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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 INTERIM RESULTS FOR THE SIX MONTHS
ENDED 30TH JUNE, 2009**

The board of directors (the “Board”) of S E A Holdings Limited (the “Company”) announces that the unaudited consolidated financial results of the Company and its subsidiaries (together the “Group”) for the six months ended 30th June, 2009 together with the comparative figures of 2008 are as follows:

**1. CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED
30TH JUNE, 2009**

	Notes	2009 HK\$'000 (unaudited)	2008 HK\$'000 (unaudited)
Revenue		270,912	1,171,055
Interest Income		5,693	22,907
Other income		22,357	10,815
Costs:			
Property and related costs	(iv)	(93,145)	(822,550)
Staff costs		(35,620)	(32,752)
Depreciation		(1,573)	(1,757)
Other expenses		(29,705)	(31,560)
		(160,043)	(888,619)
Profit from operations before fair value changes on properties		138,919	316,158
Fair value changes on investment properties		619,158	395,083
Fair value changes on properties held for sale upon transfer to investment properties		—	269,242
Profit from operations after fair value changes on properties		758,077	980,483
Gain on liquidation of a jointly controlled entity	(v)	—	50,356
Share of loss of jointly controlled entities		(785)	—
Share of loss of associates		(15)	(142)
Finance costs	(vi)	(39,209)	(57,291)
Profit before taxation	(vii)	718,068	973,406
Income tax expense	(viii)	(129,184)	(180,110)
Profit for the period		588,884	793,296
Attributable to:			
Company's shareholders		570,080	733,141
Minority interests		18,804	60,155
		588,884	793,296

* For identification purpose only

	<i>Notes</i>	2009 HK\$'000 (unaudited)	2008 HK\$'000 (unaudited)
Dividends paid	(ix)	<u>32,121</u>	<u>58,925</u>
Earnings per share for profit attributable to the Company's shareholders	(x)		
- Basic		<u>HK88.3 cents</u>	<u>HK114.5 cents</u>
- Diluted		<u>HK87.4 cents</u>	<u>HK111.9 cents</u>
Earnings per share excluding fair value changes of properties net of deferred tax			
- Basic		<u>HK11.2 cents</u>	<u>HK29.8 cents</u>
- Diluted		<u>HK11.1 cents</u>	<u>HK29.1 cents</u>

2. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30TH JUNE, 2009

	2009 HK\$'000 (unaudited)	2008 HK\$'000 (unaudited)
Profit for the period	588,884	793,296
Other comprehensive income		
Exchange differences arising on translation of foreign operations	<u>3,258</u>	<u>82,823</u>
Total comprehensive income for the period	<u>592,142</u>	<u>876,119</u>
Total comprehensive income attributable to:		
Company's shareholders	580,580	812,581
Minority interests	<u>11,562</u>	<u>63,538</u>
	<u>592,142</u>	<u>876,119</u>

3. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at 30th June, 2009 HK\$'000 (unaudited)	As at 31 st December, 2008 HK\$'000 (audited)
Non-current Assets			
Investment properties		6,360,143	5,712,333
Property, plant and equipment		485,044	348,493
Prepaid lease payments		345,735	350,040
Properties for development		48,981	49,995
Club memberships		8,574	8,574
Interests in associates		11,698	10,512
Interests in jointly controlled entities		41,981	—
Loans receivable		<u>77,380</u>	<u>86,463</u>
		<u>7,379,536</u>	<u>6,566,410</u>
Current Assets			
Properties held for sale			
Properties under development		644,870	638,497

	Notes	As at 30 th June, 2009 HK\$'000 (unaudited)	As at 31 st December, 2008 HK\$'000 (audited)
Completed properties		698,483	744,933
Prepaid lease payments		8,607	8,607
Held for trading investments		102	51
Loans receivable		9,756	11,222
Receivables, deposits and prepayments	(xi)	543,558	169,366
Tax recoverable		—	79
Amounts due from minority shareholders		15,810	19,650
Pledged bank deposits		185,005	202,644
Restricted bank balances and deposits		135,053	147,322
Bank balances and deposits		2,000,328	2,166,157
		4,241,572	4,108,528
Current Liabilities			
Payables, deposits received and accrued charges	(xii)	348,266	278,874
Sales deposits on properties held for sale received		11,891	9,580
Provisions		6,040	6,807
Tax liabilities		156,768	138,079
Amounts due to minority shareholders		167,878	80,602
Bank borrowings – due within one year		1,411,645	1,651,241
		2,102,488	2,165,183
Net Current Assets		2,139,084	1,943,345
Total Assets Less Current Liabilities		9,518,620	8,509,755
Capital and Reserves			
Share capital		64,272	65,693
Reserves		6,774,865	6,258,226
Equity attributable to the Company's shareholders		6,839,137	6,323,919
Minority interests		274,203	236,053
Total Equity		7,113,340	6,559,972
Non-current Liabilities			
Bank borrowings – due after one year		1,655,480	1,312,446
Derivative financial liability		5,405	7,166
Deferred taxation		744,395	630,171
		2,405,280	1,949,783
		9,518,620	8,509,755

