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ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

HIGHLIGHTS

For the period ended 30 June 2024

- Revenue: HK\$203.5 million (2023: HK\$196.4 million), 3.6% increase
- Loss attributable to the shareholders of the Company: HK\$72.0 million (2023: HK\$436.9 million), 83.5% decrease
- Net asset value (“NAV”) and NAV per share of the Group attributable to the shareholders of the Company as at 30 June 2024: HK\$8,624.0 million and HK\$14.3 respectively#.

The NAV is calculated on the basis of the Group’s book NAV of HK\$3,990.2 million after adjusting hotel property (which is on cost basis in the book) to fair market value determined by an independent property valuer.

* For identification purpose only

UNAUDITED RESULTS

The board of directors (the “**Board**”) of S E A Holdings Limited (the “**Company**”) announces the unaudited consolidated financial results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 June 2024 together with the comparative figures of 2023.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

		Six months ended 30 June	
	<i>Notes</i>	2024	2023
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	4		
– Renting of investment properties		100,905	96,453
– Hotel operation		90,897	91,967
– Return from financial investment			
– Interest income and others		<u>11,743</u>	<u>7,955</u>
Total revenue		203,545	196,375
Other income	5	15,808	12,061
Costs:			
Property and related costs	6	(2,262)	(1,912)
Staff costs		(48,664)	(50,659)
Depreciation and amortisation		(22,978)	(20,820)
Other expenses		(48,596)	(46,758)
		<u>(122,500)</u>	<u>(120,149)</u>
Profit before fair value changes on investment properties, impairment loss and other gains and losses		96,853	88,287
Fair value changes on investment properties		<u>–</u>	<u>(185,713)</u>
Profit (loss) after fair value changes on investment properties		96,853	(97,426)
Other gains and losses	7	(1,117)	35,224
Share of results of joint ventures		20,061	10,087
Impairment loss recognised on debt instruments at fair value through other comprehensive income	12	–	(208,151)
Finance costs	8	<u>(187,324)</u>	<u>(173,566)</u>
Loss before taxation		(71,527)	(433,832)
Income tax expense	9	<u>(519)</u>	<u>(3,024)</u>
Loss for the period		<u>(72,046)</u>	<u>(436,856)</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*
For the six months ended 30 June 2024

		Six months ended 30 June	
		2024	2023
<i>Note</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Loss for the period attributable to the Company's shareholders		<u>(72,046)</u>	<u>(436,856)</u>
		<i>HK cents</i>	<i>HK cents</i>
		(unaudited)	(unaudited)
Basic and diluted loss per share for loss attributable to the Company's shareholders	<i>11</i>	<u>(12.0)</u>	<u>(72.6)</u>

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

For the six months ended 30 June 2024

		Six months ended 30 June	
	<i>Note</i>	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Loss for the period		<u>(72,046)</u>	<u>(436,856)</u>
Other comprehensive income (expense):			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Fair value gain (loss) on equity instruments at fair value through other comprehensive income		97	(12,104)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value gain (loss) on debt instruments at fair value through other comprehensive income		2,850	(33,665)
Impairment loss recognised on debt instruments at fair value through other comprehensive income	12	–	208,151
Reclassification to profit or loss upon disposal/derecognition of debt instruments at fair value through other comprehensive income		1,908	26,398
Exchange differences arising on translation of foreign operations		(7,706)	70,516
Share of other comprehensive (expense) income of a joint venture		<u>(3,836)</u>	<u>4,592</u>
Other comprehensive (expense) income for the period		<u>(6,687)</u>	<u>263,888</u>
Total comprehensive expense for the period attributable to the Company's shareholders		<u>(78,733)</u>	<u>(172,968)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	<i>Notes</i>	At 30 June 2024 <i>HK\$'000</i> (unaudited)	At 31 December 2023 <i>HK\$'000</i> (audited)
Non-current assets			
Investment properties		6,735,845	6,744,962
Property, plant and equipment		556,024	576,667
Investments in joint ventures		744,120	722,160
Equity instruments at fair value through other comprehensive income		93,696	92,991
Debt instruments at fair value through other comprehensive income		17,834	15,889
Financial assets at fair value through profit or loss		64,981	54,100
Pledged bank deposits		189,944	190,156
Other assets		5,704	5,704
		8,408,148	8,402,629
Current assets			
Inventories		1,476	1,694
Loans to joint ventures		689,735	1,035,705
Debt instruments at fair value through other comprehensive income		37,383	37,347
Trade and other receivables, deposits and prepayments	13	34,711	176,718
Pledged bank deposits		18,001	44,001
Cash and cash equivalents		2,262,512	2,445,668
		3,043,818	3,741,133
Current liabilities			
Payables, rental deposits and accrued charges	14	133,568	131,030
Tax liabilities		14,848	14,942
Lease liabilities		11,455	12,380
Bank borrowings – due within one year		1,805,254	2,310,653
		1,965,125	2,469,005
Net current assets		1,078,693	1,272,128
Total assets less current liabilities		9,486,841	9,674,757

