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SEA 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 2017

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 2017 (after completion of the Restructuring (defined in Note 9) between the Company and Asian Growth Properties Limited (“**AGP**”) in May 2017) together with the comparative figures of 2016 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS For the year ended 31 December 2017

	<i>Notes</i>	2017 HK\$'000	2016 HK\$'000 (Restated)
Continuing operations			
Revenue	4	576,432	414,213
Other income		11,645	3,139
Costs:			
Property and related costs	5	(11,280)	(7,894)
Staff costs		(149,145)	(156,455)
Depreciation and amortisation		(26,998)	(28,919)
Other expenses		(135,083)	(114,865)
		(322,506)	(308,133)
Profit from continuing operations before fair value changes on investment properties		265,571	109,219
Fair value changes on investment properties		17,571	(3,954)
Profit from continuing operations after fair value changes on investment properties		283,142	105,265
Other gains and losses	6	(29,999)	797,385
Finance costs	7	(196,363)	(64,883)
Profit before taxation		56,780	837,767
Income tax expense	8	(16,406)	(16,728)
Profit for the year from continuing operations		40,374	821,039

* For identification purpose only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*
For the year ended 31 December 2017

	<i>Notes</i>	2017 HK\$'000	2016 HK\$'000 (Restated)
Discontinued operations	9		
Profit (loss) for the year from discontinued operations		713	(249,118)
Gain arising from Distribution in Specie	14	<u>226,927</u>	<u>-</u>
Profit (loss) for the year from discontinued operations		<u>227,640</u>	<u>(249,118)</u>
Profit for the year (from continuing and discontinued operations)		<u>268,014</u>	<u>571,921</u>
Attributable to:			
Company's shareholders			
- Continuing operations		40,391	821,036
- Discontinued operations		<u>226,935</u>	<u>(136,747)</u>
		<u>267,326</u>	<u>684,289</u>
Non-controlling interests			
- Continuing operations		(17)	3
- Discontinued operations		<u>705</u>	<u>(112,371)</u>
		<u>688</u>	<u>(112,368)</u>
Profit for the year		<u>268,014</u>	<u>571,921</u>
		HK cents	HK cents
Earnings per share for profit attributable to the Company's shareholders	11		
From continuing and discontinued operations			
- Basic		<u>39.3</u>	<u>101.0</u>
- Diluted		<u>39.1</u>	<u>98.9</u>
From continuing operations			
- Basic		<u>5.9</u>	<u>121.2</u>
- Diluted		<u>5.9</u>	<u>118.7</u>
<i>Earnings per share excluding fair value changes on investment properties net of deferred tax</i>	11		
- <i>Basic</i>		<u>36.9</u>	<u>112.5</u>
- <i>Diluted</i>		<u>36.6</u>	<u>110.2</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
For the year ended 31 December 2017

	2017 HK\$'000	2016 HK\$'000 (Restated)
Profit for the year (from continuing and discontinued operations)	<u>268,014</u>	<u>571,921</u>
Other comprehensive income (expense):		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Fair value change on available-for-sale investments	5,304	(3,238)
Exchange differences arising on translation of foreign operations	39,317	(150,143)
<i>Reclassification adjustments for amounts transferred to profit or loss:</i>		
- upon disposal of subsidiaries	-	1,848
- upon disposal of available-for-sale investments	29,999	-
- upon Distribution in Specie (note 14)	<u>(226,927)</u>	<u>-</u>
Other comprehensive expense for the year	<u>(152,307)</u>	<u>(151,533)</u>
Total comprehensive income for the year	<u>115,707</u>	<u>420,388</u>
Total comprehensive income (expense) attributable to:		
Company's shareholders	115,130	534,713
Non-controlling interests	<u>577</u>	<u>(114,325)</u>
	<u>115,707</u>	<u>420,388</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2017

	<i>Notes</i>	2017 HK\$'000	2016 HK\$'000
Non-current assets			
Investment properties		6,214,249	3,679,641
Property, plant and equipment		670,925	699,280
Club memberships		6,839	6,899
Investment in joint venture		1,728,800	-
Available-for-sale investments		3,165,101	1,377,434
Loan receivables		1,688	3,160
Note receivables		-	38,773
Restricted bank deposits		-	5,589
		<u>11,787,602</u>	<u>5,810,776</u>
Current assets			
Properties held for sale – Completed properties		-	192,098
Inventories		1,062	1,196
Available-for-sale investments		1,327,704	137,204
Loan receivables		199	376
Note receivables		39,067	15,509
Receivables, deposits and prepayments	12	85,829	587,311
Tax recoverable		10	3,120
Amounts due from non-controlling interests		40	38
Pledged bank deposits		1,533,852	533,105
Fixed deposits		-	4,460,201
Bank balances and cash		4,235,738	5,538,954
		<u>7,223,501</u>	<u>11,469,112</u>
Current liabilities			
Payables, rental deposits and accrued charges	13	189,703	188,421
Tax liabilities		8,811	9,056
Amounts due to non-controlling interests		-	87,754
Bank borrowings – due within one year		6,318,864	2,186,719
		<u>6,517,378</u>	<u>2,471,950</u>
Net current assets		<u>706,123</u>	<u>8,997,162</u>
Total assets less current liabilities		<u><u>12,493,725</u></u>	<u><u>14,807,938</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
At 31 December 2017

