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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, 2010**

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, 2010 together with the comparative figures of 2009 are as follows:

1. CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30th June, 2010

	Notes	Six months ended 30 th June	
		2010 HK\$'000 (unaudited)	2009 HK\$'000 (unaudited)
Revenue		311,208	270,912
Interest Income		6,084	5,693
Other income		11,556	22,357
Costs:			
Property and related costs	(iv)	(81,103)	(93,145)
Staff costs		(54,854)	(35,620)
Depreciation and amortisation		(33,210)	(1,573)
Other expenses		(51,726)	(29,705)
		<u>(220,893)</u>	<u>(160,043)</u>
Profit from operations before fair value changes on properties		107,955	138,919
Fair value changes on investment properties		287,169	619,158
Profit from operations after fair value changes on properties		395,124	758,077
Share of results of jointly controlled entities		(1,786)	(785)
Share of results of associates		(290)	(15)
Finance costs	(v)	(49,152)	(39,209)
Profit before taxation		343,896	718,068
Income tax expense	(vi)	(67,753)	(129,184)
Profit for the period		<u>276,143</u>	<u>588,884</u>
Attributable to:			
Company's shareholders		268,838	570,080
Non-controlling interests		7,305	18,804
		<u>276,143</u>	<u>588,884</u>

* For identification purpose only

	<i>Notes</i>	Six months ended 30th June	
		2010	2009
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Earnings per share for profit attributable to the Company's shareholders	(viii)		
- Basic		HK\$0.41	HK\$0.88
- Diluted		HK\$0.40	HK\$0.87
Earnings per share excluding fair value changes on properties net of deferred tax			
- Basic		HK\$0.06	HK\$0.11
- Diluted		HK\$0.06	HK\$0.11

2. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June, 2010

	2010	2009
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit for the period	276,143	588,884
Other comprehensive income		
Exchange differences arising on translation of foreign operations	19,320	2,057
Share of translation differences of jointly controlled entities	145	-
Share of translation differences of associates	(1,749)	1,201
	17,716	3,258
Total comprehensive income for the period	293,859	592,142
Total comprehensive income attributable to:		
Company's shareholders	281,511	580,580
Non-controlling interests	12,348	11,562
	293,859	592,142

3. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June, 2010

	As at	As at
	30th June, 2010	31st December, 2009
	HK\$'000	HK\$'000
	(unaudited)	(restated)
Non-current Assets		
Investment properties	6,470,948	6,462,103
Property, plant and equipment	1,240,192	984,907
Properties for development	727,046	48,956
Club memberships	8,574	8,574
Interests in associates	8,035	12,806
Interests in jointly controlled entities	39,356	40,613
Loans receivable	53,073	63,209
Other receivable	149,002	145,235
	8,696,226	7,766,403

	<i>Notes</i>	As at 30 th June, 2010 HK\$'000 (unaudited)	As at 31 st December, 2009 HK\$'000 (restated)
Current Assets			
Properties held for sale			
Completed properties		500,056	566,529
Properties under development		711,211	714,089
Other inventories		1,077	1,339
Held for trading investments		162	154
Loans receivable		2,659	3,073
Other receivable		195,228	192,330
Receivables, deposits and prepayments	(ix)	134,068	256,647
Tax recoverable		27,612	35,754
Amounts due from a non-controlling shareholder		7,038	2,397
Pledged bank deposits		269,198	330,616
Bank balances and cash		2,152,762	2,332,975
		<u>4,001,071</u>	<u>4,435,903</u>
Investment properties held for sale		-	245,000
		<u>4,001,071</u>	<u>4,680,903</u>
Current Liabilities			
Payables, deposits received and accrued charges	(x)	296,881	424,449
Sales deposits received		1,974	1,180
Provisions		4,746	6,047
Tax liabilities		95,774	95,054
Amounts due to non-controlling shareholders		157,656	134,966
Bank borrowings – due within one year		1,490,968	1,019,994
		<u>2,047,999</u>	<u>1,681,690</u>
Liabilities associated with investment properties held for sale		-	27,200
		<u>2,047,999</u>	<u>1,708,890</u>
Net Current Assets		<u>1,953,072</u>	<u>2,972,013</u>
Total Assets Less Current Liabilities		<u>10,649,298</u>	<u>10,738,416</u>
Capital and Reserves			
Share capital		67,014	64,719
Reserves		7,583,438	7,302,624
Equity attributable to the Company's shareholders		7,650,452	7,367,343
Non-controlling interests		278,168	266,329
Total Equity		<u>7,928,620</u>	<u>7,633,672</u>
Non-current Liabilities			
Bank borrowings – due after one year		1,815,595	2,252,324
Derivative financial liability		2,816	3,305
Deferred taxation		902,267	849,115
		<u>2,720,678</u>	<u>3,104,744</u>
		<u>10,649,298</u>	<u>10,738,416</u>

