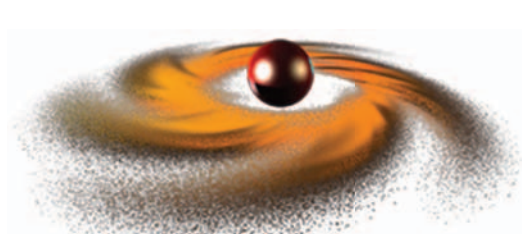


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漢傳媒集團有限公司*
SEE CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 491)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2015

The Board of Directors (the “Board” or “Directors”) of See Corporation Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the year ended 30 June 2015 (the “Year”), together with the comparative figures for the previous year, as follows:

* *for identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Turnover	3	123,503	54,437
Cost of sales		(97,857)	(42,364)
Gross profit		25,646	12,073
Other revenue		1,405	3,379
Distribution costs		(1,252)	(13,650)
Administrative expenses		(38,159)	(22,871)
Other operating expenses	5	(64,525)	(43,357)
Change in fair value of financial assets at fair value through profit or loss		(3,761)	–
Loss from operations	5	(80,646)	(64,426)
Gain on disposal of subsidiaries and a joint venture	13	6,319	–
Finance costs	6	(1,386)	(625)
Loss before taxation		(75,713)	(65,051)
Taxation	7	(1,531)	–
Loss for the year		(77,244)	(65,051)
Other comprehensive loss for the year, net of tax <i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(614)	–
Total comprehensive loss for the year		(77,858)	(65,051)
Loss for the year attributable to:			
Owners of the Company		(75,115)	(66,832)
Non-controlling interests		(2,129)	1,781
		(77,244)	(65,051)
Total comprehensive loss attributable to:			
Owners of the Company		(75,483)	(66,832)
Non-controlling interests		(2,375)	1,781
		(77,858)	(65,051)
Loss per share attributable to the owners of the Company			
– Basic and diluted	8	HK\$(0.05)	HK\$(0.13)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		28,899	20,348
Goodwill		106,082	–
Intangible assets		39,060	–
Interests in associates		–	7,384
Interest in a joint venture		–	–
Deferred tax asset		6,418	–
		180,459	27,732
Current assets			
Film rights		57,964	64,349
Film production in progress		162,235	18,538
Investment in film production		600	–
Music production in progress		–	455
Trade and other receivables, deposits and prepayments	9	93,301	10,348
Financial assets at fair value through profit or loss		30,392	–
Loan receivable		–	10,000
Cash and bank balances		411,475	398,175
		755,967	501,865
Assets classified as held for sale	10	19,784	–
		775,751	501,865
Current liabilities			
Trade and other payables	11	36,438	35,219
Amounts due to related companies		21,589	–
Amount due to a director		1,526	–
Amount due to non-controlling interests		27,200	–
Tax payable		1,875	–
Obligations under finance lease		230	–
Bank borrowings		3,004	9,961
		91,862	45,180

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Net current assets	<u>683,889</u>	<u>456,685</u>
Total assets less current liabilities	<u>864,348</u>	<u>484,417</u>
Non-current liability		
Deferred tax liability	<u>6,445</u>	<u>–</u>
Net assets	<u><u>857,903</u></u>	<u><u>484,417</u></u>
Equity		
Capital and reserves attributable to the owners of the Company		
Share capital	22,133	14,945
Reserves	<u>862,331</u>	<u>485,780</u>
	884,464	500,725
Non-controlling interests	<u>(26,561)</u>	<u>(16,308)</u>
	<u><u>857,903</u></u>	<u><u>484,417</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2015

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements included applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under historical cost convention except for certain financial assets which are carried at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Except as described in note 2, the accounting policies adopted for preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 30 June 2014.

2. APPLICATION OF NEW AND REVISED HKFRSs

The Group has applied for the first time in the current year the following amendments to HKFRSs and Hong Kong Accounting Standards (“HKASs”) and a new interpretation (hereinafter collectively referred to as the “new and revised HKFRSs”) issued by the HKICPA.

