



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 97.17%-owned subsidiary of the Company listed on the AIM Market of London Stock Exchange plc., on 9th September, 2008.

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, 10th September, 2008

** For identification purpose only*

RNS Number: 0566D
Asian Growth Properties Limited

9th September, 2008

ASIAN GROWTH PROPERTIES LIMITED

Results for the six months ended 30th June, 2008

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, 2008 as follows:

Highlights

- Total operating revenue of HK\$1,114.3 million (£71.7 million) (2007: HK\$379.0 million (£24.1 million))
- Net profit attributable to the Company’s shareholders of HK\$671.3 million (£43.2 million) (2007: HK\$107.3 million (£6.8 million))
- Earnings per share for profit attributable to the Company’s shareholders of HK75.7 cents (4.9 pence) (2007: HK12.1 cents (0.8 pence))
- Fair value changes on investment properties net of deferred taxation of HK\$519.6 million (£33.4 million) (2007: HK\$147.1 million (£9.4 million))
- Earnings per share excluding the net effect of fair value changes on investment properties of HK17.1 cents (1.1 pence) (2007: loss of HK4.5 cents (0.3 pence))
- Equity attributable to the Company’s shareholders as at 30th June, 2008 of HK\$7,503.5 million (£482.7million) (31st December, 2007: HK\$6,752.5 million (£436.2 million))
- Net asset value per share as at 30th June, 2008 of HK\$8.47 (54.5 pence) (31st December, 2007: HK\$7.62 (49.2 pence))

Notes: 1. Figures in Pounds Sterling are converted from Hong Kong dollars based upon the exchange rates prevailing on the latest practicable business day of the respective accounting periods. The relevant exchange rates adopted are stated as follows:-

For 30th June, 2008:	£1 = HK\$15.5447;
For 31st December, 2007:	£1 = HK\$15.4819; and
For 30th June, 2007:	£1 = HK\$15.7247

2. For Shareholders’ information, the recent exchange rates have fluctuated significantly and the exchange rate on 8th September, 2008 was £1 = HK\$13.7590.

Miscellaneous

The results included in this announcement are extracted from the unaudited consolidated financial statements of the Company for the six months ended 30th June, 2008, which have been approved by the Board of Directors on 9th September, 2008.

The 2008 Interim Report is expected to be posted to shareholders and holders of depositary interests in late September 2008.

For further information, please contact:

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Attached:-

1. Chairman's Review;
2. Executive Directors' Review;
3. Condensed Consolidated Income Statement;
4. Condensed Consolidated Balance Sheet;
5. Condensed Consolidated Statement of Changes in Equity;
6. Condensed Consolidated Cash Flow Statement; and
7. Notes to the Condensed Consolidated Financial Statements.

CHAIRMAN'S REVIEW

I am pleased to present the unaudited consolidated results of Asian Growth Properties Limited ("AGP" or the "Company") for the first six months of 2008 to the shareholders.

Results

AGP reported a net profit attributable to the Company's shareholders of HK\$671.3 million (£43.2 million) for the six months ended 30th June, 2008 (2007: HK\$107.3 million (£6.8 million)). The reported profit included a revaluation surplus on investment properties net of deferred taxation. By excluding the net effect of such surplus, the Group net profit attributable to the Company's shareholders was HK\$151.7 million (£9.8 million) for the period (2007: loss of HK\$39.8 million (£2.5 million)).

As at 30th June, 2008, the Group's equity attributable to the Company's shareholders amounted to HK\$7,503.5 million (£482.7 million), an increase of HK\$751.0 million (£46.5 million) over 31st December, 2007. The net asset value per share as at 30th June, 2008 was HK\$8.47 (54.5 pence) as compared with HK\$7.62 (49.2 pence) as at 31st December, 2007.

Figures in Pounds Sterling are converted from Hong Kong dollars based upon the exchange rates prevailing on the latest practicable business day of the respective accounting periods.

