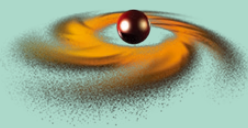




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漢傳媒集團有限公司
SEE CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 491)

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Dr. Ma Ho Man, Hoffman (*Chairman*)
Mr. Wong Kui Shing, Danny
(*Managing Director*)
Mr. Wong Chi Chiu

Independent Non-executive Directors

Mr. Li Fui Lung, Danny
Mr. Ng Hoi Yue, Herman
Mr. Heung Pik Lun

COMPANY SECRETARY

Mr. Chow Chun Man, Jimmy

QUALIFIED ACCOUNTANT

Mr. Chow Chun Man, Jimmy

AUDIT COMMITTEE

Mr. Li Fui Lung, Danny
Mr. Ng Hoi Yue, Herman
Mr. Heung Pik Lun

REMUNERATION COMMITTEE

Mr. Ng Hoi Yue, Herman
Mr. Li Fui Lung, Danny
Mr. Heung Pik Lun

NOMINATION COMMITTEE

Dr. Ma Ho Man, Hoffman
Mr. Li Fui Lung, Danny
Mr. Ng Hoi Yue, Herman
Mr. Heung Pik Lun

AUDITORS

HLB Hodgson Impey Cheng Limited
Chartered Accountants
Certified Public Accountants

LEGAL ADVISER

Reed Smith Richards Butler

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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20th Floor EGL Tower
No. 83 Hung To Road
Kwun Tong
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

HSBC Securities Services (Bermuda) Limited
6 Front Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
26th Floor Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

WEBSITE

<http://www.irasia.com/listco/hk/see>

STOCK CODE

491

The Board of Directors (the “Board”) of See Corporation Limited (hereinafter referred to as the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the six months ended 31 December 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the six months period ended 31 December 2012, the Group recorded a consolidated turnover of approximately HK\$14.7 million, representing a decrease of approximately 37.4% as compared to approximately HK\$23.5 million for the corresponding period in 2011. Such decrease was mainly due to the fact that fewer films and TV programmes were released to the market during the period than those of the last corresponding period.

The Group recorded a loss attributable to owners of the Company of approximately HK\$21.1 million for the period as compared to a loss of approximately HK\$23.0 million for the corresponding period in 2011. The loss from operations for the period decreased to approximately HK\$21.9 million from approximately HK\$24.9 million in previous period. The decrease in loss from operations was mainly due to the fact that lower distribution costs was recorded and lower fair value loss in the Group’s financial assets were made during the period compared to the last corresponding period. The distribution costs for the period and change in fair value loss in the Group’s financial assets for the period was approximately HK\$2.8 million and approximately HK\$0.5 million respectively compared to approximately HK\$4.6 million and approximately HK\$2.1 million respectively in the corresponding period of last year. Basic and diluted loss per share for the period was HK\$0.02 which was the same as that for the last corresponding period.

Review of Operations

During the period, the Group was principally engaged in the entertainment and media business. Our activities can be categorised as (i) film and TV programme production; (ii) event production; (iii) artiste and model management; (iv) music production; (v) investment in securities; and (vi) investment in a pay TV operation.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Review of Operations (Continued)

Film and TV programme production

During the period under review, turnover derived from the Group's film and TV programme production business was approximately HK\$10.5 million, representing a decrease of approximately 42.0% as compared to the last corresponding period of approximately HK\$18.1 million. The Group recorded a gross profit of approximately HK\$2.8 million from the film and TV programme production business in the current period.

The total net book value of the Group's film rights stood at approximately HK\$48.4 million as at 31 December 2012, and the write down on film rights during the period amounted to approximately HK\$8.1 million which was reflected in the condensed consolidated statement of comprehensive income. As at 31 December 2012, the Group's total investment in film and TV programme production that were in progress amounted to approximately HK\$186.4 million.

Event production

During the period, the Group has recorded turnover of approximately HK\$0.5 million from event productions as compared to approximately HK\$0.3 million for the last corresponding period.

Artiste and model management

The Group continued to manage a number of famous Hong Kong artistes and models during the period. For the period ended 31 December 2012, the turnover derived from the business of artiste and model management was approximately HK\$3.5 million, representing a decrease of approximately 31.4% as compared to approximately HK\$5.1 million for the corresponding period in 2011. Such decrease in turnover during the period was mainly due to keen competition in the market during the period. The Group recorded a gross profit of approximately HK\$1.1 million from artistes and model management in the current period.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Review of Operations (Continued)

Music production

Turnover from music production for the period amounted to approximately HK\$0.2 million as compared to approximately HK\$0.1 million for the last corresponding period. Although the turnover from the segment was not significant, it served to enhance the image and exposure of our artistes to the market.

Investment in securities

During the period, no turnover was recorded under investment in securities operation (2011: Nil). The carrying value of the segment assets of the investment in securities operation as of 31 December 2012 and 30 June 2012 were approximately HK\$2.3 million and approximately HK\$2.8 million, respectively. The decrease in the carrying value mainly represented the decrease in fair value of financial assets at fair value through profit or loss during the period which amounted to approximately HK\$0.5 million.

Investment in a pay TV operation

The Group's 5% interest in TVB Pay Vision Holdings Limited ("TVBP") and TVB Pay Vision Limited (the "TVBPV") has been continuously accounted for as associates of the Group. The directors of the Company consider that the Group has retained significant influence over TVBP and TVBPV by the representation of the Group on the board of directors of TVBP and TVBPV despite that the interest held by the Group is below 20%.

