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**S E A HOLDINGS LIMITED**

爪哇控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code : 251)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**HIGHLIGHTS**

For the year ended 31 December 2018

- Revenue from continuing operations: HK\$778.8 million (2017: HK\$576.4 million), 35% increase
- Profit from continuing operations: HK\$121.3 million (2017: HK\$40.4 million), 200% increase
- Profit attributable to the shareholders of the Company: HK\$121.0 million (2017: HK\$267.3 million)
- Net asset value (“NAV”) and NAV per share of the Group attributable to the shareholders of the Company as at 31 December 2018: HK\$11,405.4 million and HK\$17.2 respectively#.

# *The NAV is calculated on the basis of the Group’s book NAV of HK\$6,011.6 million after adjusting Hotel property (which is on cost basis in the book) to fair market value determined by independent property valuers.*

\* *For identification purpose only*

The board of directors (the “**Board**”) of S E A Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (together, the “**Group**”) for the financial year ended 31 December 2018 together with the comparative figures of 2017.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**For the year ended 31 December 2018**

	<i>Notes</i>	<b>2018</b> <b>HK\$'000</b>	2017 HK\$'000
<b>Continuing operations</b>			
Revenue	4		
– Renting of investment properties		<b>209,228</b>	152,765
– Hotel operation		<b>249,994</b>	233,411
– Return from financial investment		<b>319,573</b>	190,256
Total revenue		<b>778,795</b>	576,432
Other income	5	<b>26,652</b>	11,645
Costs:			
Property and related costs	6	<b>(13,762)</b>	(11,280)
Staff costs		<b>(153,337)</b>	(149,145)
Depreciation and amortisation		<b>(29,136)</b>	(26,998)
Other expenses		<b>(118,800)</b>	(135,083)
		<b>(315,035)</b>	(322,506)
Profit from continuing operations before fair value changes on investment properties		<b>490,412</b>	265,571
Fair value changes on investment properties		<b>10,856</b>	17,571
Profit from continuing operations after fair value changes on investment properties		<b>501,268</b>	283,142
Other losses	7	<b>(49)</b>	(29,999)
Share of result of a joint venture		<b>(40)</b>	–
Finance costs	8	<b>(360,875)</b>	(196,363)
Profit before taxation		<b>140,304</b>	56,780
Income tax expense	9	<b>(19,004)</b>	(16,406)
Profit for the year from continuing operations		<b>121,300</b>	40,374
<b>Discontinued operations</b>			
Profit for the year from discontinued operations	10	–	713
Gain arising from Distribution in Specie	15	–	226,927
Profit for the year from discontinued operations		–	227,640
Profit for the year (from continuing and discontinued operations)		<b>121,300</b>	268,014

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)**  
**For the year ended 31 December 2018**

	<i>Notes</i>	<b>2018</b> <b>HK\$'000</b>	2017 HK\$'000
Attributable to:			
Company's shareholders			
– Continuing operations		<b>121,026</b>	40,391
– Discontinued operations		–	226,935
		<u><b>121,026</b></u>	<u>267,326</u>
Non-controlling interests			
– Continuing operations		<b>274</b>	(17)
– Discontinued operations		–	705
		<u><b>274</b></u>	<u>688</u>
Profit for the year		<u><b>121,300</b></u>	<u>268,014</u>
		<b>HK cents</b>	HK cents
Earnings per share for profit attributable to the Company's shareholders			
	12		
From continuing and discontinued operations			
– Basic		<u><b>18.2</b></u>	<u>39.3</u>
– Diluted		<u><b>18.2</b></u>	<u>39.1</u>
From continuing operations			
– Basic		<u><b>18.2</b></u>	<u>5.9</u>
– Diluted		<u><b>18.2</b></u>	<u>5.9</u>
<i>Earnings per share excluding fair value changes on investment properties net of deferred tax</i>			
	12		
– Basic		<u><b>16.6</b></u>	<u>36.9</u>
– Diluted		<u><b>16.5</b></u>	<u>36.6</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

**For the year ended 31 December 2018**

	<b>2018</b> <b>HK\$'000</b>	2017 HK\$'000
Profit for the year (from continuing and discontinued operations)	<u><b>121,300</b></u>	<u>268,014</u>
Other comprehensive (expense) income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Fair value (loss) gain on:		
Debt instruments at fair value through other comprehensive income	<b>(27,390)</b>	–
Available-for-sale investments	–	5,304
Exchange differences arising on translation of foreign operations	<b>(14,552)</b>	39,317
<i>Reclassification adjustments for amounts transferred to profit or loss:</i>		
– fair value loss on debt instruments at fair value through other comprehensive income	<b>49</b>	–
– upon disposal of available-for-sale investments	–	29,999
– upon Distribution in Specie (note 15)	–	(226,927)
Other comprehensive expense for the year	<u><b>(41,893)</b></u>	<u>(152,307)</u>
Total comprehensive income for the year	<u><b>79,407</b></u>	<u>115,707</u>
Total comprehensive income for the year attributable to:		
Company's shareholders	<b>79,133</b>	115,130
Non-controlling interests	<u><b>274</b></u>	<u>577</u>
Total comprehensive income for the year	<u><b>79,407</b></u>	<u>115,707</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 31 December 2018**

