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S E A HOLDINGS LIMITED

爪哇控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 251)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

The board of directors (the “**Board**”) of S E A Holdings Limited (the “**Company**”) announces that the audited consolidated financial results of the Company and its subsidiaries (together, the “**Group**”) for the financial year ended 31 December 2013 together with the comparative figures of 2012 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS For the year ended 31 December 2013

	<i>Notes</i>	2013 HK\$'000	2012 HK\$'000
Revenue	3	884,184	607,274
Interest income		29,123	24,334
Other income		25,113	21,048
Costs:			
Property and related costs	4	(155,029)	(74,518)
Staff costs		(177,393)	(238,947)
Depreciation and amortisation		(83,029)	(83,899)
Other expenses		(158,247)	(202,778)
		(573,698)	(600,142)
Profit from operations before fair value changes on properties		364,722	52,514
Fair value changes on investment properties		277,219	1,300,282
Profit from operations after fair value changes on properties		641,941	1,352,796
Share of results of associates		27,886	2,510
Gain on disposal of assets classified as held for sale		21,640	-
Share of results of joint ventures		-	(2,667)
Finance costs	5	(91,159)	(92,526)
Profit before taxation		600,308	1,260,113
Income tax expense	6	(75,474)	(87,064)
Profit for the year		524,834	1,173,049

* For identification purpose only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*
For the year ended 31 December 2013

	<i>Notes</i>	2013 HK\$'000	2012 HK\$'000
Attributable to:			
Company's shareholders		510,090	1,161,289
Non-controlling interests		14,744	11,760
		<u>524,834</u>	<u>1,173,049</u>
		HK cents	HK cents
Earnings per share for profit attributable to the			
Company's shareholders	8		
Basic		<u>75.9</u>	<u>174.0</u>
Diluted		<u>74.6</u>	<u>172.9</u>
<i>Earnings (loss) per share excluding fair value changes on</i>			
<i>investment properties net of deferred tax</i>	8		
<i>Basic</i>		<u>38.6</u>	<u>(6.1)</u>
<i>Diluted</i>		<u>37.9</u>	<u>(6.1)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
For the year ended 31 December 2013

	2013	2012
	HK\$'000	HK\$'000
Profit for the year	<u>524,834</u>	<u>1,173,049</u>
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss:</i>		
Revaluation increase upon reclassification of property, plant and equipment to investment properties	<u>3,801</u>	<u>-</u>
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	108,291	4,016
Release of translation reserve upon disposal of assets classified as held for sale	(2,480)	-
Share of exchange differences of joint ventures	-	(250)
Share of exchange differences of associates	<u>(417)</u>	<u>635</u>
	<u>105,394</u>	<u>4,401</u>
	<u>109,195</u>	<u>4,401</u>
Total comprehensive income for the year	<u>634,029</u>	<u>1,177,450</u>
Total comprehensive income attributable to:		
Company's shareholders	614,325	1,172,415
Non-controlling interests	<u>19,704</u>	<u>5,035</u>
	<u>634,029</u>	<u>1,177,450</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2013

	<i>Notes</i>	2013 HK\$'000	2012 HK\$'000
Non-current assets			
Investment properties		9,952,179	9,612,715
Property, plant and equipment		1,025,066	1,081,675
Properties for development		1,350,813	1,292,243
Club memberships		8,574	8,574
Interests in associates		-	13,191
Loans receivable		7,072	9,396
Note receivables		54,279	15,510
Other receivable		384,794	365,800
Pledged bank deposits		-	58,750
Restricted bank deposits		6,360	-
		12,789,137	12,457,854
Current assets			
Properties held for sale			
Completed properties		219,277	314,748
Properties under development		959,091	733,991
Other inventories		1,119	935
Loans receivable		463	642
Trade receivables, deposits and prepayments	9	126,946	118,242
Tax recoverable		3,542	3,014
Amounts due from non-controlling interests		265	1,270
Bank balances and cash		2,150,101	1,644,905
		3,460,804	2,817,747
Assets classified as held for sale		-	42,090
		3,460,804	2,859,837
Current liabilities			
Payables, deposits and accrued charges	10	323,028	357,590
Tax liabilities		133,403	109,882
Amounts due to non-controlling interests		96,985	211,404
Bank borrowings – due within one year		1,499,192	409,367
Derivative financial instrument		1,132	-
		2,053,740	1,088,243
Net current assets		1,407,064	1,771,594
Total assets less current liabilities		14,196,201	14,229,448