Geographical Review

During the period under review, the Group's revenue was mainly derived from Hong Kong and China market which accounted for approximately 80% of the Group's total turnover.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Future Business Prospects and Plans

The Group has dedicated its efforts in strengthening and opening up distribution channels for its film and TV production in Mainland China. Given the continued opening and expansion of the film and TV production market as well as the continuous growth in the box office in Mainland China, we strongly believe that there is a great potential for the distribution of our film and TV production in Mainland China.

The Group has no future plans for material investments or capital assets and their expected sources of funding in the coming year. The Group has not introduced or announced any new business including new products and services during the period.

We are facing a challenging year ahead with the volatile financial markets and uncertain recovery trends in the world's major economies. We are cautiously optimistic with respect to the prospects of the film and TV production industry in Hong Kong. The Group will be cautious in the selection of stories and scripts for the production of our films and TV programmes. Stringent measures will be adopted in the cost control and risk management for the Group's film and TV projects.

Financial Review and Liquidity

As at 31 December 2012, the Group's net assets amounted to approximately HK\$271.2 million, as compared with approximately HK\$293.4 million as of 30 June 2012. The current ratio, representing current assets divided by current liabilities, was 3.74.

At the end of the reporting period, the Group had short-term bank overdraft of approximately HK\$9.9 million which bears interest at the lending bank's prime rate per annum or 1% per annum over Hong Kong Inter-bank Offer Rate ("HIBOR"), whichever is higher, and is repayable on demand. The cash and bank balances of the Group at the end of the reporting period amounted to approximately HK\$72.7 million. The gearing ratio, as a ratio of total borrowings over total assets was 0.03.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Review and Liquidity (Continued)

The Group had contingent liabilities of HK\$24.0 million at the end of the reporting period, mainly as a result of a corporate guarantee provided to a financial institution in respect of banking facilities granted to former subsidiaries. Approximately HK\$5.5 million of the banking facilities were utilised by those former subsidiaries and this amount was subject to a claim by the financial institution concerned.

Foreign Exchange Exposure and Treasury Policies

Most of the Group's cash balances, income and expenditure are primarily denominated in Hong Kong dollars and Renminbi. As the exchange rate between Hong Kong dollars and Renminbi is relatively stable, no hedging or other alternatives have been implemented for managing the exchange rate risk. The Group has not experienced any material difficulty or effect on its operations of liquidity as result of fluctuations in currency exchange rates. As at 31 December 2012, the Group did not have outstanding hedging instruments.

Employee Schemes

As at 31 December 2012, the Group had 41 Hong Kong based employees. The remuneration policy and package of the Group's employees are periodically reviewed and approved by the executive directors. Apart from provident fund scheme and in-house training programmes, medical insurance scheme, discretionary bonuses and share options may also be awarded to employees according to individual performance.

Pledge of Assets

As at 31 December 2012, certain assets of the Group with aggregate carrying value of approximately HK\$20.2 million (30 June 2012: HK\$20.4 million) were pledged to secure the bank overdraft granted to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Major Litigation and Arbitration Proceedings

1. The Company and its ex-subsiary, P.N. Electronic Limited (“PNE”) have been involved in arbitration proceedings with North American Foreign Trading Corporation (“NAFT”) in respect of a gross receivable of HK\$18 million and related damages from various parties for goods shipped by PNE and NAFT in 1996. The arbitration proceedings were initiated by NAFT against the Company and PNE claiming for alleged damages in New York, USA. The Company has upon legal advice, vigorously contested the alleged claims and has counterclaimed the said sum of HK\$18 million as well as other damages. The Company has not received any documents in relation to the arbitration proceedings for a substantial period of time and insofar as the Company is aware, the proceedings remain dormant.
2. On 13 October 2003, a Writ of Summons and Statement of Claim was issued by BII Finance Company Limited (“BII Finance”) against the Company under a guarantee allegedly given by the Company in favour of BII Finance in respect of certain liabilities of Welback Enterprises Limited, a former subsidiary of the Company. The claim is for a sum of approximately HK\$3,583,000 and US\$248,000 (approximately HK\$1,936,000), together with interest.

The Company has issued Third Party proceedings against Mr. Lee Chun Kwok and Mr. Fong Wing Seng, former directors of the Company, seeking a contribution to the extent of 49% of BII Finance’s claim in the event that the Company is found liable to BII Finance (which is denied).

BII Finance has not taken any steps to progress with the action since June 2006. The Company is prepared and ready to continue to defend BII Finance’s claim, and also continue to pursue the Third Party proceedings against Mr. Lee Chun Kwok and Mr. Fong Wing Seng.

Save as disclosed above, no member of the Group is engaged in any litigation or claims of material importance and no litigation or claims of material importance is known to the directors to be pending or threatened by or against any member of the Group.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES

Directors' Interests in Shares, Underlying Shares and Debentures

(A) *Shares*

As at 31 December 2012, the directors and chief executive of the Company had the following interests, all being long position, in the ordinary shares of the Company and its associated corporations as notified to the Company and as required to be entered into a register under Section 352 of the Securities and Futures Ordinance ("SFO"):

Name of Director	Name of Company	Capacity	Number of Shares	Approximate Percentage of Issued Share Capital of the Company
Ma Ho Man, Hoffman	See Corporation Limited	Beneficial Owner	236,042,361	18.95%

(B) *Share options*

The Company has in place a share option scheme under which the directors of the Company may, at their discretion, grant options to employees, including any directors, of the Company or its subsidiaries to subscribe for shares in the Company, subject to the terms and conditions stipulated. During the six months ended 31 December 2012, there were no outstanding share options granted to the directors of the Company.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES

(Continued)