	<i>Notes</i>	<b>2018</b> <b>HK\$'000</b>	2017 HK\$'000
<b>Non-current assets</b>			
Investment properties		<b>6,036,230</b>	6,214,249
Property, plant and equipment		<b>650,904</b>	670,925
Investment in a joint venture		<b>1,050,460</b>	1,728,800
Available-for-sale investments		–	3,165,101
Debt instruments at fair value through other comprehensive income		<b>2,950,698</b>	–
Financial assets at fair value through profit or loss		<b>250,573</b>	–
Loan receivables		–	1,688
Pledged bank deposit		<b>26,333</b>	–
Other assets		<b>6,779</b>	6,839
		<b>10,971,977</b>	11,787,602
<b>Current assets</b>			
Inventories		<b>915</b>	1,062
Available-for-sale investments		–	1,327,704
Debt instruments at fair value through other comprehensive income		<b>1,448,979</b>	–
Financial assets at fair value through profit or loss		<b>81,747</b>	–
Loan receivables		–	199
Note receivable		–	39,067
Trade and other receivables, deposits and prepayments	13	<b>37,621</b>	85,829
Tax recoverable		<b>1</b>	10
Amounts due from non-controlling interests		<b>4</b>	40
Pledged bank deposits		<b>1,574,819</b>	1,533,852
Bank balances and cash		<b>5,870,023</b>	4,235,738
		<b>9,014,109</b>	7,223,501
<b>Current liabilities</b>			
Payables, rental deposits and accrued charges	14	<b>204,973</b>	189,703
Tax liabilities		<b>22,293</b>	8,811
Bank borrowings - due within one year		<b>6,215,708</b>	6,318,864
		<b>6,442,974</b>	6,517,378
<b>Net current assets</b>		<b>2,571,135</b>	706,123
<b>Total assets less current liabilities</b>		<b>13,543,112</b>	12,493,725

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)*  
**At 31 December 2018**

	<b>2018</b>	2017
	<b>HK\$'000</b>	HK\$'000
<b>Capital and reserves</b>		
Share capital	66,206	67,376
Reserves	<u>5,945,348</u>	<u>6,075,208</u>
Equity attributable to the Company's shareholders	<b>6,011,554</b>	6,142,584
Non-controlling interests	<u>4</u>	<u>1,498</u>
<b>Total equity</b>	<b><u>6,011,558</u></b>	<u>6,144,082</u>
<b>Non-current liabilities</b>		
Bank borrowings - due after one year	4,763,702	4,748,442
Guaranteed notes	2,726,740	1,553,287
Deferred taxation	<u>41,112</u>	<u>47,914</u>
	<u>7,531,554</u>	<u>6,349,643</u>
<b>Total equity and non-current liabilities</b>	<b><u><u>13,543,112</u></u></b>	<u><u>12,493,725</u></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 certain properties and financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

**2. APPLICATION OF NEW AND AMENDMENTS TO 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:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) - Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 - 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the application of the other 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.

***HKFRS 15 Revenue from Contracts with Customers***

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue* and the related interpretations.

## **2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS** *(Continued)*

### **HKFRS 15 Revenue from Contracts with Customers** *(Continued)*

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 and the related interpretations.

The Group recognises hotel room revenue over time based on output method, and recognised revenue from food and beverage sales and ancillary services at a point in time.

Information about the Group's performance obligations resulting from application of HKFRS 15 is disclosed in note 4.

There was no material financial impact of the transition to HKFRS 15 on the Group's retained profits at 1 January 2018.

### **HKFRS 9 Financial Instruments**

In the current year, the Group has applied HKFRS 9 and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("ECL") for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.



## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

### HKFRS 9 *Financial Instruments* (Continued)

#### *Summary of effects arising from initial application of HKFRS 9*

The table below illustrates the classification and measurement of financial assets subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

	<i>Note</i>	Available- for-sale investments HK\$'000	Note receivable HK\$'000	Debt instruments at fair value through other comprehensive income ("FVTOCI") HK\$'000	Financial assets at fair value through profit or loss ("FVTPL") HK\$'000
Closing balances at 31 December 2017					
– HKAS 39		4,492,805	39,067	–	–
Effect arising from initial recognition of HKFRS 9:					
Reclassification from available-for-sale investments	(a)	(4,492,805)	–	4,486,554	6,251
Reclassification from loans and receivables	(b)	–	(39,067)	–	39,067
Opening balance at 1 January 2018		<u>–</u>	<u>–</u>	<u>4,486,554</u>	<u>45,318</u>

*Notes:*

#### (a) Available-for-sale ("AFS") investments

##### *From AFS investments to financial assets at FVTPL*

At the date of initial application of HKFRS 9, the Group's unit fund investment of HK\$6,251,000, which previously was measured at fair value, was reclassified from AFS investment to financial asset at FVTPL as they did not have contractual cashflows which are solely payments of principal and interest on the principal amount outstanding, and were not equity investments.