Notes to the condensed consolidated financial statements:

(i) **BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

(ii) **PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2008. In addition, the Group has adopted the accounting policy of share repurchase and those new and revised Hong Kong Financial Reporting Standards as detailed below:

Share repurchase

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Application of new and revised Hong Kong Financial Reporting Standards

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning on 1st January, 2009.

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) - Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) - Int 13	Customer Loyalty Programmes
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 st July, 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

HKAS 1 (Revised 2007) "Presentation of Financial Statements" has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure.

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1st January, 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical), using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments.

In prior years, the Group's primary reporting segment was geographical segments by location of customers with secondary reporting segment by business segment. The application of HKFRS 8 has resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. The adoption of HKFRS 8 has changed the basis of measurement of segment profit or loss.

The adoption of the new and revised HKFRSs has had no material effect on the reported results and financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

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

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009 ²
HKAS 27 (Revised in 2008)	Consolidated and Separate Financial Statements ¹
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters ³
HKFRS 2 (Amendment)	Group cash-settled Share-based Payment Transactions ³
HKFRS 3 (Revised in 2008)	Business Combinations ¹
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC) - Int 18	Transfers of Assets from Customers ⁴

¹ Effective for annual periods beginning on or after 1st July, 2009

² Amendments that are effective for annual periods beginning on or after 1st July, 2009 and 1st January, 2010, as appropriate

³ Effective for annual periods beginning on or after 1st January, 2010

⁴ Effective for transfers on or after 1st July, 2009

The adoption of HKFRS 3 (Revised 2008) “Business Combinations” may affect the Group’s accounting for business combinations for which the acquisition dates are on or after 1st January, 2010. HKAS 27 (Revised 2008) “Consolidated and Separate Financial Statements” will affect the accounting treatment for changes in a Group’s ownership interest in a subsidiary. The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

(iii) SEGMENT INFORMATION

As noted in note (ii), the Group has adopted HKFRS 8 “Operating Segments” with effect from 1st January, 2009. Information reported to the Group’s chief operating decision maker (the executive directors of the Group) for the purposes of resource allocation and assessment of performance is mainly focused on the Group’s property development projects, property investment projects and the hotel project. Operating segments with similar economic characteristics are identified by the chief operating decision maker as three reportable segments. The remaining operating segments including provision of property management and agency services are aggregated in “Others”. The identification of the Group’s reportable segments under HKFRS 8 is consistent with the prior year’s presentation of business segment under HKAS 14.

Six months ended 30th June, 2009

	Property investment HK\$'000	Property development HK\$'000	Hotel operations HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
REVENUE						
External	139,907	130,552	—	453	—	270,912
Inter-segment sales	4,962	107	—	—	(5,069)	—
Total	144,869	130,659	—	453	(5,069)	270,912
RESULT						
Segment profit (loss)	732,513	53,693	(7,452)	1,924	—	780,678
Interest income						5,693
Unallocated corporate expenses						(29,079)
Share of loss of associates						(15)
Finance costs						(39,209)
Profit before taxation						718,068

Six months ended 30th June, 2008

	Property investment HK\$'000	Property development HK\$'000	Hotel operations HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
REVENUE						
External	115,021	1,055,516	—	518	—	1,171,055
Inter-segment sales	4,268	—	—	—	(4,268)	—
Total	119,289	1,055,516	—	518	(4,268)	1,171,055
RESULT						
Segment profit (loss)	543,290	498,447	(2,886)	2,666	—	1,041,517
Interest income						22,907
Unallocated corporate expenses						(33,585)
Share of loss of associates						(142)
Finance costs						(57,291)
Profit before taxation						973,406

Inter-segment sales for the six-months are at mutually agreed terms.

The Group does not allocate interest income, corporate expenses, share of loss of associates and finance costs to individual reportable segment profit or loss in assessing their performance.