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment entities
HKFRSs (Amendments)	Annual improvements to HKFRSs 2010-2012 cycles
HKFRSs (Amendments)	Annual improvements to HKFRSs 2011-2013 cycles
HKAS 19 (Amendments)	Defined benefit plans: Employee contributions
HKAS 32 (Amendments)	Offsetting financial assets and financial liabilities
HKAS 36 (Amendments)	Recoverable amount disclosures for non-financial assets
HKAS 39 (Amendments)	Novation of derivatives and continuation of hedge accounting
HK(IFRIC*)-Int 21	Levies

* IFRIC represents the International Financial Reporting Interpretations Committee.

The application of the new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial statements

2. APPLICATION OF NEW AND REVISED HKFRSs (*Continued*)

New and revised standards and interpretations in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial instruments ¹
HKFRS 14	Regulatory deferral accounts ³
HKFRS 15	Revenue from contracts with customers ²
HKFRSs (Amendments)	Annual improvements to HKFRSs 2012-2014 cycles ³
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture ⁴
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment entities: Applying the consolidation exception ³
HKFRS 11 (Amendments)	Accounting for acquisitions of interests in joint operations ³
HKAS 1 (Amendments)	Disclosure initiative ³
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation ³
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer plants ³
HKAS 27 (Amendments)	Equity method in separate financial statements ³

¹ *Effective for annual period beginning on or after 1 January 2018, with earlier application permitted.*

² *Effective for annual period beginning on or after 1 January 2017, with earlier application permitted.*

³ *Effective for annual period beginning on or after 1 January 2016, with earlier application permitted.*

HKFRS 9, Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (“FVTOCI”) measurement category for certain simple debt instruments.

2. APPLICATION OF NEW AND REVISED HKFRSs (*Continued*)

HKFRS 9, Financial Instruments (*Continued*)

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39, Financial instruments: Recognition and measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of changes in the fair value of a financial liability is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.
- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirement about an entity's risk management activities have also been introduced.

2. APPLICATION OF NEW AND REVISED HKFRSs (Continued)

HKFRS 9, Financial Instruments (Continued)

The Directors of the Company anticipate that the application of HKFRS 9 in the future may have a potential impact on the amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15, Revenue from contracts with customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 supersedes the revenue recognition guidance including HKAS 18, Revenue, HKAS 11, Construction contracts and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that the Group should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Specifically, the standard has a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligation in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The Directors of the Company anticipate that the application of HKFRS 15 in the future may have a potential impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Other than disclosed above, the Directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

In addition, the revised Listing Rules on disclosure of financial information with reference to the new Hong Kong Companies Ordinance (Cap. 622) will come into effect as from the Group's first financial year ending on or after 30 June 2016. The Group is in the process of making an assessment of expected impact of the changes. So far it has concluded that the impact is unlikely to be significant and only the presentation and disclosure of information in the consolidated financial statements will be affected.

3. TURNOVER

An analysis of the Group's turnover are as follows:

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Film and TV programme production and investment	74,329	40,960
Event production and investment, music production and others	797	3,813
Post production service	38,171	–
Investment in securities	10,206	9,664
	<u>123,503</u>	<u>54,437</u>

4. 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 resource location and assessment of segment performance focuses on types of goods or services delivered or provided.

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

- Film and TV programme production and investment
- Event production and investment, music production and others (including artiste and model management)
- Post production service
- Investment in securities

4. SEGMENT INFORMATION (Continued)

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

(a) Segment revenue and results

	Film and TV programme production and investment <i>HK\$'000</i>	Event production and investment, music production and others <i>HK\$'000</i>	Post production service <i>HK\$'000</i>	Investment in securities <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
2015					
Segment revenue	<u>74,329</u>	<u>797</u>	<u>38,171</u>	<u>10,206</u>	<u>123,503</u>
Segment results	<u>3,211</u>	<u>593</u>	<u>11,636</u>	<u>10,206</u>	<u>25,646</u>
Interest income					193
Reversal of impairment loss	43	17	-	-	60
Dividend income	-	-	-	308	308
Unallocated gains					844
Unallocated corporate expenses					(12,988)
Distribution costs	(975)	(38)	(239)	-	(1,252)
Administrative expenses	(8,088)	(48)	(17,027)	(8)	(25,171)
Other operating expenses	(24,573)	(251)	(39,701)	-	(64,525)
Unallocated change in fair value of financial assets at fair value through profit or loss					(7,384)
Change in fair value of financial assets at fair value through profit or loss	-	-	-	3,623	<u>3,623</u>
Loss from operations					(80,646)
Gain on disposal of subsidiaries and a joint venture					6,319
Finance costs					<u>(1,386)</u>
Loss before taxation					<u><u>(75,713)</u></u>