##### *From AFS debt investments to debt instruments at FVTOCI*

Listed and unlisted debt securities with a fair value of HK\$4,486,554,000 in aggregate were reclassified from AFS investments to debt instruments at FVTOCI, as these investments are held within a business model whose objective is achieved by both collecting contractual cash flows and selling of these assets, and the contractual cash flows of these investments are solely payments of principal and interest on the principal amount outstanding. The related fair value loss of HK\$27,917,000 relating to those investments continued to accumulate in the investment revaluation reserve as at 1 January 2018.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

### HKFRS 9 Financial Instruments *(Continued)*

#### *Summary of effects arising from initial application of HKFRS 9 (Continued)*

*Notes: (Continued)*

#### **(b) From note receivable to financial assets at FVTPL**

Note receivable of HK\$39,067,000 previously classified as loans and receivables was reclassified to financial assets at FVTPL upon the application of HKFRS 9 because its contractual cash flows do not represent solely payments of principal and interest on the principal amount outstanding. The carrying amount which was measured at amortised costs was approximate to the fair value as at 31 December 2017 and therefore, no adjustments on carrying amount on the date of initial adoption, i.e. 1 January 2018.

#### **(c) Impairment under ECL model**

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables for hotel operation and renting of investment properties. Trade receivables for hotel operation and renting of investment properties have been assessed on individual basis. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

ECL for other financial assets at amortised cost, including pledged bank deposits, bank balances, loan receivables, other receivables and amounts due from non-controlling interests, are assessed on 12-month ECL (“**12m ECL**”) basis as there had been no significant increase in credit risk since initial recognition.

The Group's debt instruments at FVTOCI consisted of listed and unlisted debt securities that either have investment grades, issued by large PRC stated-owned enterprises or large listed companies with sound financial capability and no default occurred in the past years. Therefore, these debt instruments at FVTOCI are considered to be low credit risk and the loss allowance is assessed on 12m ECL basis.

The adoption of ECL for impairment assessment of all financial assets under HKFRS 9 has not resulted in material impact to the carrying amounts of all financial assets, investment revaluation reserve and retained profits as at 1 January 2018.

### 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 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 CODM. 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 financial investment segment includes interest revenue from listed and unlisted securities and time deposits.

The following is an analysis of the Group’s revenue and results from operating and reportable segments:

#### Segment revenues and results

For the year ended 31 December 2018

#### Continuing operations

	Property development HK\$'000	Property investment HK\$'000	Hotel operation HK\$'000	Financial investment HK\$'000	Consolidated HK\$'000
<b>SEGMENT REVENUE</b>					
External revenue	<u>–</u>	<u>209,228</u>	<u>249,994</u>	<u>319,573</u>	<u>778,795</u>
<b>SEGMENT RESULTS</b>					
Segment (loss) profit	<u>(327)</u>	<u>200,311</u>	<u>82,891</u>	<u>311,715</u>	594,590
Unallocated interest income					225
Corporate income less expenses					(93,596)
Share of result of a joint venture					(40)
Finance costs					<u>(360,875)</u>
Profit before taxation					<u>140,304</u>

### 3. SEGMENT INFORMATION *(Continued)*

#### Segment revenues and results *(Continued)*

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					1,961
Corporate income less expenses					(104,887)
Finance costs					<u>(196,363)</u>
Profit before taxation					<u>56,780</u>

Segment profit of the property investment division for year ended 31 December 2018 included an increase in fair value of investment properties of HK\$10,856,000 (2017: HK\$17,571,000).

The Group does not allocate interest income generated from bank deposits and second mortgage loans, corporate income less expenses, share of result of a joint venture 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.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

#### 4. REVENUE

	2018 HK\$'000	2017 HK\$'000
<b>Continuing operations</b>		
Renting of investment properties	209,228	152,765
Hotel operation (Note i)	249,994	233,411
Return from financial investment (Note ii)	319,573	190,256
	<u>778,795</u>	<u>576,432</u>

#### Notes:

- i. For the year ended 31 December 2018, revenue from hotel operation, which arises from contracts with customers is recognised in accordance with HKFRS 15, comprises of (i) HK\$197,969,000 for hotel room revenue recognised over time and based on output method; (ii) HK\$39,987,000 for revenue from food and beverage sales and HK\$12,038,000 for revenue from ancillary service are recognised at point in time.
- ii. Return from financial investment represents interest revenue derived from listed and unlisted securities and time deposits.