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 31 December, 2009 except for those due to the application of the new and revised Hong Kong Financial Reporting Standards as detailed below:

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, 2010.

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

HKFRS 3 (Revised) *Business Combinations* and HKAS 27 (Revised) *Consolidated and Separate Financial Statements*

The Group applied HKFRS 3 (Revised) *Business Combinations* prospectively to business combinations for which the acquisition date is on or after 1st January, 2010. The requirements in HKAS 27 (Revised) *Consolidated and Separate Financial Statements* in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1st January, 2010.

As there was no business combination occurred during the current interim period in which HKFRS 3 (Revised) is applicable, the application of HKFRS 3 (Revised) had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods. Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised) is applicable.

In respect of the Group’s acquisition of additional interest in a subsidiary during the current interim period, the application of HKAS 27 (Revised) has resulted in recognition of the difference between the consideration received and the decrease in the carrying amount of the non-controlling interests of HK\$391,000 in equity. In addition, cash consideration of HK\$900,000 paid to the non-controlling shareholders is presented as cash flow used in financing activities.

Amendment to HKAS 17 Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 *Leases* has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group was

required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendment has removed such a requirement. The amendment requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provisions set out in the amendment to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1st January, 2010 based on information that existed at the inception of leases. Leasehold lands that qualified for finance lease classification have been reclassified from prepaid lease payment to property, plant, and equipment retrospectively, resulting in a reclassification of prepaid lease payment with previous carrying amount of HK\$358,647,000 and HK\$350,040,000 as at 1st January, 2009 and 31st December, 2009 respectively to property, plant and equipment that are measured at cost model. Accordingly, the carrying amount of property, plant and equipment is increased from HK\$348,493,000 and HK\$634,867,000 as at 1st January, 2009 and 31st December, 2009 to HK\$707,140,000 and HK\$984,907,000 respectively.

The application of the other new and revised HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

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

(iii) SEGMENT INFORMATION

The Group's operating segments, based on information reported to the chief operating decision maker, who are the executive directors of the Group, for the purposes of resource allocation and performance assessment are as follows:

Property development – development of properties
 Property investment – renting of properties
 Hotel operation – hotel operation and management

Information regarding the above segment is reported below:

Six month ended 30th June, 2010

	Property investment HK\$'000	Property development HK\$'000	Hotel operation HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE					
External	137,110	100,634	73,464	-	311,208
Inter-segment sales	481	-	-	(481)	-
Total	137,591	100,634	73,464	(481)	311,208
SEGMENT RESULTS					
Segment profit	370,575	51,150	347	-	422,072
Interest income					6,084
Corporate expenses					(33,032)
Share of results of jointly controlled entities					(1,786)
Share of results of associates					(290)
Finance costs					(49,152)
Profit before taxation					343,896

Six month ended 30th June, 2009

	Property investment HK\$'000	Property development HK\$'000	Hotel operation HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE					
External	140,360	130,552	-	-	270,912
Inter-segment sales	-	107	-	(107)	-
Total	140,360	130,659	-	(107)	270,912
SEGMENT RESULTS					
Segment profit (loss)	734,437	54,478	(7,452)	-	781,463
Interest income					5,693
Corporate expenses					(29,079)
Share of results of jointly controlled entities					(785)
Share of results of associates					(15)
Finance costs					(39,209)
Profit before taxation					718,068

Inter-segment sales are at mutually agreed terms.

