



## S E A HOLDINGS LIMITED

Incorporated in Bermuda with limited liability

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*The following announcement was issued on 4<sup>th</sup> September, 2006 by Asian Growth Properties Limited, a subsidiary of S E A Holdings Limited, on the Alternative Investment Market of London Stock Exchange plc.*

RNS Number:4749I  
Asian Growth Properties Limited  
04 September 2006

4 September 2006

### **Asian Growth Properties Limited (the “Company”)**

Immediate Release

Results for the period ended 30 June 2006

The Company announced today the Group’s results for the period ended 30 June 2006.

#### Highlights

- Total operating revenue of HK\$7.4 million (up 26%).
- Total profit before taxation of HK\$5.0 million (up 4%).
- Net profit of HK\$4.4 million (up 12%).
- Shareholders’ equity as at 30 June 2006 of HK\$1,575.2 million
- Net asset value per share as at 30 June 2006 of HK\$7.24 (51 pence per share).

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#### Miscellaneous

The results for the period ended 30 June 2006 included in this announcement are extracted from the unaudited financial statements for the period ended 30 June 2006 which were approved by the Directors on 4 September 2006.

The 2006 Interim Report is expected to be posted to shareholders in September 2006.

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*Attached:*

*Chairman's Review*

*Chief Executive's Review*

*Condensed Consolidated Income Statement*

*Condensed Consolidated Balance Sheet*

*Condensed Consolidated Statement of Changes in Equity*

*Condensed Consolidated Cash Flow Statement*

*Notes to the Condensed Consolidated Financial Statements*

## CHAIRMAN'S REVIEW

I am pleased to report a pre-tax profit of HK\$5.0 million for the period ended 30 June 2006, an increase of 4% over the corresponding period. Net profit after tax for the period was HK\$4.4 million (2005: HK\$3.9 million).

During the period, the Group has continued the development of the Wanchai Road and San Po Kong projects. The pre-sale of apartments for both these development projects is targeted to commence within the coming months. Planning works for the development of the Group's substantial development site at Sha Tin, New Territories continued to be progressed.

The Group's developments are in progress. As such, the Group's revenues have been derived from rental, interest and investment income during the first six months of 2006.

The Group's stated intention is to invest in the property sectors within the Greater Asia region. The Group continues to seek further investment opportunities principally in Hong Kong and China where the Group has a competitive advantage by virtue of the experience of the Board and senior management. The Group has significant cash reserves for this purpose.

The Board does not propose the payment of an interim dividend for the period ended 30 June 2006 and will retain all earnings to finance future growth.

The Board would like to take this opportunity to thank the executive and management team for the execution of the Group's strategy and their on-going support.

David Mathewson  
Non-Executive Chairman  
United Kingdom, 4 September 2006

## CHIEF EXECUTIVE'S REVIEW

### FINANCIAL SUMMARY

As at 30 June 2006, the Group has property assets of HK\$1.618 billion and cash reserves of HK\$598.3 million. The Group's development projects at Wanchai Road and San Po Kong are partially funded by secured bank loans of HK\$198 million and HK\$386 million respectively. The Group's third development site at Sha Tin, New Territories is unencumbered. The Group's retail investment property at Excelsior Plaza is leased, and partially funded by a secured bank loan of HK\$19.8 million.

The Group has net assets of HK\$1.575 billion, an increase of HK\$4.4 million over 31 December 2005, as a result of the net profit retained for the period. Net asset value per share as at 30 June 2006 is HK\$7.24 (approximately 51 pence).

## THE AGP ASSETS

The majority of the Group's property assets are located in Hong Kong, and are as listed below:

### Wanchai Road, Wanchai

In April 2006, the Group completed the purchase of an adjoining property at 2 Morrison Hill Road for HK\$77.2 million, which was financed by an increase in the existing bank debt facility. Upon amalgamation of the two sites, the total gross floor area of the development will increase to approximately 5,100 sq.m. and will incorporate an additional four floors to the existing tower development.

Foundation works have been completed and the superstructure works contract has been awarded. The pre-sale campaign for the project, now known as "The Morrison", is expected to commence in the fourth quarter of 2006. The development is expected to be completed by the third quarter of 2007.

### San Po Kong, Kowloon

The superstructure construction works commenced in April 2006. The development comprises a 48-storey composite building consisting of 304 residential units above a 7-level podium incorporating retail tenancies, a clubhouse and car parks. The Group is planning to launch the pre-sale campaign in early 2007 when pre-sale consent has been obtained from the Government. Construction is expected to be completed by the fourth quarter of 2007.