Operations

During the period, the Group has continued the development of various property projects in Hong Kong and mainland China. In Hong Kong, most of the residential units of The Morrison and the Royal Green projects have been sold. The marketing campaign for The Forest Hills is continuing with more than two-thirds of the 304 residential units already sold. The Group's rental income from Dah Sing Financial Centre benefited from the increased demand resulting in higher occupancy and rental rates. The entire commercial podium of The Morrison has been leased for showroom purpose. In mainland China, the

Group acquired a 91 per cent. interest in a project to develop tourist leisure facilities at the famous scenic Huangshan area, Anhui Province. An anchor tenant has been secured for more than one-third of the total space with naming rights for the office tower in Westmin Plaza Phase II. The leasing activities for the remaining commercial space in Westmin Plaza Phase II and the office space in Plaza Central are continuing. The properties owned by the Group in Chengdu were confirmed by appropriate authorities to be suitable for normal use after the Sichuan earthquake.

Outlook

The Board of AGP will continue to concentrate its efforts for expansion principally in mainland China and Hong Kong. The government in mainland China has continued its macro measures to curb property speculations and stabilise prices. These measures together with credit tightening and rising inflationary pressures have adversely affected the property sector, in particular the residential market, with a notable drop in prices and substantially reduced transaction volumes. The Group considers that the current adjustment is beneficial to healthy development of the mainland China property market over the long term. The Group will continue to adhere to its focused approach to the expansion of its mainland property portfolio.

Interim Dividend

The Board does not propose the payment of an interim dividend for the period ended 30th June, 2008 (2007: Nil).

Acknowledgement

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

David Mathewson

Non-Executive Chairman

England, 9th September, 2008

EXECUTIVE DIRECTORS' REVIEW

FINANCIAL SUMMARY

Turnover for the six months ended 30th June, 2008 amounted to HK\$1,114.3 million (£71.7 million) (2007: HK\$379.0 million (£24.1 million)). The turnover was principally attributable to the recognition of the sales of residential units in Hong Kong and the increased rental contributions from Dah Sing Financial Centre in Hong Kong and the improved occupancy of Plaza Central in Chengdu.

Net profit attributable to the Company's shareholders for the period amounted to HK\$671.3 million (£43.2 million) (2007: HK\$107.3 million (£6.8 million)), equivalent to earnings per share of HK75.7 cents (4.9 pence) (2007: HK12.1 cents (0.8 pence)). The reported profit included a revaluation surplus on investment properties net of deferred taxation. By excluding the effect of such surplus, the Group net profit attributable to the Company's shareholders was HK\$151.7 million (£9.8 million) (2007: loss of HK\$39.8 million (£2.5 million)), equivalent to HK17.1 cents (1.1 pence) (2007: loss of HK4.5 cents (0.3 pence)) per share.

As at 30th June, 2008, the Group's equity attributable to the Company's shareholders amounted to HK\$7,503.5 million (£482.7 million) (31st December, 2007: HK\$6,752.5 million (£436.2 million)). The net asset value per share as at 30th June, 2008 was HK\$8.47 (54.5 pence) as compared with HK\$7.62 (49.2 pence) as at 31st December, 2007.

For Shareholders' information, figures in Pounds Sterling are converted from Hong Kong dollars based upon the exchange rates prevailing on the latest practicable business day of the respective accounting periods and the relevant exchange rates adopted are stated as follows:-

For 30th June, 2008: £1 = HK\$15.5447;
For 31st December, 2007: £1 = HK\$15.4819; and
For 30th June, 2007: £1 = HK\$15.7247

BUSINESS REVIEW

Property Investment and Development

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

2. Royal Green, Sheung Shui

The Group has a 55.0% interest in this private residential development comprising 922 residential units contained in three 40-storey residential towers with ancillary recreational and car-parking facilities. Turnover for the period, representing completion of the sales of 74 residential units and 19 carparking spaces, was HK\$231.1 million generating a net profit of HK\$9.6 million after taking into account the related expenses. During the period, a total of 6 residential units and 16 car-parking spaces were sold. The marketing campaign for the remaining 2 furnished duplex residential units in Tower 3 known as Green Palace and 5 car-parking spaces is continuing.