4. SEGMENT INFORMATION (Continued)

(a) Segment revenue and results (Continued)

	Film and TV programme production and investment <i>HK\$'000</i>	Event production and investment, music production and others <i>HK\$'000</i>	Post production service <i>HK\$'000</i>	Investment in securities <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
2014					
Segment revenue	<u>40,960</u>	<u>3,813</u>	<u>–</u>	<u>9,664</u>	<u>54,437</u>
Segment results	<u>1,536</u>	<u>873</u>	<u>–</u>	<u>9,664</u>	12,073
Interest income					167
Reversal of impairment loss	2,997	137	–	–	3,134
Unallocated gains					78
Unallocated corporate expenses					(12,564)
Distribution costs	(12,617)	(1,033)	–	–	(13,650)
Administrative expenses	(9,792)	(515)	–	–	(10,307)
Other operating expenses	(41,663)	(1,694)	–	–	<u>(43,357)</u>
Loss from operations					(64,426)
Finance costs					<u>(625)</u>
Loss before taxation					<u>(65,051)</u>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment revenue in the current year (2014: Nil).

Segment results represent the profit earned by each segment without allocation of corporate gains such as exchange gain and central administration costs which mainly includes Directors' emoluments, corporate legal and professional fees and gain on disposal of subsidiaries and a joint venture. This is the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance.

4. SEGMENT INFORMATION (Continued)

(b) Segment assets and liabilities

	Film and TV programme production and investment <i>HK\$'000</i>	Event production and investment, music production and others <i>HK\$'000</i>	Post production service <i>HK\$'000</i>	Investment in securities <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
2015					
Segment assets	305,066	194	217,515	42,546	565,321
Unallocated assets					390,889
Consolidated assets					<u>956,210</u>
Segment liabilities	20,735	60	72,074	-	92,869
Unallocated liabilities					5,438
Consolidated liabilities					<u>98,307</u>
2014					
Segment assets	103,050	1,223	-	14,282	118,555
Unallocated assets					411,042
Consolidated assets					<u>529,597</u>
Segment liabilities	21,864	6,836	-	-	28,700
Unallocated liabilities					16,480
Consolidated liabilities					<u>45,180</u>

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than interests in associates and a joint venture, and other unallocated head office and corporate assets that are not attributable to segments; and
- all liabilities are allocated to reportable segments other than unallocated corporate financial liabilities that are not attributable to segments.

4. SEGMENT INFORMATION (Continued)

(c) Other segment information

	Film and TV programme production and investment HK\$'000	Event production and investment, music production and others HK\$'000	Post production service HK\$'000	Investment in securities HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
2015						
Other segment information:						
Additions to property, plant and equipment	5	-	3,475	-	-	3,480
Amortisation of film rights	13,433	-	-	-	-	13,433
Amortisation of intangible asset	-	-	1,698	-	-	1,698
Cost of investment in film production	57,685	-	-	-	-	57,685
Depreciation of property, plant and equipment	116	-	4,105	-	223	4,444
Impairment loss recognised in respect of:						
- goodwill	-	-	39,701	-	-	39,701
- film rights	12,980	-	-	-	-	12,980
- investment in film production	11,593	-	-	-	-	11,593
- trade and other receivables	-	251	-	-	-	251
Reversal of impairment in respect of trade and other receivables	(43)	(17)	-	-	-	(60)
2014						
Other segment information:						
Additions to property, plant and equipment	68	-	-	-	72	140
Amortisation of film rights	39,424	-	-	-	-	39,424
Depreciation of property, plant and equipment	318	1	-	-	244	563
Impairment loss recognised in respect of:						
- film rights	41,636	-	-	-	-	41,636
- trade and other receivables	27	1,694	-	-	-	1,721
Reversal of impairment in respect of trade and other receivables	(2,997)	(17)	-	-	-	(3,014)
Reversal of written down in respect of inventories	-	(120)	-	-	-	(120)

4. SEGMENT INFORMATION *(Continued)*

(d) Geographical information

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Hong Kong	91,328	20,614
The People's Republic of China (the "PRC")	27,048	26,422
Hungary	3,269	–
Malaysia	–	2,181
Others	1,858	5,220
	<u>123,503</u>	<u>54,437</u>

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.