The following is in an analysis of the Group's segment assets, which is consistent with the prior year's presentation of business segment.

	As at 30th June, 2009 HK\$'000	As at 31st December, 2008 HK\$'000
Property investment	6,453,473	5,848,244
Property development	1,999,855	1,613,921
Hotel operations	824,778	654,606
Others	10,918	2,656
	<u>9,289,024</u>	<u>8,119,427</u>

(iv) PROPERTY AND RELATED COSTS

	Six months ended 30th June, 2009 HK\$'000	2008 HK\$'000
Changes in completed properties and properties under development held for sale	60,493	627,658
Costs incurred for development of properties held for sale	12,583	102,788
Write down of properties held for sale	—	74,429
Direct operating expenses for investment properties	20,069	17,675
	<u>93,145</u>	<u>822,550</u>

(v) GAIN ON LIQUIDATION OF A JOINTLY CONTROLLED ENTITY

In the preceding period, the Group was distributed certain assets, mainly properties with fair value of HK\$124.2 million and had assumed certain liabilities, mainly the bank borrowings of a jointly controlled entity with carrying amount of HK\$55.4 million on liquidation of the jointly controlled entities. At the same time, the Company waived the amount due from the jointly controlled entity of HK\$16.9 million. The fair value of the properties and other assets taken over less liabilities assumed of HK\$67.3 million less the amount due from jointly controlled entity waived was recognised as a gain on disposal of the jointly controlled entity.

(vi) FINANCE COSTS

	Six months ended 30th June,	
	2009	2008
	HK\$'000	HK\$'000
Interest on:		
Bank borrowings wholly repayable within 5 years	27,160	66,467
Bank borrowings not wholly repayable within 5 years	14,253	255
	<u>41,413</u>	<u>66,722</u>
Less: Amounts capitalised to property development projects	(6,269)	(11,675)
	<u>35,144</u>	<u>55,047</u>
Facilities charges	4,065	2,244
	<u>39,209</u>	<u>57,291</u>

(vii) PROFIT BEFORE TAXATION

	Six months ended 30th June,	
	2009	2008
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging (crediting):		
Interest income on		
- bank deposits	(2,733)	(17,780)
- loans receivable	(2,731)	(5,127)
Imputed interest on loan to a jointly controlled entity	(229)	—
	<u>(5,693)</u>	<u>(22,907)</u>
Allowance for trade receivables	1,344	—
Gain on disposal of property, plant and equipment	(120)	—
	<u>(120)</u>	<u>—</u>

(viii) INCOME TAX EXPENSE

	Six months ended 30th June,	
	2009	2008
	HK\$'000	HK\$'000
Current tax		
Hong Kong Profits Tax	8,359	71,462
PRC Enterprise Income Tax	204	168
PRC Land Appreciation Tax	10,857	—
	<u>19,420</u>	<u>71,630</u>
Deferred taxation		
Current period	109,764	135,969
Attributable to a change in tax rate	—	(27,489)
	<u>109,764</u>	<u>108,480</u>
	<u>129,184</u>	<u>180,110</u>

Hong Kong Profits Tax is calculated at 16.5% (2008: 17.5%) of the estimated assessable profit for the period. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

(ix) DIVIDENDS PAID

During the current period, a dividend of HK5 cents (2008: final dividend for 2007 at HK9 cents) per share amounting to HK\$32,121,000 (2008: HK\$58,925,000) was approved and paid to the shareholders as the final dividend for 2008.

The directors have declared that an interim dividend of HK5 cents (2008: HK5 cents) per share be paid to the shareholders of the Company whose names appear in the Register of Members on 23rd October,

2009.

(x) **EARNINGS PER SHARE**

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

	Six months ended 30th June,	
	2009	2008
	HK\$'000	HK\$'000
Earnings for the purposes of basic and diluted earnings per share	<u>570,080</u>	<u>733,141</u>
	<u>Number of shares</u>	
Weighted average number of ordinary shares for the purposes of basic earnings per share	645,946,362	640,467,413
Effect of dilutive potential ordinary shares		
Options	6,317,258	2,193,239
Warrants	<u>—</u>	<u>12,515,516</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>652,263,620</u>	<u>655,176,168</u>

For the purpose of assessing the performance of the Group, management is of the view that the profit for the period should be adjusted for the fair value changes on investment properties / properties held for sale upon transfer to investment properties and related deferred taxation in arriving at the "adjusted profit attributable to the Company's shareholders". A reconciliation of the adjusted earnings is as follows:

	2009	2008
	HK\$'000	HK\$'000
Profit attributable to the Company's shareholders as shown in the condensed consolidated income statement	570,080	733,141
Fair value changes on investment properties	(619,158)	(395,083)
Fair value changes on properties held for sale upon transfer to investment properties	—	(269,242)
Deferred tax thereon	106,749	132,524
Effect of change in tax rate	—	(26,272)
Attributable to minority interests	<u>14,501</u>	<u>15,897</u>
Adjusted profit attributable to the Company's shareholders	<u>72,172</u>	<u>190,965</u>
Earnings per share excluding fair value changes on investment properties / properties held for sale upon transfer to investment properties net of deferred tax		
Basic	<u>HK11.2 cents</u>	<u>HK29.8 cents</u>
Diluted	<u>HK11.1 cents</u>	<u>HK29.1 cents</u>

The denominators used in the calculation of adjusted earnings per share are the same as those detailed above.

(xi) **RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	As at 30th June, 2009 HK\$'000	As at 31st December, 2008 HK\$'000
Trade receivables	5,785	4,354
Less: Allowance for impairment loss	(1,918)	—
	<u>3,867</u>	<u>4,354</u>
Other receivables, deposits and prepayments	539,691	165,500
Less: Allowance for impairment loss	—	(488)
	<u>543,558</u>	<u>169,366</u>

The Group has a policy of allowing credit period of 1 to 3 months to its trade customers.

Included in other receivables, deposits and prepayments is an amount of HK\$298.7 million (31.12.2008: nil) which was incurred for the excavation, relocation arrangements and infrastructure works on certain pieces of lands in Hushu, Nanjing of the PRC undertaken by a subsidiary acquired during the period.

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

	As at 30th June, 2009 HK\$'000	As at 31st December, 2008 HK\$'000
0 to 60 days	3,867	3,776
61 to 90 days	—	222
91 to 365 days	—	356
	<u>3,867</u>	<u>4,354</u>

(xii) **PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES**

	As at 30th June, 2009 HK\$'000	As at 31st December, 2008 HK\$'000
Trade payables	6,808	12,672
Other payables, deposits received and accrued charges	341,458	266,202
	<u>348,266</u>	<u>278,874</u>

Included in other payables, deposits received and accrued charges is an amount of HK\$111.7 million (31.12.2008: nil) payable to contractors for the cost in relation to the excavation, relocation arrangements and infrastructure works on certain pieces of the lands.

The following is an ageing analysis of the trade payables based on the invoice date.

	As at 30th June, 2009 HK\$'000	As at 31st December, 2008 HK\$'000
0 to 60 days	6,109	12,661
61 to 90 days	67	—
91 to 365 days	632	11
	<u>6,808</u>	<u>12,672</u>

4. INTERIM DIVIDEND

The Board has declared the payment of an interim dividend of HK5 cents per share for the six months

ended 30th June, 2009 (2008: HK5 cents) on Friday, 30th October, 2009 to the shareholders of the Company whose names appear on the Register of Members at the close of business on Friday, 23rd October, 2009. Total interim dividends payable at the date of this Announcement are HK\$32.3 million which will be increased by a maximum of HK\$1.6 million if additional ordinary shares are issued upon the exercise by the respective holders of all the outstanding share options with no vesting period or their vesting period being elapsed before the commencement of the fixed period of closure of the Register of Members mentioned in Section 5 below.

5. CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 19th October, 2009 to Friday, 23rd October, 2009, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the proposed interim dividend, those shareholders whose names are presently not on the Register of Members must lodge all duly completed and stamped transfer documents accompanied by the relevant share certificates with the Company's Branch Share Registrars in Hong Kong, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Friday, 16th October, 2009.

6. MANAGEMENT DISCUSSION AND ANALYSIS

Financial Summary

Turnover for the six months ended 30th June, 2009 amounted to HK\$270.9 million (2008: HK\$1,171.1 million). The turnover was principally attributable to the recognition of the sales of residential units of both The Forest Hills in Hong Kong and Westmin Plaza Phase II in Guangzhou, increased rental contributions from Dah Sing Financial Centre in Hong Kong and the improved occupancy of Plaza Central in Chengdu.

