

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2016

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 2016 together with the comparative figures of 2015 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS For the year ended 31 December 2016

	Notes	2016 HK\$'000	2015 HK\$'000
Revenue	4	565,979	732,696
Other income		18,412	66,982
Costs:			
Property and related costs	5	(41,519)	(133,891)
Staff costs		(175,051)	(267,033)
Depreciation and amortisation		(38,449)	(65,327)
Other expenses		(159,320)	(171,573)
		<u>(414,339)</u>	<u>(637,824)</u>
Profit from operations before fair value changes on investment properties		170,052	161,854
Fair value changes on investment properties		<u>(104,625)</u>	<u>953,077</u>
Profit from operations after fair value changes on investment properties		65,427	1,114,931
Other gains and losses	6	520,284	464,162
Finance costs	7	<u>(89,136)</u>	<u>(117,133)</u>
Profit before taxation		496,575	1,461,960
Income tax credit	8	<u>75,346</u>	<u>1,252</u>
Profit for the year		<u><u>571,921</u></u>	<u><u>1,463,212</u></u>

* For identification purpose only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*
For the year ended 31 December 2016

	<i>Notes</i>	2016 HK\$'000	2015 HK\$'000
Attributable to:			
Company's shareholders		684,289	1,435,932
Non-controlling interests		(112,368)	27,280
		<u>571,921</u>	<u>1,463,212</u>
		HK cents	HK cents
Earnings per share for profit attributable to the Company's shareholders			
	10		
Basic		<u>101.0</u>	<u>209.3</u>
Diluted		<u>98.9</u>	<u>205.3</u>
<i>Earnings per share excluding fair value changes on investment properties net of deferred tax</i>			
	10		
<i>Basic</i>		<u>112.5</u>	<u>69.9</u>
<i>Diluted</i>		<u>110.2</u>	<u>68.5</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
For the year ended 31 December 2016

	2016	2015
	HK\$'000	HK\$'000
Profit for the year	<u>571,921</u>	<u>1,463,212</u>
Other comprehensive (expense) income:		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Fair value loss on available-for-sale investments	(3,238)	(60,004)
Exchange differences arising on translation of foreign operations	(150,143)	(257,956)
Reclassification adjustments for amounts transferred to profit or loss:		
- upon disposal of subsidiaries	<u>1,848</u>	<u>-</u>
Other comprehensive expense for the year	<u>(151,533)</u>	<u>(317,960)</u>
Total comprehensive income for the year	<u>420,388</u>	<u>1,145,252</u>
Total comprehensive income attributable to:		
Company's shareholders	534,713	1,128,046
Non-controlling interests	<u>(114,325)</u>	<u>17,206</u>
	<u>420,388</u>	<u>1,145,252</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2016

	<i>Notes</i>	2016 HK\$'000	2015 HK\$'000
Non-current assets			
Investment properties		3,679,641	11,422,459
Property, plant and equipment		699,280	946,483
Properties for development		-	1,200,180
Club memberships		6,899	8,920
Loan receivables		3,160	3,789
Note receivables		38,773	54,256
Other receivables		-	361,114
Available-for-sale investments		1,377,434	147,307
Restricted bank deposits		5,589	5,613
		5,810,776	14,150,121
Current assets			
Properties held for sale			
Completed properties		192,098	627,384
Properties under development		-	231,667
Inventories		1,196	1,251
Loan receivables		376	371
Note receivables		15,509	-
Available-for-sale investments		137,204	-
Receivables, deposits and prepayments	11	587,311	128,147
Tax recoverable		3,120	17,795
Amounts due from non-controlling interests		38	-
Pledged bank deposits		533,105	-
Bank balances and cash		9,999,155	3,923,012
		11,469,112	4,929,627
Current liabilities			
Payables, rental deposits and accrued charges	12	188,421	433,552
Sales deposits		-	13,064
Tax liabilities		9,056	84,469
Amounts due to non-controlling interests		87,754	93,696
Bank borrowings – due within one year		2,186,719	1,536,781
		2,471,950	2,161,562
Net current assets		8,997,162	2,768,065
Total assets less current liabilities		14,807,938	16,918,186

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
At 31 December 2016

	2016	2015
	HK\$'000	HK\$'000
Capital and reserves		
Share capital	67,656	67,765
Reserves	11,983,321	13,006,638
	<hr/>	<hr/>
Equity attributable to the Company's shareholders	12,050,977	13,074,403
Non-controlling interests	281,727	444,030
	<hr/>	<hr/>
Total equity	12,332,704	13,518,433
	<hr/>	<hr/>
Non-current liabilities		
Bank borrowings – due after one year	2,103,935	2,953,381
Deferred taxation	371,299	446,372
	<hr/>	<hr/>
	2,475,234	3,399,753
	<hr/>	<hr/>
Total equity and non-current liabilities	14,807,938	16,918,186
	<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2016

