

大新金融中心
Dah Sing Financial Centre

Building 與時創建
with the times



爪哇集團
SEA Group

Directory

DIRECTORS

Executive Directors

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

Non-executive Director

Mr. Lam Sing Tai

Independent Non-executive Directors

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

AUDIT COMMITTEE

Mr. Leung Hok Lim (*Chairman*)
Mr. Walujo Santoso, Wally
Mr. Chung Pui Lam

NOMINATION COMMITTEE

Mr. Lu Wing Chi (*Chairman*)
Mr. Walujo Santoso, Wally
Mr. Leung Hok Lim

REMUNERATION COMMITTEE

Mr. Chung Pui Lam (*Chairman*)
Mr. Lu Wing Chi
Mr. Lambert Lu
Mr. Walujo Santoso, Wally
Mr. Leung Hok Lim

AUTHORISED REPRESENTATIVES

Mr. Lambert Lu
Ms. Chow Siu Yin, Dora

COMPANY SECRETARY

Ms. Chow Siu Yin, Dora

LEGAL ADVISERS

Stephenson Harwood
Mayer Brown JSM
Conyers Dill & Pearman

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited
Standard Chartered Bank (Hong Kong) Limited
Hang Seng Bank Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS

26/F., Dah Sing Financial Centre
108 Gloucester Road
Wanchai, Hong Kong
Tel: (852) 2828 6363
Fax: (852) 2598 6861
E-mail: info@seagroup.com.hk

BRANCH REGISTRAR IN HONG KONG

Tricor Standard Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong
Tel: (852) 2980 1333
Fax: (852) 2528 3158

LISTING

The shares of the Company are listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited.

STOCK CODE AND BOARD LOT

251/2,000 shares

The shares of Asian Growth Properties Limited, a subsidiary of the Company, are admitted for trading on the AIM Market of London Stock Exchange plc.

WEBSITE

www.seagroup.com.hk

Contents

2	Property Portfolio
4	Location of the Group's Properties/Projects
5	Chairman's Statement
11	Corporate Governance and Other Information
19	Report on Review of Condensed Consolidated Financial Statements
20	Condensed Consolidated Statement of Profit or Loss
21	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
22	Condensed Consolidated Statement of Financial Position
24	Condensed Consolidated Statement of Changes in Equity
25	Condensed Consolidated Statement of Cash Flows
26	Notes to the Condensed Consolidated Financial Statements
39	Glossary

Property Portfolio

At 30 June 2015

Particulars of Investment Properties					
Name	Location	Lease Expiry	Usage	Approximate Gross Floor Area (square metres)	Group's Interest (%)
HONG KONG					
Dah Sing Financial Centre	108 Gloucester Road, Wanchai	30 June 2047	Commercial/Office	37,214 and 156 car parking spaces	97.2
MAINLAND CHINA					
Plaza Central	8 Shunchengda Street, Yanshikou, Chengdu, Sichuan Province	6 October 2063	Commercial/Office	91,455 (including car parking floors)	97.2
Commercial podium in Zone B and car parking spaces on Basements 2 and 3, New Century Plaza	No. 6 Xi Yu Long Street, Qingyang District, Chengdu, Sichuan Province	18 May 2063	Commercial	19,261 (including car parking spaces)	97.2
Office Tower, Westmin Plaza Phase II	50 Zhong Shan 7th Road, Li Wan District, Guangzhou, Guangdong Province	23 May 2050	Office	16,112	97.2
AUSTRALIA					
Lizard Island Resort	Lizard Island Tropical North Queensland	30 September 2050	Resort Hotel	10,500	100

Particulars of Hotel Building					
Name	Location	Lease Expiry	Usage	Approximate Gross Floor Area (square metres)	Group's Interest (%)
HONG KONG					
Crowne Plaza Hong Kong Causeway Bay	8 Leighton Road, Causeway Bay	6 November 2049	Hotel	14,945	97.2

Property Portfolio

At 30 June 2015

Particulars of Properties Held for Sale

Name	Location	Stage of Completion	Usage	Approximate Gross Floor Area (square metres)	Group's Interest (%)
MAINLAND CHINA					
Commercial podium, Westmin Plaza Phase II	48–58 Zhong Shan 7th Road, Li Wan District, Guangzhou, Guangdong Province	Completed	Commercial	45,984 (including car parking floors)	97.2

Particulars of Development Properties/Properties under Development

Name of Project	Location	Stage of Completion	Estimated Completion Date	Usage	Approximate Site Area (square metres)	Group's Interest (%)
HONG KONG						
Fo Tan Project, Shatin	1–11 Au Pui Wan Street, Fo Tan, Sha Tin, New Territories	Foundation construction completed and superstructure design in progress	Beyond 2018	Residential/ Commercial	20,000	97.2
MAINLAND CHINA						
Chengdu Nova City	Longquanyi District, Chengdu, Sichuan Province	Phase I site formation and piling works completed and superstructure works are being planned to commence	Phase I Commercial — 2016 Phase I Residential — Beyond 2016	Residential/ Commercial	506,000	97.2
Kaifeng Nova City	South lateral of Zheng Kai Da Road, Kaifeng, Henan Province	Phase IA superstructure and landscape works in progress Phase IB superstructure works in progress	Phase IA — 2015 Phase IB — 2016	Residential/ Commercial	735,000	97.2
Huangshan Project	Qiankou Town, Huizhou District, Huangshan City, Anhui Province	Phase I site formation works completed and substructure works in progress	Phase I — Beyond 2016	Tourist leisure facilities	337,000	97.2

Location of the Group's Properties/Projects



Chairman's Statement

I am pleased to present the unaudited condensed consolidated financial results of the Group for the six months ended 30 June 2015 to the Shareholders.



Dah Sing Financial Centre, Hong Kong

FINANCIAL SUMMARY

Turnover for the six months ended 30 June 2015 amounted to HK\$317.6 million (2014: HK\$337.1 million). The turnover was principally attributable to the recognition of rental income from investment properties and revenue from hotel operation.

Profit attributable to the Shareholders for the period amounted to HK\$273.9 million (2014: HK\$294.4 million), equivalent to a basic earnings per share of HK39.6 cents (2014: HK43.4 cents). The reported profit attributable to the Shareholders included a revaluation surplus on investment properties net of deferred taxation of HK\$230.2 million (2014: HK\$225.9 million). By excluding the effect of such surplus, the Group's net profit attributable to the Shareholders was HK\$43.7 million (2014: HK\$68.5 million), equivalent to HK6.3 cents (2014: HK10.1 cents) per share.

As at 30 June 2015, the Group's equity attributable to the Shareholders amounted to HK\$12,420.8 million (31 December 2014: HK\$12,197.1 million). The net asset value per share attributable to the Shareholders as at 30 June 2015 was HK\$17.92 as compared with HK\$17.69 as at 31 December 2014.