3. The Morrison, Wanchai

The property is a 30-storey residential and commercial composite building, with a total gross floor area of approximately 5,837 square metres, comprising 104 residential units above a club-house floor and a 3-storey commercial podium. The development was completed in October of 2007 and has won the Best Interior Design Award of the CNBC Asia Pacific Property Awards 2008 organised by the International Homes Magazine. Turnover for the period, representing completion of the sales of 47 residential units, was HK\$227.4 million generating a net profit of HK\$56.4 million after taking into account the related expenses.

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

4. The Forest Hills, Diamond Hill

The property has been developed as a 48-storey residential and commercial composite building, with a total gross floor area of approximately 18,825 square metres, comprising 304 residential units above a 7-level retail podium, a clubhouse and car parks. The development was completed in April 2008 and delivery of the residential units to buyers commenced in May 2008. Turnover for the period, representing completion of the sales of 144 residential units, was HK\$548.8 million generating a net profit of HK\$88.9 million after taking into account the related expenses.

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

5. Crowne Plaza Hong Kong Causeway Bay

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

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

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 let to a tenant for a term of three years until May 2009.

8. Excelsior Plaza Shop, Causeway Bay

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

Mainland China

9. Westmin Plaza Phase II, Guangzhou

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

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

10. Plaza Central, Chengdu

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

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

11. Huangshan, Anhui Province

In March 2008, the Group acquired a 91 per cent. interest in a mainland China company for a total cash consideration of HK\$15.9 million with the remaining interest being held by a Chinese party. This joint venture company has the right to develop tourist leisure facilities on land located in the famous scenic Huangshan area, Anhui Province. The land to be developed by the joint venture company has a site area of about 333,500 square metres comprising about 66,700 square metres owned by the company and the rights to develop about 266,800 square metres which are leased from the local authority. Land premiums of HK\$32.9 million have been paid by the joint venture company to the local authority to secure the land use right and the upfront payment of the leasehold right for a 40-year period. The Group has appointed an international property consultancy firm to prepare a survey for the market positioning of the project.

Working Capital and Loan Facilities

As at 30th June, 2008, the Group's cash balance was HK\$590.4 million (31st December, 2007: HK\$605.6 million) and unutilized facilities were HK\$1,091.1 million (31st December, 2007: HK\$1,431.2 million).

Gearing ratio as at 30th June, 2008, calculated on the basis of net interest bearing debt minus cash and restricted and pledged deposits as a percentage of total property assets, was 9.7% (31st December, 2007: 15.3%).

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

	30th June, 2008 HK\$' million	31st December, 2007 HK\$' million
Due		
Within 1 year	1,476.8	1,678.5
1-2 years	47.3	44.7
3-5 years	643.9	610.4
Over 5 years	43.9	67.2
	2,211.9	2,400.8

Pledge of Assets

For the Company's subsidiaries operating in Hong Kong and mainland China, the total bank loans drawn as at 30th June, 2008 amounted to HK\$2,211.9 million (31st December, 2007: HK\$2,400.8 million), which were secured by properties valued at HK\$6,571.5 million (31st December, 2007: HK\$8,541.4 million).

Treasury Policies

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

Acquisition by the Group after 30th June, 2008

In July 2008, the Group acquired from its intermediate holding company S E A Holdings Limited a company owning a shopping arcade with a gross floor area of about 16,280 square metres and 50 car parks in a commercial development known as New Century Plaza in Chengdu, Sichuan Province, China for a cash consideration of HK\$60.3 million. Such consideration was based upon the consolidated net asset value of that company as at the completion date after taking into account an independent valuation for the properties of HK\$118.3 million as at 30th June, 2008. The arcade is fully let to a furniture retailer until August 2009.

Outlook

2008 has been a difficult year for the global economy affected by the credit crunch caused by U.S. sub-prime mortgage crisis, rising inflation led by surging commodities prices and decline in worldwide equity markets. The global economic outlook will continue to be unstable in the second half of 2008.