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

The Group does not allocate interest income, corporate expenses, share of results of jointly controlled entities, share of results of associates and finance costs to individual operating segment profit or loss for the purposes of resource allocation and performance assessment by the chief operating decision maker.

No segment assets and liabilities are presented as the information is not reportable to the chief operating decision maker in the resource allocation and assessment of performance.

(iv) PROPERTY AND RELATED COSTS

	Six months ended 30th June,	
	2010	2009
	HK\$'000	HK\$'000
Changes in completed properties and properties under development held for sale	63,888	60,493
Costs incurred for development of properties held for sale	(4,142)	12,583
Write down of properties held for sale	5,463	-
Direct operating expenses for investment properties	15,894	20,069
	81,103	93,145

(v) FINANCE COSTS

	Six months ended 30th June,	
	2010	2009
	HK\$'000	HK\$'000
Interest on:		
Bank borrowings wholly repayable within 5 years	28,613	27,160
Bank borrowings not wholly repayable within 5 years	17,239	14,253
	45,852	41,413
Less: Amounts capitalised to property development projects	(1,188)	(6,269)
	44,664	35,144
Front end fee	2,701	935
Other charges	1,787	3,130
	49,152	39,209

(vi) **INCOME TAX EXPENSE**

	Six months ended 30th	
	2010	2009
	HK\$'000	HK\$'000
Current tax		
Hong Kong Profits Tax	14,428	8,359
People's Republic of China ("PRC") Enterprise Income Tax	-	204
PRC Land Appreciation Tax	-	10,857
Other jurisdiction	975	-
	15,403	19,420
Deferred taxation	52,350	109,764
	67,753	129,184

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

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

PRC Land Appreciation Tax was calculated at progressive sales on the appreciated property value, less allowance deductions in accordance with the relevant PRC tax laws and regulations.

(vii) **DIVIDENDS PAID**

During the current period, a dividend of HK6 cents (2009: HK5 cents) per share amounting to HK\$40,427,000 (2009: HK\$32,121,000) was approved and paid to the shareholders as final dividend for the preceding financial year ended 31st December, 2009.

(viii) **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,	
	2010	2009
	HK\$'000	HK\$'000
Earnings for the purposes of basic and diluted earnings per share	268,838	570,080
		<u>Number of shares</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share	654,801,879	645,946,362
Effect of dilutive potential ordinary shares		
Options	12,363,087	6,317,258
Weighted average number of ordinary shares for the purposes of diluted earnings per share	667,164,966	652,263,620

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 properties 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:

	2010 HK\$'000	2009 HK\$'000
Profit attributable to the Company's shareholders as shown in the condensed consolidated income statement	268,838	570,080
Fair value changes on investment properties	(287,169)	(619,158)
Deferred tax thereon	48,503	106,749
Attributable to non-controlling interests	7,143	14,501
Adjusted profit attributable to the Company's shareholders	<u>37,315</u>	<u>72,172</u>

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

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

	As at 30 th June, 2010 HK\$'000	As at 31 st December, 2009 HK\$'000
Trade receivables	9,307	5,774
Accrued incomes, deposits and prepayments	125,249	251,361
Less: Allowance for impairment loss	(488)	(488)
	<u>134,068</u>	<u>256,647</u>

Included in accrued incomes, deposits and prepayments at 31st December, 2009 are deposits of HK\$149,500,000 for the tendering of certain pieces of lands situated in the PRC. The deposits were refunded to the Group during the current period on successful land tendering.

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

Receivables from sale of properties are settled according to the payment terms of each individual contract and have to be fully settled before the transfer of legal title of the related properties to the customers.

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

	As at 30 th June, 2010 HK\$'000	As at 31 st December, 2009 HK\$'000
0 to 30 days	7,281	4,962
31 to 60 days	625	297
61 to 90 days	471	23
91 to 365 days	470	443
Over 365 days	460	49
	<u>9,307</u>	<u>5,774</u>

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

	As at 30 th June, 2010 HK\$'000	As at 31 st December, 2009 HK\$'000
Trade payables	1,162	2,383
Rental deposits	72,463	69,980
Other payables, deposits received and accrued charges	223,256	352,086
	<u>296,881</u>	<u>424,449</u>

Included in other payables, deposits received and accrued charges is an amount of HK\$89,381,000 (31st December, 2009: HK\$130,109,000) payable to contractors for the cost in relation to the excavation, relocation arrangements and infrastructure works on certain pieces of the lands.

