lease liabilities	2,744	2,729
Other charges	4,515	5,050
	<u>173,566</u>	<u>105,588</u>

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax:		
The United Kingdom	–	7,076
Others	19	–
	<u>19</u>	<u>7,076</u>
Deferred tax:		
Current year	3,005	2,081
	<u>3,024</u>	<u>9,157</u>

10. DIVIDENDS

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Dividends recognised as a distribution during the period:		
Final dividend for the year ended 31 December 2022 of HK3 cents per share (2022: final dividend for the year ended 31 December 2021 of HK3 cents per share)	<u>18,064</u>	<u>18,064</u>

Subsequent to the end of the current interim period, the directors of the Company have declared that an interim dividend of HK2 cents per share amounting to HK\$12,042,000 in aggregate (for the six months ended 30 June 2022: HK2 cents per share amounting to HK\$12,042,000 in aggregate) will be paid to the shareholders of the Company whose names appear on the register of members of the Company on 26 September 2023.

11. LOSS PER SHARE

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

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the purpose of basic and diluted loss per share:		
Loss for the period attributable to the Company's shareholders	<u>(436,856)</u>	<u>(65,262)</u>

11. LOSS PER SHARE (Continued)

	Number of shares	
	Six months ended 30 June	
	2023	2022
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>602,122,726</u>	<u>602,122,726</u>

As the Group incurred losses for the six months ended 30 June 2023 and 2022, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, dilutive loss per share for the six months ended 30 June 2023 and 2022 are the same as basic loss per share.

12. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS SUBJECT TO EXPECTED CREDIT LOSS MODEL

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Impairment loss recognised on debt instruments at fair value through other comprehensive income	<u>208,151</u>	<u>93,143</u>

For the six months ended 30 June 2023, the Group provided impairment allowance of HK\$208,151,000 (2022: HK\$93,143,000) for listed debt securities due to the deterioration of credit quality of respective listed securities issued by People's Republic of China property developers.

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At	At
	30 June	31 December
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Trade receivables (note i)	3,507	869
Accrued income	428	–
Deposit paid for acquisition of properties (note ii)	127,508	127,508
Deposits, prepayments and other receivables	<u>27,479</u>	<u>22,565</u>
	<u>158,922</u>	<u>150,942</u>

Notes:

- i. Trade receivables from corporate customers and travel agents for the use of hotel facilities as well as the tenants for leasing of investment properties.
- ii. The amounts represented a refundable stamp duty of HK\$127,508,000 in relation to the acquisition of a property at Jardine's Lookout, Hong Kong.

The Group allows an average credit period of 0 to 30 days to its corporate customers and travel agents in hotel operation as well as tenants for leasing of investment properties.

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

The following is an aged analysis of trade receivables presented based on the invoice date.

	At 30 June 2023 <i>HK\$'000</i> (unaudited)	At 31 December 2022 <i>HK\$'000</i> (audited)
0 to 30 days	2,590	646
31 to 60 days	316	212
61 to 90 days	214	11
91 to 120 days	387	–
	<u>3,507</u>	<u>869</u>

14. PAYABLES, RENTAL DEPOSITS AND ACCRUED CHARGES

The following is an aged analysis of trade payable presented based on the invoice date.

	At 30 June 2023 <i>HK\$'000</i> (unaudited)	At 31 December 2022 <i>HK\$'000</i> (audited)
0 to 60 days	<u>1,078</u>	<u>1,078</u>
Trade payables	1,078	1,078
Rental deposits	8,503	8,433
Rental received in advance	41,811	39,924
Other payables, other deposits and accrued charges	124,915	178,391
Interest payables	11,382	33,605
	<u>187,689</u>	<u>261,431</u>
Analysed for reporting purposes as:		
Current liabilities	117,173	189,943
Non-current liabilities	70,516	71,488
	<u>187,689</u>	<u>261,431</u>

The average credit period on purchase of goods is 60 days.

15. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

On 23 December 2022, the Group entered into a binding memorandum of agreement to dispose of 50% of its equity interest in Time Trade Global Limited that owns the land of Rural Building Lot No. 1203 located at South Bay Road, Repulse Bay, Hong Kong to Hon Kwok Land Investment Company, Limited to form a joint venture for jointly own and develop the land. Pursuant to the memorandum of agreement, the strategic financial and operating decisions relating to relevant activities require the unanimous consent of both parties. With the disposal of 50% of Time Trade Global Limited, the Group will account its remaining 50% shareholding in Time Trade Global Limited as an investment in a joint venture. The transaction was completed on 20 January 2023.

As at 31 December 2022, the assets and liabilities of Time Trade Global Limited classified as held for sale are as follows:

	At 31 December 2022 <i>HK\$ '000</i> (audited)
Investment properties	1,233,000
Pledged bank deposits	16,100
Trade receivables, deposits and prepayments	54
Cash and cash equivalents	794
Assets classified as held for sale	<u>1,249,948</u>
Other payables	431
Bank borrowings – due after one year	466,225
Liabilities associated with assets classified as held for sale	<u>466,656</u>

INTERIM DIVIDEND

The Board has declared an interim dividend of HK2 cents per share for the six months ended 30 June 2023 (for the six months ended 30 June 2022: HK2 cents) to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Tuesday, 26 September 2023. The relevant dividend warrants are expected to be despatched on or before Friday, 13 October 2023.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 22 September 2023 to Tuesday, 26 September 2023 (both days inclusive) during which no transfer of shares will be registered.

In order to qualify for the interim 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 21 September 2023.

DISCUSSION AND ANALYSIS

Financial Summary

Revenue for the six months ended 30 June 2023 amounted to HK\$196.4 million (2022: HK\$189.5 million). The revenue was principally attributable to the recognition of rental income from investment properties, revenue from hotel operation and income from financial investment.

Despite the increase in ordinary operating profit of the Group during the current interim period, the loss attributable to the Company's shareholders for the period amounted to HK\$436.9 million (2022: HK\$65.3 million), equivalent to a basic loss per share of HK72.6 cents (2022: HK10.8 cents). The loss attributable to the shareholders of the Company in current period was mainly attributable to non-recurring items including (i) a fair value loss on investment properties in the United Kingdom; and (ii) an impairment loss on the listed debt securities investments. The abovementioned fair value loss and impairment loss are non-cash items and have no immediate impact on the cash flow of the Group.

As at 30 June 2023, the Group's equity attributable to the Company's shareholders amounted to HK\$4,496.7 million (31 December 2022: HK\$4,687.7 million). The net asset value per share attributable to the Company's shareholders as at 30 June 2023 was HK\$7.5 as compared with HK\$7.8 as at 31 December 2022.

The Group's property assets (including interests in joint ventures) by geographical location at the period end were as follows:

	30 June 2023 <i>HK\$' million</i>	31 December 2022 <i>HK\$' million</i>
Hong Kong	5,855.8	6,563.4
The United Kingdom	4,023.4	4,001.9
Total	9,879.2	10,565.3

The Group's hotel property is stated at cost less accumulated depreciation charges at a carrying value of HK\$516.2 million (31 December 2022: HK\$526.2 million), whereas the market value as at 30 June 2023 as determined by valuation carried out by an independent property valuer is HK\$5,320.0 million (31 December 2022: HK\$5,320.0 million). For the purpose of providing supplementary information, if the carrying value of the Group's hotel property was restated to its market value as at 30 June 2023, the adjusted total property assets, the adjusted net asset value and adjusted net asset value per share attributable to the Company's shareholders would be HK\$14,683.0 million (31 December 2022: HK\$15,359.1 million), HK\$9,300.5 million (31 December 2022: HK\$9,481.5 million) and HK\$15.4 (31 December 2022: HK\$15.7) respectively.