#### 5. OTHER INCOME

	2018 HK\$'000	2017 HK\$'000
<b>Continuing operations</b>		
Net exchange gain	23,343	5,969
Interest earned on bank deposits	182	1,832
Interest income from second mortgage loans	43	129
Others	3,084	3,715
	<u>26,652</u>	<u>11,645</u>

#### 6. PROPERTY AND RELATED COSTS

	2018 HK\$'000	2017 HK\$'000
<b>Continuing operations</b>		
Selling and marketing expenses	828	919
Direct operating expenses of investment properties	12,934	10,361
	<u>13,762</u>	<u>11,280</u>

## 7. OTHER LOSSES

	2018 HK\$'000	2017 HK\$'000
<b>Continuing operations</b>		
Loss on disposal of available-for-sale investments	–	29,999
Reclassification of fair value loss on early redemption of debt instruments at FVTOCI	49	–
	<u>49</u>	<u>–</u>
	<u><b>49</b></u>	<u><b>29,999</b></u>

## 8. FINANCE COSTS

	2018 HK\$'000	2017 HK\$'000
<b>Continuing operations</b>		
Bank borrowings		
Amortisation of bank borrowings front-end fee	8,593	5,625
Interest on bank borrowings	215,034	114,646
	<u>223,627</u>	<u>120,271</u>
Guaranteed notes		
Amortisation of guaranteed notes issued costs	6,737	4,353
Interest on guaranteed notes	125,042	66,691
	<u>131,779</u>	<u>71,044</u>
Other charges	5,469	5,048
	<u>360,875</u>	<u>196,363</u>

## 9. INCOME TAX EXPENSE

	2018 HK\$'000	2017 HK\$'000
<b>Continuing operations</b>		
Current tax		
Hong Kong Profits Tax	4,313	4,263
Australia	3,515	3,375
The United Kingdom	16,463	4,630
	<u>24,291</u>	<u>12,268</u>
(Over)underprovision in prior years		
Hong Kong Profits Tax	(606)	285
The United Kingdom	(1,413)	203
	<u>(2,019)</u>	<u>488</u>
Deferred tax		
– current year	(3,268)	3,650
	<u><b>19,004</b></u>	<u><b>16,406</b></u>

## 10. DISCONTINUED OPERATIONS

### Group reorganization

During the year ended 31 December 2017, the Company undertook a restructuring (the “**Restructuring**”) by implementing an Assets Redistribution (as defined below) and a Distribution in Specie (as defined below).

On 31 March 2017, the Company entered into a sale and purchase agreement with Asian Growth Properties Limited (“**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**”).

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 as a subsidiary of the Company, and accordingly, the Group ceased its business and operations in the PRC.

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

	2017 HK\$’000
Profit for the year from discontinued operations before gain arising from Distribution in Specie	<u>713</u>
Gain arising from Distribution in Specie: Realisation of translation reserve	<u>226,927</u>

## 10. DISCONTINUED OPERATIONS (Continued)

### Group reorganization (Continued)

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 profit or loss, were as follows:

	2017 HK\$'000
Revenue	51,127
Other income	3,940
Costs:	
Property and related costs	(9,083)
Staff costs	(20,929)
Depreciation and amortisation	(857)
Other expenses	(14,076)
	<u>(44,945)</u>
Profit before fair value changes on investment properties	10,122
Fair value changes on investment properties	<u>–</u>
Profit after fair value changes on investment properties	10,122
Finance costs	<u>(4,211)</u>
Profit before tax	5,911
Income tax expense	<u>(5,198)</u>
Profit for the year	<u><u>713</u></u>

The carrying amounts of the assets and liabilities of AGP and its subsidiaries upon the Distribution in Specie are set out in note 15.

## 11. DIVIDENDS

	2018 HK\$'000	2017 HK\$'000
Dividends recognised as distributions during the year:		
2018 interim dividend – HK2 cents (2017: 2017 interim dividend – HK2 cents) per share	<b>13,242</b>	13,617
2017 final dividend – HK3 cents (2017: 2016 final dividend – HK6 cents) per share	<b>19,780</b>	40,900
Special cash dividend of HK\$3 per share	–	2,037,644
Special non-cash dividend by way of Distribution in Specie (note 15)	<u>–</u>	<u>3,883,752</u>
	<u><b>33,022</b></u>	<u>5,975,913</u>
2018 final dividend proposed: HK3 cents (2017: HK3 cents) per share	<u><b>19,862</b></u>	<u>20,115</u>



## 11. DIVIDENDS (Continued)

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2018 of HK3 cents (2017: final dividend in respect of the year ended 31 December 2017 of HK3 cents) per ordinary share, in an aggregate amount of HK\$19,862,000 (2017: HK\$20,115,000), has been proposed by the directors of the Company and is subject to approval by the shareholders at the forthcoming general meeting.