	2016	2015
	HK\$'000	HK\$'000
Operating activities		
Profit before taxation	496,575	1,461,960
Adjustments for:		
Interest expenses	81,335	106,466
Depreciation and amortisation	38,449	65,327
Fair value changes on investment properties	104,625	(953,077)
Write off of bad debts from tenants	14,115	-
Write off of other receivables	353,127	-
Reversal of relocation costs	(71,721)	-
Fair value adjustment on other receivables	-	7,521
Gain on disposal of subsidiaries	(801,690)	(464,162)
Gain on disposal of club membership	(698)	-
Interest income	(5,409)	(24,127)
(Gain) loss on disposal of property, plant and equipment	(19)	31
Share-based payment expenses	5,462	62,866
	<hr/>	<hr/>
Operating cash flows before movements in working capital	214,151	262,805
Decrease (increase) in properties held for sale	195	(309,347)
Decrease in inventories	55	82
(Increase) decrease in receivables, deposits and prepayments	(56,504)	30,640
Decrease in guaranteed bank balances	3,094	31,374
Increase in payables, rental deposits and accrued charges	119,227	98,642
Increase (decrease) in sales deposits	4,507	(49,531)
	<hr/>	<hr/>
Cash generated from operations	284,725	64,665
Interest paid	(91,994)	(98,847)
Tax paid	(18,639)	(54,995)
Tax refunded	10,884	1,073
Payment for shares under share award scheme	-	(70,217)
	<hr/>	<hr/>
Net cash from (used in) operating activities	184,976	(158,321)

CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*
For the year ended 31 December 2016

	2016 HK\$'000	2015 HK\$'000
Investing activities		
Acquisition of and additional cost on properties for development	(45,759)	(51,285)
Interest received	7,759	24,985
Decrease in loan receivables	624	320
Increase in fixed deposits	(4,460,201)	(364,048)
Increase in restricted bank deposits	(347)	-
Increase in pledged bank deposits	(533,105)	-
Restricted bank deposits refunded	-	370
Fixed deposits refunded	364,048	309,380
Purchase of property, plant and equipment	(3,035)	(2,778)
Purchase of investment properties	(1,505,213)	(81,935)
Proceeds on disposals of property, plant and equipment	60	17
Proceeds on disposals of club membership	2,578	-
Purchase of club membership	-	(487)
Disposal of available-for-sale investments	15,122	16,598
Additional interest in available-for-sale investments	(1,388,144)	(216,145)
Net consideration received on disposal of subsidiaries	10,995,075	1,382,500
Net cash from investing activities	3,449,462	1,017,492
Financing activities		
Draw down of bank loans	3,491,280	2,195,232
Repayments of bank loans	(3,501,983)	(1,864,501)
Payment of front-end fee	(10,159)	(7,000)
Issue of new shares	31,993	60,873
Repurchase of ordinary shares	(165,936)	(228,530)
Advances to non-controlling interests	(38)	-
Repayments from non-controlling interests	-	70
Dividends paid	(1,429,658)	(75,680)
Dividends paid to non-controlling interests	(47,978)	(808)
Net cash (used in) from financing activities	(1,632,479)	79,656
Net increase in cash and cash equivalents	2,001,959	938,827
Cash and cash equivalents at beginning of the year	3,555,870	2,663,743
Effect of foreign exchange rate changes	(18,875)	(46,700)
Cash and cash equivalents at end of the year	5,538,954	3,555,870
Represented by:		
Bank balances and cash	9,999,155	3,923,012
Less: Fixed deposits with original maturity date more than 3 months and not exceeding 1 year	(4,460,201)	(364,048)
Less: Guarantee bank balances	-	(3,094)
	5,538,954	3,555,870

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, available-for-sale investments and derivative financial instruments, which are measured at revalued amount or 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 Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 - 2014 Cycle
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception

The application of the new and amendments to 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 consolidated financial statements.

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
HKFRS 16	Leases ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 7	Disclosure Initiative ⁴
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ⁴

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

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1 January 2017

The directors of the Company expect that the application of the new and amendments to HKFRS that were issued but not yet effective will have no material impact on the results and financial position of the Group.