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*Continued*)
At 30 June 2024

	<i>Note</i>	At 30 June 2024 <i>HK\$'000</i> (unaudited)	At 31 December 2023 <i>HK\$'000</i> (audited)
Capital and reserves			
Share capital		60,212	60,212
Reserves		<u>3,930,019</u>	<u>4,026,816</u>
Total equity		<u>3,990,231</u>	<u>4,087,028</u>
Non-current liabilities			
Payables, rental deposits and accrued charges	<i>14</i>	71,169	70,750
Lease liabilities		161,318	167,625
Bank borrowings – due after one year		5,251,411	5,337,063
Deferred taxation		<u>12,712</u>	<u>12,291</u>
		<u>5,496,610</u>	<u>5,587,729</u>
Total equity and non-current liabilities		<u>9,486,841</u>	<u>9,674,757</u>

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 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 D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2. 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.

Other than additional accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2023.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of all amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers (“CODM”), for the purposes of resource allocation and assessment of segment performance is mainly focused on the property development, property investment, hotel operation and financial investment.

The property investment segment includes a number of various property locations. Each location is considered as a separate operating segment by the CODM. For segment reporting, these individual operating segments have been aggregated into a single reportable segment as property investment provides the same nature of income with the same recognition criteria.

The financial investment segment includes interest income from time deposits and investment income from listed investments.

It is the Group’s strategy to make financial investment, particularly fixed income debt securities, from time to time in order to generate stable financial investment income for the Group.

3. SEGMENT INFORMATION *(Continued)*

Segment revenues and results

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

For the six months ended 30 June 2024 (unaudited)

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Hotel operation <i>HK\$'000</i>	Financial investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT REVENUE					
External revenue	<u>–</u>	<u>100,905</u>	<u>90,897</u>	<u>11,743</u>	<u>203,545</u>
SEGMENT RESULTS					
Segment profit	<u>18,735</u>	<u>96,408</u>	<u>10,189</u>	<u>9,675</u>	135,007
Unallocated interest income					5,702
Corporate expenses					(24,910)
Share of result of a joint venture					(2)
Finance costs					<u>(187,324)</u>
Loss before taxation					<u>(71,527)</u>

For the six months ended 30 June 2023 (unaudited)

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Hotel operation <i>HK\$'000</i>	Financial investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT REVENUE					
External revenue	<u>–</u>	<u>96,453</u>	<u>91,967</u>	<u>7,955</u>	<u>196,375</u>
SEGMENT RESULTS					
Segment profit (loss)	<u>66,295</u>	<u>(93,493)</u>	<u>17,445</u>	<u>(222,924)</u>	(232,677)
Unallocated interest income					4,155
Corporate expenses					(31,743)
Share of result of a joint venture					(1)
Finance costs					<u>(173,566)</u>
Loss before taxation					<u>(433,832)</u>

Segment results of the property investment division for the six months ended 30 June 2024 had no change in fair value of investment properties (for the six months ended 30 June 2023: a decrease in fair value of investment properties of HK\$185,713,000).