Directors' Interests in Shares, Underlying Shares and Debentures (Continued)

(B) Share options (Continued)

Save as aforesaid, as at 31 December 2012, to the best knowledge of the Company:

- (i) none of the directors, or chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors and chief executive of the Company are taken or deemed to have under the provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules");

- (ii) none of the directors, or chief executive of the Company or their spouses or children under 18 had any right to subscribe for the shares, underlying shares or debentures of the Company, or had exercised any right during the six months ended 31 December 2012.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES

(Continued)

Substantial Shareholders

As at 31 December 2012, to the best knowledge, information and belief of the Company after making reasonable enquiries, the interests of shareholders, other than a director or chief executive of the Company, in the shares or underlying shares of the Company as recorded in the register maintained pursuant to Section 336 of the SFO or otherwise notified to the Company and/or the Stock Exchange were as follows:

Name of Shareholder	Long Position/ Short Position	Capacity	Number of Shares Held/Involved	Number of Underlying Shares Held/ Involved	Approximate Percentage of Issued Share Capital of the Company
高榮顧問有限公司	Long Position	Beneficial Owner	72,000,000	-	6.90%

Save as disclosed above, the Company has not been notified of any other interests or short positions in the shares and underlying shares of the Company representing 5% or more of the issued share capital of the Company and recorded in the register maintained under Section 336 of the SFO or otherwise notified to the Company and/or the Stock Exchange as at 31 December 2012.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 31 December 2012, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Corporate Governance Code

The Company is committed to ensuring high standards of corporate governance in the interests of shareholders and devotes considerable effort to identifying and formalising best practices. Throughout the six months ended 31 December 2012, the Company has complied with all applicable code provisions under the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES

(Continued)

Model Code for Directors' Securities Transactions

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Specific enquiry has been made with all directors of the Company and the directors of the Company confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 31 December 2012.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES

(Continued)

Directors' Updated Information Pursuant to Rule 13.51B(1)

The following is the updated information regarding all directors of the Company, required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2):

Executive Director

Dr. Ma Ho Man, Hoffman was appointed as an Executive Director and Chairman of the Company on 14 October 2010. He was also appointed as a member of the prevention of bribery committee of the Company on 21 October 2010 and the chairman of the nomination committee of the Company on 23 March 2012.

Dr. Ma has over 16 years of experience in the financial industry and extensive managerial experience. He was awarded Fellowship by Canadian Chartered Institute of Business Administration and Honorary Doctorate of Management by Lincoln University in 2009 and 2010 respectively.

Dr. Ma is currently an executive director and the deputy chairman of Success Universe Group Limited (shares of which are listed on the Main Board of the Stock Exchange). In addition, he is a director of Success Securities Limited, which is a licensed corporation under the SFO and a participant of the Stock Exchange. Save as disclosed in this report, Dr. Ma did not hold any other directorship in listed public companies in the last three years.

As at the date of this report, Dr. Ma does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Dr. Ma has entered into a service agreement with the Company for a term of 3 years from 1 April 2012 to 31 March 2015. He is subject to retirement by rotation and re-election pursuant to the Bye-Laws of the Company ("Bye-Laws"). Dr. Ma has not received any director's emolument, bonus payment or other benefits from the Company for the six months ended 31 December 2012. The amount of his director's emolument will be reviewed by the remuneration committee of the Company with reference to his position, his level of responsibilities, the remuneration policy of the Company and prevailing market conditions.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES

(Continued)

Directors' Updated Information Pursuant to Rule 13.51B(1) (Continued)

Executive Director (Continued)

Mr. Wong Kui Shing, Danny was appointed as an Executive Director and Managing Director of the Company on 21 December 2009. He was also appointed as the chairman of the prevention of bribery committee of the Company on 28 June 2010.

Mr. Wong holds a Bachelor of Arts degree from the University of Hong Kong. He has over 21 years of extensive exposure in the financial and investment fields and is well experienced in the international investment market.

Mr. Wong was appointed as an executive director and the chief executive officer of SMI Corporation Limited ("SMI") (shares of which are listed on the Main Board of the Stock Exchange) on 5 August 2009 and was re-designated as the chairman of SMI and ceased to be the chief executive officer of SMI on 25 November 2009. Due to re-designation of duties, he ceased to be an executive director of SMI on 31 December 2009 and was appointed as a non-executive director of SMI on 1 January 2010. Mr. Wong had remained as the chairman and a non-executive director of SMI until 26 March 2010 when his resignation as the chairman and a non-executive director of SMI took effect. He was appointed as an executive director of SMI on 22 November 2011. Save as disclosed in this report, Mr. Wong did not hold any other directorship in listed public companies in the last three years.

Mr. Wong was a former executive director of China Oil and Gas Group Limited ("China Oil and Gas Group") (shares of which are listed on the Main Board of the Stock Exchange). Pursuant to the listing enforcement notice/announcement of the Stock Exchange dated 16 October 2008, he, together with another former director of China Oil and Gas Group, had admitted breaching the directors' declaration, undertaking and acknowledgement with regard to directors given by each of them to the Stock Exchange in the form set out in Appendix 5B to the Listing Rules in failing to use their best endeavours to procure China Oil and Gas Group's compliance with the Listing Rules in relation to the failure of China Oil and Gas Group to publish its annual results and annual report for the year ended 31 July 2005 by 30 November 2005 and interim results and interim report for the six months ended 31 January 2006 by 30 April 2006. Accordingly, the Listing Committee publicly criticised Mr. Wong and another former director of China Oil and Gas Group for their respective breaches mentioned above.