3. SEGMENT INFORMATION

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

The Group disposed of certain property development projects in the People’s Republic of China (the “PRC”) during the year as set out in notes 6(a)(ii), (iii) and (iv).

The Group’s property investment activities are in Hong Kong, the PRC, Australia and the United Kingdom. The investment property in Hong Kong was disposed of during the year as set out on note 6(a)(i).

The hotel operation is in Hong Kong.

During the year, a new operating segment – financial investment – has been established. The directors of the Group are seeking potential investment opportunities for their investment portfolio, consisting mainly of investment in debt and/or equity investments and bank deposits. The investment income from the investment portfolio will be included in the financial investment segment.

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

Segment revenue and results

For the year ended 31 December 2016

	Property development HK\$'000	Property investment HK\$'000	Hotel operation HK\$'000	Financial investment HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE					
External revenue	<u>9,281</u>	<u>261,839</u>	<u>228,914</u>	<u>65,945</u>	<u>565,979</u>
SEGMENT RESULTS					
Segment (loss) profit	<u>(274,824)</u>	<u>872,442</u>	<u>67,913</u>	<u>65,741</u>	731,272
Unallocated interest income					5,409
Corporate income less expenses					(150,970)
Finance costs					<u>(89,136)</u>
Profit before taxation					<u>496,575</u>

3. SEGMENT INFORMATION (Continued)

For the year ended 31 December 2015

	Property development HK\$'000	Property investment HK\$'000	Hotel operation HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE				
External revenue	<u>94,285</u>	<u>409,160</u>	<u>229,251</u>	<u>732,696</u>
SEGMENT RESULTS				
Segment profit	<u>420,541</u>	<u>1,298,303</u>	<u>59,194</u>	1,778,038
Interest income				24,127
Corporate income less expenses				(223,072)
Finance costs				<u>(117,133)</u>
Profit before taxation				<u>1,461,960</u>

The Group does not allocate general interest income, corporate income less expenses and finance costs to individual reportable segment profit or loss for the purposes of resource allocation and performance assessment by the CODM.

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

4. REVENUE

The following is an analysis of the Group's revenue from its major business activities.

	2016 HK\$'000	2015 HK\$'000
Sale of properties	9,281	94,285
Renting of investment properties	261,839	409,160
Hotel operation	228,914	229,251
Financial investments	<u>65,945</u>	<u>-</u>
	<u>565,979</u>	<u>732,696</u>

5. PROPERTY AND RELATED COSTS

	2016 HK\$'000	2015 HK\$'000
Cost of properties sold	5,436	76,699
Selling and marketing expenses	2,917	9,909
Direct operating expenses of investment properties	<u>33,166</u>	<u>47,283</u>
	<u>41,519</u>	<u>133,891</u>

6. OTHER GAINS AND LOSSES

	2016 HK\$'000	2015 HK\$'000
Gain on disposal of subsidiaries (note a)	801,690	464,162
Write off of other receivables (note b)	(353,127)	-
Reversal of relocation costs (note 12)	<u>71,721</u>	<u>-</u>
	<u>520,284</u>	<u>464,162</u>

6. OTHER GAINS AND LOSSES *(Continued)*

(a) Gain on disposal of subsidiaries

During the year ended 31 December 2016, the Group has disposed of certain subsidiaries which owned the following properties/projects:

(i) Dah Sing Financial Centre

On 25 February 2016, the Group entered into a sale and purchase agreement, pursuant to which the Group agreed to sell the entire issued shares of SEA (BVI) Limited, which wholly owns the issued shares of Wing Siu Company Limited (the sole registered and beneficial owner of Dah Sing Financial Centre), to an independent third party at an aggregate consideration of HK\$10,101 million in cash. The disposal was completed on 24 May 2016 and a gain of HK\$797 million was recognised in consolidated statement of profit or loss during the year.

(ii) Kaifeng Nova City

On 19 April 2016, the Group entered into a sale and purchase agreement, pursuant to which the Group agreed to sell the entire issued share of New Insight Holdings Limited, which wholly owns the issued shares of all investment companies (the beneficial owners of a property development project at Kaifeng Nova City, Henan Province, the PRC), to an independent third party at an aggregate consideration of HK\$900 million in cash. The disposal was completed on 26 April 2016 and a loss of HK\$91 million was recognised in consolidated statement of profit or loss during the year.

(iii) Huangshan project

On 3 August 2016, the Group entered into a sale and purchase agreement with an independent third party to sell the entire issued share capital of Rich Motion Development Limited, which wholly owns the entire registered capital of the investment company of a property development project located at Huangshan, Anhui Province, the PRC for a consideration of HK\$2 million in cash. The disposal was completed on the same date and a loss of HK\$32 million was recognised in consolidated statement of profit or loss during the year.