(e) Information about major customers

Revenue from one (2014: one) major customer contributing over 10% of the total turnover of the Group for the Year was HK\$57,685,000 (2014: HK\$26,352,000), which was derived from the film and TV programme production and investment segment.

5. LOSS FROM OPERATIONS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Loss from operations has been arrived at after charging/ (crediting):		
Auditors' remuneration	690	600
Amortisation of film rights (included in cost of sales)	13,433	39,424
Amortisation of intangible asset (included in administrative expenses)	1,698	–
Cost of investment in film production (included in cost of sales)	57,685	–
Cost of inventories (included in cost of sales)	–	7
Depreciation of property, plant and equipment	4,444	563
Operating leases in respect of land and buildings	4,472	1,988
Impairment loss recognised in respect of:		
– goodwill*	39,701	–
– film rights*	12,980	41,636
– investment in film production*	11,593	–
– trade and other receivables*	251	1,721
Loss on disposal of property, plant and equipment	66	335
Bank interest income	(124)	(52)
Other interest income	(69)	(115)
Reversal of impairment loss in respect of trade and other receivables	(60)	(3,014)
Reversal of written down in respect of inventories	–	(120)
	=====	=====

* The aggregation of these items represents "Other operating expenses" in the consolidated statement of profit or loss.

6. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest on:		
Bank borrowings wholly repayable within five years	240	574
Bank borrowings wholly repayable within one year	983	–
Bank overdraft	99	–
Obligations under finance lease	13	–
	1,335	574
Bank charges	51	51
	1,386	625
	=====	=====

7. TAXATION

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Tax charge comprises:		
Current tax:		
Hong Kong Profits Tax	17	–
PRC Enterprise Income Tax (“EIT”)	<u>1,905</u>	<u>–</u>
	1,922	–
Deferred taxation	<u>(391)</u>	<u>–</u>
	<u><u>1,531</u></u>	<u><u>–</u></u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the current year. No provision for Hong Kong Profits Tax had been made in the prior year as the Group had no assessable profits arising in Hong Kong for the prior year.

Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% from 1 January 2008 onwards.

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

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Loss attributable to the owners of the Company for the purpose of basic and diluted loss per share	<u>(75,115)</u>	<u>(66,832)</u>
	Number of shares '000	Number of shares '000
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u><u>1,668,460</u></u>	<u><u>520,429</u></u>

For the years ended 30 June 2015 and 2014, the diluted loss per share was the same as the basic loss per share as there was no dilutive potential ordinary share for both years.

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables, net	85,296	365
Other receivables, deposits and prepayments, net	<u>8,005</u>	<u>9,983</u>
	<u>93,301</u>	<u>10,348</u>

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0 to 90 days	79,214	365
91 to 180 days	6,082	–
Over 181 days	<u>6,592</u>	<u>6,860</u>
	91,888	7,225
Less: Impairment loss recognised in respect of trade receivables	<u>(6,592)</u>	<u>(6,860)</u>
Total	<u>85,296</u>	<u>365</u>

10. ASSETS CLASSIFIED AS HELD FOR SALE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Leasehold land and building	19,733	–
Deposits	51	–
	<u>19,784</u>	<u>–</u>

In May 2015, the Group entered into a sale and purchase agreement with an independent third party for disposal of the entire interest of Anyone Holdings Limited, an indirect wholly-owned subsidiary of the Company, which is a property holding company, at a consideration of HK\$52,000,000. Such disposal is expected to be completed on 30 September 2015 (or such later date as both parties may agree). Accordingly, the assets held by this subsidiary were reclassified as held for sale at the end of the reporting period.

