



S E A HOLDINGS LIMITED
爪哇控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 251)

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached announcement on the next pages issued by Asian Growth Properties Limited, a subsidiary of the Company listed on the AIM Market of London Stock Exchange plc., on 5th September, 2007.

As at the date of this announcement, the Board of the Company 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

Hong Kong, 5th September, 2007

**For identification purpose only*

RNS Number:2964D
Asian Growth Properties Limited
5th September, 2007

Asian Growth Properties Limited

Results for the six months ended 30th June, 2007

Asian Growth Properties Limited (the “Company”) (AIM Stock Code: AGP), the Hong Kong based China property development and investment company, announces its unaudited consolidated results for the six months ended 30th June, 2007 (the “Period”) as follows.

Highlights

- Total operating revenue of HK\$379.0 million (£24.1 million) (2006: HK\$0.9 million (£0.1 million))
- Fair value changes on investment properties of HK\$178.6 million (£11.4 million) (2006: Nil)
- Total profit before taxation of HK\$157.5 million (£10.0 million) (2006: HK\$5.0 million (£0.3 million))
- Profit attributable to the Company’s shareholders of HK\$107.3 million (£6.8 million) (2006: HK\$4.4 million (£0.3 million))
- Equity attributable to the Company’s shareholders as at 30th June, 2007 of HK\$6,201.1 million (£394.5 million) (31st December 2006: HK\$6,069.1 million (£386.1 million))
- Earnings per share of HK\$0.12 (0.8 pence) (2006: HK\$0.02 (0.1 pence))
- Net asset value per share as at 30th June, 2007 of HK\$7.00 (44.5 pence per share) (31st December 2006: HK\$6.85 (43.6 pence))

Remark: An exchange rate of GBP1.0 = HK\$15.72 is used in this announcement.

Miscellaneous

The results included in this announcement are extracted from the unaudited consolidated financial statements of the Company for the Period, which have been approved by the Board of Directors on 4th September, 2007.

The 2007 Interim Report is expected to be posted to shareholders and holders of depositary interests in mid September 2007.

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CHAIRMAN'S REVIEW

I am pleased to report on the operations of Asian Growth Properties Limited ("AGP" or the "Company") for the first six months of 2007. Following the acquisition in the second half of 2006 of six investment and development properties from S E A Holdings Limited, the majority shareholder of the Company, AGP's size and revenue generating potential have been significantly increased. Accordingly, figures for the first half of 2006 are not comparable and are shown for information purposes only. Figures in Pounds Sterling are converted from Hong Kong dollars based upon exchange rates prevailing on the last business day of the respective accounting periods.

Results

AGP reports profit attributable to the Company's shareholders of HK\$107.3 million (£6.8 million) for the six months ended 30 June 2007 while profit for the corresponding period in 2006 was HK\$4.4 million (£0.3 million).

As at 30 June 2007, the Group's equity attributable to the Company's shareholders amounted to HK\$6,201.1 million (£394.5 million), an increase of HK\$132.0 million (£8.4 million) over the comparable figure as at 31 December 2006 of HK\$6,069.1 million (£397.7 million). The net asset value per share as at 30 June 2007 was HK\$7.00 (44.5 pence) as compared with HK\$6.85 (44.9 pence) as at 31 December 2006.

Operations

During the period, the Group has continued the development of various projects in Hong Kong and mainland China. In Hong Kong, pre-sales of The Morrison development were launched in March 2007 with satisfactory responses received from buyers while pre-sales of The Forest Hills project in Diamond Hill are scheduled to commence in the fourth quarter of 2007. Sales of the remaining units of the Royal Green project continue. The Group's rental income from Dah Sing Financial Centre has also benefited from the increased demand resulting in higher average rentals. The development of the Group's projects in mainland China continues to progress.

Outlook

The Board of AGP has resolved to concentrate its efforts for expansion principally in mainland China. The Company believes that with the experience of the Board, AGP continues to be well positioned to take advantage of the opportunities available in both the mainland China and Hong Kong property markets.

Dividend

The Board does not propose the payment of an interim dividend for the period ended 30 June 2007 and will retain all earnings to finance further growth.