Save that Mr. Wong is the uncle of Mr. Wong Chi Chiu who is an Executive Director of the Company, he is not related to any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Wong has entered into a service agreement with the Company for a term of 3 years from 1 April 2012 to 31 March 2015. He is subject to retirement by rotation and re-election pursuant to the Bye-Laws. Mr. Wong has not received any director's emolument, bonus payment or other benefits from the Company as he has waived his director's emolument of approximately HK\$600,000 for the six months ended 31 December 2012. The amount of his director's emolument was determined with reference to his position, his level of responsibilities, the remuneration policy of the Company and prevailing market conditions.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES

(Continued)

Directors' Updated Information Pursuant to Rule 13.51B(1) (Continued)

Executive Director (Continued)

Mr. Wong Chi Chiu was appointed as an Executive Director of the Company on 21 December 2010.

Mr. Wong has over 11 years of experience in corporate finance and auditing with participation in activities including mergers and acquisitions, initial public offerings and fund raising exercises. He holds a bachelor of business administration degree in accounting from the Hong Kong University of Science and Technology.

Mr. Wong was an executive director of KH Investment Holdings Limited (shares of which are listed on the Growth Enterprise Market of the Stock Exchange) until 1 November 2010 when his resignation as an executive director of the company took effect. Save as disclosed in this report, he did not hold any other directorship in listed public companies in the last three years.

Save that Mr. Wong is the nephew of Mr. Wong Kui Shing, Danny who is the Managing Director of the Company, he is not related to any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Wong has entered into a service agreement with the Company for a term of 3 years from 1 April 2012 to 31 March 2015. He is subject to retirement by rotation and re-election pursuant to the Bye-Laws. Mr. Wong has not received any director's emolument, bonus payment or other benefits from the Company for the six months ended 31 December 2012. The amount of his director's emolument will be reviewed by the remuneration committee of the Company with reference to his position, his level of responsibilities, the remuneration policy of the Company and prevailing market conditions.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES

(Continued)

Directors' Updated Information Pursuant to Rule 13.51B(1) (Continued)

Executive Director (Continued)

Ms. Ng Yuk Yee, Feona joined the Group since 5 August 2004 and was appointed as an Executive Director of the Company on 13 June 2011. She was also appointed as the chairman of the remuneration committee of the Company and a member of the prevention of bribery committee of the Company on 13 June 2011. Ms. Ng ceased to be the chairman of the remuneration committee of the Company but remained as a member of the remuneration committee of the Company on 23 March 2012. She was appointed as a member of the nomination committee of the Company on 6 August 2012. Ms. Ng was the company secretary, authorised representative of the Company and the Company's process agent under Part XI of the Companies Ordinance until 14 December 2012 when her resignation of all the positions held with the Company took effect. She also resigned as director of various subsidiaries of the Company on 10 December 2012. Ms. Ng ceased to hold any position in the Group as of 14 December 2012.

Ms. Ng is a solicitor of the High Court of the Hong Kong Special Administrative Region and is experienced in handling legal and company secretarial matters. She holds a bachelor of laws with honors degree from the City University of Hong Kong. Ms. Ng did not hold any directorship in listed public companies in the last three years.

As at 14 December 2012, Ms. Ng does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Ms. Ng has received director's emolument of approximately HK\$843,000 for the period from 1 July 2012 to 14 December 2012. The amount of her director's emolument was determined with reference to her position, her level of responsibilities, the remuneration policy of the Company and prevailing market conditions.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES

(Continued)

Directors' Updated Information Pursuant to Rule 13.51B(1) (Continued)

Independent Non-executive Director

Mr. Li Fui Lung, Danny was appointed as an Independent Non-executive Director of the Company on 23 October 2001. He was also appointed as the chairman of the audit committee of the Company on 23 October 2001, a member of the remuneration committee of the Company on 26 October 2005 and a member of the nomination committee of the Company on 23 March 2012.

Mr. Li graduated with a Bachelor of Science Degree from the University of Hong Kong and subsequently obtained a postgraduate certificate in accountancy from the University of Stirling in Scotland. He has over 31 years of experience in the accounting profession and after qualifying as Chartered Accountant in 1980 with Ernst & Whinney in Scotland, has worked as finance manager, controller and internal auditor in major multinational companies. Mr. Li is the sole proprietor of Messrs. Danny Li & Company, a certified public accountants firm in Hong Kong, and has been practising as a certified public accountant in Hong Kong for more than 11 years. He is a member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in Scotland and the Institute of Chartered Accountants in Australia.

Mr. Li was an independent non-executive director of Centraland Limited (shares of which ceased to be listed on the Singapore Stock Exchange on 11 November 2011) until 14 November 2011 when his resignation as an independent non-executive director of the company took effect. Save as disclosed in this report, he did not hold any other directorship in listed public companies in the last three years.

As at the date of this report, Mr. Li does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Li has entered into an appointment letter with the Company for a period from 1 April 2012 to 30 September 2013. He is subject to retirement by rotation and re-election pursuant to the Bye-Laws. Mr. Li has received director's fee of approximately HK\$110,000 for the six months ended 31 December 2012. The amount of his director's fee was determined with reference to his duties and responsibilities in the Company and market benchmark.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES

(Continued)

Directors' Updated Information Pursuant to Rule 13.51B(1) (Continued)

Independent Non-executive Director (Continued)

Mr. Ng Hoi Yue, Herman was appointed as an Independent Non-executive Director of the Company on 16 May 2002. He was also appointed as a member of the audit committee of the Company on 16 May 2002 and a member of the remuneration committee of the Company on 26 October 2005. Mr. Ng was appointed as the chairman of the remuneration committee of the Company and a member of the nomination committee of the Company on 23 March 2012.