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
At 31 December 2013

	2013	2012
	HK\$'000	HK\$'000
Capital and reserves		
Share capital	67,237	67,129
Reserves	11,483,916	10,902,667
Equity attributable to the Company's shareholders	11,551,153	10,969,796
Non-controlling interests	410,287	302,166
Total equity	11,961,440	11,271,962
Non-current liabilities		
Bank borrowings – due after one year	1,722,108	2,472,794
Derivative financial instrument	-	2,158
Deferred taxation	512,653	482,534
	2,234,761	2,957,486
	14,196,201	14,229,448

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and derivative financial instruments, which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these financial statements except as described below.

The directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of HKFRS 11 *Joint Arrangement*. The directors concluded that the Group's joint arrangements, which were classified as jointly controlled entities under HKAS 31 *Interest in Joint Ventures* and were accounted for using the equity method, should be classified as joint ventures under HKFRS 11 and continue to be accounted for using the equity method up to the date the joint arrangements are classified as assets held for sale.

In accordance with the transitional provisions of HKFRS 13 *Fair Value Measurement*, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

The Group has applied the amendments to HKAS 1 *Presentation of items of other comprehensive income*. Upon the adoption of the amendments to HKAS 1, the Group's "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income" and the "income statement" is renamed as the "statement of profit or loss". The amendments to HKFRS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance is mainly focused on property development, property investment and hotel operation. No operating segments identified by the chief operating decision makers have been aggregated in arriving at the reportable segments of the Group.

During the year, the Group's property investment activity is in Hong Kong, the People's Republic of China (the "PRC") and Australia; property development activity is in Hong Kong and PRC; and hotel operation is in Hong Kong.

The following is an analysis of the Group's revenue and results by reportable segment:

For the year ended 31 December 2013

	Property development HK\$'000	Property investment HK\$'000	Hotel operation HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE					
External sales	235,465	392,342	256,377	-	884,184
Inter-segment sales	-	498	-	(498)	-
Total	235,465	392,840	256,377	(498)	884,184
SEGMENT RESULTS					
Segment profit	71,639	623,315	56,994		751,948
Interest income					29,123
Corporate income less expenses					(117,490)
Share of results of associates					27,886
Finance costs					(91,159)
Profit before taxation					600,308

For the year ended 31 December 2012

	Property development HK\$'000	Property investment HK\$'000	Hotel operation HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE					
External sales	39,196	319,872	248,206	-	607,274
Inter-segment sales	-	1,185	-	(1,185)	-
Total	39,196	321,057	248,206	(1,185)	607,274
SEGMENT RESULTS					
Segment (loss) profit	(100,393)	1,549,366	58,614		1,507,587
Interest income					24,334
Corporate income less expenses					(179,125)
Share of results of associates					2,510
Share of results of joint ventures					(2,667)
Finance costs					(92,526)
Profit before taxation					1,260,113

3. SEGMENT INFORMATION *(Continued)*

Inter-segment sales are at mutually agreed terms.

The Group does not allocate interest income, corporate income less expenses, share of results of associates and joint ventures, and finance costs to individual reportable segment profit or loss for the purposes of resource allocation and performance assessment by the chief operating decision makers.

The accounting policies adopted in preparing the reportable segment information are the same as the Group's accounting policies.