Acknowledgements

As announced on 30 May 2007, Mr. Donald Ian Fletcher has stepped down as the Chief Executive Officer of the Company and been re-designated from an Executive Director to a Non-Executive Director of the Company with effect from 1 July 2007. The role and responsibilities of the Chief Executive Officer has been taken up by the Executive Directors of the Company. The Board would like to express its appreciation for Mr. Fletcher's contributions to the development of AGP and look forward to his continued contribution to the Company as a Non-Executive Director.

David Mathewson
Non-Executive Chairman
Hong Kong, 4 September 2007

EXECUTIVE DIRECTORS' REVIEW

FINANCIAL SUMMARY

Following the acquisition in the second half of 2006 of six investment and development properties from S E A Holdings Limited, the majority shareholder of the Company, the Company's size and revenue generating potential have been significantly increased.

Turnover for the six months ended 30 June 2007 amounted to HK\$379.0 million (2006: HK\$0.9 million) mainly attributable to the recognition of the sales of residential units and car parks of Royal Green and the rental contribution from Dah Sing Financial Centre.

Profit attributable to the Company's shareholders for the period amounted to HK\$107.3 million (2006: HK\$4.4 million) which included the surplus of HK\$178.6 million arising from the revaluation of the investment properties, namely the Dah Sing Financial Centre, 28/F, 9 Queen's Road Central, Excelsior Plaza Shop and Plaza Central. Earnings per share for the period was HK\$0.12 (2006: HK\$0.02).

As at 30 June 2007, the Group's equity attributable to the Company's shareholders amounted to HK\$6,201.1 million, an increase of HK\$132.0 million over the comparable figure as at 31 December 2006 of HK\$6,069.1 million. The net asset value per share to the Company's shareholders was HK\$7.00 (31 December 2006: HK\$6.85). The increase was mainly attributable to the surplus arising from the revaluation of the Group's investment properties.

BUSINESS REVIEW

Property Investments and Developments

All of the Group's property development and investment projects are located in Hong Kong and mainland China and are as listed below:

Hong Kong

1. Dah Sing Financial Centre, Gloucester Road, Wanchai

The Dah Sing Financial Centre comprises a 39-storey commercial building including offices and shops (total gross floor area of approximately 37,171 square metres) and with ancillary facilities and 164 car-parking spaces. Gross rental income generated for the six months ended 30 June 2007 was HK\$53.4 million. Occupancy rate slightly reduced from 88.1% as of 1 January 2007 to 85.5% as of 30 June 2007. The average rent per month during the period increased from HK\$21.20 to HK\$30.29 per square foot, an increase of about 43% owing to the strong demand for office spaces in this quality building. As at 31 August 2007, the total lettable area available for lease was 6.9% of that of Dah Sing Financial Centre.

2. Royal Green, Sheung Shui

Royal Green is a private residential development comprising 922 residential units contained in three 40-storey residential towers with ancillary recreational and car-parking facilities. The Group has a 55.0% interest in the development. Turnover recognized for the period was HK\$304.2 million and a net loss of HK\$10.5 million was incurred due to additional expenses required for the marketing of unsold units.

As at 30 June 2007, over three-quarters of the residential units were sold and marketing campaign for the sale of the remaining units is continuing. Demand for units in Royal Green

improved in the period under review, which we believe to be principally due to the better Hong Kong economy and buoyant stock market.

3. The Morrison, Wanchai

The property is being developed into a 30-storey residential and commercial 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. Superstructure construction works are in good progress. The development is expected to be completed in the fourth quarter of 2007.

Pre-sales of the residential units in The Morrison were launched in March 2007. As at 30 June 2007, over two-thirds of the units were sold and the sale proceeds will be recognised upon completion of the development. Marketing for the remaining unsold residential units is continuing and leasing activities for the commercial podium have commenced.

4. Po Kong Village Road, Diamond Hill

The project now known as “The Forest Hills” is being developed into 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-storey commercial podium comprising retail space, a clubhouse and car parks.

The pre-sale consent for the development has been obtained and pre-sales of the residential units are expected to commence in the fourth quarter of 2007. Superstructure construction works are progressing well and the project is expected to be completed by the first quarter of 2008.