Mr. Ng is an associate member of The Institute of Chartered Accountants in England and Wales and a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has been practising as a certified public accountant in Hong Kong since 1989.

Mr. Ng is an independent non-executive director of Greenfield Chemical Holdings Limited (shares of which are listed on the Main Board of the Stock Exchange). He was an independent non-executive director of Henry Group Holdings Limited (shares of which are listed on the Main Board of the Stock Exchange) until 19 February 2010 when his resignation as an independent non-executive director of the company took effect. Save as disclosed in this report, Mr. Ng did not hold any other directorship in listed public companies in the last three years.

As at the date of this report, Mr. Ng does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Ng has entered into an appointment letter with the Company for a period from 1 April 2012 to 30 September 2013. He is subject to retirement by rotation and re-election pursuant to the Bye-Laws. Mr. Ng has received director's fee of approximately HK\$95,000 for the six months ended 31 December 2012. The amount of his director's fee was determined with reference to his duties and responsibilities in the Company and market benchmark.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES

(Continued)

Directors' Updated Information Pursuant to Rule 13.51B(1) (Continued)

Independent Non-executive Director (Continued)

Mr. Heung Pik Lun was appointed as an Independent Non-executive Director of the Company on 20 March 2009. He was also appointed as a member of the audit committee of the Company and the remuneration committee of the Company on 20 March 2009 and a member of the nomination committee of the Company on 23 March 2012.

Mr. Heung graduated from the University of Windsor, Canada with a bachelor degree of Arts in 1985. He has started developing real estate projects in China since 1992 and has maintained a strong business network. Possessing in-depth knowledge in the South China market, Mr. Heung has participated over a hundred real estate development projects. Apart from development in China property market, he also had decades of experience in property development in Canada and South East Asia. In addition, Mr. Heung has substantial experience in general management and administrative affairs.

Mr. Heung is an executive director of Hanny Holdings Limited (shares of which are listed on the Main Board of the Stock Exchange). Save as disclosed in this report, he did not hold any other directorship in listed public companies in the last three years.

As at the date of this report, Mr. Heung does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Heung has entered into an appointment letter with the Company for a term of 3 years from 20 March 2012 to 19 March 2015. He is subject to retirement by rotation and re-election pursuant to the Bye-Laws. Mr. Heung has received director's fee of approximately HK\$95,000 for the six months ended 31 December 2012. The amount of his director's fee was determined with reference to his duties and responsibilities in the Company and market benchmark.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES

(Continued)

Audit Committee

The Company has established an audit committee in compliance with Rule 3.21 of the Listing Rules which comprises three independent non-executive directors, namely Mr. Li Fui Lung, Danny, the chairman of the audit committee, Mr. Ng Hoi Yue, Herman and Mr. Heung Pik Lun with the terms of reference adopted by the directors of the Company.

Both Mr. Li Fui Lung, Danny and Mr. Ng Hoi Yue, Herman are certified public accountants.

The audit committee has reviewed the Group's unaudited interim financial statements for the six months ended 31 December 2012. In addition, the audit committee and the Group's external auditors have discussed with management on the Group's accounting policy and discussed internal control and financial reporting matters regarding the Group's unaudited interim financial statements for the six months ended 31 December 2012.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2012

		Six months ended	
		31 December	
		2012	2011
		(Unaudited)	(Unaudited)
	<i>Note</i>	HK\$'000	<i>HK\$'000</i>
Turnover	2	14,703	23,499
Cost of sales		(10,418)	(15,095)
Gross profit		4,285	8,404
Other revenue		1,569	136
Change in fair value of financial assets at fair value through profit or loss		(462)	(2,095)
Other operating expenses	3	(9,830)	(9,537)
Distribution costs		(2,766)	(4,602)
Administrative expenses		(14,655)	(17,160)
Loss from operations	3	(21,859)	(24,854)
Finance costs		(306)	(306)
Loss before taxation		(22,165)	(25,160)
Taxation	4	-	-
Loss for the period		(22,165)	(25,160)
Other comprehensive loss		-	-
Total comprehensive loss for the period		(22,165)	(25,160)
Loss for the period attributable to:			
Owners of the Company		(21,056)	(23,031)
Non-controlling interests		(1,109)	(2,129)
		(22,165)	(25,160)
Total comprehensive loss attributable to:			
Owners of the Company		(21,056)	(23,031)
Non-controlling interests		(1,109)	(2,129)
		(22,165)	(25,160)
Loss per share attributable to the owners of the Company	6		
– Basic and diluted		HK\$(0.02)	HK\$(0.02)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

		31 December	30 June
		2012	2012
		(Unaudited)	(Audited)
	<i>Note</i>	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment	7	21,466	21,804
Interests in associates	8	7,384	7,384
Loan receivable	9	10,000	10,000
		38,850	39,188
Current assets			
Film rights		48,392	14,089
Film production in progress		186,437	227,230
Music production in progress		570	597
Inventories		120	67
Trade and other receivables, deposits and prepayments	10	6,402	5,817
Financial assets at fair value through profit or loss		2,343	2,805
Cash and bank balances		72,739	87,672
		317,003	338,277
Current liabilities			
Trade and other payables	11	74,758	74,159
Bank overdraft – secured		9,897	9,943
		84,655	84,102
Net current assets		232,348	254,175