In mainland China, there has been no sign of relaxation of the macro-economic measures introduced by the government (including regulations restricting foreign investments in property projects) and the property market is likely to consolidate for a longer period. Certain property companies will be severely affected by the tight control of commercial lending to the property sector and failure of fund raisings from the financial market, which the Group believes will lead to increasingly attractive opportunities. We believe that despite current economic conditions, the market continues to present future growth

potential for the Group as the long term economic prospects of mainland China still remain positive given its strong economic fundamentals. The Group will adhere to its focused approach to the expansion of its mainland China property portfolio.

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

On behalf of Executive Directors

Lu Wing Chi
Executive Director

Hong Kong, 9th September, 2008

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008

	<u>NOTES</u>	Six months ended 30 June	
		<u>2008</u> HK\$'000 (unaudited)	<u>2007</u> HK\$'000 (unaudited)
Revenue		1,114,313	379,047
Interest income		12,387	12,080
Other income		8,595	12,949
Costs:			
Property and related costs	5	(801,330)	(317,117)
Staff costs		(8,297)	(10,832)
Depreciation		(259)	(265)
Other expenses	6	(68,033)	(63,023)
		<u>(877,919)</u>	<u>(391,237)</u>
Profit from operations before fair value changes on investment properties		257,376	12,839
Fair value changes on properties held for sale upon transfer to investment properties		227,145	-
Fair value changes on investment properties		<u>407,630</u>	<u>178,570</u>
Profit from operations after fair value changes on investment properties		892,151	191,409
Finance costs	7	<u>(37,270)</u>	<u>(33,905)</u>
Profit before taxation	8	854,881	157,504
Income tax expense	9	<u>(179,367)</u>	<u>(56,236)</u>
Profit for the period		<u><u>675,514</u></u>	<u><u>101,268</u></u>
Attributable to:			
Company's shareholders		671,318	107,314
Minority interest		<u>4,196</u>	<u>(6,046)</u>
		<u><u>675,514</u></u>	<u><u>101,268</u></u>
		HK\$	HK\$
Earnings per share for profit attributable to the Company's shareholders	11		
- Basic		<u><u>0.76</u></u>	<u><u>0.12</u></u>
Earnings (loss) per share excluding changes in fair value of investment properties net of deferred tax			
- Basic	11	<u><u>0.17</u></u>	<u><u>(0.04)</u></u>

CONDENSED CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2008

	<u>NOTES</u>	<u>30.6.2008</u> HK\$'000 (unaudited)	<u>31.12.2007</u> HK\$'000 (audited)
Non-current Assets			
Investment properties	12	6,414,490	5,492,690
Property, plant and equipment	12	220,489	158,879
Prepaid lease payments	12	599,416	605,420
Other loans receivable		<u>122,910</u>	<u>123,517</u>
		<u>7,357,305</u>	<u>6,380,506</u>
Current Assets			
Properties held for sale		1,052,774	477,369
Properties under development held for sale		591,216	2,032,746
Prepaid lease payments	12	15,288	16,819
Other loans receivable		2,044	2,044
Receivables, deposits and prepayments	13	206,645	335,651
Amount due from a minority shareholder	14	70,857	-
Income tax recoverable		3	2,794
Pledged bank deposits		632,422	317,772
Restricted bank balances and deposits	15	123,014	134,240
Bank balances and deposits		<u>590,371</u>	<u>605,634</u>
		<u>3,284,634</u>	<u>3,925,069</u>
Current Liabilities			
Payables, deposits received and accrued charges	16	262,851	331,308
Sales deposits on properties held for sale received		33,545	354,332
Provisions		17,004	15,965
Income tax payable		143,596	96,853
Bank borrowings - due within one year	17	1,476,829	1,678,475
Amount due to a minority shareholder		<u>-</u>	<u>79</u>
		<u>1,933,825</u>	<u>2,477,012</u>
Net Current Assets		<u>1,350,809</u>	<u>1,448,057</u>
		<u>8,708,114</u>	<u>7,828,563</u>