Segment results of the property development division for the six months ended 30 June 2024 had no amortisation of discount on acquisition of additional investment in joint ventures (for the six months ended 30 June 2023: HK\$57,095,000).

3. SEGMENT INFORMATION *(Continued)*

Segment revenues and results *(Continued)*

The accounting policies for operating segments are the same as the Group's accounting policies.

The Group does not allocate interest income generated from bank deposits, corporate expenses, share of result of a joint venture and finance costs to individual reportable segment profit or loss for the purposes of resource allocation and performance assessment by the CODM.

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

4. REVENUE

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Renting of investment properties <i>(note i)</i>	100,905	96,453
Hotel operation <i>(note ii)</i>	90,897	91,967
Return from financial investment – interest income and others <i>(note iii)</i>	11,743	7,955
	<u>203,545</u>	<u>196,375</u>

Notes:

- i. Included in revenue generated from renting of investment properties, HK\$100,905,000 (for the six months ended 30 June 2023: HK\$96,453,000) is rental income from leasing of investment properties under operating leases in which the lease payments are fixed. No rental income from leasing of investment properties under operating leases in which the lease payments depend on an index or a certain rate is generated for both periods.
- ii. For the six months ended 30 June 2024, revenue from hotel operation, which arose from contracts with customers comprises of (i) hotel room revenue of HK\$75,055,000 (for the six months ended 30 June 2023: HK\$73,318,000) being recognised over time and based on output method; (ii) food and beverage sales of HK\$11,057,000 (for the six months ended 30 June 2023: HK\$13,405,000) and ancillary service of HK\$1,198,000 (for the six months ended 30 June 2023: HK\$1,818,000) being recognised at point in time. The remaining revenue of HK\$3,587,000 (for the six months ended 30 June 2023: HK\$3,426,000) is rental income from leasing of hotel's retail portion under operating lease in which the lease payments are either fixed or variable that are based on the percentage of monthly sales and minimum monthly fixed payments that are fixed over the lease terms, whichever is higher.
- iii. Interest income and others include interest income from listed debt securities and time deposits of HK\$10,739,000 (for the six months ended 30 June 2023: HK\$7,688,000) and dividend income from listed equity securities of HK\$1,004,000 (for the six months ended 30 June 2023: HK\$267,000).

5. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest income from bank deposits	5,702	4,155
Management fee income (<i>note i</i>)	7,917	5,278
Government grants (<i>note ii</i>)	–	1,704
Others	2,189	924
	<u>15,808</u>	<u>12,061</u>

Notes:

- i. Amount represents income from a related company that certain directors of the Company, being the controlling shareholders of the Company, have significant influence over the related company through a series of controlled corporations. Accordingly, the related company is a related party of the Group.
- ii. For the six months ended 30 June 2024, the Group had no government grants (for the six months ended 30 June 2023: HK\$1,704,000) from the Employment Support Scheme, Designated Quarantine Hotel Scheme under the Anti-Epidemic Fund of the government of the Hong Kong Special Administrative Region as well as Reimbursement of Maternity Leave Pay Scheme.

6. PROPERTY AND RELATED COSTS

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Selling and marketing expenses	270	216
Direct operating expenses on investment properties	1,992	1,696
	<u>2,262</u>	<u>1,912</u>

7. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2024 <i>HK\$'000</i> (unaudited)	2023 <i>HK\$'000</i> (unaudited)
Net exchange gains	791	654
Loss on disposal/derecognition of debt instruments at fair value through other comprehensive income	(1,908)	(26,398)
Gain on disposal of club memberships	–	3,226
Amortisation of discount on acquisition of additional investments in joint ventures (<i>note</i>)	–	57,095
Others	–	647
	<u>(1,117)</u>	<u>35,224</u>

Note: During the six months ended 30 June 2024, no amortisation of discount on acquisition of additional investments in joint ventures (for the six months ended 30 June 2023: HK\$57,095,000) has been recognised in the profit or loss.