	2017	2016
	HK\$'000	HK\$'000
Capital and reserves		
Share capital	67,376	67,656
Reserves	<u>6,075,208</u>	<u>11,983,321</u>
Equity attributable to the Company's shareholders	6,142,584	12,050,977
Non-controlling interests	<u>1,498</u>	<u>281,727</u>
Total equity	<u>6,144,082</u>	<u>12,332,704</u>
Non-current liabilities		
Bank borrowings – due after one year	4,748,442	2,103,935
Guaranteed notes	1,553,287	-
Deferred taxation	<u>47,914</u>	<u>371,299</u>
	<u>6,349,643</u>	<u>2,475,234</u>
Total equity and non-current liabilities	<u>12,493,725</u>	<u>14,807,938</u>

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 amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to HKFRS 12	<i>As part of the Annual Improvements to HKFRSs 2014 - 2016 Cycle</i>

The application of the 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 on the disclosures set out in these consolidated financial statements.

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 the property development, property investment, hotel operation and financial investment. The property investment segment includes a number of various property locations, each locations is considered as a separate operating segment by the chief operating decision maker. For segment reporting, these individual operating segments have been aggregated into a single reportable segment as property investment provide the same nature of income with the same recognition criteria.

The Group's property investment activities are in Hong Kong, Australia and the United Kingdom. The property development, hotel operation and financial investment are in Hong Kong.

Operations in the People's Republic of China (“**PRC**”) was discontinued in the current year. The segment information reported below does not include any amounts for these discontinued operations, which are described in more details in note 9.

3. SEGMENT INFORMATION *(Continued)*

The financial investment segment includes interest income from bank balances under investment portfolio and investment income from equity and bond investments.

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

For the year ended 31 December 2017

Continuing operations

	Property development HK\$'000	Property investment HK\$'000	Hotel operation HK\$'000	Financial investment HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE					
External revenue	<u>-</u>	<u>152,765</u>	<u>233,411</u>	<u>190,256</u>	<u>576,432</u>
SEGMENT RESULTS					
Segment (loss) profit	<u>(232)</u>	<u>134,613</u>	<u>69,958</u>	<u>151,730</u>	356,069
Unallocated interest income					1,960
Corporate income less expenses					(104,886)
Finance costs					<u>(196,363)</u>
Profit before taxation					<u>56,780</u>

For the year ended 31 December 2016

Continuing operations

	Property development HK\$'000 (Restated)	Property investment HK\$'000 (Restated)	Hotel operation HK\$'000 (Restated)	Financial investment HK\$'000 (Restated)	Consolidated HK\$'000 (Restated)
SEGMENT REVENUE					
External revenue	<u>2,600</u>	<u>136,875</u>	<u>228,914</u>	<u>45,824</u>	<u>414,213</u>
SEGMENT RESULTS					
Segment profit	<u>1,143</u>	<u>916,309</u>	<u>67,913</u>	<u>45,346</u>	1,030,711
Corporate income less expenses					(128,061)
Finance costs					<u>(64,883)</u>
Profit before taxation					<u>837,767</u>

Segment profit of the property investment division for year ended 31 December 2017 included an increase in fair value of investment properties of HK\$17,571,000 (2016: a decrease in fair value of investment properties of HK\$3,954,000 and gain on disposal of subsidiary of HK\$797,385,000).

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 chief operating decision makers.

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:

	2017 HK\$'000	2016 HK\$'000 (Restated)
Continuing operations		
Sale of properties	-	2,600
Renting of investment properties	152,765	136,875
Hotel operation	233,411	228,914
Return from financial investments	190,256	45,824
	<u>576,432</u>	<u>414,213</u>

5. PROPERTY AND RELATED COSTS

	2017 HK\$'000	2016 HK\$'000 (Restated)
Continuing operations		
Cost of properties sold	-	430
Selling and marketing expenses	919	1,062
Direct operating expenses of investment properties	10,361	6,402
	<u>11,280</u>	<u>7,894</u>