	<u>NOTES</u>	<u>30.6.2008</u> HK\$'000 (unaudited)	<u>31.12.2007</u> HK\$'000 (audited)
Capital and Reserves			
Share capital	18	345,204	345,204
Reserves		<u>7,158,562</u>	<u>6,407,312</u>
Equity attributable to the Company's shareholders		7,503,766	6,752,516
Minority interests		<u>138,390</u>	<u>134,194</u>
Total Equity		<u>7,642,156</u>	<u>6,886,710</u>
Non-current Liabilities			
Bank borrowings - due after one year	17	735,075	722,359
Deferred taxation		<u>330,883</u>	<u>219,494</u>
		<u>1,065,958</u>	<u>941,853</u>
		<u>8,708,114</u>	<u>7,828,563</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Attributable to the Company's shareholders							Minority Interests	Total
	Share Capital	Share Premium	Other Reserve	Translation Reserve	Retained Profits	Total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 January 2007 (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	
Exchange movement during the period recognised directly in equity	-	-	-	52,822	-	52,822	-	52,822	
Profit for the period	-	-	-	-	498,633	498,633	(9,988)	488,645	
Total recognised income for the period	-	-	-	52,822	498,633	551,455	(9,988)	541,467	
Dividend paid to a minority shareholder	-	-	-	-	-	-	(258,750)	(258,750)	
At 31 December 2007 (audited)	345,204	4,836,225	772,376	87,601	711,110	6,752,516	134,194	6,886,710	
Exchange movement during the period recognised directly in equity	-	-	-	79,932	-	79,932	-	79,932	
Profit for the period	-	-	-	-	671,318	671,318	4,196	675,514	
Total recognised income for the period	-	-	-	79,932	671,318	751,250	4,196	755,446	
At 30 June 2008 (unaudited)	345,204	4,836,225	772,376	167,533	1,382,428	7,503,766	138,390	7,642,156	

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008

	<u>NOTES</u>	Six months ended 30 June	
		<u>2008</u> HK\$'000 (unaudited)	<u>2007</u> HK\$'000 (unaudited)
NET CASH FROM (USED IN) OPERATING ACTIVITIES		<u>602,330</u>	<u>(1,973)</u>
INVESTING ACTIVITIES			
Additions of other loans receivable		(1,225)	(7,922)
Repayment of other loans receivable		3,740	14,246
Increase in pledged bank deposits		(314,650)	(229,301)
Decrease in restricted bank balances and deposits	15	19,490	26,396
Acquisition of investment properties		-	(3,486)
Acquisition of property, plant and equipment		(50,690)	(30,800)
Acquisition of leasehold land through acquisition of subsidiaries	21(a)	-	(7,000)
Others		<u>-</u>	<u>30</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(343,335)</u>	<u>(237,837)</u>
FINANCING ACTIVITIES			
Proceeds from bank borrowings		774,109	593,984
Repayment of bank borrowings		(995,178)	(4,730)
Repayment to advance from a minority shareholder		(79)	(36,209)
Advance to a minority shareholder		(70,857)	(109,581)
Interest paid		<u>(3,520)</u>	<u>(554)</u>
NET CASH (USED IN) FROM FINANCING ACTIVITIES		<u>(295,525)</u>	<u>442,910</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(36,530)	203,100
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		605,634	106,327
Effect of foreign exchange rate changes		<u>21,267</u>	<u>4,334</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD, represented by bank balances and deposits		<u><u>590,371</u></u>	<u><u>313,761</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2008

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 of 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 financial statements for the year ended 31 December 2007.

In the current interim period, the Group has applied, for the first time, the following new interpretations (“new Interpretations”) issued by the International Accounting Standards Board (the “IASB”) and the International Financial Reporting Interpretations Committee of IASB, which are effective for the Group’s financial year beginning 1 January 2008.