(iv) Chengdu Nova City

On 22 August 2016, the Group entered into a sale and purchase agreement with an independent third party to sell the entire issued share capital of Healthy Time International Limited, which wholly owns the beneficial interest in the property development project located in Chengdu, Sichuan Province, the PRC for a consideration of HK\$890 million in cash, of which HK\$445 million has been received to date with the balance due in August 2017 (note 11). The disposal was completed on 29 August 2016 and a gain of HK\$127 million was recognised in consolidated statement of profit or loss during the year.

6. OTHER GAINS AND LOSSES (Continued)

(b) Write off of other receivables

At 31 December 2016, the Group had incurred a total amount of RMB321,060,000 (2015: RMB321,060,000), equivalent to HK\$358,913,000 (2015: HK\$383,217,000), for the tenant relocation arrangements, excavation and infrastructure work on certain pieces of land in Nanjing, the PRC. The amount was recorded as on other receivable, which is wholly refundable from the relevant PRC local government either by deduction against the consideration payable if the Group is successful in bidding for the land or out of the proceeds received by the relevant PRC local government from another successful tenderer.

During the year ended 31 December 2016, the Group recognised a full impairment of such other receivables. Management reviews the status of the underlying project annually. Since there has been a substantial delay of the time schedule from the original plan, management is now of the view that the release of the land for auction and amount to be recovered in the foreseeable future is unlikely, and therefore a full impairment loss has been made for the amount incurred.

7. FINANCE COSTS

	2016	2015
	HK\$'000	HK\$'000
Interest on bank borrowings	81,711	125,990
Less: Amounts capitalised to property development project	(376)	(19,524)
	81,335	106,466
Front end fee	3,236	6,966
Other charges	4,565	3,701
	89,136	117,133

8. INCOME TAX CREDIT

	2016 HK\$'000	2015 HK\$'000
The tax credit (charge) comprises:		
Current tax		
Hong Kong Profits Tax	(12,268)	(19,489)
PRC Enterprise Income Tax	(15,036)	(14,933)
Other jurisdictions	(3,459)	(2,899)
	<u>(30,763)</u>	<u>(37,321)</u>
Over (under) provision in prior years		
Hong Kong Profits Tax	139	4,001
PRC Enterprise Income Tax	1,879	6,666
PRC Land Appreciation Tax	79,420	-
Other jurisdictions	(309)	-
	<u>81,129</u>	<u>10,667</u>
Deferred tax		
- current year	27,358	27,906
- underprovision in prior years	(2,378)	-
	<u>24,980</u>	<u>27,906</u>
	<u><u>75,346</u></u>	<u><u>1,252</u></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.

9. DIVIDENDS

	2016 HK\$'000	2015 HK\$'000
Dividends recognised as distributions during the year:		
2016 interim dividend – HK5 cents (2015: 2015 interim dividend – HK5 cents) per share	33,864	34,168
2015 final dividend – HK6 cents (2015: 2014 final dividend – HK6 cents) per share	40,654	41,512
Special dividend of HK\$2 per share	1,355,140	-
	<u>1,429,658</u>	<u>75,680</u>
2016 final dividend proposed: HK6 cents (2015: HK6 cents) per share	<u>40,717</u>	<u>40,711</u>

A 2016 final dividend of HK6 cents (2015: HK6 cents) per share has been proposed by the directors of the Company and is subject to approval by the Company's shareholders at the forthcoming annual general meeting.

10. 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:

	2016 HK\$'000	2015 HK\$'000
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the year attributable to the Company's shareholders	<u>684,289</u>	<u>1,435,932</u>
	Number of shares	
	2016	2015
Weighted average number of ordinary shares for the purpose of basic earnings per share	677,817,281	686,089,849
Effect of dilutive potential ordinary share options	<u>14,102,335</u>	<u>13,502,911</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>691,919,616</u>	<u>699,592,760</u>

10. EARNINGS PER SHARE (Continued)

For the purpose of assessing the performance of the Group, the directors of the Company 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 attributable to the Company’s shareholders”. A reconciliation of the adjusted earnings is as follows:

	2016 HK\$'000	2015 HK\$'000
Profit for the year attributable to the Company’s shareholders as shown in the consolidated statement of profit or loss	684,289	1,435,932
Fair value changes on investment properties	104,625	(953,077)
Deferred tax thereon	(24,515)	(31,129)
Attributable to non-controlling interests	(2,136)	27,758
Adjusted profit attributable to the Company’s shareholders	<u>762,263</u>	<u>479,484</u>
Earnings per share excluding fair value changes on investment properties net of deferred tax		
Basic	<u>HK112.5 cents</u>	<u>HK69.9 cents</u>
Diluted	<u>HK110.2 cents</u>	<u>HK68.5 cents</u>

The denominators used in the calculation of basic and diluted adjusted earnings per share for the year ended 31 December 2016 and 31 December 2015 are the same as those detailed above.

11. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2016 HK\$'000	2015 HK\$'000
Trade receivables	8,001	10,000
Amount receivables from disposal of subsidiaries (note 6(a)(iv))	445,000	-
Accrued income	72,366	99,159
Deposits and prepayments	61,944	18,988
	<u>587,311</u>	<u>128,147</u>

Trade receivables mainly represent rental receivable from tenants for the use of the Group’s properties and receivables from corporate customers and travel agents for the use of hotel facilities. Rentals are payable upon presentation of demand notes. An average credit period of 30 days is allowed to corporate customers and travel agents.

11. RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

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

	2016 HK\$'000	2015 HK\$'000
0 to 30 days	5,622	8,167
31 to 60 days	344	271
61 to 90 days	18	232
91 to 365 days	1,100	1,110
Over 365 days	917	220
	<u>8,001</u>	<u>10,000</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 limit by customer. Trade receivables of HK\$2,513,000 (2015: HK\$2,498,000) at the end of the reporting period are past due but are not considered impaired as most of them are sufficiently covered by rental deposits received from respective tenants. The Group considers that the amounts are still recoverable and no provision is required. The Group does not hold any collateral over these balances.

12. PAYABLES, RENTAL DEPOSITS AND ACCRUED CHARGES

	2016 HK\$'000	2015 HK\$'000
Trade payables	2,432	3,052
Rental deposits	37,784	113,809
Rental received in advance	33,154	13,463
Other payables, other deposits and accrued charges	115,051	303,228
	<u>188,421</u>	<u>433,552</u>

Included in other payables is an aggregate amount of (i) HK\$24,609,000 (2015: HK\$93,010,000) payable to contractors for the cost in relation to the tenant relocation arrangements, excavation and infrastructure work on certain pieces of land as details in note 6(b) and; (ii) nil (2015: HK\$67,436,000) payable to contractors for properties held for sale. As at 31 December 2016, management reviewed the construction cost provision and reversed an amount of HK\$71,721,000 which no longer probable to be paid by the Group.

Rental deposits to be settled after twelve months from the end of the reporting period based on the respective lease terms amounted to HK\$25,610,000 (2015: HK\$76,421,000).

DIVIDENDS

The Board has resolved to recommend for shareholders' approval at the forthcoming annual general meeting (the "2017 AGM") of the Company the payment of a final dividend of HK6 cents (2015: a final dividend of HK6 cents and a special dividend of HK\$2) per share for the year ended 31 December 2016 to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Friday, 9 June 2017. The relevant dividend warrants are expected to be despatched on or before Wednesday, 21 June 2017.

Together with the interim dividend of HK5 cents per share already paid (2015: HK5 cents), the total dividend for the year will be HK11 cents per share (2015: HK\$2.11).

ANNUAL GENERAL MEETING

The 2017 AGM will be held in Hong Kong on Monday, 29 May 2017 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 2017.

BOOK CLOSE DATES

For the purpose of ascertaining the entitlements to attend and vote at the 2017 AGM and to 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 2017 AGM

Latest time to lodge transfer documents	4:30 pm on 24 May 2017 (Wednesday)
Closure of register of members	25 May 2017 (Thursday) to 29 May 2017 (Monday) (both days inclusive)
Record date	29 May 2017 (Monday)

For ascertaining shareholders' entitlement to the proposed final dividend

Latest time to lodge transfer documents	4:30 pm on 6 June 2017 (Tuesday)
Closure of register of members	7 June 2017 (Wednesday) to 9 June 2017 (Friday) (both days inclusive)
Record date	9 June 2017 (Friday)

During the above closure periods, no transfer of shares will be registered. To be entitled to attend and vote at the 2017 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 Registrar in Hong Kong, Tricor Standard Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong before the above latest time.

DISCUSSION AND ANALYSIS

Financial Summary

Turnover for the year ended 31 December 2016 amounted to HK\$566.0 million (2015: HK\$732.7 million). The turnover was principally attributable to the recognition of rental income from investment properties, revenue from hotel operation, the sales of residential units in Kaifeng Nova City and income from financial investments.