6. OTHER GAINS AND LOSSES

	2017 HK\$'000	2016 HK\$'000 (Restated)
Continuing operations		
Gain on disposal of subsidiaries (note 15a)	-	797,385
Loss on disposal of available-for-sale investments	(29,999)	-
	<u>(29,999)</u>	<u>797,385</u>

7. FINANCE COSTS

	2017 HK\$'000	2016 HK\$'000 (Restated)
Continuing operations		
Interest on bank borrowings	114,646	60,533
Interest on guarantee notes	66,691	-
Amortisation of bank borrowings front-end fee	5,625	2,375
Amortisation of guaranteed notes issued costs	4,353	-
Other charges	5,048	1,975
	<u>196,363</u>	<u>64,883</u>

8. INCOME TAX EXPENSE

	2017 HK\$'000	2016 HK\$'000 (Restated)
Continuing operations		
The charge comprises:		
Current tax		
Hong Kong Profits Tax	4,263	12,268
Other jurisdictions	8,005	3,459
	<u>12,268</u>	<u>15,727</u>
Under(over) provision in prior years		
Hong Kong Profits Tax	285	(139)
Other jurisdictions	203	309
	<u>488</u>	<u>170</u>
Deferred tax		
- current year	3,650	831
	<u>16,406</u>	<u>16,728</u>

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

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

9. DISCONTINUED OPERATIONS

Group reorganisation

During the year, the Company undertook a restructuring (the “**Restructuring**”) by implementing an assets redistribution and a Distribution in Specie (as defined below).

On 31 March 2017, the Company entered into a sale and purchase agreement with AGP (a 97.17% owned subsidiary of the Company prior to completion of the Restructuring) pursuant to which AGP’s non-PRC assets (being certain bank balances and cash, an investment property in the United Kingdom (20 Moorgate), a hotel property in Hong Kong (Crowne Plaza Hong Kong Causeway Bay) and certain short-term treasury investments) were redistributed to the Company by way of sale and purchase (the “**Assets Redistribution**”). Upon completion of the Assets Redistribution, AGP’s non-PRC assets were held indirectly as to 100% by the Company and AGP continues to hold its PRC assets. Completion of the Assets Redistribution took place on 15 May 2017.

On 15 May 2017, the Company completed distribution of a special non-cash dividend by way of Distribution in Specie of the 861,278,857 AGP shares owned by the Company (representing approximately 97.17% of the issued share capital of AGP) to the Company’s qualifying shareholders in proportion to their then respective shareholdings in the Company (the “**Distribution in Specie**”). Following the Distribution in Specie, AGP ceased to be a subsidiary of the Company, and accordingly, the Group ceased its business and operations in the PRC.

9. DISCONTINUED OPERATIONS (Continued)

The profit (loss) for the year from the discontinued operations is analysed as follows:

	2017 HK\$'000	2016 HK\$'000
Profit (loss) for the year from discontinued operations before gain arising from Distribution in Specie	<u>713</u>	<u>(249,118)</u>
Gain arising from Distribution in Specie: Realisation of translation reserve	<u>226,927</u>	<u>-</u>

The results of the discontinued operations for the period from 1 January 2017 to 15 May 2017, which have been included in the consolidated statement of comprehensive income, were as follows:

	2017 HK\$'000	2016 HK\$'000
Revenue	51,127	151,766
Other income	3,940	15,273
Costs:		
Property and related costs	(9,083)	(33,625)
Staff costs	(20,929)	(18,596)
Depreciation	(857)	(9,530)
Other expenses	(14,076)	(44,455)
	<u>(44,945)</u>	<u>(106,206)</u>
Profit before fair value changes on investment properties	10,122	60,833
Fair value changes on investment properties	-	(100,671)
Profit (loss) after fair value changes on investment properties	10,122	(39,838)
Other gains and losses	-	(277,101)
Finance costs	(4,211)	(24,253)
Profit (loss) before tax	5,911	(341,192)
Income tax (expense) credit	(5,198)	92,074
Profit (loss) for the year	<u>713</u>	<u>(249,118)</u>

The carrying amounts of the assets and liabilities of AGP and its subsidiaries upon the Distribution in Specie are set out in note 14.

10. DIVIDENDS

	2017 HK\$'000	2016 HK\$'000
Dividends recognised as distributions during the year:		
2017 interim dividend – HK2 cents (2016: 2016 interim dividend – HK5 cents) per share	13,617	33,864
2016 final dividend – HK6 cents (2016: 2015 final dividend – HK6 cents) per share	40,900	40,654
Special cash dividend of HK\$3 (2016: HK\$2) per share	2,037,644	1,355,140
Special non-cash dividend by way of Distribution in Specie (note 14)	<u>3,883,752</u>	<u>-</u>
	<u>5,975,913</u>	<u>1,429,658</u>
2017 final dividend proposed: HK3 cents (2016: HK6 cents) per share	<u>20,115</u>	<u>40,717</u>

A final dividend of HK3 cents (2016: 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.

