

PRELIMINARY *HALF YEAR REPORT ANNOUNCEMENT

Sealegs Corporation Limited

(Name of Listed Issuer)

For Half Year Ended

30 September 2004

(referred to in this report as the "current half year")

Preliminary *half year report on consolidated results (including the results for the previous corresponding *half) in accordance with Listing Rule 10.4.2.

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates [see Note [X] attached] and is based on unaudited financial statements. If the report is based on audited financial statements, any qualification made by the auditor is to be attached.

The Listed Issuer *has a formally constituted Audit Committee of the Board of Directors.

[PLEASE REFER TO ATTACHED NOTES WHEN COMPLETING THIS FORM]

1 CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE	*Consolidated Statement Financial Performance		
	Current *half \$NZ'000	*Up/Down %	Previous corresponding *half \$NZ'000
1.1 OPERATING REVENUE			
(a) Trading Revenue	704	3605.3%	19
(b) Other Revenue	1,034	740.7%	123
(c) Total Operating Revenue	1,738	1123.9%	142
1.2 OPERATING *SURPLUS (DEFICIT) BEFORE TAXATION	105	1322.9%	(1,284)
(a) Less taxation on operating result	-		-
1.3 OPERATING *SURPLUS (DEFICIT) AFTER TAX	105	1322.9%	(1,284)
(a) Extraordinary Items after Tax [detail in Item 3]	-		-
(b) Unrealised net change in value of investment properties	-		-
1.4 NET *SURPLUS (DEFICIT) FOR THE PERIOD	105	1322.9%	(1,284)
(a) Net *Surplus (Deficit) attributable to minority interests	-		-
1.5 NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER	105	1322.9%	(1,284)

2 DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/ EXPENSES FOR *HALF YEAR	*Consolidated Statement of Financial Performance	
	Current *half \$NZ'000	Previous corresponding *half \$NZ'000
2.1 INCLUDED IN CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE		
(a) Interest revenue included in Item 1.1(b)	6	16
(b) # Unusual items for separate disclosure (gain/loss) (detail - Item 3)	-	-
(c) Equity earnings (gain/loss) (detail - Item 16)	-	-
(d) Interest expense included in Item 1.2 (include all forms of interest, etc)	-	-
(e) Leasing and renting expenses	40	-
(f) Depreciation	11	13
(g) Diminution in the value of assets (other than depreciation)	-	-
(h) Amortisation of goodwill	500	505
(i) Amortisation of other intangible assets	-	-
(j) Impairment of goodwill	-	-
(k) Impairment of other intangible assets	-	-

2.2 SUPPLEMENTARY ITEMS

- (a) # Interest costs excluded from Item 2.1(d) and capitalised
- (b) # Outlays (other than those arising from the acquisition of an existing business) capitalised in intangibles
- (c) Unrecognised differences between the carrying value and market value of publicly traded investments

#Items marked in this way need to be shown only there their inclusion as revenue or exclusion from expenses has had a material effect on reported *surplus (deficit)

Consolidated Statement of Financial Performance	
Current *half \$NZ'000	Previous corresponding *half \$NZ'000
-	-
-	-
-	-
-	-

3 DISCONTINUED, UNUSUAL (INCLUDING NON RECURRING), AND EXTRAORDINARY ITEMS OF THE GROUP

Group - Current *Half Year

DETAILS AND COMMENTS

Discontinued Activities:

(Disclose Operating Revenue and Operating Surplus)

TOTAL DISCONTINUED ACTIVITIES

Material Unusual (including Non Recurring) Items (included in 1.2)

Receipt of funds from sale of 19% shareholding in DVI

TOTAL MATERIAL NON RECURRING ITEMS

Extraordinary Items (Ref. Item 1.3(a))

Description:

TOTAL EXTRAORDINARY ITEMS

Operating Revenue \$NZ'000	Operating Surplus \$NZ'000
-	-
-	-
-	-
-	-
1,026	-
1,026	-
-	-
-	-
-	-