Business Review

Property Investment and Development

The Group continues to focus on property development and property investment projects. The strategy of the Group will be determined by the Board taking into consideration market opportunities, the Group's financial resources and its core competence. It is the Group's approach to review and optimize the project portfolios from time to time. Currently, the Group's core projects mainly consist of two residential projects in Hong Kong (No. 1 Shouson Hill Road East and Inland Lot No. 7384 at Jardine's Lookout), a commercial property in Hong Kong (a portion of Winway Building) and two joint venture residential development projects ("Grand Victoria" at West Kowloon Waterfront and Rural Building Lot No. 1203 at South Bay Road, Repulse Bay), and two investment properties in London, the United Kingdom (20 Moorgate and 33 Old Broad Street).

Hong Kong

During the period, the Group continues our effort in the residential development project in West Kowloon Waterfront "Grand Victoria"¹. The Group holds 14.5% equity interest in the project. The development has been completed with certificate of compliance issued. More than 1,000 units of the project have been sold with total sale proceeds of nearly HK\$16.7 billion. As at 30 June 2023, the Group's interest in this joint venture was HK\$1,937.4 million (including loans to joint ventures) of which HK\$1,800.0 million to be recovered within one year for the reporting period and classified under current assets.

Winway Building², one of the Group's investment property, is at the prime location of central business district of Hong Kong and is a high quality commercial property. The rental income generated from the property for the period ended 30 June 2023 was slightly decreased as compared with previous period. As at 30 June 2023, the occupancy rate was 92% (30 June 2022: 96%).

The Group owns a residential property project at Shouson Hill Road East for long term investment. The renovation works were completed in 2022. The Group will continue to hold the project for long term investment purpose.

1 The Group is being a part of the consortium comprised of well-known property developers.

2 The Group owns approximately 59% of the gross floor area of Winway Building.

In February 2022, the Group acquired a piece of land at the land premium of HK\$1,188.2 million through a Government tender which is situated at South Bay Road, Repulse Bay with a gross floor area of about 19,055 sq.ft., and is being developed into luxury residences with most fascinating sea views. In December 2022, the Group entered into a binding memorandum of agreement under which the Group agreed to sell 50% interest in the project to an independent third party, Hon Kwok Land Investment Company, Limited for establishing a joint venture to jointly own and develop the land into a luxury residence for sale purpose. The joint venture was formed in January 2023. As at 30 June 2023, the Group's interest in this joint venture was HK\$400.3 million. The co-operation allows both parties to share their resources, expertise and extensive experience in property construction and development. The disposal of such 50% interest in the project at a premium to our acquisition cost realised a cash amount of approximately HK\$387.1 million as general working capital and for future investment and development by the Group.

The Group owns a land site located at Jardine's Lookout at No. 89-93 Tai Hang Road, Hong Kong which is a traditional luxury residential area. The site is being redeveloped into low density luxury residence for long term investment. Jardine's Lookout is set just above Happy Valley, overlooks the dazzling Victoria Harbour view. This predominant lavish residential neighborhood are mostly expansive detached properties. It enjoys a convenient transportation network.

The United Kingdom

The Group owns two investment properties located in the heart of London in the United Kingdom.

20 Moorgate, London is almost fully let to the Prudential Regulatory Authority (a regulatory body of the Bank of England) as a headquarter under long-term lease agreements.

33 Old Broad Street, London is fully leased to Bank of Scotland as their London Headquarter and guaranteed by HBOS Plc (a wholly-owned subsidiary of the Lloyds Banking Group) for a fixed term until 2039 with fixed rental uplift every five years.

Given the strong lease covenants on our reputable tenants, the UK properties continue to provide stable cash flow to the Group, reflecting the Group's success in making investment strategy and the Group's capability to withstand in any market instability.

Hotel Operation

Crowne Plaza Hong Kong Causeway Bay is a 29-storey five-star hotel comprising 263 guest rooms with ancillary facilities and is operated under the brand of Crowne Plaza of the InterContinental Hotels Group. After the worldwide travel restrictions were lifted as well as the border between Mainland and Hong Kong was fully opened in mid-February 2023, the hotel revenue for the period ended 30 June 2023 had shown improvement, which was HK\$92.0 million (2022: HK\$64.0 million), increased by approximately 43.8%.