The property was previously used in the Group as property, plant and equipment. No impairment loss was recognised on reclassification of the leasehold land and building as held for sale as the consideration to be received is higher than the carrying amounts of the assets.

As at 30 June 2015, the above property was pledged to secure the banking facilities granted to the Group. The pledge of these assets is expected to be released before completion of the disposal.

11. TRADE AND OTHER PAYABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade payables	11,564	8,084
Accruals	17,798	22,564
Deposits received from customers	5,175	4,021
Other payables	1,901	550
	<u>36,438</u>	<u>35,219</u>

The following is an ageing analysis of trade payables of the Group at the end of the reporting period:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0 to 90 days	967	506
91 days or above	10,597	7,578
	<u>11,564</u>	<u>8,084</u>

12. BUSINESS COMBINATION

Acquisition of Lucrative Skill Holdings Limited and its subsidiaries (“Lucrative Skill Group”)

On 28 January 2015 (the “Acquisition Date”), the Group acquired 60% equity interest in Lucrative Skill Group from an independent third party at a consideration of HK\$168,000,000 which was satisfied by the allotment and issue of 350,000,000 consideration shares by the Company at the closing price of HK\$0.48 each on the Acquisition Date. Details of the acquisition were set out in the Company’s announcement dated 30 October 2014 and circular dated 31 December 2014.

Lucrative Skill Group is principally engaged in provision of post production services which includes conducting post production work on advertisements, featured films, TV programmes, music video, internet and mobile applications content, visual matters on corporate events, etc in Hong Kong and the PRC.

The following table summarises the consideration paid for the acquisition of Lucrative Skill Group and the fair value of identifiable assets acquired and liabilities assumed at the Acquisition Date.

	<i>HK\$’000</i>
Purchase consideration by allotment and issue of the Company’s shares	<u><u>168,000</u></u>
Fair values of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	29,225
Intangible asset	40,758
Deferred tax asset	6,307
Trade and other receivables, deposits and prepayments	40,674
Cash and cash equivalents	2,237
Trade and other payables	(14,700)
Amount due to a shareholder	(1,014)
Amount due to a director	(1,602)
Amounts due to related companies	(14,253)
Tax payable	(963)
Obligations under finance lease	(326)
Bank and other borrowings	(65,279)
Deferred tax liability	<u>(6,725)</u>
Total identifiable net assets	14,339
Non-controlling interests	7,878
Goodwill	<u>145,783</u>
	<u><u>168,000</u></u>
Cash and cash equivalents acquired	<u><u>2,237</u></u>

13. DISPOSAL OF SUBSIDIARIES AND A JOINT VENTURE

Disposal of Snazz Entertainment Group (as defined below)

On 22 October 2014, the Group disposed of an indirect wholly-owned subsidiary, Snazz Entertainment Group Limited together with its subsidiaries and a 50% owned joint venture, SSA Amusement Limited (collectively referred to as “Snazz Entertainment Group”) at a cash consideration of HK\$750,000 which resulted in a gain on disposal of HK\$1,195,000. Snazz Entertainment Group was principally engaged in artiste management, music production and distribution and entertainment promotion services. Details of this disposal were set out in the Company’s announcement dated 22 October 2014.

Disposal of 14 subsidiaries

On 30 June 2015, the Group disposed of 14 wholly-owned inactive subsidiaries to an independent third party at a cash consideration of HK\$20. A gain of HK\$5,124,000 was resulted from this disposal and recognised in the consolidated statement of profit or loss.

