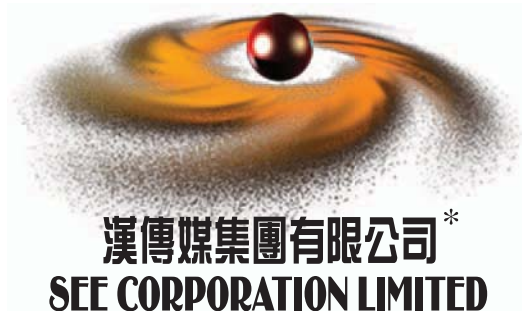


*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 491)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014**

The Board of Directors (the “Board” or “Directors”) of See Corporation Limited (hereinafter referred to as the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the six months ended 31 December 2014.

\* *for identification purpose only*

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

*For the six months ended 31 December 2014*

		<b>Six months ended</b>	
		<b>31 December</b>	
		<b>2014</b>	2013
		<b>(Unaudited)</b>	(Unaudited)
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Turnover	2	<b>12,112</b>	15,392
Cost of sales		<b>(9,828)</b>	(11,509)
		<hr/>	<hr/>
Gross profit		<b>2,284</b>	3,883
Other revenue		<b>219</b>	1,378
Distribution costs		<b>(776)</b>	(3,406)
Administrative expenses		<b>(11,381)</b>	(11,886)
Other operating expenses	3	<b>(18,106)</b>	(5,961)
Change in fair value of financial assets at fair value through profit or loss		<b>–</b>	(1,562)
		<hr/>	<hr/>
Loss from operations	3	<b>(27,760)</b>	(17,554)
Finance costs		<b>(271)</b>	(302)
Gain on disposal of subsidiaries and a joint venture	4	<b>1,194</b>	–
		<hr/>	<hr/>
Loss before taxation		<b>(26,837)</b>	(17,856)
Taxation	5	<b>–</b>	–
		<hr/>	<hr/>
Loss and total comprehensive loss for the period		<b>(26,837)</b>	(17,856)
		<hr/> <hr/>	<hr/> <hr/>
Loss and total comprehensive loss for the period attributable to:			
Owners of the Company		<b>(26,279)</b>	(17,030)
Non-controlling interests		<b>(558)</b>	(826)
		<hr/>	<hr/>
		<b>(26,837)</b>	(17,856)
		<hr/> <hr/>	<hr/> <hr/>
Loss per share	7		
– Basic and diluted		<b>HK\$(0.018)</b>	HK\$(0.013)
		<hr/> <hr/>	<hr/> <hr/>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2014*

		31 December 2014 (Unaudited) <i>HK\$'000</i>	30 June 2014 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		20,166	20,348
Investment in film production		61,253	–
Interests in associates		7,384	7,384
Interest in a joint venture	4	–	–
		<b>88,803</b>	27,732
<b>Current assets</b>			
Film rights		61,539	64,349
Film production in progress		28,739	18,538
Music production in progress		–	455
Trade and other receivables, deposits and prepayments	8	144,799	10,348
Loan receivable		–	10,000
Cash and bank balances		165,597	398,175
		<b>400,674</b>	501,865
<b>Current liabilities</b>			
Trade and other payables	9	31,897	35,219
Bank overdraft – secured		–	9,961
		<b>31,897</b>	45,180
<b>Net current assets</b>		<b>368,777</b>	456,685
<b>Total assets less current liabilities</b>		<b>457,580</b>	484,417
<b>Net assets</b>		<b>457,580</b>	484,417
<b>Equity</b>			
<b>Capital and reserves attributable to the owners of the Company</b>			
Share capital		14,945	14,945
Reserves		459,501	485,780
		<b>474,446</b>	500,725
<b>Non-controlling interests</b>		<b>(16,866)</b>	(16,308)
		<b>457,580</b>	484,417

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 31 December 2014*

## 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 (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

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 Group for the year ended 30 June 2014, except a new accounting policy being adopted during the current interim period as below:

### ***Investment in film production***

Investment in film production represents investment in a production house for co-financing of the production of a film. The investment is governed by the relevant agreement entered into between the Group and the production house whereby the Group is entitled to benefits generated from the distribution of the related film.