8. FINANCE COSTS

	Six months ended 30 June	
	2024 <i>HK\$'000</i> (unaudited)	2023 <i>HK\$'000</i> (unaudited)
Bank borrowings:		
Interest on bank borrowings	171,753	154,777
Amortisation of bank borrowings front-end fee	8,520	8,717
	<u>180,273</u>	<u>163,494</u>
Guaranteed notes:		
Interest on guaranteed notes	–	2,710
Amortisation of guaranteed notes issue costs	–	103
	<u>–</u>	<u>2,813</u>
Lease liabilities:		
Interest on lease liabilities	2,666	2,744
Other charges	4,385	4,515
	<u>187,324</u>	<u>173,566</u>

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Current tax:	18	19
Deferred tax:		
Current year	<u>501</u>	<u>3,005</u>
	<u>519</u>	<u>3,024</u>

10. DIVIDENDS

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Dividends recognised as a distribution during the period:		
Final dividend for the year ended 31 December 2023 of HK3 cents per share (2023: final dividend for the year ended 31 December 2022 of HK3 cents per share)	<u>18,064</u>	<u>18,064</u>

Subsequent to the end of the current interim period, the directors of the Company have declared that an interim dividend of HK2 cents per share amounting to HK\$12,042,000 in aggregate (for the six months ended 30 June 2023: HK2 cents per share amounting to HK\$12,042,000 in aggregate) will be paid to the shareholders of the Company whose names appear on the register of members of the Company on 25 September 2024.

11. LOSS PER SHARE

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

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Loss for the purpose of basic loss per share:		
Loss for the period attributable to the Company's shareholders	<u>(72,046)</u>	<u>(436,856)</u>

11. LOSS PER SHARE (Continued)

	Number of shares	
	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>602,122,726</u>	<u>602,122,726</u>

No diluted loss per share is presented as there was no potential ordinary share in issue during the six months ended 30 June 2024. As the Group incurred losses for the six months ended 30 June 2023, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be antidilutive. Accordingly, dilutive loss per share for the six months ended 30 June 2023 is the same as basic loss per share.

12. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS SUBJECT TO EXPECTED CREDIT LOSS MODEL

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Impairment loss recognised on debt instruments at fair value through other comprehensive income	<u>–</u>	<u>208,151</u>

For the six months ended 30 June 2024, the Group did not record impairment allowance for listed debt securities due to the deterioration of credit quality of respective securities issued by the People's Republic of China property developers (for the six months ended 30 June 2023: HK\$208,151,000).

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 30 June 2024 <i>HK\$'000</i> (unaudited)	At 31 December 2023 <i>HK\$'000</i> (audited)
Trade receivables (note i)	2,235	5,342
Prepaid front-end fee	6,484	15,645
Deposit paid for acquisition of properties (note ii)	–	127,508
Deposits, prepayments and other receivables	<u>25,992</u>	<u>28,223</u>
	<u>34,711</u>	<u>176,718</u>

Notes:

- i. Trade receivables from corporate customers and travel agents for the use of hotel facilities as well as the tenants for leasing of investment properties.
- ii. As at 31 December 2023, the amounts represented a refundable stamp duty in relation to the acquisition of a property at Jardine's Lookout, Hong Kong which has been fully refunded to the Group during the current interim period.

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS
(Continued)

The Group allows an average credit period of 0 to 30 days to its corporate customers and travel agents in hotel operation as well as tenants for leasing of investment properties.