Net profit attributable to the Company's shareholders for the period amounted to HK\$570.1 million (2008: HK\$733.1 million), equivalent to basic earnings per share of HK\$0.88 (2008: HK\$1.15) and diluted earnings per share of HK\$0.87 (2008: HK\$1.12). The reported profit included a revaluation surplus on investment properties net of deferred taxation. Excluding the net effect of such surplus, the Group's net profit attributable to the Company's shareholders was HK\$72.2 million (2008: HK\$191.0 million), equivalent to basic earnings per share of HK\$0.11 (2008: HK\$0.30) and diluted earnings per share of HK\$0.11 (2008: HK\$0.29).

As at 30th June, 2009, the Group's equity attributable to the Company's shareholders amounted to HK\$6,839.1 million, an increase of HK\$515.2 million over the comparative figure as at 31st December, 2008 of HK\$6,323.9 million. The net asset value per share as at 30th June, 2009 was HK\$10.64 (31st December, 2008: HK\$9.63) and taking into consideration the potential effect of outstanding share options, the net asset value per share attributable to the Company's shareholders would become HK\$10.07 (31st December, 2008: HK\$9.07).

Business Review

During the period, the Group continued its development and investment activities in the Asia Pacific region. For property development business, all the remaining residential units of Westmin Plaza II were sold in February 2009 and the marketing campaign for the remaining units of The Forest Hills, The Morrison and Royal Green is continuing. For property investment business, the Group recorded a satisfactory increase in rental income. Benefitting from better reversionary rental rate, Dah Sing Financial Centre achieved a reasonable growth in rental revenue during the period. Following the commencement of letting of office spaces of Westmin Plaza Phase II and the commercial podium of New Century Plaza last year, contribution from investment properties in mainland China to the Group has been rising.

Property Investment and Development

The Company through its 97.2% owned subsidiary Asian Growth Properties Limited ("AGP"), whose shares are listed on the AIM Market of London Stock Exchange Plc., holds the following property

development and investment projects in Hong Kong and mainland China:

Hong Kong

1. Dah Sing Financial Centre, Gloucester Road, Wanchai

The 39-storey commercial building includes offices and shops (total gross floor area of about 37,171 square metres) with ancillary car-parking facilities for 137 covered and 27 open car-parking spaces. Gross rental income generated for the period was HK\$79.9 million. During the period, the occupancy rate stayed at a high level and it was 94.2% at 30th June, 2009 with the average rent per month increasing from HK\$38.2 per square foot as at 31st December, 2008 to HK\$40.83 per square foot as at 30th June, 2009 owing to higher reversionary rental rate.

2. The Forest Hills, Diamond Hill

The property has been developed as a 48-storey residential and commercial composite building, with a total gross floor area of approximately 18,825 square metres, comprising 304 residential units above a 7-level retail podium, a clubhouse and car parks. The development was completed in April 2008 and delivery of the residential units to buyers commenced in May 2008. Turnover for the period, representing completion of the sales of 17 residential units and 12 private car-parking spaces, was HK\$72.8 million generating a net profit of HK\$12.6 million after taking into account the expenses directly related to the development.

Since 1st July, 2009, 3 additional residential units have been sold. To date, over 75% of the residential units and 46 out of 76 residents' car-parking spaces have been sold and marketing for the remaining residential units and the retail podium is continuing.

3. Royal Green, Sheung Shui

The Group has a 53.4% interest in this private residential development comprising 922 residential units contained in three 40-storey residential towers with ancillary recreational and car-parking facilities. The marketing campaign for the remaining 2 duplex residential units (1 of which is furnished) in Tower 3 known as Green Palace and 5 car-parking spaces reserved for the buyers for such units is continuing.

4. The Morrison, Wanchai

The property is a 30-storey residential and commercial composite building, with a total gross floor area of approximately 5,837 square metres, comprising 104 residential units above a club-house floor and a 3-storey commercial podium. The development was completed in October of 2007 and has won the Best Interior Design Award of the CNBC Asia Pacific Property Awards 2008 organised by the International Homes Magazine and the Best Environmental Design Award 2008 organised by The Hong Kong Institute of Surveyor.

During the period, one residential unit was sold and the sale and purchase agreement for another unit has recently been signed. Marketing for the remaining 5 units is continuing. Since February 2008, the entire commercial podium of The Morrison has been leased at a satisfactory rental yield to Volkswagen Hong Kong Limited for car showroom purpose for a term of six years.

