SOUTHEAST ASIA PROPERTIES & FINANCE LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 252)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2007

INTERIM RESULTS

The Directors of Southeast Asia Properties & Finance Limited (the "Company") announce that the unaudited consolidated results of the Company and its subsidiaries and associates (collectively the "Group") for the six months ended 30th September, 2007 together with the comparative figures for the corresponding period of last year as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	**Six months ended 30th September 2007** *HK$* **(Unaudited)**	2006 *HK$* (Unaudited)
TURNOVER	3	**198,161,836**	155,392,205
COST OF SALES		**(155,029,867)**	(116,028,259)
GROSS PROFIT		**43,131,969**	39,363,946
OTHER REVENUES	4	**9,361,833**	5,195,660
FAIR VALUE CHANGES ON INVESTMENT PROPERTIES		**21,200,000**	8,220,000
DISTRIBUTION EXPENSES		**(8,030,479)**	(5,818,138)
ADMINISTRATIVE EXPENSES		**(23,941,002)**	(23,143,090)
OTHER OPERATING REVENUE (EXPENSES)		**385,110**	(593,316)
PROFIT FROM OPERATIONS	5	**42,107,431**	23,225,062
FINANCE COSTS	6	**(8,670,209)**	(6,262,051)
SHARE OF LOSSES OF ASSOCIATES		**(498,324)**	(60,202)
PROFIT BEFORE TAXATION		**32,938,898**	16,902,809
TAXATION	7	**(6,325,546)**	(1,774,551)
PROFIT FOR THE PERIOD		**26,613,352**	15,128,258
PROFIT ATTRIBUTABLE TO:			
SHAREHOLDERS OF THE COMPANY		**26,528,206**	14,744,205
MINORITY INTERESTS		**85,146**	384,053
		26,613,352	15,128,258
EARNINGS PER SHARE	8	**13.4 cents**	7.5 cents

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30th September 2007 HK$ (Unaudited)	31st March 2007 HK$ (Audited)
NON-CURRENT ASSETS			
INVESTMENT PROPERTIES		**290,489,183**	269,289,183
PROPERTY, PLANT & EQUIPMENT		**180,180,675**	178,099,502
LEASEHOLD LAND AND LAND USE RIGHTS		**47,254,811**	47,476,510
INTERESTS IN ASSOCIATES		**59,061,686**	56,863,464
AVAILABLE-FOR-SALE FINANCIAL ASSETS		**10,822,189**	8,546,989
INTANGIBLE ASSETS		**3,202,706**	2,702,706
OTHER ASSETS		**1,000,000**	800,000
		592,011,250	563,778,354
CURRENT ASSETS			
INVENTORIES		**67,496,433**	71,136,631
TRADING PROPERTIES		**440,765**	440,765
TRADE AND OTHER RECEIVABLES	9	**283,253,726**	442,987,683
FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT		**15,388,725**	13,673,227
DEPOSITS AND PREPAYMENTS		**10,306,138**	3,351,190
TAX PREPAID		**2,006,607**	89,239
TIME DEPOSITS		**18,418,229**	9,858,153
TRUST ACCOUNTS OF SHARES DEALING CLIENTS		**29,077,652**	24,612,160
CASH AND BANK BALANCES		**8,620,212**	6,873,174
		435,008,487	573,022,222
CURRENT LIABILITIES			
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH INCOME STATEMENT		**244,918**	–
TRADE AND OTHER PAYABLES	10	**176,205,303**	334,647,897
AMOUNTS DUE TO RELATED COMPANY		**15,793,474**	15,797,669
BANK LOANS AND OVERDRAFTS		**262,973,485**	247,667,460
AMOUNT DUE TO ASSOCIATES		**1,255,834**	1,028,087
TAXATION		**5,171,600**	1,000,761
		461,644,614	600,141,874
NET CURRENT LIABILITIES		**(26,636,127)**	(27,119,652)
TOTAL ASSETS LESS CURRENT LIABILITIES		**565,375,123**	536,658,702
NON-CURRENT LIABILITIES			
LONG TERM BORROWINGS		**46,274,842**	48,224,887
DEFERRED TAXATION		**44,665,431**	40,781,640
		90,940,273	89,006,527
NET ASSETS		**474,434,850**	447,652,175
EQUITY			
SHARE CAPITAL	11	**197,653,500**	197,653,500
RESERVES		**261,111,129**	228,501,150
PROPOSED DIVIDENDS		**–**	5,929,605
SHAREHOLDERS' FUNDS		**458,764,629**	432,084,255
MINORITY INTERESTS		**15,670,221**	15,567,920
TOTAL EQUITY		**474,434,850**	447,652,175

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:

1. Basis of preparation and accounting policies

The unaudited condensed interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (HKAS) 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies and basis of preparation adopted in the preparation of these condensed interim financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 March 2007.