The rental deposits to be settled after twelve months from the end of the reporting period based on the respective lease terms amounted to HK\$42,137,000 (31st December, 2009: HK\$53,010,000).

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

4. INTERIM DIVIDEND

The Board has declared the payment of an interim cash dividend of HK5 cents per share for the six months ended 30th June, 2010 (2009: HK5 cents) on Friday, 15th October, 2010 to the shareholders of the Company whose names appear on the Hong Kong Branch Register of Members at the close of business on Friday, 8th October, 2010. Total interim dividends payable at the date of this Announcement amount to HK\$33.5 million which will be increased by a maximum of HK\$0.3 million if additional ordinary shares are issued upon the exercise by the respective holders of all their outstanding share options before the commencement of the fixed period of closure of the Hong Kong Branch Register of Members mentioned in Section 5 below.

5. CLOSURE OF REGISTER OF MEMBERS

The Hong Kong Branch Register of Members of the Company will be closed from Tuesday, 5th October, 2010 to Friday, 8th October, 2010, 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 Hong Kong Branch Register of Members must lodge all duly completed and stamped transfer documents accompanied by the relevant share certificates for registration with the Company's Branch Share Registrars in Hong Kong, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, 4th October, 2010.

6. MANAGEMENT DISCUSSION AND ANALYSIS

Financial Summary

Turnover for the six months ended 30th June, 2010 amounted to HK\$311.2 million (2009: HK\$270.9 million). The turnover was principally attributable to the recognition of the sales of residential units of The Forest Hills, rental incomes from investment properties and revenue from the hotel operation.

Net profit attributable to the Company's shareholders for the period amounted to HK\$268.8 million

(2009: HK\$570.1 million), equivalent to basic earnings per share of HK\$0.41 (2009: HK\$0.88). The reported profit included a revaluation surplus on investment properties net of deferred taxation. By excluding the effect of such surplus, the Group's net profit attributable to the Company's shareholders was HK\$37.3 million (2009: HK\$72.2 million), equivalent to basic earnings per share of HK\$0.06 (2009: HK\$0.11).

As at 30th June, 2010, the Group's equity attributable to the Company's shareholders amounted to HK\$7,650.5 million (31st December, 2009: HK\$7,367.3 million). The net asset value per share as at 30th June, 2010 was HK\$11.42 as compared with HK\$11.38 as at 31st December, 2009.

Business Review

During the period under review, the Group has continued the development of various property projects in Hong Kong and mainland China. The rental income from the investment properties situated in both Hong Kong and mainland China continued to provide stable return to the Group. For developed properties, turnover for the period represented the sale of certain remaining residential units of The Forest Hills. As the number of remaining units for sale has been reducing, the contribution from the property development business decreased gradually.

The Crowne Plaza Hong Kong Causeway Bay commenced operations in November 2009 and its performance improved during the period. Though an accounting loss was recorded when depreciation of the hotel property was taken into account, the hotel generated positive cash flow from its operation.

Property Investment and Development

The Company through Asian Growth Properties Limited ("AGP"), its 97.2% owned subsidiary whose issued shares are admitted for trading 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 37,200 square metres) and with ancillary car-parking facilities for 137 covered and 27 open car-parking spaces. Rental income generated from the Dah Sing Financial Centre has been stable and satisfactory. The occupancy rate still stays at a high level and it was approximately 98% as at 30th June, 2010.

2. The Forest Hills, Diamond Hill

With a total gross floor area of approximately 18,800 square metres, the property has been developed as a 48-storey residential and commercial composite building, 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. Up to 30th June, 2010, about 86% of the residential units and 59 out of 76 residents' car-parking spaces have been sold while all the non-residents' car-parking spaces have been leased to a car-park operator at satisfactory rentals until end of February 2012.