5. Crowne Plaza Hong Kong Causeway Bay

The project is being developed into a 29-storey five-star hotel comprising 263 guest rooms (gross floor area of approximately 14,945 square metres) with ancillary facilities. The Group engaged a member of the InterContinental Hotels Group to manage the operation of the hotel under the name of "Crowne Plaza Hong Kong Causeway Bay". The relevant occupation permit was issued in April 2009 and fitting-out and decoration works are in progress. A key management team (comprising the general manager seconded from the InterContinental Hotels Group) of the future hotel operation has been in place and is actively pursuing hotel opening preparations. Marketing activities for up-scale business travellers have been launched. The hotel is scheduled to be opened in the fourth

quarter of 2009.

6. Fo Tan, Sha Tin

The property with a site area of about 20,092 square metres is currently leased out as a logistic centre until end of 2009. Rezoning applications with several master layout plans and design schemes have been submitted to the Town Planning Board and relevant parties for consideration. The proposed development will comprise, among other facilities, residential units, car parks, educational facilities and a bus terminus. The Town Planning Board rejected the Group's town planning application in July 2008 due to a number of outstanding environmental, traffic and urban design issues and the Group's appeal will be heard in mid October 2009. Discussions are ongoing with various relevant parties with a view to securing the requisite town planning approvals.

7. 28/F., 9 Queen's Road Central, Central

The property is the entire floor of a 35-storey Grade A commercial building in Central with a gross floor area of approximately 1,279 square metres. It is currently let to a firm of international lawyers for a term of three years until May 2012.

8. Excelsior Plaza Shop, Causeway Bay

The shop which occupies a prime position in Hong Kong's busiest shopping district and has a gross floor area of approximately 39 square metres is let to an international jewellery retailer for a term of 3 years until July 2011.

Mainland China

9. Westmin Plaza Phase II, Guangzhou

The Westmin Plaza Phase II project, which has a total construction floor area of about 118,966 square metres, comprises four residential blocks of 646 units and one office block erected on a six-storey commercial / car-parking podium. The development has recently won the Best Mixed Use Development – China Award of the CNBC Asia Pacific Commercial Property Awards 2009.

In February 2009, all the remaining residential units were sold. The 14-storey office tower has a total gross floor area of about 16,112 square metres. As at 30th June, 2009, 61% of the tower was leased with more than one-third of the total office space being leased with naming rights to AIA, the successful arm in Asia of AIG for a term of six years from April 2008. Leasing activities for the remaining office space and the 3-storey shopping arcade with a total gross floor area of about 26,612 square metres are in progress.

10. Plaza Central, Chengdu

Plaza Central comprises two 30-storey office blocks erected on a common podium of six commercial / retail floors and two car-parking floors with a total construction floor area of approximately 91,455 square metres. As at 30th June, 2009, the occupancy rates for office tower I and II were about 79% and 19% respectively and leasing activities for the remaining areas are continuing. The retail podium with a construction floor area of about 28,758 square metres has been fully let principally to Chengdu New World Department Store on a long term lease. Rental return from this property will benefit from the improved occupancy.

11. Huangshan, Anhui Province

In March 2008, the Group acquired a 91% interest in a mainland China company for a total cash consideration of HK\$15.9 million with the remaining interest being held by a Chinese party. This joint venture company has the right to develop tourist leisure facilities on land located in the famous scenic Huangshan area, Anhui Province. The land to be developed by the joint venture company has a site area of about 333,500 square metres comprising about 66,700 square metres owned by the company and about 266,800 square metres leased from the local authority for

development. A total cash consideration of HK\$43.8 million has been paid by the Group for the acquisition of its 91% interest in this project. A survey for the market positioning of the project prepared by an international property consultancy firm is being considered by the management.

12. New Century Plaza, Chengdu

In July 2008, the Group disposed to AGP of its entire equity interest in a subsidiary owning a shopping arcade with a gross floor area of about 16,280 square meters and 50 car parks in a commercial development known as New Century Plaza in Chengdu, Sichuan Province for a cash consideration of HK\$60.3 million. The arcade was fully let to a furniture retailer and the tenancy commencing from 1st September, 2009 has been renewed for a further term of five years at a lower rental in view of the present economic conditions.

13. Chi Shan, Nanjing

In November 2008, the Group formed a joint venture with a Chinese party for a cultural and tourism development in Chi Shan, Nanjing, Jiangsu Province. It has a 51% equity interest in the newly incorporated joint venture company and will contribute a maximum of HK\$49.1 million for such development at various stages.

In December 2008, the Group entered into an agreement with another Chinese party for the acquisition of 51% of each of the equity interest and shareholder's loan of a company incorporated in Nanjing at an aggregate cash consideration of about HK\$83.6 million. The said company has been established for a cultural and tourism development in Chi Shan, Nanjing, which is adjacent to the development mentioned in the first paragraph above. It is expected that the Group will contribute a maximum of HK\$306 million for the project at various stages, in line with its ownership percentage in the project.