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

	30 June 2015 HK\$' million	31 December 2014 HK\$' million
Hong Kong	9,948.1	9,720.9
Mainland China	4,490.3	4,361.7
Australia	163.4	173.6
Total	14,601.8	14,256.2

Chairman's Statement

INTERIM DIVIDEND

The Board has declared an interim dividend of HK5 cents (2014: HK5 cents) per share for the six months ended 30 June 2015 to Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 2 October 2015. The relevant dividend warrants are expected to be despatched on or before Wednesday, 14 October 2015.

BUSINESS REVIEW

Property Investment and Development

The Group continues to focus on its development and investment projects in Hong Kong and Mainland China. It is the Group's approach to review and optimise the project portfolios from time to time. The Group's core projects located in Hong Kong and Mainland China are listed below.

Hong Kong

The office leasing market was stable during the period. With several tenancies of Dah Sing Financial Centre, a 39-storey commercial building, being renewed at market rates, rental income received during the period increased. The occupancy rate of Dah Sing Financial Centre remains at a high level of approximately 93% as at 30 June 2015 (31 December 2014: 94%).

The negotiation of the land premium with the Government for the development project at Fo Tan remains in progress. This development project has a site area of approximately 20,000 square metres and envisages, among other facilities, residential units, car parks, educational facilities and a bus terminus. The foundation work of the project has been completed and advanced pile cap is in progress.



Plaza Central, Chengdu

Mainland China

Chengdu, Sichuan Province

During the period under review, the occupancy rate for the two 30-storey office towers of Plaza Central remained at a high level and its retail podium with a gross floor area of about 29,000 square metres is fully let principally to Chengdu New World Department Store on a long-term lease. As at 30 June 2015, the aggregate occupancy rate for the two office towers and the retail podium was approximately 86% (31 December 2014: 89%). Leasing activities for the remaining areas of Plaza Central continue.

The shopping arcade of New Century Plaza with a gross floor area of about 16,300 square metres was fully let to a hotel on a long-term lease in late 2014.

Chairman's Statement

The master layout plan of the Longquan project (known as "Chengdu Nova City"), which has a site area of 506,000 square metres, was approved by the local government in January 2014. Preliminary site works and site formation works for Phase I of the project have been completed. Superstructure works for Phase I are now scheduled to commence in the third quarter of 2015.

Kaifeng, Henan Province

The Kaifeng project, known as "Kaifeng Nova City", is situated in Zheng-Kai District, a new town in Kaifeng and envisages a shopping mall, premium offices, exhibition hall, hotel, serviced apartments and residential towers. This project has a site area of 735,000 square metres and for providing a better living environment, the gross floor area of the development will vary from 2,000,000 to 2,500,000 square metres only. The master layout plan has been approved by the local government and foundation work for Phase I of the residential has been completed. The superstructure works for Phase IB of the residential are in progress. The superstructure works and landscape works of Phase IA of the residential are scheduled to complete in the fourth quarter of 2015. Pre-sale consent for Phase IA was issued and 50% of the residential units was launched to the market. VIP sales program is being conducted.



Chengdu Nova City, Chengdu (perspective view)



Kaifeng Nova City, Kaifeng

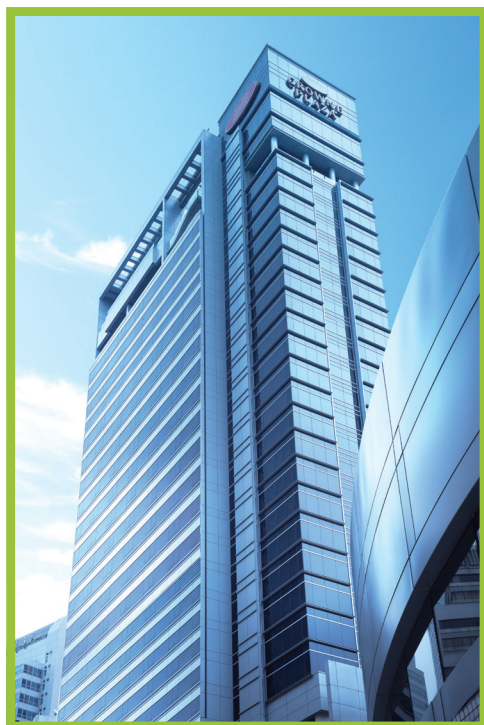
Guangzhou, Guangdong Province

As at 30 June 2015, the occupancy rate of the 14-storey office tower of Westmin Plaza Phase II of about 16,100 square metres was 98% with more than one-third of the total office space being leased to AIA (31 December 2014: 100%). Leasing activities for the 3-storey shopping arcade of Westmin Plaza Phase II with a total gross floor area of about 26,400 square metres are in progress.

Huangshan, Anhui Province

The project in Huangshan has a site area of about 337,000 square metres comprising development land of about 117,000 square metres and landscape land of 220,000 square metres. The master layout plan for the development of the project comprising a hotel, serviced apartments and resort villas in the integrated resort site has been approved by the local government and site formation work for Phase I of the project has been completed. Phase I substructure works are in progress.

Chairman's Statement



Crowne Plaza Hong Kong Causeway Bay, Hong Kong

Chi Shan, Nanjing, Jiangsu Province

The Group has established two 51%-owned joint venture companies to participate in the tenant relocation arrangements and excavation and infrastructure works on certain pieces of land in Chi Shan. The Group intends to acquire such lands through land auctions by different stages.

Australia

Turnover generated from the property investment project in Australia for the six months ended 30 June 2015 was HK\$7.9 million (2014: HK\$9.5 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 was in line with the weaker hotel business environment starting especially in the second quarter, however, the hotel will strive to gain market share in the challenging market situation.

FINANCIAL RESOURCES AND LIQUIDITY

Working Capital and Loan Facilities

As at 30 June 2015, the Group's total bank deposits, bank balances and cash was HK\$2,709.7 million (31 December 2014: HK\$3,013.9 million) and unutilised facilities were HK\$950.0 million (31 December 2014: HK\$965 million).

The gearing ratio as at 30 June 2015, calculated on the basis of net interest bearing debt minus cash and restricted and pledged deposits as a percentage of total property assets, was 9.9% (31 December 2014: 8.4%).