5. Leighton Road, Causeway Bay

The property is being developed into a 30-storey hotel comprising 285 guest rooms (gross floor area of approximately 14,945 square metres) with ancillary facilities. The whole project is scheduled to be completed in the first half of 2009. Superstructure construction works have commenced. The Group is having discussions with certain international hospitality companies for the purpose of appointing one of them to manage the operation of the hotel.

6. 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, amongst other facilities, residential units, car parks, educational facilities and a bus terminus.

7. 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 fully let to a tenant at increased rentals as from May 2006 until mid May 2009.

8. Excelsior Plaza Shop, Causeway Bay

The shop with a gross floor area of approximately 39 square metres is let to a retail tenant for a term of two years which commenced in July 2006.

China

9. Westmin Plaza Phase II, Guangzhou

The Westmin Plaza Phase II project, which has a total construction floor area of about 118,567 square metres, will comprise four residential blocks and an office block erected on a six-storey commercial/car-parking podium. Sales proceeds of 601 pre-sold residential units will be recognized in 2007 upon completion of the development expected to be in the fourth quarter of 2007. The remaining 45 residential units are expected to be sold after such completion. A leasing agent has been appointed for marketing the commercial portion, including the office space of the development, which is expected to be held by the Group for investment purpose.

10. Plaza Central, Chengdu

Plaza Central comprises two 30-storey office blocks erected on a common podium having six commercial/retail floors and two car-parking floors at basement level. Leasing for the office space with a total construction floor area of approximately 50,467 square metres is progressing slowly as the Group has adopted a policy to select quality tenants. All the retail space with a total construction floor area of approximately 28,573 square metres has been leased with its majority being leased to a tenant in department store business.

Working Capital and Loan Facilities

As at 30 June 2007, the Group's cash balance was HK\$313.8 million (31 December 2006: HK\$106.3 million) and unutilized facilities were HK\$1,304.3 million (31 December 2006: HK\$869.5 million).

The gearing ratio as at 30 June 2007, calculated on the basis of net interest bearing debt minus cash and restricted and pledged deposits as a percentage of total property assets, was 18.5% (31 December 2006: 16.7%).

As at 30 June 2007, maturities of the Group's outstanding borrowings were as follows:

	30 June 2007 HK\$' million	31 December 2006 HK\$' million
Due		
Within 1 year	1,872.9	1,252.5
1-2 years	46.0	43.0
3-5 years	635.2	639.3
Over 5 years	63.6	81.3
	2,617.7	2,016.1

Pledge of Assets

For the Company's subsidiaries operating in Hong Kong and mainland China, the total bank loans drawn as at 30 June 2007 amounted to HK\$2,617.7 million (31 December 2006: HK\$2,016.1 million), which were secured by properties valued at HK\$7,392.4 million (31 December 2006: HK\$6,437.2 million).

Treasury Policies

The Group adheres to prudent treasury policies. As at 30 June 2007, 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 period.

International Financial Reporting Standards (“IFRS”)

The Group has adopted IFRS and the unaudited condensed consolidated financial statements included in this report have been prepared in accordance with IFRS.

Outlook

Despite the implementation of a series of macro-economic measures to regulate the overheated property market by the Chinese government including the recent regulations restricting foreign investment in the property sector, the Company believes that the mainland China property market will become more healthy and sustainable in the long run. Acquisition costs for property sites in major cities in mainland China have surged in recent months but the Group is still optimistic about the prospects of the mainland China property market in view of the continued economic expansion, increasing household income and rising demand for better quality housing.

The Hong Kong economy is expected to perform well in the second half of 2007 which should benefit the sales of the Company’s development projects. Given the limited supply of good quality office premises, the Group expects that its rental income from Dah Sing Financial Centre will continue to improve in the second half of the year as a result of higher occupancy.

The Group will focus on the planned completion in the second half of the year of three existing development projects, namely The Morrison, The Forest Hills and Westmin Plaza Phase II. At the same time, the Group will continue to devote its efforts to marketing the sale of the remaining residential units of Royal Green.