Summary of the effect of the disposal of these subsidiaries and the joint venture is as follows:

	Snazz Entertainment Group HK\$'000	14 subsidiaries HK\$'000	Total HK\$'000
Property, plant and equipment	4	–	4
Intangible asset	–	–	–
Interest in a joint venture	–	–	–
Music production in progress	455	–	455
Trade and other receivables	750	–	750
Cash and cash equivalents	60	–	60
Trade and other payables	<u>(1,784)</u>	<u>(5,124)</u>	<u>(6,908)</u>
Net liabilities disposed of	(515)	(5,124)	(5,639)
Less: Total consideration received, net	<u>680</u>	<u>–</u>	<u>680</u>
Gain on disposal	<u><u>1,195</u></u>	<u><u>5,124</u></u>	<u><u>6,319</u></u>
Consideration satisfied by cash	750	–	750
Less: Professional fee paid	(70)	–	(70)
Cash and cash equivalent disposed of	<u>(60)</u>	<u>–</u>	<u>(60)</u>
Net cash inflow arising on disposal	<u><u>620</u></u>	<u><u>–</u></u>	<u><u>620</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

Results

During the Year, the Group reported a turnover of HK\$123.5 million (2014: HK\$54.4 million), representing an increase of 127.0% when compared with last year. Such increase was mainly attributable to the increase in segment revenue from the businesses of film production and investment and post production service. Loss from operations and loss attributable to the owners of the Company for the Year were HK\$80.6 million and HK\$75.1 million (2014: HK\$64.4 million and HK\$66.8 million) respectively. Increase in the loss from operations was mainly due to the impairment loss of goodwill of HK\$39.7 million. Due to the recent stock markets slump and economic slowdown of Mainland China, the Directors of the Company took a prudent view to forecast the post production business so that the impairment loss of goodwill of HK\$39.7 million was recorded at the end of the reporting period. If excluding such impairment loss, the loss from operations and loss attributable to the owners of the Company for the Year would decrease to HK\$40.9 million and HK\$35.4 million (2014: HK\$64.4 million and HK\$66.8 million) respectively. Basic and diluted loss per share for the Year was HK\$0.05 (2014: HK\$0.13).

Review of operation

During the Year, the Group was principally engaged in the entertainment and media business. Our activities can be categorised as (i) film and TV programme production and investment; (ii) event production and investment, music production and others; (iii) post production service; and (iv) investment in securities.

Film and TV programme production and investment

The Group generated turnover of HK\$74.3 million from film and TV programme production and investment activities for the Year, representing an increase of 81.2% from HK\$41.0 million in the prior year. The gross profit derived from these activities was HK\$3.2 million (2014: HK\$1.5 million). Turnover of this segment for the Year was mainly contributed by a co-invested film with an independent third party which had been completed and released during the Year.

As of 30 June 2015, the carrying values of the Group's film rights and film production in progress were HK\$58.0 million and HK\$162.2 million (2014: HK\$64.3 million and HK\$18.5 million) respectively. The carrying amount of the investment in film production was HK\$0.6 million (2014: Nil). Total impairment losses of film rights and investment in film production amounting to HK\$24.6 million (2014: HK\$41.6 million) was recognised for the Year.

Event production and investment, music production and others

Along the disposal of certain subsidiaries during the Year (details were set out in the below section under heading “Disposal of subsidiaries and a joint venture”), the Group recorded a turnover of HK\$0.4 million from the event production and investment and music production activities as compared to HK\$0.8 million in the prior year and a turnover of HK\$0.4 million from the artiste and model management as compared to HK\$3.0 million in the last year. During the Year, the Group decided to dispose certain prolonged loss making subsidiaries which is believed to bring benefit to the Group. The Group will continue to keep most cautious to select the investment opportunity in event and music production in the future.

Post production service

Since the Acquisition (as defined in the below section under heading “Acquisition of subsidiaries”) up to 30 June 2015, this segment derived a turnover of HK\$38.2 million while its gross profit was HK\$11.6 million. Majority of the turnover under this segment was attributable to post production services for TV commercials, followed by post production services and visual special effect services for featured films. The Mainland China market contributed over 70% of the Group’s post production turnover. The Group will continue to focus its resources on business development in the Mainland China, especially on the featured film segment.

Investment in securities

During the Year, the Group recorded both turnover and gross profit of HK\$10.2 million (2014: HK\$9.7 million) in this segment, which represents the realised gain on disposal of certain investment in securities. At the end of the reporting period, the Group continued to hold certain investment in securities with the carrying amount of HK\$30.4 million (2014: Nil). Based on the stock market price of such portfolio of investment in securities, the fair value gain of HK\$3.6 million (2014: Nil) was recorded during the Year.