Marketing for the remaining residential units and residents' car-parking spaces and the leasing activities for the retail podium are continuing.

3. The Morrison, Wanchai

The property is a 30-storey residential and commercial composite building with a total gross

floor area of approximately 5,800 square metres, comprising 104 residential units above a clubhouse 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 Surveyors.

Marketing for the remaining 5 residential units (which are presently leased) is continuing. In December 2009, the Group entered into an agreement for sale and purchase with an independent party for the disposal of the entire commercial podium of The Morrison at a consideration of HK\$245 million. The transaction was completed in late March 2010 and the profit generated therefrom was included in the fair value changes on investment properties in the consolidated financial statements of the Company for the year ended 31st December, 2009 as a result of the relevant property revaluation in accordance with the applicable financial reporting standards.

4. Royal Green, Sheung Shui

The Group has a 53.5% effective interest in this private residential development comprising 922 residential units contained in three 40-storey residential towers with ancillary recreational and car-parking facilities. During the period, 1 duplex residential unit was sold and since 1st July, 2010, 3 car-parking spaces have been sold. The marketing campaign for the remaining 1 furnished duplex residential unit in Tower 3 known as Green Palace and 2 car-parking spaces reserved for the buyer for such unit is continuing.

5. Fo Tan, Sha Tin

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 envisages, 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. The hearing of the Group's appeal which commenced in mid October 2009 ended in early January 2010 and the Group is expecting the outcome over the next few months.

Mainland China

6. 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 91,500 square metres. During the period, the aggregate occupancy rate for the two office towers improved marginally and leasing activities for the remaining areas are continuing. The retail podium with a construction floor area of about 29,000 square metres has been fully let principally to Chengdu New World Department Store on a long term lease. As at 30th June, 2010, the aggregate occupancy rate for the two office towers and the retail podium was 73%. Rental return from this property will benefit from the improved occupancy.

7. New Century Plaza, Chengdu

The Group's property is a shopping arcade with a gross floor area of about 16,300 square metres and two car-parking basement floors in a commercial development known as New Century Plaza in Chengdu, Sichuan Province. The arcade has been fully let since the Group's renewal of the tenancy with a furniture retailer for a further term of five years commencing on 1st September, 2009 at a rental commensurate with the economic conditions then.

8. Westmin Plaza Phase II, Guangzhou

The Westmin Plaza Phase II project, which has a total construction floor area of about 119,000 square metres, comprises four residential blocks of 646 units and one office block erected on a 5-storey commercial/car-parking podium. The residential units were fully sold in February 2009 and the Group retains ownership of the office and commercial units. The development has won the Best Mixed Use Development – China Award of the CNBC Asia Pacific Commercial Property Awards 2009.

The 14-storey office tower has a total gross floor area of about 16,100 square metres. As at 30th June, 2010, 99% of the tower was leased with more than one-third of the total office space being leased with naming rights to AIA, an international insurer, 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 26,400 square metres are in progress.

9. Huangshan

In March 2010, the Group completed its acquisition from the joint venture partner of the remaining 9% equity interest not owned by it in the project company which has the right to develop tourist leisure facilities on land located in the famous scenic and most visited tourist Huangshan (Yellow Mountain) area in Anhui Province. The project is presently 97.2% owned by the Group.

The land to be developed by the Group has a site area of about 333,500 square metres, comprising about 66,700 square metres owned by the project company and about 266,800 square metres leased from the local authority for development. An overall development plan for a hotel and villas in the integrated resort site prepared by a renowned architect in Japan is being considered by the management.

10. Chi Shan, Nanjing

Through the establishment/acquisition of two 51%-owned joint venture companies by a 97.2% owned subsidiary since late 2008, the Group started its investment projects in Chi Shan, Nanjing, Jiangsu Province. The joint venture companies are currently participating in the excavation, tenant relocation arrangements and infrastructure works on certain pieces of lands in that locality. Negotiations with the joint-venture partners about the size and scope of this luxury villa development are continuing.

