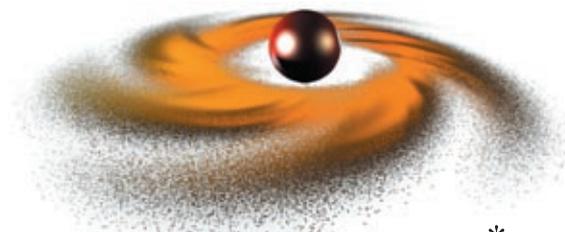


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漢傳媒集團有限公司*

SEE CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 491)

**ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 30 JUNE 2009**

The Board of Directors (the “Board”) 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 2009, together with the comparative figures for the previous year, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2009

| | Notes | 2009 HK\$'000 | 2008 HK\$'000 |
|--|-------|--------------------------|--------------------------|
| Turnover | 4 | 55,455 | 40,455 |
| Cost of sales | | <u>(44,486)</u> | <u>(26,740)</u> |
| Gross profit | | 10,969 | 13,715 |
| Other revenue | | 1,306 | 7,596 |
| Other income | | – | 117 |
| Distribution costs | | (9,240) | (4,226) |
| Administrative expenses | | (37,333) | (47,765) |
| Other operating expenses | | (28,608) | (47,082) |
| Change in fair value of financial assets at fair value through profit or loss | | <u>(201,088)</u> | <u>89,919</u> |
| (Loss)/profit from operations | 6 | (263,994) | 12,274 |
| Impairment loss recognised in respect of goodwill | | – | (1,092) |
| Finance costs | 7 | (20,479) | (20,468) |
| Gain on disposal of subsidiaries | | <u>–</u> | <u>2,082</u> |
| Loss before taxation | | (284,473) | (7,204) |
| Taxation | 8 | <u>–</u> | <u>–</u> |
| Loss for the year | | <u>(284,473)</u> | <u>(7,204)</u> |
| Attributable to: | | | |
| Equity holders of the Company | | (284,473) | (7,204) |
| Minority interests | | <u>–</u> | <u>–</u> |
| | | <u>(284,473)</u> | <u>(7,204)</u> |
| Loss per share attributable to equity holders of the Company | | | |
| Basic and diluted | 9 | <u>HK\$(0.15)</u> | <u>HK\$(0.01)</u> |

CONSOLIDATED BALANCE SHEET

At 30 June 2009

| | <i>Notes</i> | 2009 <i>HK\$'000</i> | 2008 <i>HK\$'000</i> |
|--|--------------|--------------------------------|-------------------------|
| Non-current assets | | | |
| Intangible assets | | 33 | 49 |
| Leasehold land | | 14,246 | 14,263 |
| Property, plant and equipment | | 9,505 | 10,246 |
| Interests in associates | | 26,583 | 72,365 |
| Goodwill | | – | – |
| | | <u>50,367</u> | <u>96,923</u> |
| Current assets | | | |
| Film rights | | 31,986 | 13,894 |
| Film production in progress | | 119,465 | 106,149 |
| Music production in progress | | 370 | 676 |
| Inventories | | 224 | 400 |
| Trade and other receivables, deposits and prepayments | 10 | 13,691 | 50,713 |
| Financial assets at fair value through profit or loss | | 54,929 | 256,017 |
| Pledged bank deposits | | – | 763 |
| Cash and bank balances | | 31,547 | 46,168 |
| | | <u>252,212</u> | <u>474,780</u> |
| Assets held for sale | | 45,782 | – |
| | | <u>297,994</u> | <u>474,780</u> |
| Less: Current liabilities | | | |
| Trade and other payables | 11 | 64,881 | 17,561 |
| Short-term loan – unsecured | | – | 5,742 |
| Bank overdraft – secured | | 9,995 | 9,938 |
| Convertible notes | | 99,325 | – |
| | | <u>174,201</u> | <u>33,241</u> |
| Net current assets | | <u>123,793</u> | <u>441,539</u> |
| Total assets less current liabilities | | <u>174,160</u> | <u>538,462</u> |
| Less: Non-current liabilities | | | |
| Convertible notes | | 170,784 | 250,613 |
| Net assets | | <u>3,376</u> | <u>287,849</u> |
| Equity | | | |
| Capital and reserves attributable to the Company's equity holders | | | |
| Share capital | | 19,388 | 19,388 |
| Reserves | | (16,012) | 268,461 |
| | | <u>3,376</u> | <u>287,849</u> |
| Minority interests | | – | – |
| | | <u>3,376</u> | <u>287,849</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 June 2009