The Group is taking all practicable measures to cope with the challenges. We prioritize in delivering feeling of safety to our guests, putting in place strict sanitisation and hygiene protocol. At the same time, the hotel will strive to implement cost saving measures and take decisive decisions to reduce operating costs in this challenging time to gain further market share. The Group will continue to improve the quality of its hotel services to ensure our guests have enjoyable experiences during their stays in our hotel.

Financial Investment

Adhering to prudent management of our capital, the Group continues to optimize its capital structure and decrease the gearing. As at 30 June 2023, the Group held financial investment of approximately HK\$333.6 million (31 December 2022: HK\$376.1 million), which are comprised of listed equity and debt securities and unlisted investments.

During the period under review, the Group recorded an unrealised loss of HK\$208.2 million mainly representing impairment loss on debt securities. The above mentioned impairment loss is a non-cash item and has no immediate impact on the cash flow of the Group.

Financial Resources and Liquidity

Working Capital and Loan Facilities

As at 30 June 2023, the Group's total pledged bank deposits, bank balances and cash was HK\$2,517.2 million (31 December 2022: HK\$2,580.1 million), total financial investments (including debt instruments at fair value through other comprehensive income, financial assets at fair value through profit or loss and equity instruments at fair value through other comprehensive income) were HK\$333.6 million (31 December 2022: HK\$376.1 million) and unutilised facilities were HK\$3,005.8 million (31 December 2022: HK\$4,299.3 million).

As at 30 June 2023, the Group's bank borrowings was HK\$8,113.7 million (31 December 2022: HK\$7,525.4 million). The guaranteed notes were fully repaid during the period (31 December 2022: HK\$1,105.8 million). After netting off the bank balance, cash and the financial investments, the Group had a net debt position of HK\$5,262.9 million (31 December 2022: HK\$5,675.0 million) with gearing ratio of 35.8% (31 December 2022: 36.9%) (calculated on the basis of net debt as a percentage of the adjusted total property assets with hotel property adjusted to fair market value of HK\$5,320.0 million (31 December 2022: HK\$5,320.0 million)).

As at 30 June 2023, maturity of the Group's outstanding borrowings (including the guaranteed notes) was as follows:

	30 June 2023 <i>HK\$' million</i>	31 December 2022 <i>HK\$' million</i>
Due		
Within 1 year	2,237.1	2,138.1
1-2 years	1,147.6	2,640.0
3-5 years	3,785.0	2,319.0
Over 5 years	987.7	1,589.1
	<u>8,157.4</u>	<u>8,686.2</u>
Less: Unamortised front-end fee and notes issue expenses	<u>(43.7)</u>	<u>(55.0)</u>
	<u><u>8,113.7</u></u>	<u><u>8,631.2</u></u>

Pledge of Assets

For the Company's subsidiaries operating in Hong Kong, the total bank borrowings drawn as at 30 June 2023 amounted to HK\$5,486.7 million (31 December 2022: HK\$5,043.7 million) which comprised of secured bank borrowings of HK\$2,837.5 million (31 December 2022: HK\$3,088.0 million) and unsecured bank borrowings of HK\$2,649.2 million (31 December 2022: HK\$1,955.7 million). The secured bank borrowings were secured by properties valued at HK\$3,473.2 million (31 December 2022: HK\$4,044.2 million) and pledged cash of HK\$70.5 million (31 December 2022: HK\$122.1 million).

Subsidiaries of the Company operating in the United Kingdom pledged its investment properties with an aggregate carrying value of HK\$4,023.4 million as at 30 June 2023 (31 December 2022: HK\$4,001.9 million) and pledged cash of HK\$138.6 million (31 December 2022: HK\$nil) to secure bank borrowings of HK\$2,670.7 million (31 December 2022: HK\$2,536.6 million).

Treasury Policies

The Group adheres to prudent treasury policies. As at 30 June 2023, 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 30 June 2023, the Group had a total of approximately 181 employees (2022: 162 employees) in Hong Kong. Staff costs, including the emoluments of the directors of the Group, amounted to HK\$50.7 million for the six months ended 30 June 2023 (2022: HK\$44.2 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 Group to its employees (including directors of the Company) on a discretionary basis. To further enhance employee relations and communications, recreational activities for general staff with senior management's participation are arranged.