11. EARNINGS PER SHARE

From continuing and discontinued operations

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

	2017 HK\$'000	2016 HK\$'000
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the year attributable to the Company's shareholders	<u>267,326</u>	<u>684,289</u>
	Number of shares	
	2017	2016
Weighted average number of ordinary shares for the purpose of basic earnings per share	679,527,074	677,817,281
Effect of dilutive potential ordinary shares options	<u>4,937,493</u>	<u>14,102,335</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>684,464,567</u>	<u>691,919,616</u>

11. EARNINGS PER SHARE (Continued)

From continuing operations

	2017 HK\$'000	2016 HK\$'000
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the year attributable to the Company's shareholders	267,326	684,289
(Less) add: result for the year from discontinued operations attributable to the Company's shareholders	<u>(226,935)</u>	<u>136,747</u>
Profit for the year from continuing operations attributable to the Company's shareholders	<u><u>40,391</u></u>	<u><u>821,036</u></u>

From discontinued operations

	2017 HK\$'000	2016 HK\$'000
Profit (loss) for the year from discontinued operations attributable to the Company's shareholders	<u>226,935</u>	<u>(136,747)</u>
Basic earnings (loss) per share	<u><u>HK33.4 cents</u></u>	<u><u>HK(20.2) cents</u></u>
Diluted earnings (loss) per share	<u><u>HK33.2 cents</u></u>	<u><u>HK(19.8) cents</u></u>

From continuing and discontinued operations (excluding fair value changes on investment properties net of deferred tax)

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:

11. EARNINGS PER SHARE (Continued)

From continuing and discontinued operations (excluding fair value changes on investment properties net of deferred tax) (Continued)

	2017 HK\$'000	2016 HK\$'000
Profit for the year attributable to the Company's shareholders as shown in the consolidated statement of profit or loss	267,326	684,289
Fair value changes on investment properties	(17,571)	104,625
Deferred tax thereon	678	(24,515)
Attributable to non-controlling interests	-	(2,136)
Adjusted profit attributable to the Company's shareholders	<u>250,433</u>	<u>762,263</u>
Earnings per share excluding fair value changes on investment properties net of deferred tax		
Basic	<u>HK36.9 cents</u>	<u>HK112.5 cents</u>
Diluted	<u>HK36.6 cents</u>	<u>HK110.2 cents</u>

The denominators used in the calculation of basic and diluted adjusted earnings per share (i) from continuing operations, (ii) from discontinued operations and (iii) from continuing and discontinued operations (excluding fair value changes on investment properties net of deferred tax) for the year ended 31 December 2017 and 31 December 2016 are the same as those detailed in the calculation of basic and diluted adjusted earnings per share from continuing and discontinued operations above.

12. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2017 HK\$'000	2016 HK\$'000
Trade receivables	6,633	8,001
Amount receivables from disposal of subsidiaries	-	445,000
Accrued income	2,163	72,366
Deposits, prepayments and other receivables	77,033	61,944
	<u>85,829</u>	<u>587,311</u>

Trade receivables mainly represent rental receivables 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.

12. 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:

	2017 HK\$'000	2016 HK\$'000
0 to 30 days	6,142	5,622
31 to 60 days	245	344
61 to 90 days	138	18
91 to 365 days	108	1,100
Over 365 days	-	917
	<u>6,633</u>	<u>8,001</u>

Before granting credit to any corporate customers and travel agents, the Group uses an internal credit assessment policy to assess the potential customers' credit quality and defines credit limit by corporate customers and travel agents. Trade receivables of HK\$491,000 (2016: HK\$2,513,000) at the end of the reporting period are past due but are not considered impaired as most of them are substantially covered by deposits received. The Group considers that the amounts are still recoverable and no provision is required.

13. PAYABLES, RENTAL DEPOSITS AND ACCRUED CHARGES

	2017 HK\$'000	2016 HK\$'000
Trade payables	2,212	2,432
Rental deposits	6,181	37,784
Rental received in advance	59,077	33,154
Other payables, other deposits and accrued charges	72,288	109,541
Interest payables	49,945	5,510
	<u>189,703</u>	<u>188,421</u>

At 31 December 2016, included in other payables is an aggregate amount of HK\$24,609,000 payable to contractors for the cost in relation to the tenant relocation arrangements, excavation and infrastructure work on certain pieces of land in the PRC.

Rental deposits to be refunded after twelve months from the end of the reporting period based on the respective lease terms amounted to HK\$5,896,000 (2016: HK\$25,610,000).