In the current interim period, the Group has adopted all the new standards, amendments to standards and interpretations (new/revised HKFRS) issued by the HKICPA that are effective for the accounting periods beginning on or after 1 January 2007.

The adoption of those new/revised HKFRS did not have a material impact on the accounting policies of the Group and the methods of the computation in the Group's condensed interim financial statements

2. Segment Information

I) Primary reporting format - business segments

	Six months ended 30th September 2007				
	Property development & investment	**Manufacturing & trading plastic packaging material**	**Stock broking & finance**	**Elimination**	**Total**
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Turnover					
External sales	**6,451,129**	**171,109,592**	**20,601,115**	**–**	**198,161,836**
Inter-segment sales	**2,460,439**	**–**	**–**	**(2,460,439)**	**–**
Total revenue	**8,911,568**	**171,109,592**	**20,601,115**	**(2,460,439)**	**198,161,836**
Operation result	**(1,076,464)**	**4,104,748**	**17,879,147**		**20,907,431**
Fair value changes on investment properties	**21,200,000**	**–**	**–**		**21,200,000**
Segment results	**20,123,536**	**4,104,748**	**17,879,147**		**42,107,431**
Finance costs	**–**	**–**	**–**		**(8,670,209)**
Share of loss of associates	**(48,676)**	**(449,648)**	**–**		**(498,324)**
Profit before taxation					**32,938,898**
Taxation	**(2,999,746)**	**(884,045)**	**(2,441,755)**		**(6,325,546)**
Profit for the period					**26,613,352**
Depreciation & amortisation	**1,286,050**	**4,327,363**	**168,828**		**5,782,241**
Capital expenditure	**2,159,438**	**1,588,462**	**744,325**		**4,492,225**

	Six months ended 30th September 2006				
	Property development & investment *HK$* (Unaudited)	Manufacturing & trading plastic packaging material *HK$* (Unaudited)	Stock broking & finance *HK$* (Unaudited)	Elimination *HK$* (Unaudited)	Total *HK$* (Unaudited)
Turnover					
External sales	5,430,016	143,255,574	6,706,615	–	155,392,205
Inter-segment sales	1,724,180	–	–	(1,724,180)	–
Total revenue	7,154,196	143,255,574	6,706,615	(1,724,180)	155,392,205
Operation result	(1,760,537)	12,528,430	4,237,169		15,005,062
Fair value changes on investment properties	8,220,000	–	–		8,220,000
Segment results	6,459,463	12,528,430	4,237,169		23,225,062
Finance costs	–	–	–		(6,262,051)
Share of (loss) profit of associates	59,818	(120,020)	–		(60,202)
Profit before taxation					16,902,809
Taxation (charges) credit	48,890	(1,223,441)	(600,000)		(1,774,551)
Profit for the period					15,128,258
Depreciation & amortisation	1,340,116	4,153,133	86,395		5,579,644
Capital expenditure	5,880	3,790,515	114,022		3,910,417

II) Geographical Segment

	Six months ended 30th September 2007	
	Turnover	**Capital Expenditure**
	HK$	***HK$***
	(Unaudited)	**(Unaudited)**
Hong Kong	**37,111,011**	**3,138,125**
Mainland China	**4,600,427**	**1,354,100**
North America	**41,579,617**	**–**
Europe	**20,345,083**	**–**
Australia	**21,677,750**	**–**
Asia	**71,989,940**	**–**
Other	**858,008**	**–**
	198,161,836	**4,492,225**

	Six months ended 30th September 2006	
	Turnover	Capital Expenditure
	HK$	*HK$*
	(Unaudited)	(Unaudited)
Hong Kong	18,301,028	129,396
Mainland China	4,356,728	3,781,021
North America	43,784,057	–
Europe	20,325,374	–
Australia	22,663,885	–
Asia	45,615,000	–
Other	346,133	–
	155,392,205	3,910,417

3. Turnover

	Six months ended 30th September	
	2007	2006
	HK$	*HK$*
	(Unaudited)	(Unaudited)
Sale of goods	**171,109,592**	143,255,574
Gross rental income	**6,451,129**	5,430,016
Brokerage commission	**18,837,062**	6,222,661
Gains on foreign exchange dealings	**273,125**	207,983
Dividend income	**1,490,928**	275,971
	198,161,836	155,392,205