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

As at 31 December 2012

		31 December	30 June
		2012	2012
		(Unaudited)	(Audited)
	<i>Note</i>	HK\$'000	HK\$'000
Total assets less current liabilities		<u>271,198</u>	<u>293,363</u>
Net assets		<u>271,198</u>	<u>293,363</u>
Equity			
Capital and reserves attributable to the owners of the Company			
Share capital	13	12,455	12,455
Reserves		<u>276,088</u>	<u>297,144</u>
		288,543	309,599
Non-controlling interests		<u>(17,345)</u>	<u>(16,236)</u>
		<u>271,198</u>	<u>293,363</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2012 (Unaudited)

	Attributable to the owners of the Company						Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Non- controlling interests HK\$'000	
At 1 July 2012	12,455	717,027	50	(419,933)	309,599	(16,236)	293,363
Loss for the period	-	-	-	(21,056)	(21,056)	(1,109)	(22,165)
Other comprehensive loss for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(21,056)	(21,056)	(1,109)	(22,165)
At 31 December 2012	12,455	717,027	50	(440,989)	288,543	(17,345)	271,198

For the six months ended 31 December 2011 (Unaudited)

	Attributable to the owners of the Company						Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Non- controlling interests HK\$'000	
At 1 July 2011	12,455	717,027	50	(450,801)	278,731	(13,091)	265,640
Loss for the period	-	-	-	(23,031)	(23,031)	(2,129)	(25,160)
Other comprehensive loss for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(23,031)	(23,031)	(2,129)	(25,160)
At 31 December 2011	12,455	717,027	50	(473,832)	255,700	(15,220)	240,480

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2012

	Six months ended	
	31 December 2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Net cash outflow from operating activities	(14,592)	(28,480)
Net cash inflow/(outflow) from investing activities	11	(36)
Net cash outflow from financing activities	<u>(306)</u>	<u>(258)</u>
Decrease in cash and cash equivalents	(14,887)	(28,774)
Cash and cash equivalents at the beginning of the period	<u>77,729</u>	<u>93,041</u>
Cash and cash equivalents at the end of the period	<u><u>62,842</u></u>	<u><u>64,267</u></u>
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	72,739	74,215
Bank overdraft – secured	<u>(9,897)</u>	<u>(9,948)</u>
	<u><u>62,842</u></u>	<u><u>64,267</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2012 (in HK Dollars)

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements (the “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 (the “HKICPA”) and the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Interim Financial Statements have been prepared on historical cost basis except certain financial assets, which are measured at fair values, as appropriate.

The accounting policies used in the Interim Financial Statements are consistent with those followed in the preparation of the annual financial statements of the Company and its subsidiaries (the “Group”) for the year ended 30 June 2012.

In the current interim period, the Group has applied, for the first time, the following amendments to the accounting standards and new interpretations issued by the HKICPA.

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets

The adoption of the new HKFRSs had no material effect on the results and the financial position of the Group for the current or prior accounting period. Accordingly, no prior period adjustment is required.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31 December 2012 (in HK Dollars)

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Standards, amendment or interpretations issued but not yet effective

The Group has not early applied the following new standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 19 (Revised in 2011)	Employee Benefits ¹
HKAS 27 (Revised in 2011)	Separate Financial Statements ¹
HKAS 28 (Revised in 2011)	Investments in Associates and Joint Ventures ¹
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities ²
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle except for the amendments to HKAS 1 ¹
HKFRS 1 (Amendments)	Government Loan ¹
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities ¹
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ³
HKFRS 9	Financial Instruments ³
HKFRS 10	Consolidated Financial Statements ¹
HKFRS 11	Joint Arrangements ¹
HKFRS 12	Disclosure of Interests in Other Entities ¹
HKFRS 13	Fair Value Measurement ¹
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance ¹
HKFRS10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities ²
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ¹

¹ Effective for annual periods beginning on or after 1 January 2013.

² Effective for annual periods beginning on or after 1 January 2014.

³ Effective for annual periods beginning on or after 1 January 2015.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31 December 2012 (in HK Dollars)

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Standards, amendment or interpretations issued but not yet effective

(Continued)

The directors of the Company anticipate that the application of these new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

The interim report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 2011/12 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information require for full set of consolidated financial statements prepared in accordance with HKFRSs.

2. SEGMENT INFORMATION

For the purpose of resource allocation and performance assessment, information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM") for the purposes of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

In a manner consistent with the way in which information is reported internally to CODM for the purpose of resources allocation and performance assessment, the Group is currently organised into the following operating segments:

- Film and TV programme production
- Event production
- Artiste and model management
- Music production
- Investment in securities

Information regarding the Group's reportable segments is presented below.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31 December 2012 (in HK Dollars)

2. SEGMENT INFORMATION (Continued)

(a) Segment revenue and results

	Six months ended 31 December 2012 (Unaudited)					Consolidated HK\$'000
	Film and TV programme production HK\$'000	Event production HK\$'000	Artiste and model management HK\$'000	Music production HK\$'000	Investment in securities HK\$'000	
	Segment revenue	<u>10,485</u>	<u>475</u>	<u>3,533</u>	<u>210</u>	
Segment results	<u>2,847</u>	<u>127</u>	<u>1,129</u>	<u>182</u>	<u>-</u>	<u>4,285</u>
Interest income						55
Reversal of impairment loss in respect of trade and other receivables	-	-	1,399	-	-	1,399
Unallocated gains						115
Unallocated corporate expenses						(8,989)
Distribution costs	(2,033)	-	(193)	(540)	-	(2,766)
Administrative expenses	(5,206)	(67)	(377)	(16)	-	(5,666)
Other operating expenses	(9,559)	-	(158)	(113)	-	(9,830)
Change in fair value of financial assets at fair value through profit or loss	-	-	-	-	(462)	(462)
Loss from operations						(21,859)
Finance costs						(306)
Loss before taxation						(22,165)
Taxation						-
Loss for the period						<u>(22,165)</u>