Profit attributable to the Company's shareholders for the year amounted to HK\$684.3 million (2015: HK\$1,435.9 million), equivalent to a basic earnings per share of HK101.0 cents (2015: HK209.3 cents). The reported profit attributable to the Company's shareholders included a revaluation deficit on investment properties net of deferred taxation of HK\$80.1 million (2015: revaluation surplus HK\$984.2 million). By excluding the effect of such deficit, the Group's net profit attributable to the Company's shareholders was HK\$762.3 million (2015: HK\$479.5 million), equivalent to HK112.5 cents (2015: HK69.9 cents) per share.

As at 31 December 2016, the Group's equity attributable to the Company's shareholders amounted to HK\$12,051.0 million (2015: HK\$13,074.4 million). The net asset value per share attributable to the Company's shareholders as at 31 December 2016 was HK\$17.81 as compared with HK\$19.29 as at 31 December 2015.

The Group's hotel property is stated at cost less accumulated depreciation charges at a carrying value of HK\$646.2 million, whereas the market value as at 31 December 2016 as determined by an independent professional market valuation carried out by CBRE Limited is HK\$3,500.0 million. For the purpose of providing supplementary information, if the carrying value of the Group's hotel property was restated to its market value as at 31 December 2016, the adjusted net asset value and adjusted net asset value per share attributable to the Company's shareholders would be HK\$14,831 million and HK\$21.9 respectively.

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

	31 December 2016	31 December 2015
	HK\$' million	HK\$' million
Hong Kong	660.7	9,880.4
Mainland China	2,174.0	4,278.7
Australia	158.4	158.7
United Kingdom	1,555.5	79.7
Total	4,548.6	14,397.5

Business Review

Property Investment and Development

The Group continues to focus on property development and property investment projects. 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, United Kingdom and Mainland China are listed below.

Following the disposal of certain properties projects as summarized in these results, the Group principally owns one property in Hong Kong (Crowne Plaza Hong Kong Causeway Bay), two properties in United Kingdom and four properties in Mainland China (three investment properties and one property held for sales).

Hong Kong

The Group entered into an agreement in February 2016 to conditionally dispose of its entire interest in companies which beneficially owned the property of Dah Sing Financial Centre, for a consideration of approximately HK\$10,000.0 million, subject to adjustment. The disposal was completed in May 2016 and generated a net cash consideration (after repayment of bank loans) of approximately HK\$8,019.0 million.

United Kingdom

On 7 November 2016, the Group entered into a sale and purchase agreement in relation to acquire the entire issued units in a trust that owns the property known as 20 Moorgate, London, EC2R 6DA at a total consideration of approximately £154.0 million. The acquisition was funded by a £100 million five year term loan facility secured by a mortgage over the property and its existing cash resources. Completion of the acquisition took place on 7 November 2016.

The property is a seven-storey office with approximately 154,854 square feet (approximately 14,386.3 square metres) and is fully occupied mostly by the Prudential Regulatory Authority (a regulatory body of the Bank of England) until 30 June 2027. The property currently generates a net rental income of HK\$65.1 million per annum with the net yield of 4.4%.

A commercial property at Edinburgh, the United Kingdom which is fully let to a government body. Turnover generated from the property investment projects in the United Kingdom for the year ended 31 December 2016 was HK\$4.8 million (2015: nil).

Mainland China

Chengdu, Sichuan Province

During the year under review, 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 2016, the aggregate occupancy rate for the two office towers and the retail podium was approximately 79% (31 December 2015: 84%). 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 hotel on a long-term lease.

On 22 August 2016, the Group entered into a sale and purchase agreement in relation to the disposal of Chengdu Nova City Project for a consideration of HK\$890.0 million in cash, of which HK\$445 million has been received to date with the balance due in August 2017. Completion of the disposal took place on 29 August 2016.

Kaifeng, Henan Province

On 19 April 2016, the Group entered into a sale and purchase agreement in relation to the disposal of Kaifeng Nova City Project for a consideration of HK\$900.0 million in cash. Completion of the disposal took place on 26 April 2016.

Guangzhou, Guangdong Province

As at 31 December 2016, the occupancy rate of the 14-storey office tower of Westmin Plaza Phase II of about 16,100 square metres was 95% with more than one-third of the total office space being leased to AIA (31 December 2015: 100%). 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

On 3 August 2016, the Group entered into a sale and purchase agreement with an independent third party to sell the entire interest in companies which beneficially own the properties under development in Huangshan City, Anhui Province, the PRC for a consideration of HK\$2.0 million. The disposal was completed on the same date.