As at 30 June 2015, maturity of the Group's outstanding borrowings was as follows:

	30 June 2015 HK\$' million	31 December 2014 HK\$' million
Due		
Within 1 year	1,828.7	548.4
1–2 years	158.4	1,385.9
3–5 years	1,163.0	1,221.5
Over 5 years	1,033.5	1,078.7
	4,183.6	4,234.5
Less: Front-end fee	(26.3)	(22.4)
	4,157.3	4,212.1

Chairman's Statement

Pledge of Assets

For the Company's subsidiaries operating in Hong Kong and Mainland China, the total bank loans drawn as at 30 June 2015 amounted to HK\$4,106.1 million (31 December 2014: HK\$4,152.1 million) which comprised of secured bank loans of HK\$3,881.1 million (31 December 2014: HK\$3,942.1 million) and unsecured bank loans of HK\$225.0 million (31 December 2014: HK\$210.0 million). The secured bank loans were secured by properties valued at HK\$11,838.7 million (31 December 2014: HK\$11,605.9 million) and note receivables of HK\$54.3 million (31 December 2014: HK\$54.3 million).

A subsidiary of the Company operating in Australia pledged its investment properties with an aggregate carrying value of HK\$163.4 million as at 30 June 2015 (31 December 2014: HK\$173.6 million) to secure bank loans of HK\$77.5 million (31 December 2014: HK\$82.4 million).

Treasury Policies

The Group adheres to prudent treasury policies. As at 30 June 2015, 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 30 June 2015, the Group had a total of 451 employees (31 December 2014: 447 employees) in Hong Kong and Mainland China. Employee costs, including the emoluments of the directors of the Group, amounted to HK\$87.0 million for the six months ended 30 June 2015 (2014: HK\$85.9 million).

The Group maintains 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 employee share option schemes 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

In the year ahead, the global economy remains uncertain amid volatility in the global financial markets. While the US economy continued its recovery trend, the economic growth of the Eurozone and Japan were below the desired level. The timing and quantum of the interest rate rise of the US remain uncertain and are affected by both the US's domestic economic performance and the volatility of global economic conditions.

Chairman's Statement

China's economy is growing at a moderate but steady pace. The government of Mainland China has taken various measures in order to sustain the growth. The government in the past few months has relaxed certain tax regulations and cut down payments for second-home buyers from 60% to 40%. The government's policy, which included five cuts to benchmark interest rates since November 2014, also helped boost property sales and improve the sentiment of the residential real estate market. In Mainland China, GDP growth of 7.0% in the first half year of 2015 was reported. Mainland China home prices rose for a second month in June 2015, on a monthly basis, indicating that government's efforts to boost the property market have started to gain traction. Overall average new home prices increased 0.56% in June 2015 versus May 2015, which is higher than the 0.45% increase in May 2015, the first monthly increase since April 2014. Such second month of increasing prices is a sign of bottoming out for the property market.

The Hong Kong economy is also expected to continue to grow moderately in 2015, given rising household income from favourable employment conditions and steady growth in domestic consumption. The Grade-A office leasing market remained positive with continual expansion demand coming from the Mainland financial institutions, fund and asset management companies. In residential markets, housing prices in Hong Kong reached a record high in May 2015 with sales volume continuing to rebound, especially in the primary market, despite the government's series of property market cooling measures. Having said that, we remain cautious that Hong Kong's property market could be facing a downturn in the coming years, given the government's measures to an increase in housing supply and uncertainties in light of a potential rise in interest rates.



Fo Tan Project, Hong Kong

Negotiation of the land premium of our Fo Tan project is still in progress. This is a lengthy process, and we are awaiting a revised land premium to be offered from the Hong Kong Lands Department. The overall hotel industry business in Hong Kong was soft in the first half of 2015 as a result of, among other things, the tense relationship between Hong Kong residents and China visitors during the period and the adjustment of multiple-entry endorsements for Shenzhen residents under the Individual Visit Scheme.

Crowne Plaza Hong Kong Causeway Bay's performance dropped significantly in the second quarter which was in line with the weaker hotel business environment in Hong Kong. Nevertheless, the hotel was able to achieve a relatively better performance among its primary competitors. For the second half of 2015, the general hotel market is still expected to be challenging, but the hotel is striving to gain market share in this challenging market situation.

In respect to our development projects in Mainland China, Phase IA of Kaifeng project with 444 residential units is still under construction, of which 128 units were sold in pre-sale. The sales of these units will be recognized as revenue upon obtaining an occupation permit which is expected for the end of this year. In Chengdu, the master layout plan of Longquan project was approved and superstructure works are being planned to commence in the third quarter of 2015.

Lu Wing Chi
Chairman and Managing Director

Hong Kong, 27 August 2015

Corporate Governance and Other Information

CORPORATE GOVERNANCE PRACTICES

Throughout the period for the six months ended 30 June 2015, the Company has applied the principles and complied with all the code provisions set out in the CG Code contained in Appendix 14 to the Listing Rules except for the following deviations:

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

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

Corporate Governance and Other Information

SECURITIES TRANSACTIONS BY DIRECTORS AND EMPLOYEES

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors.

In response to the specific enquiry made on them by the Company, all the Directors have confirmed in writing that they had complied with the required standard as set out in the Model Code throughout the period for the six months ended 30 June 2015.

The Company has also adopted a code with no less exacting terms than the Model Code for the directors and employees of the Group (other than the Directors) (the “Relevant Employees”) to regulate their dealings in the listed shares of the Company and AGP (a subsidiary of the Company listed in London), as the Relevant Employees are likely to be in possession of inside information in relation to such shares because of their office or employment.

DIRECTORS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

1. Long positions in shares of the Company

Name of Directors	Number of ordinary shares held			Number of underlying shares held under equity derivatives		Approximate % of interest in the issued share capital
	Personal interests (held as beneficial owner)	Corporate interests (held by controlled corporations)	Family interests (interests of spouse)	Personal interests (held as beneficial owner)	Total interests	
Lu Wing Chi	12,147,285	451,178,289 ⁽ⁱ⁾	–	4,460,000	467,785,574	67.47
Lu Wing Yuk, Andrew	1,112,000	–	–	892,000	2,004,000	0.29
Lincoln Lu	12,020,002	–	–	4,460,000	16,480,002	2.38
Lambert Lu	13,778,002	–	–	2,230,000	16,008,002	2.31
Lam Sing Tai	2,129,739	–	5,739	2,230,000	4,365,478	0.63
Walujo Santoso, Wally	556,000	–	–	444,000	1,000,000	0.14
Leung Hok Lim	1,212,928	–	–	444,000	1,656,928	0.24
Chung Pui Lam	1,212,928	–	–	444,000	1,656,928	0.24

Corporate Governance and Other Information

Notes:

- (i) Among these shares, 17,084,115 shares were held by Admiralty, 18,375,420 shares were held by Wetherby and 415,718,754 shares were held by NLI. NLI beneficially owns 100% interests in each of Admiralty and Wetherby and is 63.58% owned by JCS and 30% owned by Mr. Lu Wing Chi. By virtue of Mr. Lu Wing Chi's interests in JCS (as disclosed in paragraph 2 below), he is deemed to be interested in these shares.
- (ii) The interests in underlying shares held under equity derivatives represented interests in share options granted to the Directors under the 2005 Share Option Scheme, particulars of which are contained under the section of "Share Option Schemes" below.
- (iii) The total number of issued shares of the Company as at 30 June 2015 was 693,281,726 shares.