There are no sales or other transactions between the business segments.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31 December 2012 (in HK Dollars)

2. SEGMENT INFORMATION (Continued)

(a) Segment revenue and results (Continued)

	Six months ended 31 December 2011 (Unaudited)					Consolidated HK\$'000
	Film and TV programme production HK\$'000	Event production HK\$'000	Artiste and model management HK\$'000	Music production HK\$'000	Investment in securities HK\$'000	
Segment revenue	18,077	298	5,082	42	-	23,499
Segment results	6,469	167	1,731	37	-	8,404
Interest income						49
Reversal of impairment loss in respect of trade and other receivables	-	-	70	-	-	70
Unallocated gains						17
Unallocated corporate expenses						(11,585)
Distribution costs	(3,984)	-	(116)	(502)	-	(4,602)
Administrative expenses	(4,979)	(5)	(588)	(3)	-	(5,575)
Other operating expenses	(8,565)	-	(938)	(34)	-	(9,537)
Change in fair value of financial assets at fair value through profit or loss	-	-	-	-	(2,095)	(2,095)
Loss from operations						(24,854)
Finance costs						(306)
Loss before taxation						(25,160)
Taxation						-
Loss for the period						(25,160)

There are no sales or other transactions between the business segments.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31 December 2012 (in HK Dollars)

2. SEGMENT INFORMATION (Continued)

(b) Geographical information

The Group's revenue from external customers by geographical location are detailed as below:

	Six months ended 31 December	
	2012	2011
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Hong Kong	8,199	17,867
The People's Republic of China (The "PRC")	3,175	4,311
Malaysia	1,578	290
Others	1,751	1,031
	<u>14,703</u>	<u>23,499</u>

As at the end of reporting period, over 90% of the identifiable assets of the Group were located in Hong Kong. Accordingly, no geographical information analysis over non-current assets is presented.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31 December 2012 (in HK Dollars)

3. LOSS FROM OPERATIONS

	Six months ended	
	31 December	
	2012	2011
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss from operations has been arrived at after charging the following items:		
Amortisation of film rights	7,638	11,608
Write down on film rights (<i>Note</i>)	8,059	7,785
Write down on inventories (<i>Note</i>)	113	34
Impairment loss recognised in respect of trade and other receivables, deposits and prepayments (<i>Note</i>)	1,658	1,718
Depreciation of property, plant and equipment	397	306
Operating leases in respect of land and buildings	977	972
Staff cost	7,176	6,465
Change in fair value of financial assets at fair value through profit or loss	462	2,095
Loss on disposal of property, plant and equipment	-	1
and after crediting:		
Reversal of impairment loss in respect of trade and other receivables	1,399	70
Gain on disposal of property, plant and equipment	70	-
	<u>70</u>	<u>-</u>

Note:

The aggregation of these items represented "Other operating expenses" contained in the condensed consolidated statement of comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31 December 2012 (in HK Dollars)

4. TAXATION

No provision for Hong Kong Profits Tax has been made in the Group's condensed consolidated financial statements as the Group either incurred taxation loss or had no assessable profit for the period (2011: Nil).

5. INTERIM DIVIDEND

The directors of the Company do not recommend the payment of an interim dividend for the current period (2011: Nil).

6. LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The calculation of basic and diluted loss per ordinary share attributable to owners of the Company is based on the following data:

	Six months ended	
	31 December	
	2012	2011
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per ordinary share	<u>(21,056)</u>	<u>(23,031)</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31 December 2012 (in HK Dollars)

6. LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

(Continued)

	Six months ended 31 December	
	2012	2011
	(Unaudited)	(Unaudited)
	<i>Number</i>	<i>Number</i>
	<i>of shares</i>	<i>of shares</i>
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>1,245,460,891</u>	<u>1,245,460,891</u>

For the six months ended 31 December 2012 and 31 December 2011, diluted loss per share is the same as the basic loss per share as there is no dilutive potential ordinary share.

7. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2012, the Group acquired items of property, plant and equipment with a cost of approximately HK\$59,000 (six months ended 31 December 2011: HK\$36,000). Items of property, plant and equipment with a net book value of approximately HK\$Nil were disposal of during the six months ended 31 December 2012 (six months ended 31 December 2011: HK\$1,000), resulting in a gain on disposal of approximately HK\$70,000 for six months ended 31 December 2012 (six months ended 31 December 2011: HK\$1,000 loss).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31 December 2012 (in HK Dollars)

8. INTERESTS IN ASSOCIATES

	31 December 2012 (Unaudited) HK\$'000	30 June 2012 (Audited) HK\$'000
Share of net assets of associates	–	–
Goodwill arising on acquisition of associates	<u>7,384</u>	<u>7,384</u>
	<u>7,384</u>	<u>7,384</u>

At 31 December 2012, the directors of the Company assessed the recoverable amount of goodwill arising on the acquisition of associates by reference to the valuation as at 31 December 2012 performed by Norton Appraisals Limited (“Norton Appraisals”), an independent firm of professional valuers, and considered that no impairment loss should be made (30 June 2012: Nil) to condensed consolidated statement of comprehensive income. The valuation of the associates was determined based on the present value of the expected future cash flow arising from the business of the associates.

9. LOAN RECEIVABLE

The loan receivable is unsecured, chargeable with interest at Hong Kong Interbank Offered Rate (“HIBOR”) plus 0.25% per annum and repayable on the fifth anniversary of the date of drawn down.