4. PROPERTY AND RELATED COSTS

	2013 HK\$'000	2012 HK\$'000
Changes in completed properties and properties under development held for sale	98,369	15,777
Reversal of provision on relocation compensation	-	(5,089)
Write-down of properties held for sale	-	21,336
Selling and marketing expenses	6,472	2,949
Direct operating expenses of investment properties	50,188	39,545
	<u>155,029</u>	<u>74,518</u>

5. FINANCE COSTS

	2013 HK\$'000	2012 HK\$'000
Interest on:		
Bank borrowings wholly repayable within 5 years	50,930	51,188
Bank borrowings not wholly repayable within 5 years	37,427	38,387
	<u>88,357</u>	<u>89,575</u>
Less: Amounts capitalised to property development projects	<u>(4,676)</u>	<u>(3,689)</u>
	83,681	85,886
Front end fee	4,005	3,463
Other charges	3,473	3,177
	<u>91,159</u>	<u>92,526</u>

6. INCOME TAX EXPENSE

	2013 HK\$'000	2012 HK\$'000
The charge comprises:		
Current tax		
Hong Kong Profits Tax	51,196	12,928
PRC Enterprise Income Tax	11,232	8,963
Other jurisdictions	192	129
	<u>62,620</u>	<u>22,020</u>
(Over) under provision in prior years		
Hong Kong Profits Tax	(10,451)	1,012
Deferred tax	<u>23,305</u>	<u>64,032</u>
	<u>75,474</u>	<u>87,064</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

Income tax arising in the PRC and other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

7. DIVIDENDS

	2013 HK\$'000	2012 HK\$'000
Dividend recognised as distribution during the year:		
2013 interim dividend – HK5 cents (2012: 2012 interim dividend – HK5 cents) per share		
	33,618	33,561
2012 final dividend – HK6 cents (2012: 2011 final dividend – HK6 cents) per share		
	<u>40,318</u>	<u>40,169</u>
	<u>73,936</u>	<u>73,730</u>
2013 final dividend proposed: HK6 cents (2012: HK6 cents) per share		
	<u>40,509</u>	<u>40,318</u>

A final dividend of HK6 cents (2012: HK6 cents) per share has been proposed by the directors of the Company and is subject to approval by the shareholders at the forthcoming annual general meeting.

8. EARNINGS PER SHARE

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

	2013	2012
	HK\$'000	HK\$'000
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the year attributable to Company's shareholders	510,090	1,161,289
	Number of shares	
	2013	2012
Weighted average number of ordinary shares for the purpose of basic earnings per share	672,145,397	667,569,240
Effect of dilutive potential ordinary share options	11,424,870	3,908,998
Weighted average number of ordinary shares for the purpose of diluted earnings per share	683,570,267	671,478,238

For the purpose of assessing the performance of the Group, the directors are of the view that the profit for the year should be adjusted for the fair value changes on investment properties recognised in profit or loss and the related deferred taxation in arriving at the "adjusted profit (loss) attributable to the Company's shareholders". A reconciliation of the adjusted earnings is as follows:

	2013	2012
	HK\$'000	HK\$'000
Profit for the year attributable to the Company's shareholders as shown in the consolidated statement of profit or loss	510,090	1,161,289
Fair value changes on investment properties	(277,219)	(1,300,282)
Deferred tax thereon	18,774	61,277
Attributable to non-controlling interests	7,627	36,710
Adjusted profit (loss) attributable to the Company's shareholders	259,272	(41,006)
Earnings (loss) per share excluding fair value changes on investment properties net of deferred tax		
Basic	HK38.6 cents	HK(6.1) cents
Diluted	HK37.9 cents	HK(6.1) cents

The denominators used in the calculation of basic and diluted adjusted earnings per share for the year ended 31 December 2013 and basic adjusted loss per share for the year ended 31 December 2012 are the same as those detailed above. The computation of diluted adjusted loss per share for the year ended 31 December 2012 does not assume the exercise of the share options as it would result in decrease in loss per share.

9. TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2013 HK\$'000	2012 HK\$'000
Trade receivables	9,150	11,671
Accrued income	92,234	85,407
Deposits and prepayments	25,562	21,515
Less: Allowance for impairment loss	-	(351)
	<u>126,946</u>	<u>118,242</u>

Trade receivables mainly represent rental receivable from tenants for the use of the Group's properties and receivable from corporate customers and travel agents for the use of hotel facilities. No credit is allowed to tenants. Rentals are payable upon presentation of demand notes. An average credit period of 30 days is allowed to corporate customers and travel agents.

The following is an aged analysis of trade receivables, presented based on the invoice date, at the end of the reporting period.