The sub-prime mortgage problems originating from the United States have caused fluctuations in the global financial markets but we believe that the economies of mainland China and Hong Kong will remain healthy. Going forward, the Group will continue to actively look for development and investment opportunities in mainland China and Hong Kong in order to create value for our shareholders.

On behalf of the Executive Directors

Lu Wing Chi

Executive Director

Hong Kong, 4 September 2007

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2007

	NOTES	Six months ended 30 June	
		<u>2007</u> HK\$'000 (unaudited)	<u>2006</u> HK\$'000 (unaudited)
Revenue		379,047	909
		25,029	18,037
Other income			
Operating costs:			
Property and related costs	5	(240,896)	-
Staff costs		(10,832)	(2,586)
Depreciation		(265)	-
Other expenses	6	(139,244)	(10,908)
		<u>(391,237)</u>	<u>(13,494)</u>
Profit from operations before fair value changes on investment properties		12,839	5,452
Fair value changes on investment properties		<u>178,570</u>	<u>-</u>
Profit from operations after fair value changes on investment properties		191,409	5,452
Finance costs	7	<u>(33,905)</u>	<u>(490)</u>
Profit before taxation	8	157,504	4,962
Income tax expense	9	<u>(56,236)</u>	<u>(548)</u>
Profit for the period		<u>101,268</u>	<u>4,414</u>
Attributable to:			
Company's shareholders		107,314	4,414
Minority interest		<u>(6,046)</u>	<u>-</u>
		<u>101,268</u>	<u>4,414</u>
		HK\$	HK\$
Earnings per share	11		
Basic		<u>0.12</u>	<u>0.02</u>

CONDENSED CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2007

	<u>NOTES</u>	<u>30.6.2007</u> HK\$'000 (unaudited)	<u>31.12.2006</u> HK\$'000 (audited)
Non-current Assets			
Investment properties	12	4,794,775	4,584,860
Property, plant and equipment	12	102,079	62,431
Prepaid lease payments	12	613,914	615,515
Other loans receivable		123,887	126,536
		<u>5,634,655</u>	<u>5,389,342</u>
Current Assets			
Properties held for sale		641,962	892,491
Properties under development held for sale		2,510,289	2,348,451
Prepaid lease payments	12	16,818	16,742
Other loans receivable		973	973
Receivables, deposits and prepayments	13	231,864	149,882
Income tax recoverable		15,808	14,923
Amount due from a minority shareholder	14	109,581	-
Pledged bank deposits		382,788	153,487
Restricted bank balances and deposits	15	316,012	332,404
Bank balances and deposits		313,761	106,327
		<u>4,539,856</u>	<u>4,015,680</u>
Current Liabilities			
Payables, deposits received and accrued charges	16	236,062	320,556
Sales deposits on properties held for sale received		555,195	449,094
Provisions		15,343	14,881
Income tax payable		55,992	31,379
Secured bank borrowings - due within one year	17	1,872,905	1,252,499
Amount due to a minority shareholder		-	36,209
		<u>2,735,497</u>	<u>2,104,618</u>
Net Current Assets		<u>1,804,359</u>	<u>1,911,062</u>
		<u>7,439,014</u>	<u>7,300,404</u>

	<u>NOTES</u>	<u>30.6.2007</u> HK\$'000 (unaudited)	<u>31.12.2006</u> HK\$'000 (audited)
Capital and Reserves			
Share capital	18	345,204	345,204
Share premium and reserves		<u>5,855,857</u>	<u>5,723,928</u>
Equity attributable to the Company's shareholders		6,201,061	6,069,132
Minority interest		<u>402,932</u>	<u>408,978</u>
Total Equity		<u>6,603,993</u>	<u>6,478,110</u>
Non-current Liabilities			
Secured bank borrowings - due after one year	17	744,804	763,576
Deferred taxation		<u>90,217</u>	<u>58,718</u>
		<u>835,021</u>	<u>822,294</u>
		<u>7,439,014</u>	<u>7,300,404</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2007