### Sha Tin, Fo Tan, New Territories

Planning works for the development of the Sha Tin project continue. Several master layout plans have been submitted to the Town Planning Board for consideration. The property is currently leased as an industrial site at approximately HK\$13 million per annum.

### Excelsior Plaza Shop, Causeway Bay

The retail sector in Hong Kong continues to prosper. A new two-year lease has been concluded for the Shop at an annual rental approximately 22% above the prior lease rate.

## FINANCING AND TREASURY POLICIES

The two development projects, Wanchai Road and San Po Kong, are partially financed by bank loans. These facilities provide sufficient funding to complete the two projects without any further equity requirements by the Group.

The Group adheres to prudent treasury policies. As at 30 June 2006, all of the Group's borrowings were raised through its wholly-owned subsidiaries. Currently, borrowings are principally based on floating rate terms.

## International Financial Reporting Standards (“IFRS”)

The Group has adopted IFRS and the accounts included in this report have been prepared in accordance with IFRS.

## OUTLOOK

The Group continues to focus on the two development projects in progress to ensure that they are completed on time and in accordance with their specifications. Pre-sales campaigns for both developments are to be launched in the coming months. The Board expects that the developments will be positively received by the market.

The Board is intent on growing AGP and the Group will continue to seek investment opportunities within the Greater Asia region and at the present time, more specifically in Hong Kong and China, in order to enhance the overall net asset value of the Group.

Don Fletcher  
Chief Executive Officer and Executive Director  
Hong Kong, 4 September 2006

# Condensed Consolidated Income Statement

FOR THE SIX MONTHS ENDED 30 JUNE 2006

		<b>Six months ended 30 June</b>	
		<b>2006</b>	<b>2005</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		(unaudited)	(unaudited)
	<b>NOTES</b>		
Rental income from investment property		909	930
Other rental income		6,480	4,920
Bank interest income		11,557	638
Staff cost		(2,586)	-
Professional fees incurred in relation to AIM listing		(6,080)	-
Other expenses		(4,828)	(1,444)
Interest expense	5	(490)	(256)
		<hr/>	<hr/>
<b>Profit before taxation</b>	6	4,962	4,788
Income tax expense		(548)	(841)
		<hr/>	<hr/>
<b>Profit for the period</b>		<u>4,414</u>	<u>3,947</u>
		<hr/>	<hr/>
<b>Earnings per share - basic</b>	8	HK\$ <u>0.02</u>	HK\$ <u>197,350</u>

# Condensed Consolidated Balance Sheet

AS AT 30 JUNE 2006

	NOTES	As at 30 June 2006 HK\$'000 (unaudited)	As at 31 December 2005 HK\$'000 (unaudited)
<b>Non-current Asset</b>			
Investment property	9	56,000	56,000
<b>Current Assets</b>			
Properties under development held for sale	10	1,561,702	1,440,725
Debtors and deposits	11	4,729	2,764
Bank balances and deposits		598,335	619,958
		2,164,766	2,063,447
<b>Current Liabilities</b>			
Creditors, deposits received and accrued charges	12	11,335	9,137
Income tax payable		1,296	989
Bank borrowings - due within one year	13	1,200	1,200
		13,831	11,326
Net Current Assets		2,150,935	2,052,121
		2,206,935	2,108,121
<b>Capital and Reserves</b>			
Share Capital	14	84,429	84,429
Share Premium		1,461,924	1,461,924
Retainer profits		28,855	24,441
		1,575,208	1,570,794
<b>Non-current Liabilities</b>			
Bank borrowings – due after one year	13	602,600	508,200
Deferred taxation		29,127	29,127
		631,727	537,327
		2,206,935	2,108,121

The financial statements were approved and authorised for issue by the Board of Directors on 4 September 2006 and are signed on its behalf by

**David Mathewson**  
DIRECTOR

**Don Fletcher**  
DIRECTOR

The accompanying notes form an integral part of these financial statements.

# Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2006

	<b>SHARE CAPITAL</b>	<b>SHARE PREMIUM</b>	<b>RETAINED PROFITS</b>	<b>TOTAL</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
At 1 January 2005	-	-	10,029	10,029
Profit for the period, representing total recognised income for the period	-	-	3,947	3,947
At 30 June 2005	-	-	13,976	13,976
At 1 July 2005	-	-	13,947	13,976
Issues of shares	84,429	1,461,924	-	1,546,353
Profit for the period, representing total recognised income for the period	-	-	10,465	10,465
At 31 December 2005	84,429	1,461,924	24,441	1,570,794
At 1 January 2006	84,429	1,461,924	24,441	1,570,794
Profit for the period, representing total recognised income for the period	-	-	4,414	4,414
At 30 June 2006	84,429	1,461,924	28,855	1,575,208

# Condensed Consolidated Cash Flow Statement

FOR THE SIX MONTHS ENDED 30 JUNE 2006

	<b>Six months ended 30 June</b>	
	<b>2006</b>	<b>2005</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(102,883)</u>	<u>(5,902)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from bank loans	95,000	4,000
Funds received from immediate holding company	-	194,747
Funds repaid to fellow subsidiaries	-	(15,051)
Repayment of bank loans	(600)	(600)
Interest paid	<u>(13,140)</u>	<u>(5,512)</u>
<b>NET CASH FROM FINANCING ACTIVITIES</b>	81,260	177,584
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(21,623)	171,682
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>619,958</u>	<u>38,655</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>598,335</u>	<u>210,337</u>
Represented by bank balances and deposits		



# Notes to the Condensed Consolidated Financial Statements

## 1. GENERAL

The Company is a public limited company incorporated in the British Virgin Islands. On 16 January 2006, the Company was listed on the Alternative Investment Market operated by London Stock Exchange plc.

The Company is an investment holding company. The principal subsidiaries of the Company are engaged in property investment and development.

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

## 3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment property, which is measured at fair value.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2005.

In the current interim period, the Group has applied, for the first time, a number of new standards, amendments and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee, which are effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006 respectively.

The adoption of the new standards, amendments and interpretations has had no material effect on how the results for the current or prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new standard, amendment and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new standard, amendment and interpretations will have no material impact on the results and financial positions of the Group.

IAS 1 (Amendment)	Capital Disclosures <sup>1</sup>
IFRS 7	Financial Instruments: Disclosures <sup>1</sup>
IFRIC-Int 7	Applying the Restatement Approach Under IAS 29 Financial Reporting in Hyperinflationary Economies <sup>2</sup>
IFRIC-Int 8	Scope of IFRS 2 <sup>3</sup>
IFRIC-Int 9	Reassessment of Embedded Derivatives <sup>4</sup>
IFRIC-Int 10	Interim Financial Reporting and Impairment <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2007

<sup>2</sup> Effective for annual periods beginning on or after 1 March 2006

<sup>3</sup> Effective for annual periods beginning on or after 1 May 2006

<sup>4</sup> Effective for annual periods beginning on or after 1 June 2006

<sup>5</sup> Effective for annual periods beginning on or after 1 November 2006

## 4. SEGMENT INFORMATION

### Business segments

The Group is currently organised into two operating divisions – property development and property investment. These divisions are the basis on which the Group reports its primary segment information.

### Principal activities are:

Property development – development of properties

Property investment – leasing of properties

## Revenue and results

	Six months ended 30 June 2006			Six months ended 30 June 2005		
	Property development HK\$'000	Property investment HK\$'000	Total HK\$'000	Property development HK\$'000	Property investment HK\$'000	Total HK\$'000
Rental income from investment property	-	909	909	-	930	930
<b>Segment Revenue</b>	<b>-</b>	<b>909</b>	<b>909</b>	<b>-</b>	<b>930</b>	<b>930</b>
Other rental income	6,480	-	6,480	4,920	-	4,920
<b>Segment Results</b>	<b>4,020</b>	<b>690</b>	<b>4,710</b>	<b>3,531</b>	<b>882</b>	<b>4,413</b>
Bank interest income			11,557			638
Professional fees incurred in relation to AIM listing			(6,080)			-
Unallocated corporate expense			(4,735)			(7)
Interest expense			(490)			(256)
Profit before taxation			4,962			4,788
Income tax expense			(548)			(841)
<b>Profit for the period</b>			<b>4,414</b>			<b>3,947</b>

## Geographical segments

The Group operates in Hong Kong only.

## 5. INTEREST EXPENSES

	Six months ended 30 June	
	2006 HK\$'000	2005 HK\$'000
Interest on:		
- Bank borrowings wholly repayable within 5 years	12,453	5,257
- Bank borrowings not wholly repayable within 5 years	490	256
	12,943	5,513
Less: Amounts capitalised to properties under development held for sale	(12,453)	(5,257)
	490	256

Borrowing costs capitalised arose on borrowings specifically for the property development projects.