Geographical review

During the Year, the Group continued to focus on the Hong Kong and Mainland China markets. The revenue derived from Hong Kong and Mainland China amounted to HK\$91.3 million and HK\$27.0 million (2014: HK\$20.6 million and HK\$26.4 million) respectively, representing 73.9% and 21.9% (2014: 37.9% and 48.5%) of the total turnover of the Group respectively.

Future business prospects and plans

In spite of the challenges in the market environment, the Group has dedicated its efforts in exploring the film investment opportunities and strengthening distribution channels for its film and TV programmes as well as development of post production service in Mainland China. According to the publication by State Administration of Press, Publication, Radio, Film and Television (國家新聞出版廣電總局), the box office in Mainland China in 2014 achieved RMB29.6 billion, represented year-on-year growth of 36%. Before completion of the first three quarters of 2015, the box office had already broken through RMB30.0 billion. Given the sustainable growth in the box office in Mainland China, we believe that there is a great potential market for the development of our film and TV programmes production and investment business as well as for the benefit of the growth of traditional markets of TV commercials and featured films post production in Mainland China.

We also expect the newly set up visual special effect production house in Beijing will continue to grow as featured films in the Mainland China are expected to contain more visual special substance and bring in additional contribution to the Group in the foreseeable future.

Nevertheless, we are still facing a challenging year ahead with uncertain recovery in market sentiment for the retail sector. The Group continues to be cautious in the selection of stories and scripts for the production and investment of our films and TV programmes. Stringent measures are also continuously adopted in the cost control and risk management for the Group's different business segments.

In addition, the Group is always on lookout for different entertainment related investment opportunities in the market.

Disposal of subsidiaries and a joint venture

During the Year, the Group disposed of certain subsidiaries and a joint venture which were principally engaged in artiste management, music production and distribution and entertainment promotion services (the "First Disposal") and some inactive subsidiaries (the "Second Disposal") at total consideration of HK\$0.8 million and resulted in gain on disposals of HK\$6.3 million. The First Disposal and the Second Disposal were completed on 22 October 2014 and 30 June 2015 respectively. Details of the First Disposal were set out in the Company's announcement dated 22 October 2014.

On 11 May 2015, the Group entered into a sale and purchase agreement with an independent third party to dispose of the entire interest of an indirect wholly-owned subsidiary, which is a property holding company, at a consideration of HK\$52.0 million. The transaction is expected to be completed on 30 September 2015 (or such later date as both parties may agree) and a gain on disposal of HK\$32.1 million will be resulted upon its completion.

Acquisition of subsidiaries

On 22 October 2014, the Group entered into a sale and purchase agreement for acquisition of 60% equity interest of Lucrative Skill Holdings Limited at a consideration equivalent to 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 (the “Acquisition”). The Acquisition was completed on 28 January 2015 and the purchase consideration was booked as HK\$168.0 million which represents the fair value of the 350,000,000 consideration shares at the closing price of the Company’s share of HK\$0.48 each on the completion date. Details of the Acquisition were set out in the Company’s circular dated 31 December 2014. Lucrative Skill Group is principally engaged in conducting post production work on advertisements, featured films, TV programmes, music videos, internet and mobile applications content, visual matters on corporate events, etc.

Placing of shares and capital structure

On 4 June 2015, the Company completed the placing of 368,880,000 shares of the Company at an issue price of HK\$0.81 per share (the “Placing”) and received a net proceed of HK\$291.2 million. The net proceeds from the Placing is currently retained at the bank and will be used for investment and general working capital of the Group including the film investment production projects and for its newly acquired post production business and financing any business opportunities identified by the Group for its expansion of business. Details of the Placing were set out in the Company’s announcement dated 11 May 2015.

Upon completion of the Acquisition and the Placing, the number of the Company’s ordinary shares was increased from 1,494,460,890 shares to 2,213,340,890 shares and its share capital and share premium were increased to HK\$22.1 million and HK\$733.0 million (2014: HK\$14.9 million and HK\$281.0 million) respectively.