4. Other Revenues

	Six months ended 30th September	
	2007	2006
	HK$	*HK$*
	(Unaudited)	(Unaudited)
Interest income	**6,118,527**	3,568,907
Other income	**1,698,723**	775,198
Consultancy & management fee	**140,400**	140,400
Realised holding loss on financial assets at fair value through income statement	**–**	(9,776)
Unrealised holding gain on financial assets at fair value through income statement	**1,637,801**	670,243
Unrealised holding loss on financial liabilities at fair value through income statement	**(244,918)**	–
Bad debts recovered	**11,300**	50,688
	9,361,833	5,195,660

5. Profit from Operations

	Six months ended 30th September	
	2007	2006
	HK$	*HK$*
	(Unaudited)	(Unaudited)
Profit from operations is arrived at after charging:		
Cost of inventories sold	**131,477,532**	99,184,795
Exchange loss	**–**	546,419
Staff costs (including directors' remuneration)	**19,706,109**	19,068,153
Salaries, wages and allowance	**17,911,018**	16,844,243
Welfare	**1,334,021**	1,289,512
Defined contribution plans	**352,906**	335,894
Long service payment	**108,164**	598,504
Operating lease rental in respect of land and buildings	**866,214**	688,197
Depreciation & amortisation	**5,782,241**	5,579,644
and after crediting :		
Net rental income	**6,320,380**	5,318,785
Gross rental income from investment properties	**6,451,129**	5,430,016
Less: outgoings	**(130,749)**	(111,231)
Exchange gain	**382,043**	–

6. Finance Costs

	Six months ended 30th September	
	2007	2006
	HK$	*HK$*
	(Unaudited)	(Unaudited)
Interest on:		
Bank loans and overdrafts wholly repayable		
within five years	**7,004,746**	4,745,888
over five years	**445,708**	436,578
Other borrowings	**814,816**	597,078
Bank charges	**404,939**	482,507
	8,670,209	6,262,051

7. Taxation (Charge)/Credit

	Six months ended 30th September 2007 HK$ (Unaudited)	2006 HK$ (Unaudited)
Company and subsidiaries		
Hong Kong Profits tax	**(2,441,755)**	(1,207,650)
China profits tax	**–**	(200,000)
Deferred taxation in respect of:		
tax losses	**17,173**	1,057,390
fair value changes on investment properties	**(3,710,000)**	(1,438,500)
temporary differences	**(190,964)**	14,209
	(6,325,546)	(1,774,551)

Hong Kong Profits tax has been provided at the rate of 17.5% (2006:17.5%) on the estimated assessable profits arising in Hong Kong for the period. Taxation on China profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the business operates.

8. Earnings per Share

The calculation of the earnings per share is based on the profit attributable to shareholders of HK$26,528,206 (2006: HK$14,744,205) and ordinary shares in issue of 197,653,500 shares.

9. Trade and Other Receivables

The Group allows an average credit period of 30 days to 90 days to its trade customers.

The ageing analysis of trade receivables was as follows:

	30th September 2007 HK$ (Unaudited)	31st March 2007 HK$ (Audited)
0-1 month	**256,045,711**	416,326,338
2-3 months	**13,725,005**	13,010,359
Over 3 months	**16,345,834**	16,513,810
	286,116,550	445,850,507
Impairment loss	**(2,862,824)**	(2,862,824)
	283,253,726	442,987,683

10. Trade and Other Payables

The ageing analysis of trade and other payables was as follows:

	30th September 2007 *HK$* **(Unaudited)**	31st March 2007 *HK$* (Audited)
0-1 month	**136,709,257**	301,779,887
2-3 months	**21,103,107**	3,934,136
Over 3 months	**18,392,939**	28,933,874
	176,205,303	334,647,897

11. Share Capital

	30th September 2007 *HK$* **(Unaudited)**	31st March 2007 *HK$* (Audited)
Authorized :		
200,000,000 shares of HK$1.00 each	**200,000,000**	200,000,000
Issued and fully paid:		
197,653,500 shares of HK$1.00 each	**197,653,500**	197,653,500

12. Capital Commitments

	30th September 2007 *HK$* **(Unaudited)**	31st March 2007 *HK$* (Audited)
Contracted for but not provided in the financial statements in respect of factory plant expansion project and building re-development project	**12,850,000**	13,558,000

13. Pledge of Assets

The Group had the following assets pledged to banks to secure general banking facilities granted to the Group.