4 STATEMENT OF MOVEMENTS IN EQUITY

Statement of Movements
In Equity

	Current *half \$NZ'000	Previous corresponding *half \$NZ'000
4.1 *NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF LISTED ISSU	105	(1,284)
(a) *Net Surplus (Deficit) attributable to minority interest	-	-
4.2 OTHER RECOGNISED REVENUE AND EXPENSES	-	-
(a) *Increases (decreases) in revaluation reserves	-	-
(b) Current Translation Differences	-	-
(c) Minority interest in other recognised revenue and expenses	-	-
4.3 TOTAL RECOGNISED REVENUES AND EXPENSES	105	(1,284)
4.4 OTHER MOVEMENTS	-	-
(a) Contributions by Owners	-	-
(b) Distributions to Owners	-	-
(c) Other	-	-
4.5 EQUITY AT BEGINNING OF HALF YEAR*	2,030	3,556
4.6 EQUITY AT END OF HALF YEAR	2,135	2,272

5 EARNINGS PER SECURITY	Earnings Per Security	
	Current *half NZ cents	Previous corresponding *half NZ cents
Calculation of basic and fully diluted, EPS in accordance with IAS33: Earnings Per Share		
(a) Basic EPS	0.02	(0.42)
(b) Diluted EPS (if materially different from (a))	0.02	(0.40)

6 MATERIAL ACQUISITIONS OF SUBSIDIARIES (See Note (VI))	
(a) Name of subsidiary or group of subsidiaries
(b) Percentage of ownership acquired
(c) Contribution to consolidated net *Surplus (Deficit) (Item 1.4)	\$ N/A
(d) Date from which such contribution has been calculated
	\$

7 MATERIAL DISPOSALS OF SUBSIDIARIES (See Note (VII) attached)	
(a) Name of subsidiary or group of subsidiaries
(b) Contribution to consolidated net *Surplus (Deficit) (Item 1.4)
(c) Date from which such contribution has been calculated
(d) Contribution to consolidated net *Surplus (Deficit) (Item 1.4) for the previous corresponding half year	\$ N/A
(e) Contribution to consolidated net *Surplus (Deficit) (Item 1.4) from sale of subsidiary	\$

8 REPORTS FOR INDUSTRY AND GEOGRAPHICAL SEGMENTS

Information on the industry and geographical segments of the Listed Issuer is to be reported for the *half year/ in accordance with the provisions of SSAP:23: Financial Reporting for Segments. Because of the differing nature and extent of segments among Listed Issuers, no complete proforma is provided, and the segment information should be completed separately and attached to this report. However, the following shows a suitable list of items for presentation and indicates which amounts should agree with items included elsewhere in the *half year report:

SEGMENTS

Industry

- Operating revenue:
 - * Sales to customers outside the group
 - * Intersegment sales
 - * Unallocated revenue
- Total revenue [consolidated total equal to Item 1.1(c) above]
- Segment result
- Unallocated expenses
- Operating surplus (Deficit) after tax (Item 1.3)
- Segment assets
- Unallocated assets
- Total assets (Equal to Item 9.3)

At balance date the company operated predominantly in one industry as an amphibious marine craft manufacturing company. All material operations are within New Zealand.

Geographical

- Operating revenue:
 - * Sales to customers outside the group
 - * Intersegment sales
 - * Unallocated revenue
- Total revenue [consolidated total equal to Item 1.1(c) above]
- Segment result
- Unallocated expenses
- Operating surplus (Deficit) after tax (Item 1.3)
- Segment assets
- Unallocated assets
- Total assets (Equal to Item 9.3)