	Attributable to the Company's shareholders							Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Minority interest HK\$'000		
At 1 January 2006 (audited)	84,429	1,461,924	-	-	24,441	1,570,794	-	1,570,794
Profit for the period and total recognised income for the period	-	-	-	-	4,414	4,414	-	4,414
At 30 June 2006 (unaudited)	84,429	1,461,924	-	-	28,855	1,575,208	-	1,575,208
Exchange movement during the period recognised directly in equity	-	-	-	10,164	-	10,164	-	10,164
Profit for the period	-	-	-	-	76,308	76,308	(63,961)	12,347
Total recognised income for the period	-	-	-	10,164	76,308	86,472	(63,961)	22,511
Issue of shares	260,775	3,374,301	294,736	-	-	3,929,812	-	3,929,812
Acquisition of assets and liabilities through acquisition of subsidiaries	-	-	477,640	-	-	477,640	482,380	960,020
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	(9,441)	(9,441)
At 31 December 2006 (audited)	345,204	4,836,225	772,376	10,164	105,163	6,069,132	408,978	6,478,110
Exchange movement during the period recognised directly in equity	-	-	-	24,615	-	24,615	-	24,615
Profit for the period	-	-	-	-	107,314	107,314	(6,046)	101,268
Total recognised income for the period	-	-	-	24,615	107,314	131,929	(6,046)	125,883
At 30 June 2007 (unaudited)	345,204	4,836,225	772,376	34,779	212,477	6,201,061	402,932	6,603,993

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2007

	<u>NOTES</u>	Six months ended 30 June	
		<u>2007</u> HK\$'000 (unaudited)	<u>2006</u> HK\$'000 (unaudited)
NET CASH USED IN OPERATING ACTIVITIES		<u>(1,973)</u>	<u>(116,023)</u>
INVESTING ACTIVITIES			
Additions of other loans receivable		(7,922)	-
Repayment of other loans receivable		14,246	-
Increase in pledged bank deposits		(229,301)	-
Decrease in restricted bank balances and deposits	15	26,396	-
Acquisition of investment properties		(3,486)	-
Acquisition of property, plant and equipment		(30,800)	-
Acquisition of a leasehold land through acquisition of subsidiaries	21(a)	(7,000)	-
Others		<u>30</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(237,837)</u>	<u>-</u>
FINANCING ACTIVITIES			
Proceeds from secured bank borrowings		593,984	95,000
Repayment of secured bank borrowings		(4,730)	(600)
Repayment to advance from a minority shareholder		(36,209)	-
Advance to a minority shareholder		(109,581)	-
Interest paid		<u>(554)</u>	<u>-</u>
NET CASH FROM FINANCING ACTIVITIES		<u>442,910</u>	<u>94,400</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		203,100	(21,623)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		106,327	619,958
Effect of foreign exchange rate changes		<u>4,334</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD, represented by bank balances and deposits		<u><u>313,761</u></u>	<u><u>598,335</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007

1. GENERAL

The Company is a public limited company incorporated in the British Virgin Islands. The shares of the Company are listed on the AIM 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 using accounting policies consistent with International Financing Reporting Standards and 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 properties, which are measured at fair values.

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 31 December 2006.

In the current interim period, the Group has applied, for the first time, the following new standard, amendment and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee, which are effective for the Group's financial year beginning 1 January 2007.

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

¹ Effective for annual periods beginning on or after 1 January 2007

² Effective for annual periods beginning on or after 1 March 2006

³ Effective for annual periods beginning on or after 1 May 2006

⁴ Effective for annual periods beginning on or after 1 June 2006

⁵ Effective for annual periods beginning on or after 1 November 2006

3. PRINCIPAL ACCOUNTING POLICIES - continued

The adoption of these new standard, amendment and 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 required.

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

IAS 23 (Revised)	Borrowing Costs ¹
IFRS 8	Operating Segments ¹
IFRIC 11	IFRS 2 - Group and Treasury Share Transactions ²
IFRIC 12	Service Concession Arrangements ⁴
IFRIC 13	Customer Loyalty Programmes ³
IFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ⁴

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

² Effective for annual periods beginning on or after 1 March 2007

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

⁴ Effective for annual periods beginning on or after 1 January 2008

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

4. SEGMENT INFORMATION

Geographical Segments

During the six months ended 30 June 2006, the Group operated in Hong Kong only and the Group's primary segment information was reported in two divisions, which are property development and property investment. Due to the acquisition of assets and liabilities through acquisitions of subsidiaries (the "Acquisition") in October 2006, the size of the Group's property portfolio has increased significantly. In particular, the Group has made an entry into the property market of mainland China other than Hong Kong (The People's Republic of China, the "PRC") due to the Acquisition. Since then, the Group reorganised its business activities by geographical segments.