	2013 HK\$'000	2012 HK\$'000
0 to 30 days	8,214	10,761
31 to 60 days	936	763
61 to 90 days	-	4
91 to 365 days	-	142
Over 365 days	-	1
	<u>9,150</u>	<u>11,671</u>

Before granting credit to any customer, the Group uses an internal credit assessment policy to assess the potential customers' credit quality and defines credit limits by customer. Trade receivables of HK\$940,000 (2012: HK\$2,088,000) at the end of the reporting period are past due but not considered impaired as these debtors have good repayment history. The Group does not hold any collateral over these balances.

10. PAYABLES, DEPOSITS AND ACCRUED CHARGES

	2013 HK\$'000	2012 HK\$'000
Trade payables	2,609	2,720
Rental deposits	113,185	93,539
Rental received in advance	12,052	8,590
Other payables, other deposits and accrued charges	195,182	252,741
	<u>323,028</u>	<u>357,590</u>

Included in other payables is an aggregate amount of HK\$87,876,000 (2012: HK\$85,761,000) payable to contractors for the cost in relation to the tenant relocation arrangements, excavation and infrastructure work on certain pieces of land. Included in other deposits at 31 December 2012 is an amount of HK\$40,000,000 received on disposal of the interests in joint ventures.

Rental deposits to be settled after twelve months from the end of the reporting period based on the respective lease terms amounted to HK\$87,302,000 (2012: HK\$61,667,000).

Trade payables are aged less than 60 days at the end of the reporting period based on the invoice date.

FINAL DIVIDEND

The Board has resolved to recommend for shareholders' approval at the forthcoming annual general meeting (the "2014 AGM") the payment of a final dividend of HK6 cents (2012: HK6 cents) per share for the year ended 31 December 2013 to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Wednesday, 11 June 2014. The relevant dividend warrants are expected to be despatched on or before Monday, 23 June 2014.

Together with the interim dividend of HK5 cents per share already paid (2012: HK5 cents), the total dividend for the year will be HK11 cents per share (2012: HK11 cents).

ANNUAL GENERAL MEETING

The 2014 AGM will be held in Hong Kong on Friday, 30 May 2014 and the relevant notice and documents will be despatched to the shareholders of the Company and published on the websites of Hong Kong Exchanges and Clearing Limited ("HKEx") (www.hkex.com.hk) and the Company (www.seagroup.com.hk) no later than late April 2014.

BOOK CLOSE DATES

For the purpose of ascertaining the entitlements to attend and vote at the 2014 AGM and qualify for the proposed final dividend, the register of members of the Company will be closed. Details of such closures are set out below:

For ascertaining shareholders' entitlement to attend and vote at the 2014 AGM

Latest time to lodge transfers documents	4:30 pm on 27 May 2014 (Tuesday)
Closure of register of members	28 May 2014 (Wednesday) to 30 May 2014 (Friday) (both days inclusive)
Record date	30 May 2014 (Friday)

For ascertaining shareholders' entitlement to the proposed final dividend

Latest time to lodge transfers documents	4:30 pm on 6 June 2014 (Friday)
Closure of register of members	9 June 2014 (Monday) to 11 June 2014 (Wednesday) (both days inclusive)
Record date	11 June 2014 (Wednesday)

During the above closure periods, no transfer of shares will be registered. To be entitled to attend and vote at the 2014 AGM and to qualify for the proposed final dividend, all duly completed and stamped transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Branch Share Registrars in Hong Kong, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (which will be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) before the above latest time.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Summary

Turnover for the year ended 31 December 2013 amounted to HK\$884.2 million (2012: HK\$607.3 million). The turnover was principally attributable to the recognition of rental income from investment properties, revenue from hotel operation and the sales of properties in Hong Kong.

Profit attributable to the Company's shareholders for the year amounted to HK\$510.1 million (2012: HK\$1,161.3 million), equivalent to a basic earnings per share of HK75.9 cents (2012: HK174.0 cents). The reported profit attributable to the Company's shareholders included a revaluation surplus on investment properties net of deferred taxation of HK\$258.4 million (2012: HK\$1,239.0 million). By excluding the effect of such surplus, the Group's net profit attributable to the Company's shareholders was HK\$259.3 million (2012: net loss of HK\$41.0 million), equivalent to HK\$38.6 cents (2012: loss of HK6.1 cents) per share.