(Note (VIII) attached has particular relevance for the preparation)	Consolidated Statement of Financial Position		
	At end of current *half \$NZ'000	As shown in last Annual Report \$NZ'000	If half yearly as shown in last half yearly report \$NZ'000
9 CURRENT ASSETS:			
(a) Cash	912	396	477
(b) Trade receivables	4	5	5
(c) Investments	-	-	-
(d) Inventories	131	119	-
(e) Other assets, current	49	194	91
TOTAL CURRENT ASSETS	1,096	714	573
9.1 NON-CURRENT ASSETS			
(a) Trade receivables	-	-	-
(b) Investments	-	-	-
(c) Inventories	-	-	-
(d) Property, plant and equipment	72	79	40
(e) Goodwill	1,270	1,770	1,869
(f) Deferred Taxation Assets	-	-	-
(g) Other Intangible Assets	51	-	-
(h) Other assets, non current	-	-	-
9.2 TOTAL NON-CURRENT ASSETS	1,393	1,849	1,909
9.3 TOTAL ASSETS	2,489	2,563	2,482
9.4 CURRENT LIABILITIES			
(a) Trade Creditors	236	96	121
(b) Income in advance, current	123	254	-
(c) Secured loans	-	-	-
(d) Unsecured loans	-	-	-
(e) Provisions, current	19	176	89
(f) Other liabilities, current	(24)	7	-
TOTAL CURRENT LIABILITIES	354	533	210
9.5 NON-CURRENT LIABILITIES			
(a) Accounts payable, non-current	-	-	-
(b) Secured loans	-	-	-
(c) Unsecured loans	-	-	-
(d) Provisions, non-current	-	-	-
(e) Deferred Taxation Liability, non-current	-	-	-
(f) Other liabilities, non-current	-	-	-
9.6 TOTAL NON-CURRENT LIABILITIES	-	-	-
9.7 TOTAL LIABILITIES	354	533	210
9.8 NET ASSETS	2,135	2,030	2,272
9.9 SHAREHOLDERS' EQUITY			
(a) Share capital (optional)	37,128	37,128	35,959
(b) Reserves (optional)			
(i) Revaluation reserve	-	-	-
(ii) Other reserves	-	-	-
(c) Retained Surplus (accumulated Deficit) (optional)	(34,993)	(35,098)	(33,687)
9.10 SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER	2,135	2,030	2,272
(a) Minority equity interests in subsidiaries	-	-	-
9.11 TOTAL SHAREHOLDERS' EQUITY	2,135	2,030	2,272
(a) Returns on Assets (%) (EBIT divided by Total Assets)	4.2%	-106.3%	-51.7%
(b) Return on Equity (%) (Net Income divided by Shareholders' Equity)	4.9%	-132.8%	-56.5%
(c) Debt to Equity Ratio (%) (Total Liabilities divided by Shareholders' Equity)	16.6%	26.3%	9.2%

Consolidated Statement of cashflows for *half		
(See Note (IX) attached)	Current *half \$NZ'000	Corresponding *half \$NZ'000
10 CASH FLOWS RELATING TO OPERATING ACTIVITIES		
(a) Receipts from customers	573	124
(b) Interest received	6	16
(c) Dividends received	-	-
(d) Payments to suppliers and employees	(1,196)	(883)
(e) Interest paid	-	-
(f) Income taxes paid	14	-
(g) Other cash flows relating to operating activities	-	56
NET OPERATING FLOWS	(603)	(687)

(See Note (IX) attached)		
11 CASH FLOWS RELATING TO INVESTING ACTIVITIES		
(a) Cash proceeds from sale of property, plant and equipment	-	-
(b) Cash proceeds from sale of investments	1,026	-
(c) Loans repaid by other entities	-	-
(d) Cash paid for purchases of property, plant and equipment	(4)	(10)
(e) Interest paid - capitalised	-	-
(f) Cash paid for purchases of equity investments	-	-
(g) Loans to other entities	-	-
(h) Other cash flows relating to operating activities	-	-
NET INVESTING CASH FLOWS	1,022	(10)

(See Note (IX) attached)		
12 CASH FLOWS RELATED TO FINANCING ACTIVITIES		
(a) Cash proceeds from issue of shares, options, etc.	-	-
(b) Borrowings	-	-
(c) Repayment of borrowings	-	-
(d) Dividends paid	-	-
(e) Other cash flows relating to operating activities	-	-
NET FINANCING CASH FLOWS	-	-

(See Note (IX) attached)		
13 NET INCREASE (DECREASE IN CASH HELD)		
(a) Cash at beginning of *half year	418	(697)
(b) Exchange rate adjustments to Item 12.3(a) above	419	1,099
(c) CASH AT END OF *HALF YEAR	837	402
<i>(excludes \$75K NZX security bond)</i>		

14 NON-CASH FINANCING AND INVESTING ACTIVITIES		
Provide details of financing and investing transactions which have had a material effect on group assets and liabilities but did not involve cash flows: <u>N/A</u>		
.....		
.....		
.....		

15 RECONCILIATION OF CASH		
For the purposes of the above Statement of cash flows, cash includes: <i>Excludes \$75K NZX security bond.</i>	Current *half NZ\$'000	Previous Corresponding *half NZ\$'000
Cash at the end of the *half year as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:		
Cash on hand and at bank	13	379
Deposits at call	824	23
Bank overdraft	-	-
Other (provide details eg Term Deposits)	-	-
Total = Cash at End of *Half (Item 13(c) above)	837	402

16 EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES

Information attributable to the reporting group's share of investments in associates and other material interests is to be disclosed by way of separate note below (refer FRS-38 Accounting for Investments in Associates).