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

	At 30 June 2024 <i>HK\$'000</i> (unaudited)	At 31 December 2023 <i>HK\$'000</i> (audited)
0 to 30 days	2,100	5,060
31 to 60 days	<u>135</u>	<u>282</u>
	<u>2,235</u>	<u>5,342</u>

14. PAYABLES, RENTAL DEPOSITS AND ACCRUED CHARGES

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

	At 30 June 2024 <i>HK\$'000</i> (unaudited)	At 31 December 2023 <i>HK\$'000</i> (audited)
0 to 60 days	<u>763</u>	<u>1,482</u>
Trade payables	763	1,482
Rental deposits	8,120	9,232
Rental received in advance	45,083	42,228
Other payables, other deposits and accrued charges	136,483	134,019
Interest payables	<u>14,288</u>	<u>14,819</u>
	<u>204,737</u>	<u>201,780</u>
Analysed for reporting purposes as:		
Current liabilities	133,568	131,030
Non-current liabilities	<u>71,169</u>	<u>70,750</u>
	<u>204,737</u>	<u>201,780</u>

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

INTERIM DIVIDEND

The Board has declared an interim dividend of HK2 cents per share for the six months ended 30 June 2024 (for the six months ended 30 June 2023: HK2 cents) to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Wednesday, 25 September 2024. The relevant dividend warrants are expected to be despatched on or before Thursday, 10 October 2024.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 23 September 2024 to Wednesday, 25 September 2024 (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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 20 September 2024.

DISCUSSION AND ANALYSIS

Financial Summary

Revenue for the six months ended 30 June 2024 amounted to HK\$203.5 million (2023: HK\$196.4 million). The revenue was principally attributable to the recognition of rental income from investment properties, revenue from hotel operation and income from financial investment.

The loss attributable to the Company's shareholders for the period amounted to HK\$72.0 million (2023: HK\$436.9 million), equivalent to a basic loss per share of HK12.0 cents (2023: HK72.6 cents). The loss attributable to the shareholders of the Company in current period was mainly attributable to the finance cost of bank borrowings.

As at 30 June 2024, the Group's equity attributable to the Company's shareholders amounted to HK\$3,990.2 million (31 December 2023: HK\$4,087.0 million). The net asset value per share attributable to the Company's shareholders as at 30 June 2024 was HK\$6.6 as compared with HK\$6.8 as at 31 December 2023.

The Group's property assets (including interest in two joint ventures) by geographical location at the period end were as follows:

	30 June 2024 <i>HK\$'million</i>	31 December 2023 <i>HK\$'million</i>
Hong Kong	4,868.5	5,192.9
The United Kingdom	3,749.2	3,769.4
Total	<u>8,617.7</u>	<u>8,962.3</u>

The Group's hotel property is stated at cost less accumulated depreciation charges at a carrying value of HK\$496.2 million as at 30 June 2024 (31 December 2023: HK\$506.2 million), whereas the market value as determined by valuation carried out by an independent property valuer is HK\$5,130.0 million (31 December 2023: HK\$5,130.0 million). For the purpose of providing supplementary information, if the carrying value of the Group's hotel property was restated to its market value, the adjusted total property assets, the adjusted net asset value and adjusted net asset value per share attributable to the Company's shareholders as at 30 June 2024 would be HK\$13,251.5 million (31 December 2023: HK\$13,586.1 million), HK\$8,624.0 million (31 December 2023: HK\$8,710.8 million) and HK\$14.3 (31 December 2023: HK\$14.5) respectively.

Business Review

Property Investment and Development

The Group continues to focus on property development and property investment projects. The strategy of the Group will be determined by the Board taking into consideration market opportunities, the Group's financial resources and its core competence. It is the Group's approach to review and optimize the project portfolios from time to time. Currently, the Group's core projects mainly consist of two residential projects in Hong Kong (No. 1 Shouson Hill Road East and Inland Lot No. 7384 at Jardine's Lookout), a commercial property in Hong Kong (a portion of Winway Building) and two joint venture residential development projects ("Grand Victoria" at West Kowloon Waterfront and Rural Building Lot No. 1203 at South Bay Road, Repulse Bay), and two investment properties in London, the United Kingdom (20 Moorgate and 33 Old Broad Street).