As at 31 December 2013, the Group's equity attributable to the Company's shareholders amounted to HK\$11,551.2 million (2012: HK\$10,969.8 million). The net asset value per share attributable to the Company's shareholders as at 31 December 2013 was HK\$17.18 as compared with HK\$16.34 as at 31 December 2012.

The Group's property assets by geographical location at the year-end were as follows:

	31 December 2013 HK\$' million	31 December 2012 HK\$' million
Hong Kong	9,184.7	8,930.8
Mainland China	4,078.9	3,777.4
Australia and New Zealand	191.5	255.2
Total	13,455.1	12,963.4

Business Review

Property Investment and Development

The Group continues to focus on development and investment projects in Hong Kong and Mainland China. It is the Group's approach to review and optimise the project portfolios from time to time. The Group's core projects located in Hong Kong and Mainland China are listed below.

Hong Kong

The office leasing market was stable during the year. With several tenancies of Dah Sing Financial Centre, a 39-storey commercial building, being renewed at market rates, rental income received during the year increased. The occupancy rate of Dah Sing Financial Centre remains at a high level of approximately 92% as at 31 December 2013.

The Group has sold the commercial podium, all public car parking spaces and all the remaining residential units of The Forest Hills for the year under review. The sale of the residents' car parking spaces are continuing.

The negotiation of the land premium with the Government for the development project at Fo Tan is in progress. This development project has a site area of approximately 20,000 square metres and envisages, among other facilities, residential units, car parks, educational facilities and a bus terminus. The foundation work of the project has been completed and the amended building plans were approved by the Buildings Department.

Mainland China

Chengdu, Sichuan Province

During the year, the occupancy rate for the two 30-storey office towers of Plaza Central remained at a high level and its retail podium with a gross floor area of about 29,000 square metres is fully let principally to Chengdu New World Department Store on a long-term lease. As at 31 December 2013, the aggregate occupancy rate for the two office towers and the retail podium was approximately 93%. Leasing activities for the remaining areas of Plaza Central continue.

The shopping arcade of New Century Plaza with a gross floor area of about 16,300 square metres is fully let to a furniture retailer on a medium-term lease.

The master layout plan of the Longquan project, which has a site area of 506,000 square metres, was approved by the local government in January 2014. Preliminary site works of the project have been completed and site formation works for Phase I are in progress.

Kaifeng, Henan Province

The Kaifeng project, known as “Nova City”, is situated in Zheng-Kai District, a new town in Kaifeng and envisages shopping mall, premium offices, exhibition hall, hotel, serviced apartments and residential towers. This project has a site area of 735,000 square metres and in order to provide a better living environment, the gross floor area of the development will vary from 2,000,000 to 2,500,000 square metres only. The master layout plan has been approved by the local government and foundation work for Phase I of the residential has been completed during the year under review. The superstructure works for Phase I of the residential are in progress and scheduled to be completed in the first quarter of 2015.

Guangzhou, Guangdong Province

As at 31 December 2013, the occupancy rate of the 14-storey office tower of Westmin Plaza Phase II of about 16,100 square metres was approximately 99% with more than one-third of the total office space being leased to AIA. Leasing activities for the 3-storey shopping arcade of Westmin Plaza Phase II with a total gross floor area of about 26,400 square metres are in progress.

Huangshan, Anhui Province

The project in Huangshan has a site area of about 337,000 square metres comprising of development land of about 117,000 square metres and landscape land of 220,000 square metres. The master layout plan for the development of the project comprising a hotel, serviced apartments and resort villas in the integrated resort site has been approved by the local government and site formation work for phase I of the project is in progress.

Chi Shan, Nanjing, Jiangsu Province

The Group has established two 51%-owned joint venture companies to participate in the tenant relocation arrangements and excavation and infrastructure works on certain pieces of land in Chi Shan. The Group intends to acquire such lands through land auctions by different stages.

Australia and New Zealand

Turnover generated from the property investment projects in Australia for the year ended 31 December 2013 was HK\$19.4 million (2012: HK\$22.5 million). During the year, the Group had acquired the remaining interest of Lizard Island Resort, Australia held by the other shareholder and had disposed of its remaining interest in Christchurch project, New Zealand.