11. The Redbud City, Leiyang

A 50/50 joint venture of the AGP group was established in March 2009 for the development project known as The Redbud City in Leiyang, Hunan Province. The superstructure work for, in aggregate, twelve blocks of link-house and high-rise apartment building with a total gross floor area of approximately 45,000 square metres and two blocks of club-house and commercial buildings has been progressing as scheduled. The pre-sale campaign for Phase I development was launched in May 2009 and so far, 275 out of 285 residential units have been sold. Marketing activities for the remaining units are continuing. Delivery of the first batch of units has commenced recently and the remaining units are expected to be delivered to the purchasers at different completion stages up until October 2011.

New Development Projects

During the period under review, the Group was active in pursuing new development opportunities and increasing its land bank in attractive second-tier cities in mainland China because the land prices are lower and their economies are likely to grow even when there is a slow-down in the primary cities.

In late June, 2010, the Group acquired eight pieces of land in Kaifeng, Henan Province with a total site area of about 675,000 square metres for residential and commercial development for HK\$459.8 million. Also in mid August 2010, the Group made successful bids in a public tenders for two additional pieces of land with a total site area of about 60,000 square metres adjacent to the abovementioned land for residential and commercial development for HK\$54.6 million. A cash deposit of HK\$9.2 million for the bidding has been paid and it is expected that the balance of the total bided land cost will be paid before 30th September, 2010.

Research and feasibility study in respect of the above projects' market positioning are in progress.

Hotel Operation

Crowne Plaza Hong Kong Causeway Bay

The project has been 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 operation of the Hotel under the name of "Crowne Plaza Hong Kong Causeway Bay", which commenced operations in early November 2009, is presently managed by a member of the InterContinental Hotels group ("IHG"). So far, the room occupancy and room rates have been satisfactory and the Hotel has proved popular with a wide range of guests and increasing up-scale business travellers. Efforts are being made in further improving its food and beverages operation and turnover.

In April 2010, the Hotel won three awards of the International Property Awards in association with Bloomberg Television, namely:

1. the Best Hotel Construction & Design Hong Kong – 5-star Award;
2. the Architecture (Leisure & Hospitality) Hong Kong – 5-star Award; and
3. the Best Interior Design Hong Kong – Highly Commended Award.

In July 2010, it was conferred by the IHG the "Best New Hotel Award" amongst the Crowne Plaza Hotels for Greater China opened in 2009.

Australia and New Zealand

Turnover generated from the property investment and development for the six months ended 30th June, 2010 was HK\$7.8 million (2009: HK\$8.7 million) which incurred a net loss of HK\$11.2 million (2009: net loss of HK\$6.5 million). During the period, the Group had no significant acquisition or disposal in Australia and New Zealand. The strategy to sell the existing properties in Australia and New Zealand at reasonable prices remains unchanged.

Financial Resources and Liquidity

Working Capital and Loan Facilities

As at 30th June, 2010, the Group's total cash balance was HK\$2,422.0 million (31st December, 2009: HK\$2,663.6 million) and unutilized facilities were HK\$1,122.8 million (31st December, 2009: HK\$937.4 million).

Gearing ratio as at 30th June, 2010, calculated on the basis of net interest bearing debt minus cash and restricted and pledged deposits as a percentage of total property assets, was 9.3% (31st December, 2009: 6.9%).

As at 30th June, 2010, maturities of the Group's outstanding borrowings were as follows:

	30th June, 2010	31 st December, 2009
	HK\$' million	HK\$' million
Due		
Within 1 year	1,491.0	1,020.0
1-2 years	547.0	946.3
3-5 years	729.9	1,112.9
Over 5 years	538.7	193.1
	3,306.6	3,272.3

Pledge of Assets

For the Company's subsidiaries operating in Hong Kong and mainland China, the total bank loans drawn as at 30th June, 2010 amounted to HK\$3,028.7 million (31st December, 2009: HK\$2,958.6 million), which were secured by properties valued at HK\$7,733.9 million (31st December, 2009: HK\$6,865.4 million) and fixed deposits of HK\$264.1 million (31st December, 2009: HK\$325.3 million).