Hong Kong

During the period, the Group continues its effort in the residential development project in West Kowloon Waterfront “Grand Victoria”¹. The Group holds 14.5% equity interest in the project. The development has been completed with certificate of compliance issued. More than 1,240 units of the project have been sold with total sale proceeds of more than HK\$21.3 billion. During the period, the Group received approximately HK\$352.5 million (31 December 2023: HK\$800.0 million) cash repatriated from the project. As at 30 June 2024, the Group’s interest in this joint venture was HK\$935.9 million (31 December 2023: HK\$1,267.9 million) (including loans to joint ventures) of which HK\$689.7 million to be recovered within one year for the reporting period and classified under current assets.

Winway Building², one of the Group’s investment property, is at the prime location of central business district of Hong Kong and is a high quality commercial property. The rental income generated from the property for the period ended 30 June 2024 remained relatively stable in this challenging time for office.

The Group owns a residential property project at Shouson Hill Road East for long term investment. The renovation works were completed. The Group will continue to hold the project for long term investment purpose.

The Group also focuses on developing luxury residential projects. The Group collaborates with a joint venture partner to develop South Bay Road, Repulse Bay project. The joint venture was established in January 2023, which the Group holds 50% interest in the project. In addition, the Group also 100% holds a land site located at Jardine’s Lookout for luxury residential development. The two development projects are progressing well according to their development schedules.

The United Kingdom

The Group owns two investment properties located in the heart of London in the United Kingdom.

20 Moorgate, London is almost fully let to the Prudential Regulatory Authority (a regulatory body of the Bank of England) as a headquarter under long-term lease agreements.

33 Old Broad Street, London is fully leased to Bank of Scotland as their London Headquarter and guaranteed by HBOS Plc (a wholly-owned subsidiary of the Lloyds Banking Group) for a fixed term until 2039 with fixed rental uplift every five years. During the period, the rent increased by 13%.

Given the strong lease covenants on our reputable tenants, the UK properties continue to provide stable cash flow to the Group, reflecting the Group’s success in making investment strategy and the Group’s capability to withstand in any market instability.

1 The Group is being a part of the consortium comprised of well-known property developers.

2 The Group owns approximately 59% of the gross floor area of Winway Building.

Hotel Operation

Crowne Plaza Hong Kong Causeway Bay is a 29-storey five-star hotel comprising 263 guest rooms with ancillary facilities and is operated under the brand of Crowne Plaza of the InterContinental Hotels Group. During the period, the hotel performance were able to maintain stable occupancy rates and room rates, resulting in a relatively steady revenue performance.

The Group is taking all practicable measures to address the challenges and opportunities at hand. We understand the importance of delivering exceptional experience that exceed our guests' expectations. The Group will continue to improve the quality of its hotel services to ensure our guests have enjoyable experiences during their stays in our hotel.

Financial Investment

Adhering to prudent management of our capital, the Group continues to optimize its capital structure and decrease the gearing. As at 30 June 2024, the Group held financial investment of approximately HK\$213.9 million (31 December 2023: HK\$200.3 million), which are comprised of listed equity and debt securities and unlisted investments.

During the period, the Group did not record any impairment loss (30 June 2023: HK\$208.2 million) on debt securities.

Financial Resources and Liquidity

Treasury Policies

The Group adheres to prudent treasury policies. As at 30 June 2024, all of the Group's project borrowings are on a non-recourse basis, with no cross default at corporate level.

During the period, the Group continued to maintain high financial flexibility and liquidity under the environment of high interest rates and economic downturn. Following the lifting of all tightening control by the Hong Kong government, Grand Victoria experienced strong sales momentum, leading to the Group consistently receiving significant cash returns from the project. The Group's robust cash contributions from other investment projects and hotel further strengthen its ability to reduce gearing ratio and finance costs. Looking ahead, the Group does not anticipate significant refinancing needs until 2026. These factors demonstrate the Group's ample financial flexibility and liquidity.