IFRIC 11
IFRIC 12
IFRIC 14

IFRS 2: Group and Treasury Share Transactions
Service Concession Arrangements
IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

3. PRINCIPAL ACCOUNTING POLICIES - continued

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

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

IFRSs (Amendments)	Improvements to IFRSs ¹
IAS 1 (Revised)	Presentation of Financial Statements ²
IAS 23 (Revised)	Borrowing Costs ²
IAS 27 (Revised)	Consolidated and Separate Financial Statements ³
IAS 32 & 1 (Amendment)	Puttable Financial Instruments and Obligations Arising on Liquidation ²
IAS 39 (Amendments)	Eligible Hedged Items ²
IFRS 1 & IAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
IFRS 2 (Amendment)	Vesting Conditions and Cancellations ²
IFRS 3 (Revised)	Business Combinations ³
IFRS 8	Operating Segments ²
IFRIC 13	Customer Loyalty Programmes ⁴
IFRIC 15	Agreements for the Construction of Real Estate ²
IFRIC 16	Hedges of a Net Investment in a Foreign Operation ⁵

¹ Effective for annual periods beginning on or after 1 January 2009 except the amendments to IFRS 5, effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 January 2009

³ Effective for annual periods beginning on or after 1 July 2009

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

⁵ Effective for annual periods beginning on or after 1 October 2008

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

4. SEGMENT INFORMATION

Geographical Segments

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

Six months ended 30 June 2008

	<u>Hong Kong</u> HK\$'000	<u>PRC</u> HK\$'000	<u>Consolidated</u> HK\$'000
REVENUE			
External sales	<u>1,007,398</u>	<u>106,915</u>	<u>1,114,313</u>
RESULT			
Segment profit	<u>728,307</u>	<u>158,028</u>	886,335
Interest income			12,387
Unallocated corporate expenses			(6,571)
Finance costs			<u>(37,270)</u>
Profit before taxation			854,881
Income tax expense			<u>(179,367)</u>
Profit for the period			<u>675,514</u>

Six months ended 30 June 2007

	<u>Hong Kong</u> HK\$'000	<u>PRC</u> HK\$'000	<u>Consolidated</u> HK\$'000
REVENUE			
External sales	<u>360,354</u>	<u>18,693</u>	<u>379,047</u>
RESULT			
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>

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 development - development of properties

Property investment - rental of properties

Both divisions above are operating in Hong Kong and the PRC.

Six months ended 30 June 2008

	Property <u>development</u> HK\$'000	Property <u>investment</u> HK\$'000	<u>Eliminations</u> HK\$'000	<u>Consolidated</u> HK\$'000
REVENUE				
External sales	<u>1,086,119</u>	<u>28,194</u>	<u>-</u>	<u>1,114,313</u>
RESULT				
Segment profit	<u>437,129</u>	<u>449,206</u>	<u>-</u>	886,335
Interest income				12,387
Unallocated corporate expenses				(6,571)
Finance costs				<u>(37,270)</u>
Profit before taxation				854,881
Income tax expense				<u>(179,367)</u>
Profit for the period				<u>675,514</u>

4. SEGMENT INFORMATION - continued

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 sales	304,181	74,866	-	379,047
Inter-segment sales*	<u>-</u>	<u>3,925</u>	<u>(3,925)</u>	<u>-</u>
Total	<u><u>304,181</u></u>	<u><u>78,791</u></u>	<u><u>(3,925)</u></u>	<u><u>379,047</u></u>

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

RESULT				
Segment (loss) profit	<u>(21,151)</u>	<u>210,767</u>	<u>-</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><u>101,268</u></u>

5. PROPERTY AND RELATED COSTS

	Six months ended 30 June	
	<u>2008</u> HK\$'000	<u>2007</u> HK\$'000
Changes in properties held for sale/properties under development held for sale	660,518	88,691
Costs incurred on properties held for sale/properties under development held for sale	45,683	152,205
Selling and marketing expenses	79,315	70,389
Direct operating expenses from investment properties that generate rental income	<u>15,814</u>	<u>5,832</u>
	<u><u>801,330</u></u>	<u><u>317,117</u></u>

5. PROPERTY AND RELATED COSTS - continued

Certain property related costs for the six months ended 30 June 2007 classified as other expenses or disclosed separately in the condensed consolidated income statement have been reclassified to conform with the current period's presentation and are summarised as below:

	As originally stated HK\$'000 (unaudited)	<u>Reclassifications</u> HK\$'000 (unaudited)	<u>Total</u> HK\$'000 (unaudited)
Property and related costs	240,896	76,221	317,117
Other expenses	<u>139,244</u>	<u>(76,221)</u>	<u>63,023</u>
	<u>380,140</u>	<u>-</u>	<u>380,140</u>

6. OTHER EXPENSES

	Six months ended 30 June	
	<u>2008</u> HK\$'000	<u>2007</u> HK\$'000
Included in other expenses are:		
Management fee paid/payable to a related company	50,245	47,540
Other legal and professional fees	<u>6,194</u>	<u>2,269</u>

7. FINANCE COSTS

	Six months ended 30 June	
	<u>2008</u> HK\$'000	<u>2007</u> HK\$'000
Interest on:		
Bank borrowings wholly repayable within 5 years	44,943	46,619
Bank borrowings not wholly repayable within 5 years	<u>255</u>	<u>2,671</u>
	45,198	49,290
Less: Amounts capitalised to property development projects	<u>(9,402)</u>	<u>(17,409)</u>
	35,796	31,881
Facilities charges	<u>1,474</u>	<u>2,024</u>
	<u>37,270</u>	<u>33,905</u>

8. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	<u>2008</u>	<u>2007</u>
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after crediting:		
Interest earned on bank deposits	9,436	8,405
Other interest income	<u>2,951</u>	<u>3,675</u>
	<u><u>12,387</u></u>	<u><u>12,080</u></u>

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	<u>2008</u>	<u>2007</u>
	HK\$'000	HK\$'000
Hong Kong Profits Tax	71,630	24,810
Deferred taxation		
Attributable to a change in tax rate	(9,514)	-
Current period	<u>117,251</u>	<u>31,426</u>
	<u><u>179,367</u></u>	<u><u>56,236</u></u>

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in corporate profit tax rate by 1% to 16.5% effective from the year of assessment 2008-2009. The effect of such decrease has been reflected in measuring the current and deferred tax for the six months ended 30 June 2008. The estimated average annual tax rate used is 16.5% (2007: 17.5%) for the six months ended 30 June 2008.

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

On 16 March 2007, the PRC government promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate from 33% to 25% for subsidiaries in the PRC from 1 January 2008. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective periods when the asset is realised or the liability is settled.

10. DIVIDENDS

No dividend was paid or proposed during both periods, nor has any dividend been proposed since the balance sheet date.

11. EARNINGS PER SHARE

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

	Six months ended 30 June	
	<u>2008</u>	<u>2007</u>
	HK\$'000	HK\$'000
Earnings for the purpose of earnings per share	<u>671,318</u>	<u>107,314</u>
	<u>Number of shares</u>	
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>886,347,812</u>	<u>886,347,812</u>

For the purpose of assessing the performance of the Group, management is of the view that the profit for the period should be adjusted for fair value changes on investment properties/properties held for sale upon transfer to investment properties and related deferred tax. A reconciliation of profits is as follows:

	<u>2008</u>	<u>2007</u>
	HK\$'000	HK\$'000
Profit attributable to the Company's shareholders as shown in the condensed consolidated income statement	671,318	107,314
Increase in fair value of properties held for sale upon transfer to investment properties	(227,145)	-
Increase in fair value of investment properties	(407,630)	(178,570)
Deferred tax on changes in fair value of investment properties/properties held for sale upon transfer to investment properties	121,975	31,426
Effect of change in tax rate	<u>(6,812)</u>	<u>-</u>
Earnings (loss) excluding changes in fair value of investment properties net of deferred tax	<u>151,706</u>	<u>(39,830)</u>

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

During the period, there was an exchange realignment of HK\$76.5 million which contributed to an increase in the carrying value of investment properties brought forward from 1 January 2008.

In addition, certain properties with fair value of HK\$431.0 million were transferred from properties for sales to investment properties upon the commencement of operating lease with third parties during the period. The difference between the fair value and the carrying value of these properties at the date of transfer of HK\$227.1 million have been recognised directly in the condensed consolidated income statement.