	30th September 2007 *HK$* **(Unaudited)**	31st March 2007 *HK$* (Audited)
Investment properties in Hong Kong at total carrying value	**212,519,496**	196,523,793
Hotel buildings & leasehold land in Hong Kong at total carrying value	**14,760,340**	15,159,272
Self-used properties & leasehold land in Hong Kong at total carrying value	**41,394,216**	41,944,000
Time deposits	**9,898,096**	9,858,153
Financial assets at fair value through income statement	**15,272,000**	13,575,400
	293,844,148	277,060,618
Margin clients' Hong Kong listed shares, at market value	**66,854,014**	35,154,557

14. Contingent Liabilities

The Company had unsettled tax dispute regarding the deductibility of interest expenses incurred in the year of 2000/2001.

15. The unaudited condensed consolidated interim financial statements for the six months ended 30th September 2007 have been reviewed by the Audit Committee of the Group.

INTERIM RESULTS

During this period, the Group's turnover was HK$198,161,836 (2006: HK$155,392,205). The Group's operating profit before finance costs, share of loss of associates and profits tax amounted to HK$42,107,431 (2006: HK$23,225,062). Profit attributable to Shareholders for the first half of the year amounted to HK$26,528,206 (2006: HK$14,744,205).

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30th September, 2007 (2006: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Property Investment and Development

The Group's leasing properties, namely, the shops on the Ground Floor of Dragon House, the office unit at Silvercord, Tsimshatsui, Nan Sing Industrial Building in Kwai Chung, the office/ warehouse units at Kwai Tak Industrial Centre, Kwai Chung and Office Unit at Chao Shan Building in Shenzhen were wholly leased during the period and the rental income contributed by this business remained steady. The overall rental income during the period was 6.45 million, representing an increase of 18.8% from the same period last year.

Hotel

The hotel licence for Hotel Benito having been erected in the site of Dragon House, Tsimshatsui had been issued. Soft opening of the hotel had been carried out in mid November, 2007. During the soft opening period, the customers' response had been particularly pleasing and the occupancy rate was satisfactory. It is expected to become fully operated within December, 2007. Hotel Benito, having been converted from Dragon House, gives us a fresh outlook. It is located in the shopping centre of Tsimshatsui which is easily accessible by all forms of public transport. It has over 70 guest rooms of simple and cosy design and can provide the travellers with a high quality living environment. The hotel now has about 20 staff.

Manufacturing and Distribution of Plastic Packaging Materials

During the period, this business recorded an operating profit before finance costs, share of loss of associates and profits tax of HK$4.1 million (2006: HK$12.53 million). Turnover amounted to HK$171.1 million (2006: HK$143.26 million), representing an increase of 19.4% from the same period last year.

The business was suffering from persistent high resin prices during the period. Moreover, the production costs in this business continuously increased because of the unfavourable influences brought by renminbi appreciation, inflation in mainland China, increase in raw materials price and decrease in export tax rebate. As a result, although our various cost control measures had gradually achieved effects, the gross profit of this business during the period still decreased 7.6% from the same period last year.

With the steady production volume and good quality products, the results of the joint venture company formed with our Japanese partner remained steady during the period. Regarding the business with the associate company formed with our USA partner, owing to the decreasing difference in resin price in North America and Asian countries, the results of this business will still need to be improved.

Stock Broking and Finance

During the period, the stock broking and finance business recorded an operating profit before finance costs and profits tax of HK$17.88 million (2006: HK$4.24 million), increasing by 4.22 times over the same period last year. The said operating profit included unrealized holding gain on investments of HK$1.64 million (2006: HK$0.67 million).

During the period, the local economy had been kept on an upward track. The interest rate decreased and property market remained favourable. Besides, the market turnover, Hang Seng Index and China Enterprises Index had continued to witness new highs. Brokerage income experienced a significant growth during the period. This was attributable mainly to the general market strength, the inflow of funds aheads of the commencement of QDII investments and the income generated from IPO activities and higher interest income received from margin financing business.

Capital Structure

As 30th September, 2007, the Group's Shareholders' funds amounted to HK$458.76 million (31/3/2007: HK$432.08 million). The Group's consolidated net assets per share as at 30th September, 2007 was HK$2.32.