## 12. 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:

	2018 HK\$'000	2017 HK\$'000
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the year attributable to the Company's shareholders	<u>121,026</u>	<u>267,326</u>
	<b>Number of shares</b>	
	2018	2017
Weighted average number of ordinary shares for the purpose of basic earnings per share	665,171,833	679,527,074
Effect of dilutive potential ordinary shares options	<u>1,579,016</u>	<u>4,937,493</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>666,750,849</u>	<u>684,464,567</u>

### From continuing operations

	2018 HK\$'000	2017 HK\$'000
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the year attributable to the Company's shareholders	121,026	267,326
Less: result for the year from discontinued operations	<u>—</u>	<u>(226,935)</u>
Profit for the year from continuing operations attributable to the Company's shareholders	<u>121,026</u>	<u>40,391</u>

## 12. EARNINGS PER SHARE (Continued)

### From discontinued operations

	2018 HK\$'000	2017 HK\$'000
Profit for the year from discontinued operations attributable to the Company's shareholders	–	226,935
	<b>HK cents</b>	<b>HK cents</b>
Basic earnings per share	<b>N/A</b>	33.4
Diluted earnings per share	<b>N/A</b>	33.2

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for share option scheme.

### 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:

	2018 HK\$'000	2017 HK\$'000
Profit for the year attributable to the Company's shareholders as shown in the consolidated statement of profit or loss	121,026	267,326
Fair value changes on investment properties	(10,856)	(17,571)
Deferred tax thereon	–	678
Adjusted profit attributable to the Company's shareholders	<b>110,170</b>	<b>250,433</b>
	<b>2018 HK cents</b>	<b>2017 HK cents</b>
Earnings per share excluding fair value changes on investment properties net of deferred tax		
Basic	<b>16.6</b>	36.9
Diluted	<b>16.5</b>	36.6

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 years ended 31 December 2018 and 2017 are the same as those detailed in the calculation of basic and diluted adjusted earnings per share from continuing and discontinued operations above.

### 13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2018 HK\$'000	2017 HK\$'000
Trade receivables		
– hotel operation (Note (i))	5,455	5,794
– renting of properties (Note (ii))	–	839
	<u>5,455</u>	<u>6,633</u>
Accrued income	2,164	2,163
Deposits, prepayments and other receivables	30,002	77,033
	<u>37,621</u>	<u>85,829</u>

*Notes:*

- (i) Trade receivables from corporate customers and travel agents for the use of hotel facilities.
- (ii) Trade receivables mainly represent rental receivable from tenants for the use of the Group's properties.

As at 31 December 2018 and 1 January 2018, trade receivables from contracts with customers amounted to HK\$5,455,000 and HK\$5,794,000 respectively.

The following is an aged analysis of trade receivables presented based on the invoice date.

	2018 HK\$'000	2017 HK\$'000
0 to 30 days	4,633	6,142
31 to 60 days	691	245
61 to 90 days	131	138
91 to 365 days	–	108
	<u>5,455</u>	<u>6,633</u>

As at 31 December 2018, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$822,000 which are past due as at the reporting date. The outstanding balances have been subsequently settled. The Group does not hold any collateral over these balances.

As at 31 December 2017, 93% of the trade receivables that are neither past due nor impaired as there is no history of default. Those customers have no history of default payment and no overdue in the past three years. They represent the customers under 'Low risk' in the internal credit rating.

As at 31 December 2017, included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$491,000 which are past due as at the reporting date for which the Group has not provided for impairment loss as most of them are substantially covered by deposits received. The Group does not hold any collateral over these balances.

#### 14. PAYABLES, RENTAL DEPOSITS AND ACCRUED CHARGES

The following is an aged analysis of trade payable presented based on the invoice date.

	2018 HK\$'000	2017 HK\$'000
0 to 60 days	<u>1,710</u>	<u>2,212</u>
Trade payables	1,710	2,212
Rental deposits	5,095	6,181
Rental received in advance	44,332	59,077
Other payables, other deposits and accrued charges	85,971	72,288
Interest payables	<u>67,865</u>	<u>49,945</u>
	<u><u>204,973</u></u>	<u><u>189,703</u></u>

The average credit period on purchase of goods is 60 days.

Rental deposits to be refunded after twelve months from the end of the reporting period based on the respective lease terms amounted to HK\$4,087,000 (2017: HK\$5,896,000).

#### 15. DISTRIBUTION IN SPECIE

As set out in note 10, 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 prepayments	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 interest	(88,860)
Bank borrowings	(133,868)
Deferred taxation	<u>(341,673)</u>
	3,848,076
Non-controlling interests	<u>35,676</u>
Net assets attributable to the Company's shareholders and distributed by the Company through Distribution in Specie	<u><u>3,883,752</u></u>
Gain arising from Distribution in Specie:	
Realisation of translation reserve upon Distribution in Specie	<u><u>226,927</u></u>
Net cash outflow arising on Distribution in Specie	
Bank balances and cash	<u><u>(1,743,434)</u></u>

## **DIVIDENDS**

The Board has resolved to recommend for shareholders' approval at the forthcoming annual general meeting (the "2019 AGM") of the Company the payment of a final dividend of HK3 cents (2017: HK3 cents) per share for the year ended 31 December 2018 to the shareholders of the Company whose names appear on the register of members at the close of business on Tuesday, 11 June 2019. The relevant dividend warrants are expected to be despatched on or before Friday, 21 June 2019.