The investment is stated at cost less accumulated amortisation and accumulated impairment losses (if any). Amortisation is charged to the consolidated statement of profit or loss based on the proportion of actual income earned during the period to the total estimated income from the distribution of the film. Estimated income are reviewed at regular intervals. An impairment loss is made if there has been a change in the estimated income to determine the recoverable amount and the carrying amount exceeds the recoverable amount.

Income from investment in film production is recognised when the Group’s entitlement to such payments has been established which is subject to the terms of the relevant agreement.

## 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

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

HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010 – 2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011 – 2013 Cycle
HK(IFRIC*) – Int 21	Levies

\* IFRIC represents the International Financial Reporting Interpretations Committee

The application of these new and revised standards, amendments or interpretations has had no material effect on the amounts report in the Interim Financial Statements and/or disclosures set out in the Interim Financial Statements.

### *Standards, amendments 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 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>3</sup>
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants <sup>3</sup>
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements <sup>3</sup>
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures <sup>1</sup>
HKFRS 9	Financial Instruments <sup>5</sup>
HKFRS 9, HKFRS 7 and HKAS 39 (Amendments)	Hedge Accounting and Amendments to HKFRS 9, HKFRS 7 and HKAS 39 <sup>1</sup>
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations <sup>3</sup>
HKFRS 14	Regulatory Deferral Accounts <sup>2</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>4</sup>

<sup>1</sup> No mandatory effective date yet determined but is available for adoption.

<sup>2</sup> Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2016.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2017.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2018.

## **1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)**

### *Standards, amendments 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.

## **2. SEGMENT INFORMATION**

For the purposes of resource allocation and performance assessment, information reported to the Executive Directors of the Company, being the Chief Operating Decision Maker (the “CODM”) focuses on types of goods or services delivered or provided.

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

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

## 2. SEGMENT INFORMATION (Continued)

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

### *Segment revenue and results*

	Six months ended 31 December 2014 (Unaudited)				
	Film and TV programme production and investment <i>HK\$'000</i>	Event and music production <i>HK\$'000</i>	Artiste and model management <i>HK\$'000</i>	Investment in securities <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	<u>11,204</u>	<u>831</u>	<u>77</u>	<u>-</u>	<u>12,112</u>
Segment results	<u>1,434</u>	<u>831</u>	<u>19</u>	<u>-</u>	<u>2,284</u>
Interest income					148
Reversal of impairment loss in respect of trade and other receivables	-	-	17	-	17
Unallocated gains					54
Unallocated corporate expenses					(7,266)
Distribution costs	(776)	-	-	-	(776)
Administrative expenses	(4,103)	(7)	(5)	-	(4,115)
Other operating expenses	(17,815)	-	(291)	-	(18,106)
Loss from operations					(27,760)
Finance costs					(271)
Gain on disposal of subsidiaries and a joint venture					1,194
Loss before taxation					(26,837)
Taxation					-
Loss for the period					<u>(26,837)</u>

## 2. SEGMENT INFORMATION (Continued)

### *Segment revenue and results* (Continued)

	Six months ended 31 December 2013 (Unaudited)				
	Film and TV programme production and investment <i>HK\$'000</i>	Event and music production <i>HK\$'000</i>	Artiste and model management <i>HK\$'000</i>	Investment in securities <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	12,789	796	1,807	–	15,392
Segment results	3,306	87	490	–	3,883
Interest income					58
Reversal of impairment loss in respect of trade and other receivables	1,270	13	–	–	1,283
Unallocated gains					37
Unallocated corporate expenses					(6,144)
Distribution costs	(2,700)	(132)	(574)	–	(3,406)
Administrative expenses	(5,179)	(35)	(528)	–	(5,742)
Other operating expenses	(4,504)	–	(1,457)	–	(5,961)
Change in fair value of financial assets at fair value through profit or loss	–	–	–	(1,562)	(1,562)
Loss from operations					(17,554)
Finance costs					(302)
Loss before taxation					(17,856)
Taxation					–
Loss for the period					(17,856)

There were no inter-segment sales in the current period (2013: HK\$Nil).