Use of proceeds

In the prior year, the Company raised a net proceed of HK\$294.5 million from the rights issue by way of issuing 1,345,014,801 ordinary shares at the subscription price of HK\$0.228 per right share on the basis of nine right shares for every one ordinary share held on 14 May 2014 (the “Rights Issue”), being the record date of which entitlements to the Rights Issue are determined. During the Year, the Group had used HK\$267.4 million of the net proceeds as intended for its existing businesses such as film production and investment, post production service, event production as well as investment in securities and the remaining balance of HK\$27.1 million was retained at the bank at the end of the reporting period.

Financial review and liquidity

As at 30 June 2015, the Group's net assets amounted to HK\$857.9 million, as compared with HK\$484.4 million as of 30 June 2014. The current ratio, representing current assets divided by current liabilities, was 8.44 (2014: 11.10).

The Group's cash and bank balances as at 30 June 2015 amounted to HK\$411.5 million (2014: HK\$398.2 million).

At the end of the reporting period, the Group had total borrowings of HK\$53.5 million (2014: HK\$10.0 million) which comprised the amounts due to related companies of HK\$21.6 million (2014: Nil), the amount due to a director of HK\$1.5 million (2014: Nil), the amount due to non-controlling interests of HK\$27.2 million (2014: Nil), the obligations under finance lease of HK\$0.2 million (2014: Nil) as well as the bank borrowings of HK\$3.0 million (2014: HK\$10.0 million). The amounts due to the related companies, director and non-controlling interests were principally denominated in Hong Kong dollars and unsecured, interest-free and repayable on demand. The bank borrowings were denominated in Hong Kong dollars while the obligation under finance lease was denominated in Renminbi, both of which were secured, interest-bearing and had fixed repayment term. The gearing ratio, as a ratio of total borrowings over total assets was 0.06 (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 being claimed by the financial institution concerned. Details of the claim has been disclosed in point 2 under the section with heading "Major litigation and arbitration proceedings" below.

Exposure of fluctuation exchange rates and related hedges

The Group's cash and bank balances, income and expenditure are primarily denominated in Hong Kong dollars and Renminbi. The carrying amount of the Group's Renminbi denominated monetary assets was only less than 10% of the Group's net assets at the end of the reporting period. In addition, the exchange rate of Hong Kong dollars against Renminbi was relatively stable during the Year, even considering the abrupt devaluation of Renminbi by the PRC government subsequent to the end of the reporting period, and therefore the Group's exposure to fluctuations in exchange rates was insignificant.

The Group will closely monitor the foreign currency exposure and may consider to arrange for hedging facilities when it is necessary.

Employees and remuneration policy

As at 30 June 2015, the Group had 162 employees (2014: 27). Total staff costs including the Directors' remuneration for the Year were HK\$17.7 million (2014: HK\$13.0 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 retirement benefit schemes, in-house training programme, medical insurance scheme and discretionary bonuses.

Pledge of assets

As at 30 June 2015, certain assets of the Group with an aggregate carrying value of HK\$19.7 million (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 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 will also continue to pursue the Third Party Proceedings against Mr. Lee Chun Kwok and Mr. Fong Wing Seng.

FINAL DIVIDEND

The Directors of the Company did not recommend the payment of a final dividend for the year ended 30 June 2015 (2014: Nil).

REVIEW OF ANNUAL RESULTS

The annual results for the Year had been reviewed by the audit committee of the Company. The audit committee had also reviewed with management and the external auditor, HLB Hodgson Impey Cheng Limited, the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the Group's audited annual financial statements for the Year. The audit committee was satisfied that the audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position as at 30 June 2015 and the annual results for the Year.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

CORPORATE GOVERNANCE

Corporate Governance Code

The Company has complied throughout the Year with all the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules.

Detailed information of the Company's corporate governance practices as set out in the Corporate Governance Report will be included in the Company's annual report to be dispatched to the shareholders in due course.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry to the Directors of the Company, all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Year.

PUBLICATION OF THE AUDITED ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the designated websites of the Stock Exchange at www.hkexnews.hk and the Company at www.irasia.com/listco/hk/see. The annual report of the Company for the Year containing all the information required by the Listing Rules will be dispatched to the shareholders and available on the same websites in due course.

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

Hong Kong, 23 September 2015

As at the date hereof, the Board comprises as follows:

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