Hotel Operation

Crowne Plaza Hong Kong Causeway Bay is a 29-storey five-star hotel comprising 263 guest rooms with ancillary facilities and is managed by the InterContinental Hotels Group. It has achieved satisfactory occupancy and room rates for the year under review.

Financial Resources and Liquidity

Working Capital and Loan Facilities

As at 31 December 2013, the Group's total bank deposits, bank balances and cash was HK\$2,156.5 million (2012: HK\$1,703.7 million) and unutilised facilities were HK\$965 million (2012: HK\$1,040.0 million).

Gearing ratio as at 31 December 2013, calculated on the basis of net interest bearing debt minus bank deposits, bank balances and cash as a percentage of total property assets, was 7.9% (2012: 9.1%).

As at 31 December 2013, maturity of the Group's outstanding borrowings was as follows:

	31 December 2013 HK\$' million	31 December 2012 HK\$' million
Due		
Within 1 year	1,500.3	410.2
1-2 years	395.2	1,171.0
3-5 years	1,082.9	1,015.4
Over 5 years	256.6	300.9
	3,235.0	2,897.5
Less: Front-end fee	(13.7)	(15.4)
	3,221.3	2,882.1

Pledge of Assets

For the Company's subsidiaries operating in Hong Kong and Mainland China, the total bank loans drawn as at 31 December 2013 amounted to HK\$3,104.8 million (2012: HK\$2,725.1 million) which comprised of secured bank loans of HK\$2,894.8 million (2012: HK\$2,725.1 million) and unsecured bank loans of HK\$210 million (2012: nil). The secured bank loans were secured by properties valued at HK\$10,865.5 million and note receivables of HK\$54.3 million (2012: secured by properties valued at HK\$10,407.8 million and fixed deposits of HK\$58.8 million).

A subsidiary of the Company operating in Australia pledged its properties with an aggregate carrying value of HK\$191.5 million as at 31 December 2013 (2012: HK\$249.9 million) to secure bank loans of HK\$116.5 million (2012: HK\$157.0 million).

Treasury Policies

The Group adheres to prudent treasury policies. As at 31 December 2013, all of the Group's borrowings were raised through its wholly-owned or substantially controlled subsidiaries on a non-recourse basis.

Staff and Emolument Policy

As at 31 December 2013, the Group had a total of 426 employees (2012: 376 employees) in Hong Kong and Mainland China. Employee costs, including the emoluments of the directors of the Group, amounted to HK\$177.4 million for the year ended 31 December 2013 (2012: HK\$238.9 million).

The Group maintains good working relationship with its employees and continues to recruit, retain and develop competent individuals committed for its long-term success and growth. Salary and benefits of employees are reviewed at least annually both in response to market conditions and trends, and in conjunction with individual appraisals based on qualifications, experience, skills, responsibilities, performance and development potentials. Discretionary bonuses are granted in line with the Group's financial results and employees' performance. Fringe benefits including medical insurance scheme, study and training allowances, examination leave and voluntary employer contributions to retirement schemes are offered to employees. In addition, to retain and motivate management staff and good performers, the Company has adopted an employee share option scheme and a share award scheme with options to subscribe for shares in the Company and awards of shares being granted by the Board to the Group's employees (including directors of the Company) on a discretionary basis. To further enhance employee relations and communications, recreational activities for general staff with senior management's participation are arranged.

Outlook

With the pick up of trade in the second half of 2013, the International Monetary Fund (the "IMF") is predicting that economic global activity is expected to improve further in 2014 with an anticipated growth rate of 3.7%. The IMF also stated in their report published in January 2014 that in advanced economies, output gaps generally remain large and, given the risks, the monetary policy stance should stay accommodative while fiscal consolidation continues. However, the global political and economic landscape continues to be uncertain in this year.

The Mainland China property market continues to grow with the 100-cities index recording twenty months growth since June 2012. However, the growth momentum continues to be slowing down in recent months. China's largest stockbroker has recently revised upwards the property price growth figure in Mainland China from 3% to 8%.