The operations of the Group are currently located in Hong Kong and the PRC. The corresponding geographical locations of the Group's assets are the basis on which the Group reports its primary segment information. Comparative figures have been restated to confirm with current period's presentation.

4. SEGMENT INFORMATION - continued

Six months ended 30 June 2007

	<u>Hong Kong</u> HK\$'000	<u>PRC</u> HK\$'000	<u>Consolidated</u> HK\$'000
REVENUE			
External	<u>360,354</u>	<u>18,693</u>	<u>379,047</u>
SEGMENT PROFIT (LOSS)	<u>196,199</u>	<u>(6,583)</u>	189,616
Interest income			12,080
Unallocated corporate expenses			(10,287)
Finance costs			<u>(33,905)</u>
Profit before taxation			157,504
Income tax expense			<u>(56,236)</u>
PROFIT FOR THE PERIOD			<u>101,268</u>

Six months ended 30 June 2006

	<u>Hong Kong</u> HK\$'000	<u>PRC</u> HK\$'000	<u>Consolidated</u> HK\$'000
REVENUE			
External	<u>909</u>	<u>-</u>	<u>909</u>
SEGMENT PROFIT	<u>7,287</u>	<u>-</u>	7,287
Interest income			11,557
Unallocated corporate expenses			(13,392)
Finance costs			<u>(490)</u>
Profit before taxation			4,962
Income tax expense			<u>(548)</u>
PROFIT FOR THE PERIOD			<u>4,414</u>

4. SEGMENT INFORMATION - continued

Business Segments

The Group is currently organised into two operating divisions - property development and property investment.

Principal activities are as follows:

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

Six months ended 30 June 2007

	<u>Property development</u> HK\$'000	<u>Property investment</u> HK\$'000	<u>Eliminations</u> HK\$'000	<u>Consolidated</u> HK\$'000
REVENUE				
External	304,181	74,866	-	379,047
Inter-segment sales*	<u>-</u>	<u>3,925</u>	<u>(3,925)</u>	<u>-</u>
Total	<u>304,181</u>	<u>78,791</u>	<u>(3,925)</u>	<u>379,047</u>

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

SEGMENT (LOSS) PROFIT	<u>(21,151)</u>	<u>210,767</u>	<u>-</u>	<u>189,616</u>
Interest income				12,080
Unallocated corporate expenses				(10,287)
Finance costs				<u>(33,905)</u>
Profit before taxation				157,504
Income tax expense				<u>(56,236)</u>
PROFIT FOR THE PERIOD				<u>101,268</u>

4. SEGMENT INFORMATION - continued

Six months ended 30 June 2006

	<u>Property development</u> HK\$'000	<u>Property investment</u> HK\$'000	<u>Eliminations</u> HK\$'000	<u>Consolidated</u> HK\$'000
REVENUE				
External	-	909	-	909
Inter-segment sales	-	-	-	-
Total	<u>-</u>	<u>909</u>	<u>-</u>	<u>909</u>

* Inter-segment sales are charged at prevailing market rate

SEGMENT PROFIT	<u>6,597</u>	<u>690</u>	<u>-</u>	7,287
Interest income				11,557
Unallocated corporate expenses				(13,392)
Finance costs				<u>(490)</u>
Profit before taxation				4,962
Income tax expense				<u>(548)</u>
PROFIT FOR THE PERIOD				<u>4,414</u>

5. PROPERTY AND RELATED COSTS

	Six months ended 30 June	
	<u>2007</u> HK\$'000	<u>2006</u> HK\$'000
Changes in properties held for sale/properties under development held for sale	(88,691)	120,977
Costs incurred on properties held for sale/properties under development held for sale	<u>(152,205)</u>	<u>(120,977)</u>
	<u>(240,896)</u>	<u>-</u>