The above total contribution will be used to pay the expenses of tenant relocation arrangements of the land and construction of roads and bridges (both refundable by the local government representatives after the tenders mentioned hereafter) and initial tenders by the joint venture companies for usable land with an aggregate area of 403,354 square metres in Chi Shan.

14. Leiyang, Hunan Province

In mid March 2009, the Group formed a 50/50 joint venture with an individual by acquiring from him 50% of the entire issued shares in a company incorporated in Hong Kong that he previously held. Such joint venture company, through its wholly-owned company incorporated in mainland China has the rights to construct and develop certain residential projects in Leiyang, Hunan Province. So far, the Group has contributed about HK\$43.0 million in the Phase I development for which the superstructure work for seven blocks of 6 and 7 storey residential building with a total gross floor area of 20,000 square metres and two blocks of club-house and commercial buildings is in progress. The pre-sale campaign for Phase I development was launched in May 2009 and so far, 134 out of 138 residential units have been sold.

Australia and New Zealand

During the period, the Group had no significant acquisition or disposal in Australia and New Zealand. Turnover generated from the property investment and development for the six months ended 30th June, 2009 was HK\$8.7 million (2008: HK\$58.5 million) which incurred a net loss of HK\$6.5 million (2008: net loss of HK\$92.1 million after the provision for diminution in value of the properties). There are signs in the market showing that the prices for development lands and sites have been stabilised. No further provision for diminution in properties value was made for the period.

Disposal of an Investment Property after 30th June, 2009

On 31st August, 2009, the Group received an attractive offer from an independent party for the sale of the shop at Excelsior Plaza at the consideration of HK\$100 million and accordingly a preliminary sale and purchase agreement was entered into. It is expected the transaction, which will generate a profit, will be

completed in November 2009.

Financial Resources and Liquidity

Working Capital and Loan Facilities

As at 30th June, 2009, the Group's total cash balance was HK\$2,320.4 million (31st December, 2008: HK\$2,516.1 million) and unutilized facilities were HK\$1,007.9 million (31st December, 2008: HK\$1,405.6 million).

Gearing ratio as at 30th June, 2009, calculated on the basis of net interest bearing debts minus cash and restricted and pledged deposits as a percentage of total property assets, was 8.8% (31st December, 2008: 5.7%).

As at 30th June, 2009, maturities of the Group's outstanding borrowings were as follows:

	30th June, 2009	31 st December, 2008
	HK\$' million	HK\$' million
Due		
Within 1 year	1,411.6	1,651.2
1-2 years	796.3	59.4
3-5 years	590.8	980.2
Over 5 years	268.4	272.9
	3,067.1	2,963.7

Pledge of Assets

For the Company's subsidiaries operating in Hong Kong and mainland China, the total bank loans drawn as at 30th June, 2009 amounted to HK\$2,772.3 million (31st December, 2008: HK\$2,670.2 million), which were mainly secured by properties valued at HK\$6,570.4 million (31st December, 2008: HK\$5,862.1 million) and fixed deposits of HK\$180.3 million (31st December, 2008: HK\$198.4 million).

Certain subsidiaries of the Company operating in New Zealand and Australia pledged their properties with an aggregate carrying value of HK\$410.6 million as at 30th June, 2009 (31st December, 2008: HK\$357.9 million) and fixed deposits of HK\$4.7 million (31st December, 2008: HK\$4.2 million) to secure bank loans of HK\$298.6 million (31st December, 2008: HK\$293.5 million).

Treasury Policies

The Group adheres to prudent treasury policies. As at 30th June, 2009, all of the Group's borrowings were raised through its wholly-owned or substantially controlled subsidiaries on a non-recourse basis. Currently, borrowings are primarily denominated in Hong Kong dollars and mainly based on floating rate terms. There were no significant derivative financial instruments employed during the period.

Staff and Emolument Policy

The total number of employees of the Group at 30th June, 2009 was 157 (31st December, 2008: 153). Employee costs, including the emoluments of the directors of the Group, amounted to HK\$9.7 million (2008: HK\$8.0 million).

The Group aims 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, responsibilities and performance. 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 and voluntary employer contributions to retirement schemes are offered to employees. In addition, the Company has adopted an employee share option scheme with options granted by the Board to the Group's employees (including directors of the Company) on a discretionary

basis.