14. DISTRIBUTION IN SPECIE

As set out in note 9, the Company completed the Distribution in Specie on 15 May 2017. The assets and liabilities of AGP and its subsidiaries upon completion of the Distribution in Specie are as follows:

	HK\$'000
Investment properties	1,967,473
Property, plant and equipment	41,972
Available-for-sale investments	11,682
Properties held for sale	194,521
Receivables, deposits and prepayment	530,301
Restricted bank deposits	5,660
Bank balances and cash	1,743,434
Payables, rental deposits and accrued charges	(77,082)
Tax liabilities	(5,484)
Amounts due to non-controlling interests	(88,860)
Bank borrowings	(133,868)
Deferred taxation	(341,673)
	3,848,076
Non-controlling interests	35,676
Net assets attributable to Company's shareholders and distributed by the Company through Distribution in Specie	3,883,752
Gain arising from Distribution in Specie:	
Realisation of translation reserve upon Distribution in Specie	226,927
Net cash outflow arising on Distribution in Specie	
Bank balances and cash	(1,743,434)

15. GAIN ON DISPOSAL OF SUBSIDIARIES

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

(a) Everbright Centre (formerly known as 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 Everbright Centre (formerly known as 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 with a gain on disposal of approximately HK\$797 million.

(b) 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 shares 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 with a loss on disposal of approximately HK\$91 million.

(c) 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 with a loss on disposal of approximately HK\$32 million.

(d) 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. The disposal was completed on 29 August 2016 with a gain on disposal of approximately HK\$127 million.

DIVIDENDS

The Board has resolved to recommend for shareholders' approval at the forthcoming annual general meeting (the "2018 AGM") of the Company the payment of a final dividend of HK3 cents (2016: HK6 cents) per share for the year ended 31 December 2017 to the shareholders of the Company whose names appear on the register of members at the close of business on Monday, 11 June 2018. The relevant dividend warrants are expected to be despatched on or before Thursday, 21 June 2018.

On 29 March 2017, a special cash dividend of HK\$3 per share was declared and paid to the shareholders of the Company on 21 June 2017.

On 15 May 2017, the Company completed distribution of a special non-cash dividend by way of distribution in specie of a total of 861,278,857 AGP shares owned by the Company (representing approximately 97.17% of the issued share capital of AGP) to the Company's qualifying shareholders in proportion to their then respective shareholdings in the Company on the basis of every 1,000 shares of the Company for 1,268 AGP shares.

Together with the interim dividend of HK2 cents per share already paid (2016: HK5 cents), the total dividend for the year comprise cash dividends of HK\$3.05 per share (2016: HK11 cents) and the special non-cash dividend (2016: nil).

ANNUAL GENERAL MEETING

The 2018 AGM will be held in Hong Kong on Tuesday, 29 May 2018 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 2018.

BOOK CLOSE DATES

For the purpose of ascertaining the entitlements to attend and vote at the 2018 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 2018 AGM

Latest time to lodge transfer documents	4:30 p.m. on 21 May 2018 (Monday)
Closure of register of members	23 May 2018 (Wednesday) to 29 May 2018 (Tuesday) (both days inclusive)
Record date and time	4:30 p.m. on 23 May 2018 (Wednesday)

For ascertaining shareholders' entitlement to the proposed final dividend

Latest time to lodge transfer documents	4:30 p.m. on 6 June 2018 (Wednesday)
Closure of register of members	7 June 2018 (Thursday) to 11 June 2018 (Monday) (both days inclusive)
Record date	11 June 2018 (Monday)

During the above closure periods, no transfer of shares will be registered. To be entitled to attend and vote at the 2018 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

During the year, the Company undertook the Restructuring by implementing the Assets Redistribution and Distribution in Specie.

On 31 March 2017, the Company entered into an agreement with AGP pursuant to which AGP's non-PRC Assets (being certain bank balances and cash, an investment property in the United Kingdom (20 Moorgate), a hotel property in Hong Kong (Crowne Plaza Hong Kong Causeway Bay) and certain short-term treasury investments) were redistributed to the Group by way of sale and purchase. Upon completion of the Assets Redistribution, such non-PRC assets of AGP were held indirectly as to 100% by the Company and AGP continues to hold the AGP's PRC assets. Completion of the Assets Redistribution took place on 15 May 2017.

On 15 May 2017, the Company completed distribution of a special non-cash dividend by way of Distribution in Specie of the 861,278,857 AGP shares owned by the Company (representing approximately 97.17% of the issued share capital of AGP) to the Company's qualifying shareholders in proportion to their then respective shareholdings in the Company. Upon completion of the Distribution in Specie, the AGP Group no longer a subsidiary of the Company and the Group ceased its business and operations in the PRC (the "**Discontinued Operation**").