6. OTHER EXPENSES

	Six months ended 30 June	
	<u>2007</u>	<u>2006</u>
	HK\$'000	HK\$'000
Management fee paid to a related company	68,197	5,140
Less: capitalised in properties under development held for sale	<u>(20,657)</u>	<u>(5,140)</u>
	47,540	-
Selling and marketing expenses	70,389	-
Others	<u>21,315</u>	<u>10,908</u>
	<u>139,244</u>	<u>10,908</u>
	=====	=====

7. FINANCE COSTS

	Six months ended 30 June	
	<u>2007</u>	<u>2006</u>
	HK\$'000	HK\$'000
Interest on:		
Bank borrowings wholly repayable within 5 years	46,619	9,000
Bank borrowings not wholly repayable within 5 years	<u>2,671</u>	<u>-</u>
	49,290	9,000
Less: Amounts capitalised to property under development/ properties under development held for sale	<u>(17,409)</u>	<u>(8,510)</u>
	31,881	490
Facilities charges	<u>2,024</u>	<u>-</u>
	<u>33,905</u>	<u>490</u>
	=====	=====

8. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	<u>2007</u>	<u>2006</u>
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after crediting:		
Interest earned on bank deposits	8,405	11,557
Other interest income	<u>3,675</u>	<u>-</u>
	<u>12,080</u>	<u>11,557</u>
	=====	=====

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	<u>2007</u>	<u>2006</u>
	HK\$'000	HK\$'000
Hong Kong Profits Tax	24,810	548
Deferred taxation	<u>31,426</u>	<u>-</u>
	56,236	548
	=====	=====

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full year. The estimated average annual tax rate used is 17.5% (2006: 17.5%) for the six months ended 30 June 2007.

On 16 March 2007, the PRC promulgated the Law of the People's Republic of China on Enterprise Income Tax by Order No. 63 ("the Promulgation"), which will change the tax rate from 33% to 25% for certain subsidiaries from 1 January 2008. The directors of the Company anticipate that the application of the Promulgation will have no material impact on the results and the financial position of the Group.

10. DIVIDENDS

No dividend was paid or proposed during the two periods ended 30 June 2007, nor has any dividend been proposed since the balance sheet date.

11. EARNINGS PER SHARE

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

	Six months ended 30 June	
	<u>2007</u>	<u>2006</u>
	HK\$'000	HK\$'000
Earnings for the purpose of earnings per share	107,314	4,414
	=====	=====
		<u>Number of shares</u>
Weighted average number of ordinary shares for the purpose of earnings per share	886,347,812	217,693,995
	=====	=====

12. MOVEMENTS IN INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND PREPAID LEASE PAYMENTS

During the period, additions of investment properties amounted to HK\$3.5 million. In addition, there was an exchange realignment of HK\$27.8 million which contributed to an increase in the carrying value of investment properties brought forward from 1 January 2007.

The Group's investment properties were revalued by independent professional valuers, Savills Valuation and Professional Services Limited, at 30 June 2007. The resulting increase in fair value of investment properties amounting to HK\$178.6 million has been recognised directly in the condensed consolidated income statement.

During the period, the Group acquired property, plant and equipment at a cost of HK\$31.4 million and capitalised amortisation of prepaid lease payments with a carrying value of HK\$8.6 million to property under development included in property, plant and equipment.

13. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<u>30.6.2007</u>	<u>31.12.2006</u>
	HK\$'000	HK\$'000
Trade receivables	24,174	14,190
Other receivables, deposits paid and prepayments	<u>207,690</u>	<u>135,692</u>
	231,864	149,882
	=====	=====

14. AMOUNT DUE FROM A MINORITY SHAREHOLDER

The amount is unsecured, interest free and repayable on demand.

15. RESTRICTED BANK BALANCES AND DEPOSITS

Bank deposits of HK\$316.0 million, being proceeds received on behalf of the Group upon the pre-sale of certain units of a property under development held for sale, were placed in several banks and would be used solely for tax payment and settlement of the construction cost of the related property. During the six months ended 30 June 2007, the Group paid the construction cost of the related property of HK\$31.4 million. In addition, there was an exchange realignment of HK\$10.0 million which contributed to an increase in carrying value of restricted bank balances and deposits brought forward from 1 January 2007.