2. Long positions in shares of associated corporations

Name of associated corporations	Name of Directors	Number of ordinary shares held		Total interests	Approximate % of interest in the issued share capital
		Personal interests (held as beneficial owner)	Corporate interests (held by controlled corporations)		
Admiralty	Lu Wing Chi	–	6 ⁽ⁱ⁾	6	100.00
JCS	Lu Wing Chi	22,540	–	22,540	49.00
	Lincoln Lu	11,730	–	11,730	25.50
	Lambert Lu	11,730	–	11,730	25.50
NLI	Lu Wing Chi	46,938	99,480 ⁽ⁱⁱ⁾	146,418	93.58
	Lincoln Lu	5,021	–	5,021	3.21
	Lambert Lu	5,021	–	5,021	3.21
Wetherby	Lu Wing Chi	–	1 ⁽ⁱ⁾	1	100.00

Notes:

- (i) These shares are beneficially held by NLI and by virtue of Mr. Lu Wing Chi's interests in JCS and NLI (as disclosed above), he is deemed to be interested in these shares.
- (ii) These shares are beneficially held by JCS and by virtue of Mr. Lu Wing Chi's interests in JCS (as disclosed above), he is deemed to be interested in these shares.

Saved as disclosed herein, as at 30 June 2015, none of the Directors had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by the Company under Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, so far as is known to the Directors, the following substantial Shareholders and other persons (other than Directors) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Long positions in shares of the Company

Name of Shareholders	Number of ordinary shares		Total interests	Approximate % of interest in the issued share capital
	Held as beneficial owner	Held by controlled corporations		
JCS	–	451,178,289 ⁽ⁱ⁾	451,178,289	65.08
NLI	415,718,754	35,459,535 ⁽ⁱⁱ⁾	451,178,289	65.08

Notes:

- (i) JCS holds about 63.58% of the issued shares in NLI. The above 451,178,289 shares held by NLI are also deemed to be JCS's interest and such shares are, therefore, duplicated between these two shareholders for the purpose of the SFO.
- (ii) NLI holds 100% of the issued shares in Admiralty and Wetherby and is the immediate holding company of these two companies, which in turn hold a total of 35,459,535 shares of the Company.
- (iii) Messrs. Lu Wing Chi, Lincoln Lu and Lambert Lu, all being Directors, are also directors of JCS and NLI.

Saved as disclosed herein, as at 30 June 2015, none of the substantial Shareholders and other persons (other than Directors) had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Corporate Governance and Other Information

SHARE OPTION SCHEMES

1. The Company

The 2005 Share Option Scheme adopted by the Company expired on 24 August 2015. Upon expiry of the 2005 Share Option Scheme, no further options should be granted thereunder but the options granted and yet to be exercised under the 2005 Share Option Scheme shall remain in force and effect. The Company adopted the 2015 Share Option Scheme on 29 May 2015 and no options had been granted under the 2015 Share Option Scheme since its adoption and up to 30 June 2015.

The following table shows the movements in share options under the 2005 Share Option Scheme during the six months ended 30 June 2015 and the options outstanding at the beginning and end of the period:

Name	Date of grant	Exercise price per share (HK\$)	Exercise period	Number of underlying shares comprised in share options			
				As at 01.01.2015	Exercised during the period	Lapsed during the period	As at 30.06.2015
Directors							
Lu Wing Chi	12.07.2012	3.454	(i)	4,460,000	–	–	4,460,000
Lu Wing Yuk, Andrew	12.07.2012	3.454	(i)	892,000	–	–	892,000
Lincoln Lu	12.07.2012	3.454	(i)	4,460,000	–	–	4,460,000
Lambert Lu	12.07.2012	3.454	(i)	2,230,000	–	–	2,230,000
Lam Sing Tai	12.07.2012	3.454	(i)	3,122,000	(892,000) ⁽¹⁾	–	2,230,000
Waluyo Santoso, Wally	12.07.2012	3.454	(i)	444,000	–	–	444,000
Leung Hok Lim	12.07.2012	3.454	(i)	666,000	(222,000) ⁽²⁾	–	444,000
Chung Pui Lam	12.07.2012	3.454	(i)	444,000	–	–	444,000
Sub-Total				16,718,000	(1,114,000)	–	15,604,000
Other eligible employees in aggregate							
	12.07.2012	3.454	01.01.2014 to 31.12.2015	520,000	(440,000)	–	80,000
			01.07.2014 to 30.06.2016	1,050,000	(1,000,000)	–	50,000
			01.01.2015 to 31.12.2016	1,600,000	(1,470,000)	–	130,000
			01.07.2015 to 30.06.2017	6,180,000	–	(260,000)	5,920,000
Sub-Total				9,350,000	(2,910,000)	(260,000)	6,180,000
Total				26,068,000	(4,024,000)	(260,000)	21,784,000

Corporate Governance and Other Information

Notes:

- (i) One-third of the share options are exercisable during the period from 1 July 2013 to 30 June 2015, a further one-third of the share options are exercisable during the period from 1 July 2014 to 30 June 2016 and the remaining one-third of the share options are exercisable during the period from 1 July 2015 to 30 June 2017.
- (ii) The vesting period of the share options granted is from the date of grant until the commencement of the exercisable period.
- (iii) (a) The closing prices of the shares of the Company immediately before the dates on which the share options were exercised by the Directors were:
 - (1) HK\$6.38 per share; and
 - (2) HK\$6.49 per share.
- (b) The weighted average closing price of the shares of the Company immediately before the dates on which the share options were exercised by the other eligible employees was HK\$5.56 per share.
- (c) The weighted average closing price of the shares of the Company immediately before the dates on which the share options were exercised by all participants stated in (a) and (b) above was HK\$5.80 per share.
- (iv) No share options had been granted or cancelled under the 2005 Share Option Scheme during the six months ended 30 June 2015.

2. AGP

AGP adopted a share option scheme on 16 August 2010. No share options had been granted under the scheme since its adoption.

SHARE AWARD SCHEMES

Each of the Company and AGP adopted a share award scheme on 15 June 2010 and 16 August 2010 respectively. The schemes are incentive arrangement for the Group to recognise and acknowledge the performance and/or contributions which the eligible participants (as defined under the schemes) have made or will make to the Group and promote its long term success.