Turnover from continuing operations for the year ended 31 December 2017 amounted to HK\$576.4 million (2016: HK\$414.2 million). The turnover was principally attributable to the recognition of rental income from investment properties, revenue from hotel operation and income from financial investment. The profit from the Discontinued Operation amounted to HK\$227.6 million (2016: loss HK\$249.1 million).

Profit attributable to the Company's shareholders for the year amounted to HK\$267.3 million (2016: HK\$684.3 million), equivalent to a basic earnings per share of HK39.3 cents (2016: HK101.0 cents). The decrease in profit attributable to the Company's shareholders in current year was mainly due to the gain of disposal of Everbright Centre (formerly known as Dah Sing Financial Centre) (approximately HK\$797.4 million) in last year, net of the release of exchange reserve to profit or loss upon Distribution in Specie (approximately HK\$226.9 million) recorded under profit from the Discontinued Operation in current year.

The reported profit attributable to the Company's shareholders included a revaluation surplus on investment properties net of deferred taxation of HK\$16.9 million (2016: revaluation deficit HK\$78.0 million). By excluding the effect of such surplus, the Group's net profit attributable to the Company's shareholders was HK\$250.4 million (2016: HK\$762.3 million), equivalent to HK36.9 cents (2016: HK112.5 cents) per share.

As at 31 December 2017, the Group's equity attributable to the Company's shareholders amounted to HK\$6,142.6 million (31 December 2016: HK\$12,051.0 million). The decrease in the Group's equity attributable to the Company's shareholders as at 31 December 2017 was mainly due to the special non-cash dividend paid on 15 May 2017 by way of Distribution in Specie and the special cash dividend of HK\$3.0 per share paid on 21 June 2017. The net asset value per share attributable to the Company's shareholders as at 31 December 2017 was HK\$9.12 as compared with HK\$17.81 as at 31 December 2016.

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

	31 December 2017	31 December 2016
	HK\$' million	HK\$' million
Continued operations		
Hong Kong	3,923.8	660.7
United Kingdom	4,495.2	1,555.5
Australia	174.6	158.4
Discontinued operations		
Mainland China	-	2,174.0
Total	8,593.6	4,548.6

The Group's hotel property is stated at cost less accumulated depreciation charges at a carrying value of HK\$626.2 million, whereas the market value as at 31 December 2017 as determined by an independent professional market valuation carried out by CBRE Limited is HK\$4,000.0 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 2017, the adjusted total property assets, the adjusted net asset value and adjusted net asset value per share attributable to the Company's shareholders would be HK\$11,967.4 million, HK\$9,516 million and HK\$14.1 respectively.

Business Review

Property Investment and Development

Following the completion of the Restructuring, the Group continues to focus on property development and property investment projects. However, the Group has not committed to limit its sphere of activities solely to outside the PRC or to property related development and investments. The strategy of the Group will be determined by the Board taking into consideration market opportunities, the Group's financial resources and its core competence. It is the Group's approach to review and optimise the project portfolios from time to time. Currently, the Group's core projects mainly consist of a residential project in Hong Kong (No. 1 Shouson Hill Road East), a joint venture residential development project (West Kowloon Waterfront, Hong Kong), two investment properties in London, United Kingdom (20 Moorgate and 33 Old Broad Street) and an investment property in Australia (Lizard Island).

Hong Kong

On 4 May 2017, the Group entered into several agreements with independent third parties to acquire entire issued share capital of the target companies, which own residential properties (being 11 houses at No. 1 Shouson Hill Road East, Hong Kong) for a total property value of approximately HK\$1,528 million. Completion of the acquisition took place on 13 June 2017.

On 15 November 2017, the Group, as part of the consortium comprised of well-known local Hong Kong property developers, won the tender for the waterfront residential plot off Hing Wah Street West, West Kowloon, at a price of HK\$17 billion.

United Kingdom

In 2016, the Group acquired a property known as 20 Moorgate, London, EC2R 6DA at a total consideration of approximately £154 million. The building comprises an office tower and a retail shop with the leases expiring in 2027 and 2039 respectively.

On 15 May 2017, the Group entered into an agreement with an independent third party to acquire entire issued share capital of the target company, which owns an office building at 33 Old Broad Street, London, United Kingdom, for a total consideration of £258 million (approximately HK\$2.6 billion). Completion of the acquisition took place on 17 July 2017.

Turnover generated from the property investment projects in United Kingdom for the year was HK\$130 million (2016: HK\$17 million).

Australia

The property in Australia is sub-leased to and operated by Delaware North Lizard Island as a luxury island resort. The sublease comprises a base and turnover rent and will expire in 2033.

Turnover generated from the property for the year was HK\$16 million (2016: HK\$16 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. Its performance improved compared to 2016. The hotel will strive to gain further market share and enhance asset management in the challenging market conditions.