Certain subsidiaries of the Company operating in New Zealand and Australia pledged their properties with an aggregate carrying value of HK\$365.7 million as at 30th June, 2010 (31st December, 2009: HK\$388.7 million) and fixed deposits of HK\$5.1 million (31st December, 2009: HK\$5.3 million) to secure bank loans of HK\$277.9 million (31st December, 2009: HK\$313.7 million).

Treasury Policies

The Group adheres to prudent treasury policies. As at 30th June, 2010, all of the Group's borrowings were raised through its wholly-owned or substantially controlled subsidiaries on a non-recourse basis.

Staff and Emolument Policy

As at 30th June, 2010, the Group had a total of 308 employees in Hong Kong, mainland China and New Zealand (31st December, 2009: 254). Employee costs, including the emoluments of the directors of the Group, amounted to HK\$54.9 million (1st January, 2009 to 30th June, 2009: HK\$35.6 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

At the time of writing, the outlook for the coming six months is somewhat uncertain. It would appear that the nascent recovery in the US appears to be slowing despite good corporate results in the first half. The Federal Reserve has recently expressed concerns about the strength of recovery

and as a result, interest rates are likely to remain benign for some considerable time. Yet, this is unlikely to stimulate economic growth with a high level of unemployment continuing in the US and slowing consumer spending and confidence. US national debt levels remain at unsustainable levels. Similar conditions exist in the Eurozone with many national governments contending with having to reduce substantial deficits.

Set against this background, it is hardly surprising that economic growth has been slowing in mainland China. Recent intervention by government using various fiscal measures to restrict the rapid rise of property prices has been having an effect and market prices are stabilising.

We do, however, remain cautiously optimistic about the long-term prospects for the property development business in mainland China and Hong Kong but as stated in our previous report, we would not underestimate the uncertainties and difficulties in the coming period with potentially choppy waters ahead.

Hong Kong continues to benefit from its proximity to China and its role as a fund raising centre of excellence, which is reflected in its low vacancy rates in the office market and continuing high residential property prices. The Group will adhere to prudent financial policies and continue to maintain high liquidity and low gearing. We believe in the short term that the current environment with all its uncertainties may well offer us some excellent longer term opportunities and we are well placed to take advantage of those opportunities should they arise. However, we would stress that we see an amber light for the time being and will proceed accordingly.

7. DEALINGS IN THE COMPANY'S LISTED SHARES

During the six months ended 30th June, 2010 (the "Period"), the Company purchased a total of 4,288,000 ordinary shares of HK\$0.10 each of the Company on the Stock Exchange at an aggregate cash consideration of HK\$17,120,320 (excluding expenses). All the purchased shares were cancelled during the Period and the issued share capital of the Company was reduced by the total par value of these shares so cancelled. The purchases were effected by the directors of the Company pursuant to the general mandates given by the shareholders at the annual general meetings held on 10th June, 2009 and 27th May, 2010 respectively. The relevant particulars are as follows:

Period of the purchase	Total number of the shares purchased	Price paid per share		Aggregate consideration
		Highest	Lowest	
		HK\$	HK\$	HK\$
May 2010	3,578,000	4.00	3.70	14,251,240
June 2010	710,000	4.10	3.98	2,869,080
	<u>4,288,000</u>			<u>17,120,320</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 of every remaining 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 Period.

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"), Certified Public Accountants, the Company's independent external auditor, the audit committee met on 27th August, 2010 and reviewed with the management the unaudited condensed consolidated financial statements

of the Company for the Period. It expressed no disagreement over the same (including the accounting policies adopted by the Group).

9. SCOPE OF WORK OF DTT

The Group's condensed consolidated financial statements for the Period 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 2010 interim report to be dispatched to shareholders.

10. CORPORATE GOVERNANCE

Throughout the Period, the Company has applied the principles and complied with all the code provisions and adopted certain recommended best practices set out in the Code on Corporate Governance Practices (the "CGP Code") (as amended) contained in Appendix 14 to the Listing Rules except for the following deviations:-

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

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

11. PUBLICATION OF INTERIM REPORT

The 2010 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 late September 2010.

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

Hong Kong, 30th August, 2010

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