No award was granted by the Company under its share award scheme during the six months ended 30 June 2015 and no award was granted by AGP under its share award scheme since adoption.

Corporate Governance and Other Information

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

During the six months ended 30 June 2015, the Company repurchased a total of 360,000 ordinary shares of the Company on the Stock Exchange at an aggregate cash consideration of HK\$2,103,540 (excluding expenses). All the purchased shares were then cancelled and the number of issued shares of the Company was reduced accordingly. Particulars of the repurchases are as follows:

Period of repurchase	Total number of shares repurchased	Price paid per share		Aggregate consideration HK\$
		Highest HK\$	Lowest HK\$	
April 2015	360,000	5.90	5.58	2,103,540
	360,000			2,103,540

The Directors considered that the aforesaid shares were repurchased 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.

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 six months ended 30 June 2015.

UPDATE OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in Directors' information since the disclosure made in the Company's 2014 annual report up to 27 August 2015 (being the date of approval of this report) are set out below:

- The basic salaries of the Executive Directors, namely Messrs. Lu Wing Chi, Lincoln Lu and Lambert Lu, were adjusted upward in the range of 6.67% to 10% with effect from 1 July 2015.
- The basic salary of the Non-executive Director, namely Mr. Lam Sing Tai, was adjusted upward by 8.57% with effect from 1 July 2015.

Corporate Governance and Other Information

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 29 September 2015 to Friday, 2 October 2015 (both days inclusive) during which no transfer of shares will be registered.

In order to qualify for the interim 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 not later than 4:30 p.m. on Friday, 25 September 2015.

REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements of the Group for the six months ended 30 June 2015 have not been audited but have been reviewed by the Audit Committee and 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 Hong Kong Institute of Certified Public Accountants.

Report on Review of Condensed Consolidated Financial Statements



TO THE BOARD OF DIRECTORS OF S E A HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of S E A Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 20 to 38, which comprise the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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 Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 August 2015

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2015

	NOTES	Six months ended 30 June	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Revenue	3	317,580	337,097
Interest income		9,220	8,750
Other income		14,876	6,851
Costs:			
Property and related costs	4	(25,566)	(22,908)
Staff costs		(87,007)	(85,943)
Depreciation and amortisation		(32,881)	(31,627)
Other expenses	5	(69,881)	(74,178)
		(215,335)	(214,656)
Profit from operations before fair value changes on investment properties		126,341	138,042
Fair value changes on investment properties		238,901	240,940
Profit from operations after fair value changes on investment properties		365,242	378,982
Finance costs	6	(56,796)	(45,679)
Profit before taxation	7	308,446	333,303
Income tax expense	8	(28,970)	(33,036)
Profit for the period		279,476	300,267
Attributable to:			
Company's shareholders		273,916	294,406
Non-controlling interests		5,560	5,861
		279,476	300,267
		HK cents	HK cents
Earnings per share for profit attributable to the Company's shareholders	10		
— Basic		39.6	43.4
— Diluted		39.1	42.9
<i>Earnings per share excluding fair value changes on investment properties net of deferred tax</i>	10		
— Basic		6.3	10.1
— Diluted		6.2	10.0

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Profit for the period	279,476	300,267
Other comprehensive income (expense):		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Fair value loss on other financial assets	(24,512)	–
Exchange differences arising on translation of foreign operations	2,723	(38,465)
	(21,789)	(38,465)
Total comprehensive income for the period	257,687	261,802
Total comprehensive income attributable to:		
Company's shareholders	251,932	257,580
Non-controlling interests	5,755	4,222
	257,687	261,802

Condensed Consolidated Statement of Financial Position

At 30 June 2015

	NOTES	30.6.2015 HK\$'000 (unaudited)	31.12.2014 HK\$'000 (audited)
Non-current assets			
Investment properties	11	10,775,867	10,546,169
Property, plant and equipment	11	966,550	984,475
Properties for development	12	1,248,328	1,248,432
Club memberships		8,574	8,574
Other financial assets	13	178,604	7,764
Loan receivables		3,999	4,118
Note receivables		54,265	54,289
Other receivables	14	391,327	391,173
Restricted bank deposits		6,341	6,338
		13,633,855	13,251,332
Current assets			
Properties held for sale			
Completed properties		218,481	218,395
Properties under development		1,427,372	1,297,343
Other inventories		1,134	1,333
Loan receivables		362	362
Trade receivables, deposits and prepayments	15	153,554	166,563
Tax recoverable		4,278	4,549
Amounts due from non-controlling interests	16	691	70
Bank balances and cash		2,703,354	3,007,591
		4,509,226	4,696,206
Current liabilities			
Payables, deposits and accrued charges	17	314,727	340,826
Sales deposits		94,145	64,389
Tax liabilities		117,785	103,690
Amounts due to non-controlling interests	16	99,544	99,505
Bank borrowings — due within one year	18	1,824,627	546,568
		2,450,828	1,154,978
Net current assets		2,058,398	3,541,228
Total assets less current liabilities		15,692,253	16,792,560

Condensed Consolidated Statement of Financial Position

At 30 June 2015

	NOTES	30.6.2015 HK\$'000 (unaudited)	31.12.2014 HK\$'000 (audited)
Capital and reserves			
Share capital	19	69,328	68,962
Reserves		12,351,508	12,128,083
Equity attributable to the Company's shareholders			
Non-controlling interests		12,420,836	12,197,045
		433,387	427,632
Total equity			
		12,854,223	12,624,677
Non-current liabilities			
Bank borrowings — due after one year	18	2,332,743	3,665,523
Deferred taxation	20	505,287	502,360
		2,838,030	4,167,883
Total equity and non-current liabilities			
		15,692,253	16,792,560

The condensed consolidated financial statements on pages 20 to 38 were approved and authorised for issue by the Board of Directors on 27 August 2015 and are signed on its behalf by:

Lu Wing Chi
Chairman and Managing Director

Lambert Lu
Executive Director

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Attributable to the Company's shareholders												Non-controlling interests HK\$'000	Total HK\$'000
	Share Capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Translation reserve HK\$'000	Capital redemption reserve HK\$'000	Share options/ award reserve HK\$'000	Property revaluation reserves HK\$'000	Investment revaluation reserve HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000			
At 1 January 2014 (audited)	67,237	358,190	277,707	611,175	4,451	20,455	5,229	-	25,220	10,181,489	11,551,153	410,287	11,961,440	
Profit for the period	-	-	-	-	-	-	-	-	-	294,406	294,406	5,861	300,267	
Exchange differences arising on translation of foreign operations	-	-	-	(36,826)	-	-	-	-	-	-	(36,826)	(1,639)	(38,465)	
Other comprehensive expense for the period	-	-	-	(36,826)	-	-	-	-	-	-	(36,826)	(1,639)	(38,465)	
Total comprehensive income for the period	-	-	-	(36,826)	-	-	-	-	-	294,406	257,580	4,222	261,802	
Recognition of equity-settled share-based payments — share options	-	-	-	-	-	3,963	-	-	-	-	3,963	-	3,963	
Shares issued upon exercise of share options	1,072	42,311	-	-	-	(6,356)	-	-	-	-	37,027	-	37,027	
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	-	(5,481)	-	(5,481)	-	(5,481)	
Dividends paid	-	-	-	-	-	-	-	-	-	(40,980)	(40,980)	-	(40,980)	
At 30 June 2014 (unaudited)	68,309	400,501	277,707	574,349	4,451	18,062	5,229	-	19,739	10,434,915	11,803,262	414,509	12,217,771	
Profit for the period	-	-	-	-	-	-	-	-	-	390,056	390,056	13,264	403,320	
Exchange differences arising on translation of foreign operations	-	-	-	14,057	-	-	-	-	-	-	14,057	1,074	15,131	
Revaluation increase upon reclassification of property, plant and equipment to investment properties	-	-	-	-	-	-	1,594	-	-	-	1,594	-	1,594	
Other comprehensive income for the period	-	-	-	14,057	-	-	1,594	-	-	-	15,651	1,074	16,725	
Total comprehensive income for the period	-	-	-	14,057	-	-	1,594	-	-	390,056	405,707	14,338	420,045	
Recognition of equity-settled share-based payments — share options	-	-	-	-	-	1,668	-	-	-	-	1,668	-	1,668	
Shares issued upon exercise of share options	777	30,866	-	-	-	(4,813)	-	-	-	-	26,830	-	26,830	
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	-	28	-	28	-	28	
Repurchase of ordinary shares	(124)	(5,866)	-	-	-	-	-	-	-	-	(5,990)	-	(5,990)	
Dividends paid	-	-	-	-	-	-	-	-	-	(34,460)	(34,460)	-	(34,460)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,215)	(1,215)	
At 31 December 2014 (audited)	68,962	425,501	277,707	588,406	4,451	14,917	6,823	-	19,767	10,790,511	12,197,045	427,632	12,624,677	
Profit for the period	-	-	-	-	-	-	-	-	-	273,916	273,916	5,560	279,476	
Exchange differences arising on translation of foreign operations	-	-	-	2,528	-	-	-	-	-	-	2,528	195	2,723	
Fair value change on other financial assets	-	-	-	-	-	-	-	(24,512)	-	-	(24,512)	-	(24,512)	
Other comprehensive income (expense) for the period	-	-	-	2,528	-	-	-	(24,512)	-	-	(21,984)	195	(21,789)	
Total comprehensive income for the period	-	-	-	2,528	-	-	-	(24,512)	-	273,916	251,932	5,755	257,687	
Recognition of equity-settled share-based payments — share options	-	-	-	-	-	1,576	-	-	-	-	1,576	-	1,576	
Shares issued upon exercise of share options	402	16,034	-	-	-	(2,537)	-	-	-	-	13,899	-	13,899	
Repurchase of ordinary shares	(36)	(2,068)	-	-	-	-	-	-	-	-	(2,104)	-	(2,104)	
Dividends paid	-	-	-	-	-	-	-	-	-	(41,512)	(41,512)	-	(41,512)	
At 30 June 2015 (unaudited)	69,328	439,467	277,707	590,934	4,451	13,956	6,823	(24,512)	19,767	11,022,915	12,420,836	433,387	12,854,223	

Contributed surplus represents the excess of the nominal value of the shares of the acquired subsidiaries over the nominal value of the Company's shares issued for the acquisition pursuant to the Group reorganisation in previous years.

Other reserves represent the excess of the consideration paid for acquisition of an additional interest in subsidiaries from non-controlling shareholders over the carrying amount of the non-controlling interests.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Net cash from operating activities	4,206	11,675
Investing activities		
Purchase of property, plant and equipment	(1,313)	(1,116)
Net proceeds received on disposal of property, plant and equipment	-	65
Acquisition of and additional costs on properties for development	(13,044)	(29,520)
Purchase of other financial assets	(195,352)	-
Increase in bank deposits	(431,251)	(214,166)
Bank deposits refunded	309,380	455,340
Increase in other receivables	-	(2,826)
Decrease in loan receivables	119	1,242
Interest received	12,364	16,794
Net cash (used in) from investing activities	(319,097)	225,813
Financing activities		
Draw down of bank loans	615,000	1,841,697
Repayments of bank loans	(661,114)	(1,357,880)
Payment of front-end fee	(7,000)	(7,500)
Issue of new shares	13,899	37,027
Advances from non-controlling interests	-	2,837
Repayment of advances from non-controlling interests	(621)	(635)
Acquisition of additional interest in a subsidiary	-	(5,481)
Repurchase of shares	(2,104)	-
Dividends paid	(41,512)	(40,980)
Net cash (used in) from financing activities	(83,452)	469,085
Net (decrease) increase in cash and cash equivalents	(398,343)	706,573
Cash and cash equivalents at beginning of period	2,663,743	1,694,761
Effect of foreign exchange rate changes	4,415	(4,862)
Cash and cash equivalents at end of period	2,269,815	2,396,472
Represented by:		
Bank balances and cash	2,703,354	2,610,638
Less: Fixed deposits with original maturity date more than 3 months	(431,251)	(214,166)
Less: Guarantee deposits	(2,288)	-
	2,269,815	2,396,472

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements.

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

3. SEGMENT INFORMATION

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

The Group's property investment activity is in Hong Kong, PRC and Australia, property development activity is in Hong Kong and the PRC, and hotel operation is in Hong Kong.

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

Six months ended 30 June 2015

	Property development HK\$'000	Property investment HK\$'000	Hotel operation HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE				
External sales	-	204,836	112,744	317,580
SEGMENT RESULTS				
Segment (loss) profit	(41,586)	421,793	31,105	411,312
Interest income				9,220
Corporate income less expenses				(55,290)
Finance costs				(56,796)
Profit before taxation				308,446

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

3. SEGMENT INFORMATION *(continued)*

Six months ended 30 June 2014

	Property development HK\$'000	Property investment HK\$'000	Hotel operation HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE				
External sales	520	205,382	131,195	337,097
SEGMENT RESULTS				
Segment (loss) profit	(41,985)	422,547	46,076	426,638
Interest income				8,750
Corporate income less expenses				(56,406)
Finance costs				(45,679)
Profit before taxation				333,303

Segment profit of the property investment division for the six months ended 30 June 2015 included an increase in fair value of investment properties of HK\$238,901,000 (2014: HK\$240,940,000).