Financial Resources and Liquidity

Working Capital and Loan Facilities

In January 2017, the Group issued guaranteed notes with a principal amount of US\$200,000,000, due on 19 January 2020 (the “**2017 Notes**”). At maturity, the 2017 Notes are payable at their principal amount. The 2017 Notes will bear interest at the rate of 4.5% per annum payable semi-annually in arrear on 19 January and 19 July in each year.

As at 31 December 2017, the Group’s total bank deposits, bank balances and cash was HK\$5,769.6 million (2016: HK\$10,537.8 million), available-for-sale investment was HK\$4,492.8 million (2016: HK\$1,514.6 million) and unutilised facilities were HK\$983.8 million (2016: HK\$687.4 million).

As at 31 December 2017, the Group’s bank borrowings was HK\$11,067.3 million (2016: HK\$4,290.7 million) and the 2017 Notes was HK\$1,553.3 million (2016: Nil) respectively. After netting the bank balance and cash and available-for-sale investment, the Group had a net debt position of HK\$2,358.2 million with gearing ratio of 19.7% (calculated on the basis of net debt as a percentage of the adjusted total property assets with hotel property adjusted to fair market value of HK\$4,000 million), compared to a net cash position of HK\$7,761.7 million as at 31 December 2016.

As at 31 December 2017, maturity of the Group's outstanding borrowings (including the 2017 Notes) was as follows:

	31 December 2017 HK\$' million	31 December 2016 HK\$' million
Due		
Within 1 year	6,319.9	2,189.6
1-2 years	130.4	99.5
3-5 years	6,215.8	1,965.5
Over 5 years	-	53.8
	12,666.1	4,308.4
Less: Unamortised front-end fee and 2017 Notes issued expenses	(45.5)	(17.7)
	12,620.6	4,290.7

Subsequent to the end of the reporting period, the Group has issued guaranteed notes with a principal amount of US\$150,000,000, due on 19 January 2023 (the "2018 Notes"). At maturity, the 2018 Notes are payable at their principal amount.

The 2018 Notes will bear interest from, and including 19 January 2018 at the rate of 4.875% per annum, until 19 January 2023, payable semi-annually in arrear on 19 January and 19 July each year.

Pledge of Assets

For the Company's subsidiaries operating in Hong Kong, the total bank loans drawn as at 31 December 2017 amounted to HK\$8,138.6 million (2016: Hong Kong and Mainland China HK\$3,223.5 million) which comprised of secured bank loans of HK\$6,428.6 million (2016: HK\$2,423.5 million) and unsecured bank loans of HK\$1,710.0 million (2016: HK\$800.0 million). The secured bank loans were secured by properties valued at HK\$2,154.2 million (2016: HK\$1,998.7 million), listed debt securities of HK\$3,983.5 million (2016: HK\$882.1 million) and pledged cash of HK\$1,517.9 million (2016: HK\$533.1 million).

Subsidiaries of the Company operating in Australia and the United Kingdom pledged its investment properties with an aggregate carrying value of HK\$4,669.8 million (2016: HK\$1,713.9 million) as at 31 December 2017 and pledged cash of HK\$15.9 million (2016: Nil) to secure bank loans of HK\$2,964.8 million (2016: HK\$1,067.1 million).

Treasury Policies

The Group adheres to prudent treasury policies. As at 31 December 2017, all of the Group's borrowings except the 2017 Notes were raised through its wholly-owned or substantially controlled subsidiaries on a non-recourse basis.

Staff and Emolument Policy

As at 31 December 2017, the Group had a total of 240 employees (2016: 301 employees) in Hong Kong. 11 employees were transferred from the Company to AGP following completion of the Restructuring. Employee costs, including the emoluments of the directors of the Group, amounted to HK\$149.1 million for the year ended 31 December 2017 (2016: HK\$156.5 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 experienced reasonable growth in 2017 as the recovery in investment, manufacturing, and trade continues. Together with the tax reforms in the U.S., the European stimulative monetary policies and solid domestic demands, the upward trend is likely to continue in 2018. Nevertheless, the uncertainties on U.S. rate hikes, Brexit impact and China monetary policies remain which might restrain the potential economic expansion.

Following the positive macro-economic condition, Mainland China's economy also grew at a faster-than-expected pace in 2017. Strong growth in exports and a resilient property market were the main drivers of the expansion. In 2018, Mainland China is expected to have a modest economy slowdown resulting from the continued monetary controls and restrictive policies by the Central Government to dampen the growth momentum. The exchange value of Renminbi is anticipated to stabilise given the U.S. rate hikes and tax cuts which ease the U.S. Dollar weakness.