Outlook

With the conscious and forceful efforts taken by the governments of major countries, the global credit market has stabilized and restored its function. Market confidence has generally improved as the pace of the economic contraction sets to ease. Nevertheless, a sustainable global economic recovery will depend upon improvements in economic fundamentals.

In mainland China, the Central Government, in the face of the global depressed situation, has swiftly adjusted its policy. The proactive financial policies and moderately relaxed monetary measures are established to reform the economic structure to maintain the economic growth of the country. China is well-positioned to recover at a faster pace than other countries and its long-term economic prospects remain positive. The Group will adhere to its focused approach to mainland business expansion and will also continue to exert efforts to secure quality tenants for its office space in Plaza Central and office and commercial spaces in Westmin Plaza Phase II and carry on with caution the development of its Huangshan and Nanjing projects.

Hong Kong will benefit from the positive China factors and be able to mitigate, to some extent, the impact of external factors due to its close economic integration with mainland China. With the support of the Central Government's initiatives, Hong Kong is expected to sustain a certain degree of market stability. Strong affordability of home-buyers, due to the prevailing low interest rate environment, and the expectation of a new inflation cycle will continue to underpin the demand for Hong Kong property markets in near term. The Group will focus on leasing activities for its investment properties and continue its marketing campaign for the sale of the remaining unsold residential units of The Forest Hills, Royal Green and The Morrison. Fitting-out and decoration works of the Crowne Plaza Hong Kong Causeway Bay are at the final stage with a grand-opening date targeted at the end of 2009.

To concentrate resources on the projects with potential growth, the Group will continue its strategy to sell properties in Australia and New Zealand at reasonable prices.

Despite the early signs of global economic recovery, the Group will remain vigilant to further challenges that may arise and continue to explore new opportunities for stable and sustainable future growth.

7. DEALINGS IN THE COMPANY'S LISTED SHARES

During the six months ended 30th June, 2009, the Company purchased a total of 18,502,000 ordinary shares of HK\$0.10 each of the Company on the Stock Exchange at an aggregate consideration of HK\$43,502,221. All the purchased shares were cancelled during the period and the issued share capital of the Company was reduced by the par value of the purchased shares so cancelled. The purchases were effected by the directors of the Company pursuant to a general mandate from the shareholders and the relevant particulars are as follows:

Month of the purchase	Total number of the shares purchased	Price paid per share		Aggregate consideration
		Highest	Lowest	
January 2009	6,832,000	HK\$ 2.30	HK\$ 2.26	HK\$ 15,713,200
February 2009	4,094,000	2.35	2.30	9,475,330
March 2009	7,576,000	2.60	2.30	18,313,691
	<u>18,502,000</u>			<u>43,502,221</u>

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

Save as disclosed herein, the Company did not redeem any of its listed shares nor did the Company and its subsidiaries purchase or sell any of the Company's shares during the six months ended 30th June, 2009.

8. 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. In the presence of the representatives of Messrs. Deloitte Touche Tohmatsu ("DTT"), the Company's independent external auditor, the audit committee met on 9th September, 2009 and reviewed with the management the unaudited condensed consolidated financial statements of the Company for the six months ended 30th June, 2009 and expressed no disagreement with the accounting policies and principles adopted by the Group.

9. SCOPE OF WORK OF DTT

The Group's condensed consolidated financial statements for the six months ended 30th June, 2009 have not been audited but have been reviewed by DTT in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. The relevant review report will be contained in the Company's 2009 interim report to be dispatched to shareholders.

10. CORPORATE GOVERNANCE

Throughout the period for the six months ended 30th June, 2009, the Company has applied the principles and complied with all the code provisions and adopted certain recommended best practices of the Code on Corporate Governance Practices (the "CGP Code") (as amended and came into effect on 1st January, 2009) contained in Appendix 14 to the Listing Rules except for the following deviations:

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

The Board will continually review and recommend such proposals as appropriate in the circumstances of such deviations.

11. PUBLICATION OF INTERIM REPORT

The 2009 Interim Report of the Company containing all the applicable information required by the

Listing Rules will be dispatched to the shareholders of the Company and published on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under “Latest Listed Company Information” and on the website of the Company at www.seagroup.com.hk under “Investor Relations/News/Announcements” not later than 29th September, 2009.

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

Hong Kong, 11th September, 2009

As at the date of this announcement, the Board comprises the following members:

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

Non-executive Director: Mr. Lam Sing Tai

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