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

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

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

4. PROPERTY AND RELATED COSTS

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Cost of properties sold and related expenses	-	613
Selling and marketing expenses	3,834	1,116
Direct operating expenses on investment properties	21,732	21,179
	25,566	22,908

5. OTHER EXPENSES

Included in other expenses are the hotel operating expenses amounting to HK\$30,226,000 (1.1.2014 – 30.6.2014: HK\$32,473,000).

6. FINANCE COSTS

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Interest on:		
Bank borrowings wholly repayable within 5 years	29,045	22,956
Bank borrowings not wholly repayable within 5 years	31,027	22,430
	60,072	45,386
Less: Amounts capitalised to property development project	(7,699)	(3,934)
	52,373	41,452
Front end fee	3,053	2,510
Other charges	1,370	1,717
	56,796	45,679

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

7. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Profit before taxation has been arrived at after crediting:		
Interest earned on bank deposits	9,070	8,584
Interest income from second mortgage loans	123	166
Net exchange (loss) gain	(1,764)	1,182

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Current tax		
Hong Kong Profits Tax	16,286	14,950
PRC Enterprise Income Tax	6,533	5,631
Other jurisdictions	1,463	1,064
	24,282	21,645
Deferred tax	4,688	11,391
	28,970	33,036

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

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

9. DIVIDENDS

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Dividends recognised as a distribution during the period:		
Final dividend for the year ended 31 December 2014 of HK6 cents per share (1.1.2014 – 30.6.2014: final dividend for the year ended 31 December 2013 of HK6 cents per share)	41,512	40,980

Subsequent to the end of the reporting period, the Board has declared an interim dividend of HK5 cents (2014: HK5 cents) per share payable to the Shareholders whose names appear on the register of members of the Company on 2 October 2015.

10. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the period attributable to the Company's shareholders	273,916	294,406

	Number of shares	
	2015	2014
Weighted average number of ordinary shares for the purpose of basic earnings per share	691,712,908	678,378,411
Effect of dilutive potential ordinary shares options	9,716,594	7,349,659
Weighted average number of ordinary shares for the purpose of diluted earnings per share	701,429,502	685,728,070

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

10. EARNINGS PER SHARE *(continued)*

For the purpose of assessing the performance of the Group, the directors of the Company are of the view that the profit for the period 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:

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Profit for the period attributable to the Company’s shareholders as shown in the condensed consolidated statement of profit or loss	273,916	294,406
Fair value changes on investment properties	(238,901)	(240,940)
Deferred tax thereon	2,028	8,460
Attributable to non-controlling interests	6,665	6,576
Adjusted profit attributable to the Company’s shareholders	43,708	68,502
Earnings per share excluding fair value changes on investment properties net of deferred tax		
Basic	HK6.3 cents	HK10.1 cents
Diluted	HK6.2 cents	HK10.0 cents

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

11. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

In estimating the fair value of investment properties, the Group uses market-observable data to the extent it is available. The Group engages third party qualified valuers to perform the valuation of the Group's investment properties. At the end of each reporting period, the Group works closely with the qualified external valuers to establish and determine the appropriate valuation techniques and inputs to the model.

- (a) The fair values of the Group's Hong Kong and PRC investment properties with an aggregate carrying value of HK\$10,612,470,000 at 30 June 2015 (31.12.2014: HK\$10,372,585,000) were arrived at on the basis of valuations carried out at those dates by Savills Valuation and Professional Services Limited ("Savills") whereas those in Australia with a carrying value of HK\$173,584,000 at 31 December 2014 were arrived at on the basis of a valuation carried out on 31 December 2014 by CBRE Valuations Pty Limited ("CBRE").

Savills and CBRE are independent professional valuers not connected to the Group. They are members of the Institute of Valuers and have appropriate qualifications and recent experience in the valuation of properties in the relevant locations.

The valuations were arrived at by reference to market evidence of transaction prices or by capitalisation of future rental which is estimated by reference to comparable rental as available in the relevant markets. In the valuation, the market rentals of all lettable units as well as those of similar properties are made by reference to the rentals achieved by the Group in the lettable units as well as those of similar properties in the neighbourhood. The capitalisation rate adopted is by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted for the valuers' knowledge of factors specific to the respective properties. There has been no change from the valuation technique used in the prior year/period.

- (b) At 30 June 2015, the remaining investment property of HK\$163,397,000, which is located in Australia, was fairly valued by the directors of the Company who are of the opinion that the fair value of this investment property at 30 June 2015 approximate their fair value at 31 December 2014.
- (c) The resulting increase in the fair value of HK\$238,901,000 (1.1.2014 – 30.6.2014: HK\$240,940,000) has been recognised directly in the condensed consolidated statement of profit or loss.
- (d) During the current interim period, the Group acquired property, plant and equipment of HK\$1,313,000 (1.1.2014 – 30.6.2014: HK\$1,116,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

12. PROPERTIES FOR DEVELOPMENT

The carrying amount represents the Group's interest in certain pieces of land located in the PRC to be held for future development.

The carrying amount is amortised on a straight-line basis over the lease terms ranging from 40 to 70 years.

13. OTHER FINANCIAL ASSETS

	30.6.2015 HK\$'000	31.12.2014 HK\$'000
Unlisted investments:		
— Equity securities	3,882	3,882
— Convertible loan	3,882	3,882
Listed investments (Note)	170,840	—
	178,604	7,764

Note: During the period, the Group acquired listed equity investments as available-for sale asset at cost of HK\$195,352,000 which were stated at market value of HK\$170,840,000 at 30 June 2015 with fair value loss of HK\$24,512,000 recognised as other comprehensive expenses under investment revaluation reserve.

14. OTHER RECEIVABLES

At 30 June 2015, the Group had incurred a total amount of RMB321,060,000 (31.12.2014: RMB321,060,000) equivalent to HK\$407,136,000 (31.12.2014: HK\$406,976,000) for the tenant relocation arrangements, excavation and infrastructure work on certain pieces of land in Nanjing, the PRC. The amount, together with further costs to complete the work, are wholly refundable from the relevant PRC local government either by deduction against the consideration payable if the Group is successful in bidding for the land or out of the proceeds received by the relevant PRC local government from another successful tenderer. The directors of the Company estimated that, based on the Group's development plan, the time schedule for auction of the relevant land will be initiated before the end of 2016 and by then the full amount will be recovered.