Together with the interim dividend of HK2 cents per share already paid (2017: HK2 cents), the total dividends for the year will be HK5 cents per share. In 2017, the total dividends paid per share comprised cash dividends of HK\$3.05 (including final dividend of HK3 cents, interim dividend of HK2 cents and a special cash dividend of HK\$3) and the special non-cash dividend by way of Distribution in Specie.

## **ANNUAL GENERAL MEETING**

The 2019 AGM will be held in Hong Kong on Friday, 31 May 2019 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](http://www.hkex.com.hk)) and the Company ([www.seagroup.com.hk](http://www.seagroup.com.hk)) in April 2019.

## **BOOK CLOSE DATES**

For the purpose of ascertaining the shareholders' eligibility to attend and vote at the 2019 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' eligibility to attend and vote at the 2019 AGM

Latest time to lodge transfer documents	4:30 p.m. on 23 May 2019 (Thursday)
Closure of register of members	24 May 2019 (Friday) to 31 May 2019 (Friday) (both days inclusive)
Record date	24 May 2019 (Friday)

### For ascertaining shareholders' entitlement to the proposed final dividend

Latest time to lodge transfer documents	4:30 p.m. on 5 June 2019 (Wednesday)
Closure of register of members	6 June 2019 (Thursday) to 11 June 2019 (Tuesday) (both days inclusive)
Record date	11 June 2019 (Tuesday)

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2019 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

Revenue for the year ended 31 December 2018 amounted to HK\$778.8 million (2017: HK\$576.4 million). The revenue was principally attributable to the recognition of rental income from investment properties, revenue from hotel operation and income from financial investment.

Profit from continuing operations for the year amounted to HK\$121.3 million (2017: HK\$40.4 million). The increase in current year was mainly due to full-year rental income contribution by 33 Old Broad Street, London (which was purchased by the Group in July 2017) and increase in interest income from financial investment during the year.

Profit attributable to the Company's shareholders for the year amounted to HK\$121.0 million (2017: HK\$267.3 million), equivalent to a basic earnings per share of HK18.2 cents (2017: HK39.3 cents). The decrease in profit attributable to the Company's shareholders in current year was mainly due to one-off gain arising from the release of exchange reserve to profit or loss of approximately HK\$226.9 million upon distribution in specie (as part of the Group's restructuring in 2017) recorded under profit from the discontinued operations in last year.

The reported profit attributable to the Company's shareholders included a revaluation surplus on investment properties net of deferred taxation of HK\$10.9 million (2017: HK\$16.9 million). By excluding the effect of such surplus, the Group's net profit attributable to the Company's shareholders was HK\$110.1 million (2017: HK\$250.4 million), equivalent to HK16.6 cents (2017: HK36.9 cents) per share.

As at 31 December 2018, the Group's equity attributable to the Company's shareholders amounted to HK\$6,011.6 million (31 December 2017: HK\$6,142.6 million). The net asset value per share attributable to the Company's shareholders as at 31 December 2018 was HK\$9.1 as compared with HK\$9.1 as at 31 December 2017.

The Group's property assets (including interests in joint venture) by geographical location at the year end were as follows:

	<b>31 December 2018</b> HK\$' million	31 December 2017 HK\$' million
<b>Continuing operations</b>		
Hong Kong	3,317.1	3,923.8
United Kingdom	4,243.1	4,495.2
Australia	157.7	174.6
Total	<u>7,717.9</u>	<u>8,593.6</u>

The Group's hotel property is stated at cost less accumulated depreciation charges at a carrying value of HK\$606.2 million, whereas the market value as at 31 December 2018 as determined by an independent professional market valuation carried out by independent property valuer is HK\$6,000.0 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 2018, 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\$13,111.7 million (31 December 2017: HK\$11,967.4 million), HK\$11,405.4 million (31 December 2017: HK\$9,516.4 million) and HK\$17.2 (31 December 2017: HK\$14.1) respectively.

## **Business Review**

### Property Investment and Development

Following the Group's restructuring in 2017, 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 of directors taking into consideration market opportunities, the Group's financial resources and its core competence. It is the Group's approach to review and optimize the project portfolios from time to time. Currently, the Group's core projects mainly consist of a residential project (No. 1 Shouson Hill Road East) and a joint venture residential development project (West Kowloon Waterfront) in Hong Kong, two investment properties in London, the United Kingdom (20 Moorgate and 33 Old Broad Street) and an investment property in Australia (Lizard Island).

#### *Hong Kong*

The Group, as part of the consortium comprised of well-known property developers, won the tender for the urban waterfront residential plot with harbor view in Off Hing Wah Street West, West Kowloon at a price of HK\$17 billion in 2017. The site will be developed into a premium-graded residential project with walking distance to MTR. This project is under foundation work in progress stage as scheduled and targets to be completed by 2022.