Australia

Turnover generated from the property investment projects in Australia for the year ended 31 December 2016 was HK\$15.7 million (2015: HK\$15.2 million).

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. The Group's hotel property is stated at cost less accumulated depreciation charges at carrying value of HK\$646.2 million, whereas their fair values as at 31 December 2016 based on an independent professional market valuation carried out by CBRE Limited is HK\$3,500.0 million. Its performance steadied compared to 2015, which was a result in line with the weakening hotel business market. The hotel will strive to gain further market share and look for cost saving measures in the challenging market conditions.

Financial Resources and Liquidity

Working Capital and Loan Facilities

As at 31 December 2016, the Group's total bank deposits, bank balances and cash was HK\$10,537.8 million (2015: HK\$3,928.6 million) and unutilised facilities were HK\$687.4 million (2015: HK\$500.2 million).

As at 31 December 2016, after netting off bank borrowings of HK\$4,290.7 million, the Group had a net cash position of HK\$6,247.1 million, compared to a net debt position of HK\$561.5 million with gearing ratio of 3.9% as at 31 December 2015.

As at 31 December 2016, maturity of the Group's outstanding borrowings was as follows:

	31 December 2016 HK\$' million	31 December 2015 HK\$' million
Due		
Within 1 year	2,189.6	1,539.2
1-2 years	99.5	164.1
3-5 years	1,965.5	1,869.4
Over 5 years	53.8	939.5
	4,308.4	4,512.2
Less: Front-end fee	(17.7)	(22.1)
	4,290.7	4,490.1

Subsequent to the end of the reporting period, the Group has issued guaranteed notes with a principal amount of US\$200,000,000, due on 19 January 2020 (the "Notes"). At maturity, the Notes are payable at their principal amount.

The Notes will bear interest from, and including 19 January 2017 at the rate of 4.50% per annum, until 19 January 2020, payable semi-annually in arrear on 19 January and 19 July in each year.

Pledge of Assets

For the Company's subsidiaries operating in Hong Kong and Mainland China, the total bank loans drawn as at 31 December 2016 amounted to HK\$3,223.5 million (2015: HK\$4,416.4 million) which comprised of secured bank loans of HK\$2,423.5 million (2015: HK\$4,013.4 million) and unsecured bank loans of HK\$800.0 million (2015: HK\$403.0 million). The secured bank loans were secured by properties valued at HK\$1,998.7 million (2015: HK\$11,796.0 million), note receivables of HK\$54.3 million (2015: HK\$54.3 million) and listed debt securities of HK\$882.1 million and pledged cash of HK\$533.1 million.

Subsidiaries of the Company operating in Australia and United Kingdom pledged its investment properties with an aggregate carrying value of HK\$1,713.9 million as at 31 December 2016 (2015: HK\$158.7 million) to secure bank loans of HK\$1,067.1 million (2015: HK\$73.7 million).

Treasury Policies

The Group adheres to prudent treasury policies. As at 31 December 2016, 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 2016, the Group had a total of 301 employees (2015: 459 employees) in Hong Kong and Mainland China. Employee costs, including the emoluments of the directors of the Group, amounted to HK\$175.1 million for the year ended 31 December 2016 (2015: HK\$267.0 million).

The Group maintains a good working relationship with its employees and continues to recruit, retain and develop competent individuals committed for its long-term success and growth. Salary and benefits of employees are reviewed at least annually both in response to market conditions and trends, and in conjunction with individual appraisals based on qualifications, experience, skills, responsibilities, performance and development potentials. Discretionary bonuses are granted in line with the Group's financial results and employees' performance. Fringe benefits including medical

insurance scheme, study and training allowances, examination leave and voluntary employer contributions to retirement schemes are offered to employees. In addition, to retain and motivate management staff and good performers, the Company has adopted an employee share option scheme and a share award scheme with options to subscribe for shares in the Company and awards of shares being granted by the 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

The global economy and political environment continue to be clouded with uncertainties and rapid changes, as a result of the decision by Britain to leave the European Union (Brexit), the new president of the United States of America, the recovery pace of the Eurozone economies, the strengthening of US dollar and the upward pressure on US interest rates. It is widely expected that market volatility will increase over time. The Group are closely monitoring the evolving market developments and has equipped itself to face the various challenges ahead by adopting a prudent and effective policy in managing risks.