Furthermore, the Group placed a new bank deposit of HK\$5.0 million in a bank for issuing a letter of guarantee for payment to an agent for a potential development project.

16. PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

	<u>30.6.2007</u> HK\$'000	<u>31.12.2006</u> HK\$'000
Trade payables	31,551	31,560
Other payables, deposits received and accrued charges	<u>204,511</u>	<u>288,996</u>
	236,062	320,556
	=====	=====

17. BORROWINGS

During the period, the Group repaid bank loans amounting to HK\$4.7 million and obtained new bank loans in the amount of HK\$593.9 million. In addition, there was an exchange realignment of HK\$12.4 million which contributed to an increase in carrying value of borrowings brought forward from 1 January 2007. The new loans bear interest at 0.5% to 0.8% over Hong Kong Interbank Offered Rate and 10.0% discount on the lending rate of People's Bank of China and are repayable within one year from the balance sheet date. The proceeds were used to finance the construction costs of properties under development and for working capital purpose.

18. SHARE CAPITAL

	<u>Number of shares</u>	<u>Nominal value</u> US\$'000
Ordinary share of US\$0.05 each		
Authorised:		
At 31 December 2006 and 30 June 2007	1,300,000,000	65,000
	=====	=====
Issued and fully paid:		
At 1 January 2007 and 30 June 2007	886,347,812	44,317
	=====	=====
		HK\$'000
Shown in the condensed consolidated financial statements as		345,204
		=====

19. CAPITAL COMMITMENTS

At the reporting date, the Group had capital commitments not provided for in the condensed consolidated financial statements as follows:

	<u>30.6.2007</u> HK\$'000	<u>31.12.2006</u> HK\$'000
(a) Expenditure to be incurred on properties under development included in property, plant and equipment in Hong Kong		
Authorised but not contracted for	113,554 =====	349,634 =====
Contracted for but not provided for in the condensed consolidated financial statements	257,162 =====	21,041 =====
(b) Acquisition of equipment in the PRC		
Contracted for but not provided for in the condensed consolidated financial statements	- =====	998 =====

20. PLEDGE OF ASSETS

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

- (a) Fixed and floating charges on investment properties with an aggregate carrying value of HK\$4,794,775,000 (31.12.2006: HK\$4,584,860,000).
- (b) Fixed and floating charges in properties under development held for sale with an aggregate carrying value of HK\$1,925,147,000 (31.12.2006: HK\$1,210,706,000).
- (c) Fixed and floating charges on properties under development included in property, plant and equipment with an aggregate carrying value of HK\$98,966,000 (31.12.2006: HK\$60,442,000).
- (d) Prepaid lease payments with an aggregate carrying value of HK\$573,439,000 (31.12.2006: HK\$581,172,000).
- (e) Bank deposits of HK\$382,788,000 (31.12.2006: HK\$153,487,000).
- (f) Unlisted shares of certain subsidiaries with assets principally comprised of investment properties, properties under development held for sale, properties under development and prepaid lease payments included in (a), (b), (c) and (d) above.

21. RELATED PARTY BALANCE AND TRANSACTIONS

- (a) Other than the balance with a minority shareholder, which holds 45% equity interest in a subsidiary of the Group, as disclosed in the balance sheet and note 14, the Group had the following transactions with a wholly owned subsidiary of S E A Holdings Limited ("SEA"), an intermediate holding company of the Company, during the six months ended 30 June 2007:
- (i) Rental income received of HK\$3,455,000 (1.1.2006 to 30.6.2006: Nil);
 - (ii) Management fees paid/payable of HK\$68,197,000 (1.1.2006 to 30.6.2006: HK\$5,140,000) in respect of investment property and development project management services of the Group's property portfolio provided by this related company; and
 - (iii) The Group acquired a piece of leasehold land in Hong Kong for property development at a consideration of HK\$7,000,000 from SEA by way of acquisition of the entire issued share capital of certain subsidiaries of SEA.

(b) Compensation of key management personnel

The director's fees and remuneration paid/payable amounted to HK\$6,335,000 (1.1.2006 to 30.6.2006: HK\$2,577,000).