### 3. LOSS FROM OPERATIONS

	Six months ended	
	31 December	
	2014	2013
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<b>Loss from operations has been arrived at after charging/ (crediting):</b>		
Amortisation of film rights	9,770	9,483
Impairment loss recognised in respect of:		
– trade and other receivables, deposits and prepayments ( <i>Note</i> )	441	1,461
– film rights and investment in film production ( <i>Note</i> )	17,665	4,500
Depreciation of property, plant and equipment	175	293
Loss on disposal of property, plant and equipment	8	–
Interest income from:		
– bank deposits	(79)	–
– loan receivable	(69)	(58)
Reversal of impairment loss in respect of trade and other receivables	(17)	(1,283)
	<u>          </u>	<u>          </u>

*Note:*

*The aggregation of these items represents “Other operating expenses” contained in the condensed consolidated statement of profit or loss and other comprehensive income.*

#### 4. DISPOSAL OF SUBSIDIARIES AND A JOINT VENTURE

On 22 October 2014, the Group disposed of Snazz Entertainment Group Limited together with its subsidiaries, Snazz Artistes Limited and Snazz Music Limited and a 50% owned joint venture, SSA Amusement Limited (collectively referred to as the “Disposed Companies”) which are principally engaged in artiste management, music production and distribution and entertainment promotion services. The carrying values of the identifiable assets and liabilities of the Disposed Companies as at the date of disposal are as follows:

	<b>(Unaudited)</b> <b>HK\$'000</b>
Property, plant and equipment	4
Interest in a joint venture	–
Music production in progress	455
Trade and other receivables, deposits and prepayments	750
Cash and bank balances	60
Trade and other payables	<u>(1,783)</u>
Net liabilities disposed of	<b>(514)</b>
Gain on disposal	<u>1,194</u>
Total consideration	<b><u>680</u></b>
Satisfied by:	
Cash consideration	750
Less: Professional fee	<u>(70)</u>
Total cash consideration received	<b><u>680</u></b>
Net cash inflow arising on disposal:	
Total cash consideration received	680
Less: Cash and bank balances disposed of	<u>(60)</u>
	<b><u>620</u></b>

#### 5. 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 (2013: HK\$Nil).

## 6. INTERIM DIVIDEND

The Directors of the Company do not recommend the payment of an interim dividend for the current period (2013: HK\$Nil).

## 7. LOSS PER SHARE

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

	<b>Six months ended</b>	
	<b>31 December</b>	
	<b>2014</b>	2013
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Loss for the period attributable to the owners of the Company for the purpose of basic and diluted loss per share	<u><b>(26,279)</b></u>	<u>(17,030)</u>
	<i>Number of shares</i>	<i>Number of shares</i>
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u><b>1,494,460,890</b></u>	<u>1,331,182,202</u>

For the six months ended 31 December 2014 and 2013, diluted loss per share was the same as the basic loss per share since there was no dilutive potential ordinary share for both periods.

## 8. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<b>31 December</b> <b>2014</b> <b>(Unaudited)</b> <b>HK\$'000</b>	30 June 2014 (Audited) HK\$'000
Trade receivables, net	3,432	365
Other receivables, deposits and prepayments, net	<u>141,367</u>	<u>9,983</u>
	<u><b>144,799</b></u>	<u><b>10,348</b></u>

The Group allows an average credit period of 90 to 180 days (30 June 2014: 90 to 180 days) to its customers. The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:

	<b>31 December</b> <b>2014</b> <b>(Unaudited)</b> <b>HK\$'000</b>	30 June 2014 (Audited) HK\$'000
0 to 90 days	3,432	365
91 to 180 days	–	–
Over 180 days	<u>6,785</u>	<u>6,860</u>
	<b>10,217</b>	7,225
Less: Impairment loss recognised in respect of trade receivables	<u>(6,785)</u>	<u>(6,860)</u>
	<u><b>3,432</b></u>	<u><b>365</b></u>

## 9. TRADE AND OTHER PAYABLES

	<b>31 December</b> <b>2014</b> <b>(Unaudited)</b> <b>HK\$'000</b>	30 June 2014 (Audited) HK\$'000
Trade payables	7,440	8,084
Accruals	18,311	22,564
Deposits received from customers	5,736	4,021
Other payables	<u>410</u>	<u>550</u>
	<u><b>31,897</b></u>	<u><b>35,219</b></u>

## 9. TRADE AND OTHER PAYABLES (Continued)

The ageing analysis of the Group's trade payables at the end of the reporting period is as follows:

	<b>31 December</b>	30 June
	<b>2014</b>	2014
	<b>(Unaudited)</b>	(Audited)
	<b>HK\$'000</b>	HK\$'000
0 to 90 days	–	506
Over 90 days	<u>7,440</u>	<u>7,578</u>
	<u><b>7,440</b></u>	<u><b>8,084</b></u>

## 10. CONTINGENT LIABILITIES

- (i) As at 30 June 2004, the Company provided a corporate guarantee in the amount of approximately HK\$24.0 million to a financial institution in respect of banking facilities granted to Welback International Investments Limited and its subsidiaries (the "WIIL Group"), approximately HK\$5.5 million of which was utilised by members of the WIIL Group and such amount was claimed by the financial institution as disclosed in point (iii) below.
- (ii) The Company and its ex-subsiary, P.N. Electronics Limited. ("PNE") have been involved in arbitration proceedings with North American Foreign Trading Corporation ("NAFT") in respect of a gross receivable of HK\$18.0 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\$18.0 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.

## **10. CONTINGENT LIABILITIES (Continued)**

(iii) (Continued)

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.

## **11. EVENT AFTER THE END OF THE REPORTING PERIOD**

On 28 January 2015, the Group completed the acquisition of 60% equity interest in Lucrative Skill Holdings Limited from an independent third party at a consideration of HK\$122,500,000. The consideration was satisfied by the allotment and issue of 350,000,000 consideration shares by the Company at an issue price of HK\$0.35 each.

Lucrative Skill Holdings Limited and its subsidiaries are principally engaged in provision of post production services which includes conducting post production work on advertisements, featured films, TV programmes, music videos, internet and mobile applications content, visual matters on corporate events, etc.

Details of the aforesaid acquisition were set out in the Company's circular dated 31 December 2014.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Results

For the six months ended 31 December 2014, the Group reported a turnover of HK\$12.1 million (2013: HK\$15.4 million), representing a decrease of 21.4% when compared with the same period last year. Such decrease was mainly attributable to the decrease in segment revenue from the business of film and TV programme production and investment, and artiste and model management. The loss from operations and the loss attributable to the owners of the Company for the period were HK\$27.8 million and HK\$26.3 million (2013: HK\$17.6 million and HK\$17.0 million) respectively. Increase in the loss from operations was mainly due to the increment of other operating expenses from HK\$6.0 million in the previous period to HK\$18.1 million in the current period. Basic and diluted loss per share for the period was HK\$0.018 (2013: HK\$0.013).

### Review of Operations

The Group is principally engaged in the entertainment and media business. Our activities can be categorised as (i) film and TV programme production and investment; (ii) event and music production; (iii) artiste and model management; and (iv) investment in securities.

#### *Film and TV programme production and investment*

The Group generated turnover of HK\$11.2 million from film and TV programme production and investment activities for the period, representing a decrease of 12.5% from HK\$12.8 million in the previous period. The gross profit derived from these activities was HK\$1.4 million (2013: HK\$3.3 million).

As of 31 December 2014, the carrying values of the Group's film rights and film production in progress were HK\$61.5 million and HK\$28.7 million (30 June 2014: HK\$64.3 million and HK\$18.5 million) respectively. During the current period, the Group has co-invested in several film production projects with a third party, out of which a film had been completed and released during the period. As at 31 December 2014, the carrying amount of the investment in this completed film was HK\$61.3 million. An impairment loss of HK\$17.7 million (2013: HK\$4.5 million) under this segment was recognised for the period.

#### *Event and music production*

During the period, the Group recorded a turnover of HK\$0.8 million from the event and music production segment as compared to HK\$0.8 million in the last corresponding period.

### ***Artiste and model management***

During the period, the Group recorded a turnover of HK\$0.1 million from the artiste and model management segment as compared to HK\$1.8 million in the last corresponding period.

### ***Investment in securities***

After the disposal of investment in securities during the year ended 30 June 2014, the Group did not hold any investment in securities during the period and at the end of the reporting period. Hence, no change in fair value of the investment in securities was recognised for the period (2013: HK\$1.6 million).

### **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.

We are facing a challenging year ahead with 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.

In addition, the Group is always on lookout for different entertainment related investment opportunities in the market, such as the recent acquisition of 60% equity interest in Lucrative Skill Holdings Limited and its subsidiaries which principally carry out the business of provision of post production services.