The directors of the Company considered that the carrying amount of the Group’s loan receivable at 31 December 2012 was approximate to its fair value.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31 December 2012 (in HK Dollars)

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	31 December 2012 (Unaudited) HK\$'000	30 June 2012 (Audited) HK\$'000
Trade receivables, net	2,335	1,104
Other receivables, deposits and prepayments, net	4,067	4,713
	6,402	5,817

The following is an aged analysis of trade receivables, net:

	31 December 2012 (Unaudited) HK\$'000	30 June 2012 (Audited) HK\$'000
0 to 90 days	2,280	885
91 to 180 days	55	219
Over 180 days	13,826	15,092
	16,161	16,196
Less: Impairment loss recognised in respect of trade receivables	(13,826)	(15,092)
	2,335	1,104

The Group allows an average credit period of 90 to 180 days (30 June 2012: 90 to 180 days) to its trade customers.

The directors of the Company considered that the carrying amounts of the Group's trade and other receivables, deposits and prepayments at 31 December 2012 were approximate to their fair values.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31 December 2012 (in HK Dollars)

11. TRADE AND OTHER PAYABLES

	31 December 2012 (Unaudited) <i>HK\$'000</i>	30 June 2012 (Audited) <i>HK\$'000</i>
Trade payables	3,878	2,625
Accruals	25,803	23,082
Deposits received from customers	39,522	43,153
Other payables	5,555	5,299
	74,758	74,159

The following is an aged analysis of trade payables:

	31 December 2012 (Unaudited) <i>HK\$'000</i>	30 June 2012 (Audited) <i>HK\$'000</i>
0 to 90 days	150	92
91 days or above	3,728	2,533
	3,878	2,625

The directors of the Company considered that the carrying amounts of Group's trade and other payables at 31 December 2012 were approximate to their fair values.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31 December 2012 (in HK Dollars)

12. PLEDGE OF ASSETS

At 31 December 2012, the Group's leasehold land and buildings with net book value of approximately HK\$14,187,000 (30 June 2012: HK\$14,195,000) and HK\$6,062,000 (30 June 2012: HK\$6,156,000), respectively were pledged to a bank for the bank overdraft granted to the Group.

13. SHARE CAPITAL

	Number of shares	Nominal value <i>HK\$'000</i>
Authorised:		
Ordinary shares of HK\$0.01 each at the beginning and at the end of period	<u>50,000,000,000</u>	<u>500,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each at the beginning and at the end of period	<u>1,245,460,891</u>	<u>12,455</u>

14. CONTINGENT LIABILITIES

- (i) As at 30 June 2004, the Company provided corporate guarantees amounting to approximately HK\$24 million to a financial institution in respect of banking facilities granted to Welback International Investments Limited and its subsidiaries (the "WIIIL Group"), approximately HK\$5.5 million of which was utilised by members of the WIIIL Group and such amount was claimed by the financial institution as disclosed in point (iii) below.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31 December 2012 (in HK Dollars)

14. CONTINGENT LIABILITIES (Continued)

- (ii) The Company and its ex-subsiary, P.N. Electronics Ltd. ("PNE") have been involved in arbitration proceeding with North American Foreign Trading Corporation ("NAFT") in respect of a gross receivable of HK\$18 million and related damages from various parties for goods shipped by PNE and NAFT in 1996. The arbitration proceedings were initiated by NAFT against the Company and PNE claiming for alleged damages in New York, USA. The Company has upon legal advice, vigorously contested the alleged claims and has counterclaimed the said sum of HK\$18 million as well as other damages. The Company has not received any documents in relation to the arbitration proceedings for a substantial period of time and insofar as the Company is aware, the proceedings remain dormant.

- (iii) On 13 October 2003, a Writ of Summons and Statement of Claim was issued by BII Finance Company Limited ("BII Finance") against the Company under a guarantee allegedly given by the Company in favour of BII Finance in respect of certain liabilities of Welback Enterprises Limited, a former subsidiary of the Company. The claim is for a sum of approximately HK\$3,583,000 and US\$248,000 (approximately HK\$1,936,000), together with interest.

The Company has issued Third Party proceedings against Mr. Lee Chun Kwok and Mr. Fong Wing Seng, former directors of the Company, seeking a contribution to the extent of 49% of BII Finance's claim in the event that the Company is found liable to BII Finance (which is denied).

BII Finance has not taken any steps to progress with the action since June 2006. The Company is prepared and ready to continue to defend BII Finance's claim, and will also continue to pursue the Third Party proceedings against Mr. Lee Chun Kwok and Mr. Fong Wing Seng.

Save as disclosed above, no member of the Group is engaged in any litigation or claims of material importance and no litigation or claims of material importance is known to the directors of the Company to be pending or threatened by or against any member of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31 December 2012 (in HK Dollars)

15. OPERATING LEASE COMMITMENTS

The Group as lessee

At 31 December 2012, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of land and building, which fall due as follows:

	31 December 2012 (Unaudited) HK\$'000	30 June 2012 (Audited) HK\$'000
Within one year	667	1,466
In the second to fifth year inclusive	<u>–</u>	<u>7</u>
	<u>667</u>	<u>1,473</u>

16. EVENTS AFTER THE REPORTING PERIOD

Up to the date of the issuance of the interim financial statements, no significant events noted after the end of the reporting period.

17. APPROVAL OF INTERIM FINANCIAL REPORT

The interim financial statements were approved and authorised for issue by the Board of Directors on 25 February 2013.

By Order of the Board
See Corporation Limited
Dr. Ma Ho Man, Hoffman
Chairman

Hong Kong, 25 February 2013