Working Capital and Loan Facilities

As at 30 June 2024, the Group's total available fund amounted to HK\$5,706.0 million (31 December 2023: HK\$5,516.2 million) which include the Group's total pledged bank deposits, bank balances and cash of HK\$2,470.5 million (31 December 2023: HK\$2,679.8 million) and unutilised facilities of HK\$3,235.5 million (31 December 2023: HK\$2,836.4 million). The total financial investments (including debt instruments at fair value through other comprehensive income, financial assets at fair value through profit or loss and equity instruments at fair value through other comprehensive income) amounted to HK\$213.9 million as at 30 June 2024 (31 December 2023: HK\$200.3 million).

Included in the Group's loan facilities is a committed revolving club loan with approximately HK\$1,000.0 million facility amount provided by 7 participating banks. As of the end of the period, this facility has not been drawn and is set to expire in September 2024. Subsequent to the period under review, the committed revolving club loan is successfully renewed and executed with the same amount with the same participating banks.

All the 7 participating banks of the committed club loan are renowned financial institutions, which reflects their full confidence towards the outlook and creditworthiness of the Group. Under the current market conditions, the committed club loan provides the Group with abundant liquidity, ensuring financing flexibility for future business development.

The Group will continue enhancing its competitive strengths, in order to strive for stable and promising returns, and achieve mutually beneficial objectives.

As at 30 June 2024, the Group's bank borrowings was HK\$7,056.7 million (31 December 2023: HK\$7,647.7 million). The guaranteed notes were fully repaid during the year of 2023. After netting off the bank balance, cash and the financial investments, the Group had a net debt position of HK\$4,372.3 million (31 December 2023: HK\$4,767.6 million) with gearing ratio of 33.0% (31 December 2023: 35.1%) (calculated on the basis of net debt as a percentage of the adjusted total property assets with hotel property adjusted to fair market value of HK\$5,130.0 million (31 December 2023: HK\$5,130.0 million)).

As at 30 June 2024, maturity of the Group's outstanding borrowings was as follows:

	30 June 2024 <i>HK\$' million</i>	31 December 2023 <i>HK\$' million</i>
Due		
Within 1 year	1,818.8	2,324.3
1–2 years	72.3	697.6
3–5 years	4,694.1	3,696.4
Over 5 years	512.5	963.9
	7,097.7	7,682.2
Less: Unamortised front-end fee	(41.0)	(34.5)
	<u>7,056.7</u>	<u>7,647.7</u>

Pledge of Assets

For the Company's subsidiaries operating in Hong Kong, the total bank borrowings drawn as at 30 June 2024 amounted to HK\$4,532.1 million (31 December 2023: HK\$5,100.1 million) which comprised of secured bank borrowings of HK\$2,799.6 million (31 December 2023: HK\$2,811.5 million) and unsecured bank borrowings of HK\$1,732.5 million (31 December 2023: HK\$2,288.6 million). The secured bank borrowings were secured by properties with carrying value of HK\$3,476.2 million (31 December 2023: HK\$3,475.2 million) and pledged cash of HK\$53.9 million (31 December 2023: HK\$83.3 million).

Subsidiaries of the Company operating in the United Kingdom pledged its investment properties with an aggregate carrying value of HK\$3,749.2 million as at 30 June 2024 (31 December 2023: HK\$3,769.4 million) and pledged cash of HK\$154.0 million (31 December 2023: HK\$150.9 million) to secure bank borrowings of HK\$2,565.6 million (31 December 2023: HK\$2,582.1 million).

Staff and Emolument Policy

As at 30 June 2024, the Group had a total of approximately 190 employees (2023: 181 employees) in Hong Kong. Employee costs, including the emoluments of the directors of the Group, amounted to HK\$48.7 million for the period ended 30 June 2024 (2023: HK\$50.7 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 Group to its employees (including directors of the Company) on a discretionary basis. To further enhance employee relations and communications, recreational activities for general staff with senior management's participation are arranged.