The Group owns residential properties at Shouson Hill Road East, Hong Kong as investment property. The properties are currently under renovation process.

#### *United Kingdom*

The Group owns three investment properties in the United Kingdom, namely, (i) an office building at 33 Old Broad Street, London, EC 2; (ii) an office building at 20 Moorgate, London, EC2R 6DA; and (iii) John Sinclair House, an office building at 16 Bernard Terrace, Edinburgh, Scotland.

The revenue generated from these investment properties in the United Kingdom for year ended 31 December 2018 was HK\$191.6 million (2017: HK\$129.8 million).

#### *Australia*

Revenue generated from the property investment project in Australia for the year ended 31 December 2018 was HK\$16.8 million (2017: HK\$16.3 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 as compared to 2017, which was resulted from the general increase of tourism market and the success of the hotel's cost saving measures. The hotel will strive to gain further market share in the challenging market conditions.

## **Financial Resources and Liquidity**

### Working Capital and Loan Facilities

In January 2018, the Group issued guaranteed notes with a principal amount of US\$150,000,000, due on 19 January 2023 (the "Notes"). At maturity, the Notes are payable at their principal amount. The Notes will bear interest at the rate of 4.875% per annum payable semi-annually in arrear on 19 January and 19 July in each year.

As at 31 December 2018, the Group's total pledged bank deposits, bank balances and cash was HK\$7,471.2 million (2017: HK\$5,769.6 million), total financial investments (including debt instruments at fair value through other comprehensive income and financial assets at fair value through profit or loss) were HK\$4,732.0 million (2017: HK\$4,492.8 million) and unutilised facilities were HK\$1,707.8 million (2017: HK\$983.8 million).

As at 31 December 2018, the Group's bank borrowings was HK\$10,979.4 million (2017: HK\$11,067.3 million) and the guaranteed notes was HK\$2,726.7 million (2017: HK\$1,553.3 million) respectively. After netting the bank balance and cash and the financial investments, the Group had a net debt position of HK\$1,502.9 million (2017: HK\$2,358.2 million) with gearing ratio of 11.5% (2017: 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\$6,000.0 million).

As at 31 December 2018, maturity of the Group's outstanding borrowings (including the guaranteed notes) was as follows:

	<b>31 December 2018</b> HK\$' million	31 December 2017 HK\$' million
Due		
Within 1 year	<b>6,217.9</b>	6,319.9
1-2 years	<b>1,619.0</b>	130.4
3-5 years	<b>5,913.1</b>	6,215.8
	<b>13,750.0</b>	12,666.1
Less: Unamortised front-end fee and Notes issued expenses	<b>(43.9)</b>	(45.5)
	<b>13,706.1</b>	12,620.6



## Pledge of Assets

For the Company's subsidiaries operating in Hong Kong, the total bank loans drawn as at 31 December 2018 amounted to HK\$8,216.1 million (2017: HK\$8,138.6 million) which comprised of secured bank loans of HK\$5,936.1 million (2017: HK\$6,428.6 million) and unsecured bank loans of HK\$2,280.0 million (2017: HK\$1,710.0 million). The secured bank loans were secured by properties valued at HK\$2,225.2 million (2017: HK\$2,154.2 million), listed debt securities of HK\$3,689.8 million (2017: HK\$3,983.6 million) and pledged cash of HK\$1,598.5 million (2017: HK\$1,517.9 million).

Subsidiaries of the Company operating in Australia and the United Kingdom pledged its investment properties with an aggregate carrying value of HK\$4,400.8 million (2017: HK\$4,669.8 million) as at 31 December 2018 and pledged cash of HK\$2.7 million (2017: HK\$15.9 million) to secure bank loans of HK\$2,793.3 million (2017: HK\$2,964.8 million).

## Treasury Policies

The Group adheres to prudent treasury policies. As at 31 December 2018, all of the Group's borrowings except the guaranteed notes were raised through its wholly-owned subsidiaries on a non-recourse basis.

## **Staff and Emolument Policy**

As at 31 December 2018, the Group had a total of 239 employees (2017: 240 employees) in Hong Kong. Employee costs, including the emoluments of the directors of the Group, amounted to HK\$153.3 million for the year ended 31 December 2018 (2017: HK\$149.1 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 was full of uncertainties in 2018. Notwithstanding the global economy sustained robust in the first half of 2018, the escalation of US-Mainland trade conflict, the interest rate hikes in the United States and uncertainties on Brexit led the slower economy growth since mid-2018. In January 2019, the International Monetary Fund revised its growth forecast for 2019 downward to 3.5%. Trade tension remains a crucial factor affecting the global economy in the near future. Other developments, such as the diminishing effects of fiscal stimulus in US, Brexit uncertainty and a lower actual growth in China, will also trigger a slowdown in global activities. Global economy is likely to face continued downward pressures.