16.1 GROUP SHARE OF RESULTS OF ASSOCIATES

	Equity Earnings	
	Current *half \$NZ'000	Previous corresponding *half \$NZ'000
(a) OPERATING *SURPLUS (DEFICIT) BEFORE TAX	-	-
(b) Less tax	-	-
(c) OPERATING *SURPLUS (DEFICIT) AFTER TAX	-	-
(i) Extraordinary items	-	-
(d) NET *SURPLUS (DEFICIT) AND EXTRAORDINARY ITEMS AFTER TAX	-	-

16.2 MATERIAL INTERESTS IN CORPORATIONS NOT BEING SUBSIDIARIES

(a) The group has a material (from group's viewpoint) interest in the following corporations:

Name	Percentage of ordinary shares held at end of *Half		Contribution to net *surplus (deficit) (Item 1.5)	
	Current *Half	Previous Corresponding *Half	Current *Half NZ\$'000	Previous Corresponding *Half NZ\$'000
Equity Accounted Associates				
Golden Orb Technologies Limited	0.0%	40.0%	-	-
Deep Video Imaging Limited	0.0%	19.0%	-	-
Other Material Interests			<i>Not Equity Accounted in current year</i>	
N/A				

(b) Investments in Associates

	Current *half \$NZ'000	Previous Corresponding *half \$NZ'000
Carrying value of investments in associates beginning of half year/ full year	-	-
Share of changes in associates' post acquisition surpluses/and reserves:		
- Retained surplus	-	-
- Reserves	-	-
Net goodwill amortisation and impairment adjustments in the period		
Less Dividends received in the period	-	-
Equity carrying value of investments at the end of half year	-	-
Amount of goodwill included in carrying value at end of that half year		

17 ISSUED AND QUOTED SECURITIES AT END OF CURRENT *HALF YEAR

Category of Securities	Number		Number	Paid-Up Value Cents (If not fully paid)
	Issued	Quoted		
PREFERENCE SHARES:				
# (Description)	-	-	-	-
Issued during current *half year				
ORDINARY SHARES:				
Fully Paid Ordinary Shares	672,397,518			\$0.01
Class 001 Partly Paid	100,000			\$0.01
Class 002 Partly Paid	87,000			\$0.01
Class 003 Partly Paid	5,000			\$0.01
Class 004 Partly Paid	30,000			\$0.01
Issued during current *half year				
CONVERTIBLE NOTES				
# (Description)	N/A		N/A	
Issued during current *half year	NIL			
OPTIONS:				
	Issued	Quoted	Exercise Price	Expiry Date
	500,000		\$0.04	31/12/2005
	500,000		\$0.04	31/12/2005
Issued during current *half year	NIL			
DEBENTURES - Totals only:		\$		
UNSECURED NOTES - Totals only:		\$		
OTHER SECURITIES		\$	\$	

Description includes rate of dividend or interest and any redemption or conversion rights together with the prices and dates thereof.

18 COMMENTS BY DIRECTORS

If no report in any section, state NIL. If insufficient space below, provide details in the form of notes to be attached to this report.

- (a) Material factors affecting the revenues and expenses of the group for the current *half year
One off sale of 19% shareholding in Deep Video Imaging (DVI) for \$1,026K in July 2004
- (b) Significant trends or events since end of current *half year
NIL
- (c) Changes in accounting policies since last Annual Report and/or last Half Yearly to be disclosed
NIL
- (d) Critical Accounting Policies - Management believes the following to be critical accounting policies. That is they are both important to the portrayal of the Issuer's financial condition and results, as they require management to make judgments and estimates about matters that they are inherently uncertain
NIL
- (e) Management's discussion and analysis of financial condition, result and/or operations (optional) - this section should contain forward looking statements that should outline where these involve risk and uncertainty
NIL
- (f) Other comments
NIL

19 DIVIDEND

- (a) Dividend Yield as at balance date (%) (Annual dividend per share divided by price per share)
.....
- (b) Tax Adjusted Dividend Yield as at balance date (%) (Annual net dividend per share divided by price per share)
.....

20 ANNUAL MEETING (if full year report)

- (a) To be held at N/A
.....
- (b) Date 200 Time
.....
- (c) Approximate date of availability of Annual Report
.....

If this *half year report was approved by resolution of the Board of Directors, please indicate date of meeting:

.....
.....
.....

(signed by) Authorised Officer of Listed Issuer (date)

*Delete as required