### **Disposal of Subsidiaries and a Joint Venture**

On 22 October 2014, the Group disposed of certain subsidiaries and a joint venture at a consideration of HK\$0.75 million which resulted in a gain on disposal of HK\$1.2 million. Details of the disposal were set out in the Company's announcement dated 22 October 2014. These subsidiaries and joint venture were principally engaged in artiste management, music production and distribution and entertainment promotion services.



## **Event After the End of the Reporting Period**

On 28 January 2015, the Group completed the acquisition of 60% equity interest in Lucrative Skill Holdings Limited at a consideration of HK\$122.5 million which was satisfied by the allotment and issue of 350,000,000 consideration shares by the Company at an issue price of HK\$0.35 each. Details of the acquisition were set out in the Company's circular dated 31 December 2014. Lucrative Skill Holdings Limited and its subsidiaries are principally engaged in provision of post production services which includes conducting post production work on advertisements, featured films, TV programmes, music videos, internet and mobile applications content, visual matters on corporate events, etc.

## **Financial Review and Liquidity**

As at 31 December 2014, the Group's net assets amounted to HK\$457.6 million, as compared with HK\$484.4 million as of 30 June 2014. The current ratio, representing current assets divided by current liabilities, was 12.56 (30 June 2014: 11.10).

During the period, the Group had fully repaid the bank overdraft (30 June 2014: HK\$10.0 million). The Group had no other borrowing at the end of the reporting period. The Group's cash and bank balances as at 31 December 2014 amounted to HK\$165.6 million (30 June 2014: HK\$398.2 million). The gearing ratio, as a ratio of total borrowings over total assets was nil (30 June 2014: 0.02).

At the end of the reporting period, the Group had a corporate guarantee of HK\$24.0 million 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. Details of the claim has been disclosed in point 2 under the section headed "Major Litigation and Arbitration Proceedings" below.

## **Exposure to Fluctuation in Exchange Rates and Related Hedges**

Most of the Group's cash and bank 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, the Group's exposure to fluctuation in exchange rate is minimal.

The Group will closely monitor the foreign currency exposure and arrange for hedging facilities when necessary.

## **Employees and Remuneration Policy**

As at 31 December 2014, the Group had 21 Hong Kong based employees (30 June 2014: 27). Total staff costs including Directors' remuneration for the period were HK\$6.0 million (2013: HK\$6.1 million). Employees' remuneration was determined in accordance with individual's responsibility, competence and skills, experience and performance as well as market pay level. Employees' benefits include the Mandatory Provident Fund scheme, in-house training programme, medical insurance scheme and discretionary bonuses.

## **Pledge of Assets**

As at 31 December 2014, certain assets of the Group with an aggregate carrying value of HK\$19.8 million (30 June 2014: HK\$19.9 million) were pledged to a bank as security for the banking facilities granted to the Group.

## **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\$18.0 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\$18.0 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.

## **REVIEW OF INTERIM RESULTS**

The Interim Financial Statements had not been audited nor reviewed by the Company's auditor, HLB Hodgson Impey Cheng Limited, but had been reviewed by the Audit Committee of the Company, which comprises the three Independent Non-executive Directors of the Company.

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

During the six months ended 31 December 2014, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **CORPORATE GOVERNANCE CODE**

The Company is committed to ensuring high standard of corporate governance in the interests of shareholders and devotes considerable effort to identifying and formalising best practices. During the six months ended 31 December 2014, the Company had complied with all applicable code provisions under the Corporate Governance Code as set out in Appendix 14 of the Listing Rules.

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Specific enquiry had been made with all Directors of the Company and the Directors of the Company confirmed that they had complied with the required standard as set out in the Model Code throughout the six months ended 31 December 2014.

## **PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT**

The interim results announcement is published on the Stock Exchange's website (<http://www.hkex.com.hk>) and the Company's website (<http://www.irasia.com/listco/hk/see>). The interim report will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and the Company in due course.

By Order of the Board  
**See Corporation Limited**  
**Direk Lim**  
*Chairman*

Hong Kong, 12 February 2015

As at the date hereof, the Board comprises:–

*Executive Directors:*

Mr. Direk Lim (*Chairman*)

Mr. Hui Yuet Man

Mr. Yeung Man Kit, Dennis

*Independent Non-executive Directors:*

Mr. Li Fui Lung, Danny

Mr. Ng Hoi Yue

Ms. Chan Sim Ling, Irene