Despite unfavorable situation in external environment and losing momentum in global economic growth in the second half of 2018, performance of the Mainland economy was bright with a significant expansion of 6.6% in 2018 as a whole. In spite of the slightly slowdown is expected to continue, the outlook for Mainland economy maintains strong, with the economic growth target for 2019 set by PRC government of 6%-6.5%, attributed by significant reduction of reliance on external demand by the Mainland over the years and Central Government's looser fiscal and monetary strategy.

Although the Hong Kong economy experienced another year of above-trend growth and recorded of 3.0% growth for 2018 as a whole, the pace of growth decelerated noticeably amid external headwinds in the second half of the year, particularly in the fourth quarter. Easing global economic growth, the US-Mainland trade dispute and successive US interest rate hikes sharply dragged the economy growth to 1.3% in the fourth quarter. In February 2019, Hong Kong government forecasted that the Hong Kong Economy will grow by 2%-3% in 2019. As Asia, especially the Mainland, is expected to be a fast growing region and an important engine of global economic growth in the coming years, together with the Belt and Road Initiative and the Guangdong-Hong Kong-Macau Bay Area development strengthen the economic connectivity within the Bay Area and with the other cities in the world, Hong Kong will be in an advantageous position to seize and capitalize these enormous opportunities. Broadly speaking, the outlook is predicted to be stable in 2019.

Same situation was experienced by the Hong Kong residential property in 2018. Following a long term above-trend, the Hong Kong residential property market faced a consolidation since mid-2018, with the plunge in both of the number of transactions and flat prices. The downward sign was also noted in the leasing market during the fourth quarter. Looking ahead to 2019, the negative sentiments will be offset by the ongoing tight market supply, strong domestic demand and prospect for ending balance sheet contraction by Federal Reserve. The Group believes that the property market will tend to grow steadily.

The UK economy remained strong even as the anxiety of a "no-deal Brexit" kept casting a shadow. As the largest cities in the UK and one of the international financial centers in the world, the rents and prices of prime buildings in London stayed buoyant during 2018. Looking into 2019, UK office investment is expected to maintain equilibrium, mainly due to Brexit uncertainty in the transitional period and turbulent UK politics. However, the effect will be moderate as investment confidence remains healthy in London and core cities. Supported by the long term leases secured, the Group's investment returns in the region will be sustainable.

As a result of the opening of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macau Bridge in 2018, inbound tourism, as a key element to the hotel business in Hong Kong, has a bright performance in 2018. Visitors increased by 11.4% in 2018 to a record high of 65.1 million. Meanwhile, visitor spending grew notably by 8.3% in 2018. Having said that, given global political uncertainty and downward pressure on the economy, we expect that the growth in our hotel business will decelerate in 2019.

2019 is likely to be a challenging year globally. Global economy will continue to be volatile. Nonetheless, the Group's stable earnings from property rental income and interest income from debt market, coupled with stable hotel revenue, provide the Group a solid foundation to achieve our further growth ambitions. The Group will be cautious to the developments of the global and Hong Kong economy for the possible implications to the Group. On the positive side, the Group will continue to proactively explore for suitable opportunities on land and property acquisition amid the financial volatility environment, to optimize earnings and enhance performance.

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

During the year ended 31 December 2018, the Company repurchased a total of 16,926,000 issued ordinary shares of the Company on the Stock Exchange at an aggregate cash consideration of HK\$211,542,101 (excluding expenses) and cancelled all the purchased shares. Particulars of the repurchases are as follows:

<b>Period of repurchase</b>	<b>Total number of shares repurchased</b>	<b>Price paid per share</b>		<b>Aggregate consideration HK\$</b>
		<b>Highest HK\$</b>	<b>Lowest HK\$</b>	
January 2018	3,696,000	12.64	11.20	44,783,200
May 2018	12,332,000	13.00	12.00	157,100,400
June 2018	500,000	12.90	12.76	6,417,680
October 2018	398,000	9.50	8.00	3,240,821
	<u>16,926,000</u>			<u>211,542,101</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 2018.

## **CORPORATE GOVERNANCE PRACTICES**

Following the fixing of term of appointment of certain non-executive directors in 2018, the Company has applied the principles and complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

As disclosed in the last Corporate Governance Report, except Mr. Lincoln Lu who was appointed as the non-executive director of the Company for a term of three years in May 2017, the other four non-executive directors of the Company (including independent non-executive directors) did not have a specific term of appointment, subject to retirement by rotation and re-election at the annual general meeting pursuant to the Bye-laws of the Company. To enhance the corporate governance practices of the Company, the term of appointment of each of these non-executive directors has also been fixed for three years commencing from December 2018, subject to re-election once every three years. Consequently, all non-executive directors of the Company (including independent non-executive directors) have been appointed for a specific term.

## **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. The audit committee has reviewed with the management the audited consolidated financial statements of the Company for the year ended 31 December 2018.

## **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 2018 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 2018 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](http://www.hkex.com.hk)) and the Company ([www.seagroup.com.hk](http://www.seagroup.com.hk)) in April 2019.

## 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 2019

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