China was able to achieve 6.7% GDP growth rate in 2016 by implementing a proactive fiscal policy and prudent monetary policy, which was within the Central Government's targeted range. Moreover, "The Belt and Road initiative" has continued to promote development and business co-operation among the participating regions and nations, which should benefit Hong Kong and China.

The Hong Kong economy picked up slightly in the third quarter of 2016 with GDP up by 1.9% year-on-year, an improvement relative to the 1.7% year-on-year growth in the preceding quarter. As one of the international financial centers in the world, Hong Kong will inevitably be affected by global economic factors. The growth of the Hong Kong economy will be dominated by Mainland China's policy and performance and the pace of US interest rate hikes.

Mainland China buyers were active in Hong Kong's property market in 2016 given ongoing depreciation of the renminbi and shrinking profits in the Mainland, and these buyers are expected to continue to invest in the local Hong Kong property market. We have noted signs of a pick-up in the primary sales market and a sustained increase in residential prices. We therefore expect a highly competitive land sales market in the near term will remain.

Amid an uncertain global economy and a strong Hong Kong dollar, the tourism in Hong Kong is expected to remain weak. The one-trip-per-week policy and the depreciation of the yuan will continue to affect the number of Mainland China visitors. With the challenging hotel business environment in Hong Kong, Crowne Plaza Hong Kong Causeway Bay was able to maintain the market share among the primary competitors. We will continue to strive for market share, improve hotel operation's efficiency and at the same time look for cost saving measures, so as to maintain the return of the operations.

The Group's office properties in Mainland China are facing a challenging environment arising from increasing supply and depreciation of RMB. Having said that, our office properties in Mainland China have been maintaining a relatively high occupancy rate and rent as compared with the market and provides stable cash flows to the Group. We will continue to build on the strong foundation of our leasing portfolio, execute an effective leasing strategy and add value on our properties through asset enhancement initiative.

As for the office market in the UK, despite global political events of the past year with more European elections to come, the attractiveness of properties in London with prime location still remain, given the depreciation of sterling, a low interest rate environment and stable income and cash flows generated from long leases with tenants.

The Group has significant funds for future investments after the disposal of Dah Sing Financial Centre and various Mainland China property development projects in prior year. The Group will remain sceptically proactive and continue to monitor the property markets of Hong Kong, Mainland China and overseas closely in order to identify potential acquisition targets at opportune times.

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

During the year ended 31 December 2016, the Company repurchased a total of 8,744,000 issued ordinary shares of the Company on the Stock Exchange at an aggregate cash consideration of HK\$165,936,740 (excluding expenses). All the purchased shares were then cancelled and the number of issued shares of the Company was reduced accordingly. Particulars of the repurchases are as follows:

Period of repurchase	Total number of shares repurchased	Price paid per share		Aggregate consideration HK\$
		Highest HK\$	Lowest HK\$	
January 2016	2,482,000	15.60	13.08	36,109,200
March 2016	82,000	20.35	20.05	1,650,700
April 2016	2,536,000	26.10	21.25	58,942,400
July 2016	2,636,000	19.44	17.80	49,772,400
October 2016	800,000	19.16	19.10	15,327,440
December 2016	208,000	20.10	19.44	4,134,600
	<u>8,744,000</u>			<u>165,936,740</u>

The directors of the Company considered that the aforesaid shares were repurchased at a substantial discount to the underlying net asset value per share and such purchases resulted in an increase in the net asset value and earnings of every remaining share of the Company.

Apart from the above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2016.

CORPORATE GOVERNANCE PRACTICES

Throughout the year ended 31 December 2016, the Company has applied the principles and complied with all the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules except for the following deviations:

CG Code	Deviations and reasons
A.2.1 The roles of the chairman and chief executive should be separate and should not be performed by the same individual.	Mr. Lu Wing Chi, 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 operations 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 (“INED”).
A.4.1 Non-executive directors should be appointed for a specific term, subject to re-election.	Each of the existing non-executive directors of the Company (including the INED) 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. Further, 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 2016.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and the related notes thereto for the year ended 31 December 2016 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

PUBLICATION OF ANNUAL REPORT

The 2016 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 2017.

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
S E A Holdings Limited
Lu Wing Chi
Chairman and Managing Director

Hong Kong, 27 March 2017

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

Executive Directors:

Mr. Lu Wing Chi (*Chairman and Managing Director*)
Mr. Lincoln Lu
Mr. Lambert Lu

Independent Non-executive Directors:

Mr. Walujo Santoso, Wally
Mr. Leung Hok Lim
Mr. Chung Pui Lam

Non-executive Director:

Mr. Lam Sing Tai