Hong Kong's economy achieved a moderate growth in 2017 due to the robust of domestic demands, strong export trades and low unemployment rate. Looking ahead, the recent unveiling of short-term relief measures and capital spending as well as the opportunities brought up by the Guangdong-Hong Kong-Macao Bay Area Development render solid support to the continued economic growth. The growing trend would, however, be counter-balanced by the potential risk in the property sector which recorded notably high home prices and rents in these years.

Despite the repeatedly cooling measures imposed by the government, market attitude kept unchanged and buyers continued to boost home prices in Hong Kong, leading to the remarkable performance in the residential market. The Group is cautious about the prospect of the property market and will continue to seek reasonable opportunities on land and property acquisitions.

As for the office sector, with the outbound growth of the PRC corporates and the economic expansionary cycle, the office rents rose steadily in 2017 and are presumed to keep up in the short run. Relocation across the harbour is likely to pursue in 2018 which might slightly flatten the HK Island rents but raise the Kowloon side ones.

Inbound tourism is a crucial element to the hotel business in Hong Kong. The number of visitors in 2017 increased after a two-year decline. Coupled with the continued promotional measures launched by the government, it appears that the hotel industry in Hong Kong has stabilised. Backed by the global economic recovery, the Group is confident in the industry and Crowne Plaza Hong Kong Causeway Bay will continue to provide high quality, value-added services to our guests.

In the United Kingdom, the uncertainties of the Brexit remain which restrict the U.K. economy to follow the global trend. London is projected to see a particular moderation in growth in 2018 which is bringing it back into line with the average of the other UK regions. Notwithstanding the above, the rents and prices of prime buildings in London stay buoyant given its standing of being an international financial center. With the long term leases secured, the Group's investment returns in the region will be sustainable.

Going forward, the Group will continue to explore yield-accretive investment opportunities to optimise earnings and enhance our portfolio. The Group's recurrent business, property leasing and hospitality continue to contribute stable stream of income to pursue our growth initiatives and respond to the changing economic environment.

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

During the year ended 31 December 2017, the Company repurchased a total of 8,332,000 issued ordinary shares of the Company on the Stock Exchange at an aggregate cash consideration of HK\$77,983,280 (excluding expenses). All the purchased shares were then cancelled and the number of issued shares of the Company was reduced. 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\$	
September 2017	1,434,000	8.04	7.66	11,278,360
October 2017	1,416,000	8.17	7.64	11,274,160
November 2017	1,074,000	9.08	7.99	9,373,200
December 2017	4,408,000	12.30	8.95	46,057,560
	<u>8,332,000</u>			<u>77,983,280</u>

The directors of the Company considered that the aforesaid shares were repurchased at a discount to the underlying fair 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 2017.

CORPORATE GOVERNANCE PRACTICES

Throughout the year ended 31 December 2017, saved for the deviations as disclosed below, 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. As stated in the Corporate Governance Report in the Company’s 2016 annual report, Mr. Lu Wing Chi, the Chairman, also held the office of Managing Director overseeing the management and the Group’s business. Upon completion of the Restructuring of the Company and AGP (a 97.17%-owned subsidiary of the Company prior to the Restructuring) in May 2017, the roles of the Chairman and the Chief Executive have been separated and performed by Mr. Lu Wing Chi and Mr. Lambert Lu respectively with effect from 15 May 2017.

CG Code	Deviations and reasons
A.4.1 Non-executive directors should be appointed for a specific term, subject to re-election.	Except Mr. Lincoln Lu who was appointed as the non-executive director for a term of three years on 15 May 2017, each of the other non-executive directors (including the independent non-executive directors) 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) of the Company 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 will continuously review and recommend such proposal as appropriate in the circumstances of such deviation.
E.1.3 The issuer should arrange for the notice to shareholders to be sent for annual general meetings at least 20 clear business days before the meeting and to be sent at least 10 clear business days for all other general meetings.	Notice regarding the Company’s special general meeting in respect of the Restructuring held on 4 May 2017 was sent to shareholders of the Company on 18 April 2017, nine clear business days before the meeting. This was because AGP needed to comply with rules and regulations of The London Stock Exchange plc. regarding the timing of ex-dividend and dividend record dates and the Company had to match with AGP’s timetable for the Restructuring. The Board believes that this was a unique situation arising from this particular project timetable and is not likely to recur in future.

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 2017.

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, and the related notes thereto for the year ended 31 December 2017 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 2017 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 2018.

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

Hong Kong, 28 March 2018

The directors of the Company as at the date of this announcement are:

Executive Directors:

Mr. Lu Wing Chi (*Chairman*)
Mr. Lambert Lu (*Chief Executive*)

Non-executive Directors:

Mr. Lam Sing Tai
Mr. Lincoln Lu

Independent Non-executive Directors:

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