In Hong Kong, the property prices of residential properties have declined slightly and there may be a further modest decline in 2014. It is believed that land supply continues to be a problem. The Hong Kong Government's policy does not address the prompt implementation of a comprehensive solution to the housing shortage with insufficient housing stock being produced and an administrative system which seems to have lost its way.

Negotiation of the land premium for our Fo Tan development project is a slow and painful process. The Group is awaiting a more realistic revised land premium from the Hong Kong Lands Department which should reflect the current market circumstances. There has been some softening of rents from the recent highs for our Dah Sing Financial Centre but pick up is anticipated in the latter half of the year with an uptick in the financial service market activity. Our hotel has firmly established itself as the number one hotel in Causeway Bay recording high occupancy rates which are predicted to continue. The hotel is currently looking at growing its room rate by 5% in view of the increased Chinese visitors.

In Mainland China, our investment properties remain substantially let and generate steady cash flow whilst the two major developments in Chengdu and Kaifeng are now under construction. Pre-sales of the first phase of the Kaifeng project will commence in the second quarter of this year while pre-sales of the residential project in Chengdu will commence in the middle of the year. Both cities are expected to see modest growth in sales prices over the year and are unlikely to be so affected as the first tier cities where further intervention could be imposed by the Central Government. As cooling measures have resulted in a much reduced number of apartments sold and thus such further intervention may not be foreseen.

Notwithstanding an anticipated modest decline in property prices for residential properties in Hong Kong, the outlook for the markets in which the Group operate is expected to be relatively stable in 2014.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2013.

CORPORATE GOVERNANCE PRACTICES

Throughout the year ended 31 December 2013, the Company has applied the principles and complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules except for the following deviations:

- *Code provision A.2.1 which states that the roles of the chairman and the chief executive officer should be separated and should not be performed by the same individual.* The Company does not propose to comply with this code provision for the time being. The Chairman who is holding the office of Managing Director of the Company currently oversees the management and the Group's business. The Board considers that the present management structure has been effective in facilitating the operation and development of the Group for a considerably long period and has withstood the test of time and that no benefit will be derived from changing it. The current structure allows flexibility and enhances the efficiency of decision-making process in response to the constantly changing environment while the market sentiment may vary quite significantly in different areas of the Asia Pacific region in which the Group operates. In addition, the Board believes that a balance of power and authority is adequately ensured by the operations of the Board which comprises conscientious, experienced and high calibre individuals including three independent non-executive directors.
- *Code provision A.4.1 which stipulates that non-executive directors should be appointed for a specific term.* Each of the existing non-executive directors (including the independent non-executive directors) of the Company does not have a specific term of appointment but is subject to retirement by rotation and re-election at the annual general meetings pursuant to the Bye-laws of the Company. The Bye-laws require that every director will retire from office no later than the third annual general meeting of the Company after he was last elected or re-elected. In addition, any person appointed by the Board to fill a casual vacancy or as an additional director (including non-executive director) will hold office only until the next general meeting and will then be eligible for re-election. As such, the Board considers that such requirements are sufficient to meet the underlying objectives of the relevant code provision and therefore does not intend to take any remedial steps in this regard.

REVIEW BY AUDIT COMMITTEE

The audit committee comprises three members, namely Messrs. Leung Hok Lim, Walujo Santoso, Wally and Chung Pui Lam, all being independent non-executive directors of the Company. The audit committee has reviewed with the management the audited consolidated financial statements of the Company for the year ended 31 December 2013.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU (“DTT”)

The figures in respect of this Announcement of the Group’s financial results for the year ended 31 December 2013 have been agreed by DTT to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by DTT in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by DTT on this Announcement.

PUBLICATION OF ANNUAL REPORT

The 2013 Annual Report of the Company containing all the applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the websites of HKEx (www.hkex.com.hk) and the Company (www.seagroup.com.hk) no later than late April 2014.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to express our heartfelt gratitude to the founders of the Group, our sincere thanks to the long-standing business partners, customers and shareholders, and our appreciation to all staff members for their dedication and hard work for the Group during the year.

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

Hong Kong, 27 March 2014

At the date of this announcement, the Board comprises the following members:

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

Non-executive Director: Mr. Lam Sing Tai

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