The Group's investment properties were revalued by independent professional valuers, Savills Valuation and Professional Services Limited, at 30 June 2008. The resulting increase in fair value of investment properties amounting to HK\$407.6 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\$54.2 million and capitalised amortisation of prepaid lease payments with a carrying value of HK\$7.5 million to property under development included in property, plant and equipment.

13. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<u>30.6.2008</u>	<u>31.12.2007</u>
	HK\$'000	HK\$'000
Trade receivables	1,134	2,302
Other receivables, deposits paid and prepayments	<u>205,511</u>	<u>333,349</u>
	<u>206,645</u>	<u>335,651</u>

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\$123.0 million, being proceeds received 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 2008, the Group paid construction cost of the related property of HK\$21.2 million. In addition, there was an exchange realignment of HK\$8.3 million which contributed to an increase in carrying value of restricted bank balances and deposits brought forward from 1 January 2008.

16. PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

	<u>30.6.2008</u>	<u>31.12.2007</u>
	HK\$'000	HK\$'000
Trade payables	36,142	69,762
Other payables, deposits received and accrued charges	<u>226,709</u>	<u>261,546</u>
	<u>262,851</u>	<u>331,308</u>

17. BORROWINGS

During the period, the Group repaid bank loans amounting to HK\$995.2 million and obtained new bank loans in the amount of HK\$774.1 million. In addition, there was an exchange realignment of HK\$32.2 million which contributed to an increase in carrying value of borrowings brought forward from 1 January 2008. The new loans bear interest at 0.5% to 0.8% over Hong Kong Interbank Offered Rate and 5% over 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 2007 and 30 June 2008	<u>1,300,000,000</u>	<u>65,000</u>
Issued and fully paid:		
At 31 December 2007 and 30 June 2008	<u>886,347,812</u>	<u>44,317</u>
		HK\$'000
Shown in the condensed consolidated financial statements as		<u>345,204</u>

19. CAPITAL COMMITMENTS

At the balance sheet date, the Group had capital commitments in respect of expenditure to be incurred on properties under development included in property, plant and equipment in Hong Kong as follows:

	<u>30.6.2008</u>	<u>31.12.2007</u>
	HK\$'000	HK\$'000
Authorised but not contracted for	<u>148,495</u>	<u>142,780</u>
Contracted for but not provided for in the condensed consolidated financial statements	<u>215,707</u>	<u>278,703</u>

20. PLEDGE OF ASSETS

At the balance sheet 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\$4,659,000,000 (31.12.2007: HK\$5,492,690,000).
- (b) Fixed and floating charges in properties under development held for sale with an aggregate carrying value of HK\$591,216,000 (31.12.2007: HK\$2,032,746,000).
- (c) Fixed and floating charges on properties held for sale with an aggregate carrying value of HK\$546,382,000 (31.12.2007: HK\$293,484,000).
- (d) Fixed and floating charges on properties under development included in property, plant and equipment with an aggregate carrying value of HK\$216,088,000 (31.12.2007: HK\$156,738,000).
- (e) Prepaid lease payments with an aggregate carrying value of HK\$558,850,000 (31.12.2007: HK\$565,707,000).
- (f) Bank deposits of HK\$632,422,000 (31.12.2007: HK\$317,772,000).
- (g) 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), (d) and (e) 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 2008:
- (i) Rental income received of HK\$4,268,000 (1.1.2007 to 30.6.2007: HK\$3,455,000);
 - (ii) Management fees paid/payable of HK\$57,675,000 (1.1.2007 to 30.6.2007: HK\$68,197,000) in respect of investment property and development project management services of the Group’s property portfolio provided by this related company; and
 - (iii) For the six months ended 30 June 2007, 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\$1,708,000 (1.1.2007 to 30.6.2007: HK\$6,335,000).

22. POST BALANCE SHEET EVENT

Subsequent to the balance sheet date, the Group acquired an investment property in the PRC at a consideration of HK\$60.3 million from SEA by way of the acquisition of the entire issued share capital and shareholder’s loan of certain subsidiaries of SEA.