Liquidity and Financial Resources

The Group takes a consistent capital management strategy, providing adequate liquidity to meet the requirement of Group's developments and operations and monitors its capital on the basis of net debt to equity ratio.

At 30th September, 2007, the Group's bank borrowings increased from HK$295.89 million of the last year end date to HK$309.25 million of this year, in which the short term borrowings amounted to HK$262.97 million (31/3/2007: HK$247.67 million) and long term borrowings amounted to HK$46.27 million (31/3/2007: HK$48.22 million). The Group's current year net debt to equity ratio was 65.5%(31/3/2007: 66.9%), calculated on the basis of the Group's net borrowings (after cash and bank balances) over shareholders' fund. The increase in bank borrowings was attributable mainly to the substantial increase in short term borrowings caused by the fact that many clients of our stock brokerage business had applied IPO loan through us to subscribe for the IPO shares of big enterprises which had been listed in Hong Kong successively during the period.

To minimize exposure on foreign exchange fluctuations, the Group's borrowings are primarily denominated in Hong Kong dollars and United States dollars. Foreign currency risk exposure on other foreign currencies is normally covered by forward exchange contracts. The Group has no significant exposure to foreign exchange rate fluctuations.

Employees

The Group had about 840 employees as at 30th September, 2007. Employees are remunerated according to nature of the job and market trend.

OUTLOOK

Hong Kong's economy remains favourable. Real GDP grows solidly and much of this growth is attributed to an expansion in external exports and domestic demand. Consumer and investment confidence continues to be the major contributor to growth, primarily boosted by declining unemployment rate, rising income and booming tourism sector. Given such good operating environment, the hotel has got desirable customers' response and the preliminary results have been promising. The Group expects that the hotel business will have satisfactory performance when it becomes fully operated in the second half of the year.

Increased concerns on the US subprime mortgage markets and the liquidity squeeze that followed affected the global market. The unwinding of the Japanese Yen carry trade also contributed to the increased volatility. After the major central banks reacted by injecting liquid funds into the financial system, the investors' confidence has gradually recovered. However, owing to the impact of the US subprime mortgage crisis has not been fully reflected, the market is likely to remain volatile in the short run. Fortunately, with the benefit arising from booming economy in China and robust Hong Kong stock market, the Group expects that this business can continuously to have good results in the second half of the year as the demand for margin financing increases substantially in an actively traded market brought by the successive listings of big China enterprises.

The rising resin price, renminbi appreciation, inflation in mainland China associated with the anti-dumping tariff imposed by European Union and the decrease in export tax rebate have all adversely affecting the Group's business in manufacturing and distribution of plastic packaging materials. The operation of this business remains difficult. The Group will on the one hand use its best endeavour to look for new sales networks, in particular, the China market and exploit new products. On the other hand, we will continue to control production costs and increase production efficiency with an aim to increase gross profit.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the period, the Company has complied with all those code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except the following deviations:

Pursuant to Code A.2.1, the roles of chairman and chief executive officer should be performed by different individuals. Currently, the two roles are performed by the same individual. The deviation is deemed appropriate as it is considered to be more efficient to have one single person to be the Chairman of the Company as well as to discharge the executive functions of a chief executive officer. The Board of Directors believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high calibre individuals and independent non-executive directors.

Pursuant to Code A.4.1, non-executive directors should be appointed for a specific term. Currently, non-executive directors are not appointed for a specific term but they are subject to retirement by rotation and become eligible for re-election at each annual general meeting under the articles of association of the Company. The deviation is deemed appropriate as the retirement by rotation has given the Company's shareholders the right to approve or disapprove the continuation of the service of non-executive directors.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' DEALING IN SECURITIES

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") as se out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by Directors of the Company. The Company has made specific enquiry of all Directors and all the Directors have complied with the required standard laid down in the Model Code.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the period under review.

By Order of the Board
CHUA NAI TUEN
Chairman & Managing Director

Hong Kong, 14th December, 2007

As at the date of this announcement, the board of directors of the Company comprises: (1) Executive directors: Mr. Chua Nai Tuen (Chairman), Mr. Chua Nai King (Deputy Chairman) and Mr. Se Ying Kin; (2) Non-executive directors: Mr. Siy Yap, Mr. Jimmy Siy Tiong, Mr. Luis Chua, Mr. Rene Siy Chua, Mr. Tsai Han Yung and Mr. Chan Man Hon, Eric; and (3) Independent non-executive directors: Mr. Chan Siu Ting, Mr. James L. Kwok and Mr. Wong Shek Keung.