Outlook

The global economy continues to be impacted by a range of geopolitical challenges, including the prolonged war between Russia and Ukraine, political tension and trade conflicts between China and the United States. These challenges lead to heightened uncertainties and disruptions in the global economy, resulting in high inflation, soaring interest rates, and weak investor and consumer confidence. Additionally, the financial markets have witnessed significant events, such as the collapse of three mid-sized U.S. banks and the takeover of Credit Suisse by UBS in the first half of 2023. Swift actions by authorities have fortunately helped stabilize market risk sentiment, mitigating the damage to the banking system. However, the prolonged high inflation and interest rates continue to pose a threat to the world economy, resulting in a near-term slowdown in economic growth.

China experienced a rebound in manufacturing activity and service consumption early in the year. Nevertheless, the struggling real estate sector and dampened foreign demand continue to drag on the pace of growth. China's youth unemployment rate reached a record high in June 2023 and China's economic growth in the second quarter fell below market expectations. There are expectations for Chinese government to introduce more fiscal and monetary policies to support the economy.

Hong Kong's economy showed improvement in the first quarter of 2023, driven by a strong recovery in inbound tourism and domestic demand. Notwithstanding, momentum weakened in the second quarter due to subdued global demand, a sluggish export market, and a rising interest rate environment. The slowing global economic growth and external demand pressure will further impact the export of goods. Yet, as an international financial center, a gateway to the mainland, and an offshore RMB financial hub, Hong Kong will keep seizing opportunities arising from the development of the Greater Bay Area. Overall, we maintain an optimistic outlook for the medium to long-term development of Hong Kong's economy.

The Hong Kong property market is facing growing pressure due to interest rates hikes and sluggish investment sentiment. Although the Hong Kong Monetary Authority raised the loan-to-value ratio ceiling in July 2023, there has been limited improvement in investment sentiment within the market. Office demand remains low due to high capital costs and high vacancy rates, putting more pressure on obtaining financing for new property investments. We believe the underlying demand in residential property will still support the residential property market in medium to long term.

In early August 2023, the Bank of England raised its benchmark interest rate to 5.25%, a 15-year high, and indicated it would stay elevated for some time to bring down ongoing high inflation. This is the 14th consecutive rate hike since the central bank began raising interest rates in December 2021. Consequently, this has led to a decline in buying momentum and added pressure to the recovery of the UK economy. The Group's UK property portfolio will sustain a stable rental income, supported by the long-term leases from reputable tenants.

Looking ahead, geopolitical uncertainties and continued high interest rates will persist to impact our business through the remainder of the year. Nonetheless, we stay confident in Hong Kong's resilience and growth potential. The Group keeps committed to seizing the best opportunities and prudently managing the balance sheet in response to the ever-changing business environment. We firmly believe that our Company is well positioned to deliver long-term value to shareholders.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2023.

CORPORATE GOVERNANCE PRACTICES

During the period for the six months ended 30 June 2023, the Company has applied the principles and complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The condensed consolidated financial statements of the Group for the six months ended 30 June 2023 have not been audited but have been reviewed by the audit committee of the Company and by Deloitte Touche Tohmatsu in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

PUBLICATION OF INTERIM REPORT

The 2023 Interim 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 Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.seagroup.com.hk) in September 2023.

By Order of the Board
S E A Holdings Limited
Lu Wing Chi, Jesse
Chairman

Hong Kong, 25 August 2023

The directors of the Company as at the date of this announcement are:

Executive Directors:

Mr. Lu Wing Chi, Jesse (*Chairman*)
Mr. Lambert Lu (*Chief Executive*)
Mr. Yap Shee Liam (*Chief Financial Officer*)

Independent Non-executive Directors:

Mr. Walujo Santoso, Wally
Mr. Chung Pui Lam
Mr. Chan Kwok Wai
Mr. Lo Wai Tung Welman