## 6. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 17.5% (30 June 2005: 17.5%) of the estimated assessable profit for the period.

## 7. DIVIDENDS

No dividend was paid during the period. The directors do not recommend the payment of an interim dividend.

## 8. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	<b>Six months ended 30 June</b>	
	<b>2006</b>	<b>2005</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Earnings for the purposes of basic earnings per share	4,414	3,947
	<hr/>	
	<b>NUMBER OF SHARES</b>	
	<b>Six months ended 30 June</b>	
	<b>2006</b>	<b>2005</b>
Weighted average number of ordinary shares for the purposes of basic earnings per share	217,693,995	20
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For the six months ended 30 June 2005, the basic earnings per share is calculated based on profit attributable to equity holders of the Company of approximately HK\$3,947,000 and an aggregate of 20 shares in issue pursuant to the share split on 2 November 2005 on the assumption that the issue of shares of the Company had been completed on 1 January 2005.

## 9. MOVEMENT IN INVESTMENT PROPERTY

During the period, there was no movement in the Group's investment property located in Hong Kong.

Based on the advice of independent professional valuers, the directors believe that the fair market value of the investment property as at 30 June 2006 was approximately HK\$56,000,000.

## 10. PROPERTIES UNDER DEVELOPMENT HELD FOR SALE

All the Group's properties under development held for sale are carried at cost and the amounts are expected to be recovered more than twelve months after the balance sheet date.

## 11. DEBTORS AND DEPOSITS

	<b>As at 30 June 2006 HK\$'000</b>	<b>As at 31 December 2005 HK\$'000</b>
Trade debtors	137	-
Deposits	3,771	75
Other debtors	821	2,689
	<hr/>	<hr/>
	4,729	2,764
	<hr/> <hr/>	

## 12. CREDITORS, DEPOSITS RECEIVED AND ACCRUED CHARGES

	<b>As at 30 June 2006 HK\$'000</b>	<b>As at 31 December 2005 HK\$'000</b>
Trade creditors	7,883	5,901
Deposits received	2,115	1,285
Accrued charges	1,337	1,951
	<hr/>	<hr/>
	11,335	9,137
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### 13. BORROWINGS

During the period, the Group repaid bank loans amounting to HK\$600,000 and obtained new bank loans in the amount of HK\$95,000,000. The new loans bear interest at 0.55% over Hong Kong Interbank Offered Rate and are repayable on 26 March 2008 or five months after the issuance of an occupation permit of the property at Wanchai Road project. The proceeds were used to finance the acquisition of the adjoining property at Wanchai Road project.

### 14. SHARE CAPITAL

	Number of shares	Nominal Value US\$'000
Ordinary share of US\$0.05 each:		
<i>Authorised:</i>		
At 31 December 2005 and 30 June 2006	500,000,000	25,000
<i>Issued and fully paid:</i>		
At 31 December 2005 and 30 June 2006	217,693,995	10,885
	<b>SHOWN IN THE CONDENSED FINANCIAL STATEMENTS AS</b>	
	Number of shares	Nominal Value HK\$'000
Issued and fully paid capital at 31 December 2005 and 30 June 2006	217,693,995	84,429

All ordinary shares rank equally with one vote attached to each fully paid ordinary share.

### 15. PLEDGE OF ASSETS

At the reporting date, the Group had the following mortgages and/or pledges over its assets to secure banking facilities granted to the Group:

- (a) Fixed and floating charges on investment property with an aggregate carrying amount of HK\$56,000,000 (31 December 2005: HK\$56,000,000);
- (b) Fixed and floating charges on properties under development held for sale with an aggregate carrying amount of HK\$973,116,000 (31 December 2005: HK\$862,586,000); and
- (c) Unlisted shares of certain subsidiaries with assets principally comprised of investment property and properties under development held for sale included in (a) and (b) above.

### 16. RELATED PARTY TRANSACTIONS

- a. Project management fees charged by an indirect subsidiary company of the intermediate holding company for provision of project management services for the six months ended 30 June 2006 of HK\$5,140,000 (30 June 2005: HK\$107,000).
- b. The directors' fees and remuneration paid for the six months ended 30 June 2006 were HK\$548,000 and HK\$2,029,000 respectively. No compensation of the key management personnel expenses for the six months ended 30 June 2005 as either some of the directors had not been appointed or had not entered into the service agreement with the Company and an indirect subsidiary company of the intermediate holding company provided the project management services on behalf of the Company.