The balance of HK\$391,327,000 (31.12.2014: HK\$391,173,000) represents the Hong Kong dollar equivalent of the present value of the original amount of RMB321,060,000 (31.12.2014: RMB321,060,000) expected to be recovered in 2016 discounted at the rate of 2% per annum.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

15. TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30.6.2015 HK\$'000	31.12.2014 HK\$'000
Trade receivables	8,353	10,603
Accrued income	102,512	99,415
Deposits and prepayments	42,689	56,545
	153,554	166,563

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

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

	30.6.2015 HK\$'000	31.12.2014 HK\$'000
0 to 30 days	6,867	8,014
31 to 60 days	94	590
61 to 90 days	56	207
91 to 365 days	1,063	1,148
Over 365 days	273	644
	8,353	10,603

16. AMOUNTS DUE FROM/TO NON-CONTROLLING INTERESTS

The balances are unsecured, interest-free and repayable on demand.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

17. PAYABLES, DEPOSITS AND ACCRUED CHARGES

	30.6.2015 HK\$'000	31.12.2014 HK\$'000
Trade payables	1,467	3,018
Rental deposits	114,861	115,925
Rental received in advance	13,754	16,399
Other payables, other deposits and accrued charges	184,645	205,484
	314,727	340,826

Included in other payables is an aggregate amount of HK\$95,305,000 (31.12.2014: HK\$91,759,000) payable to contractors for the cost in relation to the tenant relocation arrangements, excavation and infrastructure work on certain pieces of land as detailed to in note 14.

Included in rental deposits are deposits to be settled after twelve months from the end of the reporting period based on the respective lease terms which amounted to HK\$63,344,000 at 30 June 2015 (31.12.2014: HK\$71,151,000).

18. BANK BORROWINGS

During the current interim period, the Group repaid bank loans amounting to HK\$661,114,000 (1.1.2014 to 30.6.2014: HK\$1,357,880,000) and drew bank loans which carry interest at variable rates amounting to HK\$615,000,000 (1.1.2014 to 30.6.2014: HK\$1,841,697,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

19. SHARE CAPITAL

	Number of ordinary shares of HK\$0.1 each	Nominal value HK\$'000
Authorised	1,000,000,000	100,000
Issued and fully paid:		
At 1 January 2014	672,371,726	67,237
Shares issued upon exercise of share options	10,720,000	1,072
At 30 June 2014	683,091,726	68,309
Shares issued upon exercise of share options	7,768,000	777
Repurchase of ordinary shares	(1,242,000)	(124)
At 31 December 2014	689,617,726	68,962
Shares issued upon exercise of share options	4,024,000	402
Repurchase of ordinary shares	(360,000)	(36)
At 30 June 2015	693,281,726	69,328

20. DEFERRED TAXATION

The balance at the end of reporting period mainly represents deferred tax liabilities recognised on the fair value changes of the investment properties amounting to HK\$459,990,000 (31.12.2014: HK\$459,862,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

21. PLEDGE OF ASSETS

At the end of the reporting period, the Group had pledged the following assets to secure banking facilities granted to the Group:

- (a) Fixed charges on investment properties and property, plant and equipment with an aggregate carrying value of HK\$10,258,827,000 (31.12.2014: HK\$10,037,307,000) together with a floating charge over all the assets of the properties owning subsidiaries and benefits accrued to the relevant properties.
- (b) Fixed charges on hotel properties with an aggregate carrying value of HK\$676,103,000 (31.12.2014: HK\$686,105,000) together with a floating charge over all the assets of the property owning subsidiaries and benefits accrued to the hotel properties.
- (c) Fixed charges on properties under development held for sale with an aggregate carrying value of HK\$948,316,000 (31.12.2014: HK\$936,355,000).
- (d) Fixed charges on properties for development with an aggregate carrying value of HK\$118,826,000 (31.12.2014: HK\$119,689,000).
- (e) Note receivables of HK\$54,265,000 (31.12.2014: HK\$54,289,000).

22. RELATED PARTY DISCLOSURES

The remuneration of the Company's directors who are the Group's key management personnel during the current interim period amounting to HK\$17,210,000 (1.1.2014 – 30.6.2014: HK\$18,018,000).

23. CONTINGENT LIABILITIES

The Group has given guarantees to banks in respect of mortgages loans provided to the Group's customers for the purchase of the Group's properties located in the PRC. At 30 June 2015, the total outstanding mortgage loans which are under the guarantee were HK\$38,502,000 (31.12.2014: HK\$17,432,000). The directors of the Company considered that the fair values of these guarantees at their initial recognition and the end of the reporting period are insignificant and accordingly, the fair value of these guarantees were not accounted for in the condensed consolidated financial statements. The amounts as at 30 June 2015 are to be discharged upon the issuance of the real estate ownership certificate which can subsequently be pledged with the banks.

Glossary

In this interim report, unless the context otherwise requires, the following expression shall have the following meanings:

“Admiralty”	Admiralty Pacific Limited, a company incorporated in the British Virgin Islands with limited liability;
“AGM(s)”	the annual general meeting(s) of the Company;
“AGP”	Asian Growth Properties Limited, a company incorporated in the British Virgin Islands with limited liability and is a subsidiary of the Company, whose shares are admitted for trading on the AIM Market of London Stock Exchange plc.;
“Audit Committee”	the audit committee of the Company;
“Board”	the board of Directors;
“CG Code”	the Corporate Governance Code;
“Chairman”	the chairman of the Board;
“Company” or “SEA”	S E A Holdings Limited is an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock code: 251);
“Director(s)”	the director(s) of the Company;
“DTT”	Deloitte Touche Tohmatsu, Certified Public Accountants;
“Executive Director(s)”	the executive Director(s);
“Group”	the Company and its subsidiaries;
“Government”	the government of Hong Kong;
“HK\$”	the lawful currency of Hong Kong for the time being;
“HKAS”	Hong Kong Accounting Standards;
“HKFRS”	Hong Kong Financial Reporting Standards;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

Glossary

“Independent Non-executive Director(s)” or “INED”	the independent non-executive Director(s);
“JCS”	JCS Limited, an exempted company incorporated in Bermuda with limited liability;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Managing Director”	the managing Director;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules;
“NLI”	Nan Luen International Limited, an exempted company incorporated in Bermuda with limited liability;
“Non-executive Director(s)”	the non-executive Director(s);
“PRC” or “Mainland China”	The People’s Republic of China;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“2005 Share Option Scheme”	the share option scheme adopted by the Company on 25 August 2005;
“2015 Share Option Scheme”	the share option scheme adopted by the Company on 29 May 2015;
“Shareholders”	the shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Wetherby”	Wetherby International Limited, a company incorporated in the British Virgin Islands with limited liability; and
“%”	per cent.

26/F Dah Sing Financial Centre 108 Gloucester Road Wanchai Hong Kong
香港灣仔告士打道 108 號大新金融中心 26 樓
T 電話 +852 2828 6363 F 傳真 +852 2598 6861
www.seagroup.com.hk

爪哇控股有限公司
S E A Holdings Limited

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