Outlook

The external landscape remains complicated, with ongoing geopolitical tensions impacting trade and financial flows, possibly disrupting global supply chains. That said, global economy has exhibited resilience in the past months, maintaining steady growth as inflation is returning to target levels. The market widely believes that the US Federal Reserve will start cutting rates this year, though the timing and magnitude of rate cuts are still uncertain. While high interest rates are expected to persist, the shift towards a downward trend will improve global economic sentiment. According to the July 2024 World Economic Outlook from the International Monetary Fund (IMF), global economic expansion is forecasted at 3.2% for 2024 and 3.3% for 2025.

China's economy has struggled to mount a strong and sustainable post-COVID bounce, burdened by a prolonged property downturn, increasing local government debts and weak customer spending. The reported economic growth rate in second quarter was significantly lower than expected which shows the growth momentum appears to be weakening. In response, the central government has introduced various measures such as lowering mortgage rates and relaxing home purchase restrictions to boost home buying sentiment, and has achieved initial signs of improvement. The 5% growth target remains challenging, and further policy support may be necessary to support the domestic economy.

Hong Kong real estate market remains distressed and the travel industry struggles to rebound to pre-pandemic levels. Despite the lifting of all demand-side management measures for residential properties at the end of February, the recovery in home prices has remained slow. This can be attributed to the persistent high interest environment, insufficient buyer purchasing power, and the abundance of unsold inventory. Residential rental markets have shown positive signs, benefiting from continuous backing by incoming professionals and non-local students. Market generally believes that major central banks will have interest rates cut in the second half of the year, which could provide some support to economic confidence and spending.

The Hong Kong government has introduced various supportive measures to boost tourism industry, including the expansion of the Individual Visit Scheme to cover ten more mainland cities, the increase of the duty-free quotas for Mainland visitors per trip. Hong Kong will also hold over 100 mega events in the second half of 2024, bringing the total number of such events to at least 210 this year. However, factors like price discrepancies with neighboring countries and Greater Bay Area cities, alongside weaker currencies in these outbound destinations, persist in affecting hotel room rates.

The UK witnessed improved business conditions and confidence in the first half of 2024, albeit from a relatively low base, as concerns regarding external factors like inflation and interest rates gradually abated. Notably, the central bank's decision to reduce interest rates for the first time in over four years alleviated borrowing costs, easing financial burdens on households and investors. The outlook suggests a gradual economic recovery, although the process may take a substantial amount of time to fully materialize. The Group's UK property portfolio will sustain a stable rental income, supported by the long-term leases from reputable tenants.

Challenges remain not only due to the persistent geopolitical tensions and high interest rate but also the fundamental change of the business environment of Hong Kong. The Group keeps committed to seizing the best opportunities and prudently managing the balance sheet in response to the ever-changing business environment. We firmly believe that our Company is well positioned to deliver long-term value to shareholders.

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

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 2024.

CORPORATE GOVERNANCE PRACTICES

During the period for the six months ended 30 June 2024, the Company has applied the principles and complied with all the code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The condensed consolidated financial statements of the Group for the six months ended 30 June 2024 have not been audited but have been reviewed by the audit committee of the Company and by Deloitte Touche Tohmatsu 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.

PUBLICATION OF INTERIM REPORT

The 2024 Interim Report of the Company containing all the applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk) and the Company (www.seagroup.com.hk) in September 2024.

By Order of the Board
S E A Holdings Limited
Lu Wing Chi, Jesse
Chairman

Hong Kong, 23 August 2024

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

Executive Directors:

Mr. Lu Wing Chi, Jesse (*Chairman*)
Mr. Lambert Lu (*Chief Executive*)
Mr. Yap Shee Liam (*Chief Financial Officer*)

Independent Non-executive Directors:

Mr. Walujo Santoso, Wally
Mr. Chan Kwok Wai
Mr. Lo Wai Tung Welman
Ms. Patricia Chan