1. CORPORATE INFORMATION

The Company was incorporated in Bermuda on 27 March 1992 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The address of the registered office of the Company is Clarendon House, Church Street, Hamilton HM11, Bermuda and the address of the principal place of business of the Company is Office D & E, 20th Floor, EGL Tower, No. 83 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning 1 July 2008.

| | |
|--|--|
| HKAS 39 & HKFRS 7 (Amendments) | Reclassification of Financial Assets |
| HK(IFRIC)-Int 9 & HKAS 39 (Amendments) | Embedded Derivatives |
| HK(IFRIC)-Int 12 | Service Concession Arrangements |
| HK(IFRIC)-Int 13 | Customer Loyalty Programmes |
| HK(IFRIC)-Int 14 | HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

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

| | |
|--------------------------------|--|
| HKFRSs (Amendments) | Improvements to HKFRSs 2008 ¹ |
| HKFRSs (Amendments) | Improvements to HKFRSs 2009 ² |
| HKAS 1 (Revised) | Presentation of Financial Statements ³ |
| HKAS 23 (Revised) | Borrowing Costs ³ |
| HKAS 27 (Revised) | Consolidated and Separate Financial Statements ⁴ |
| HKAS 32 & 1 (Amendments) | Puttable Financial Instruments and Obligations Arising on Liquidation ³ |
| HKAS 39 (Amendments) | Eligible Hedged Items ⁴ |
| HKFRS 1 & HKAS 27 (Amendments) | Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate ³ |
| HKFRS 1 (Amendment) | Additional Exemptions for First-time Adopter ⁵ |
| HKFRS 2 (Amendment) | Share-based Payment – Vesting Conditions and Cancellations ³ |
| HKFRS 2 (Amendment) | Group Cash-settled Share-based Payment Transaction ⁵ |
| HKFRS 3 (Revised) | Business Combinations ⁴ |
| HKFRS 7 (Amendment) | Improving Disclosures about Financial Instruments ³ |
| HKFRS 8 | Operating Segments ³ |
| HK(IFRIC) – Int 15 | Agreements for the Construction of Real Estate ³ |
| HK(IFRIC) – Int 16 | Hedges of a Net Investment in a Foreign Operation ⁶ |
| HK(IFRIC) – Int 17 | Distribution of Non-cash Assets to Owners ⁴ |
| HK(IFRIC) – Int 18 | Transfer of Assets from Customers ⁷ |

¹ Effective for annual periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate.

³ Effective for annual periods beginning on or after 1 January 2009

⁴ Effective for annual periods beginning on or after 1 July 2009

⁵ Effective for annual periods beginning on or after 1 January 2010

⁶ Effective for annual periods beginning on or after 1 October 2008

⁷ Effective for transfers on or after 1 July 2009

The Group is in the process of assessing the potential impact of these new HKFRSs but is not yet in position to determine whether these new HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented.

3. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which is a collective term that includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”), and Interpretations (“Ints”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include 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. The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies.

4. TURNOVER

Turnover of the Group represents revenue from (i) film and TV programme production, (ii) event production, (iii) artiste and model management, (iv) music production and (v) investment in securities. The amounts of each significant category of turnover recognised during the year are as follows:

| | The Group | |
|--|--------------------------------|--------------------------------|
| | 2009 <i>HK\$’000</i> | 2008 <i>HK\$’000</i> |
| Turnover | | |
| Film and TV programme production | 44,440 | 24,670 |
| Event production | 1,264 | 519 |
| Artiste and model management | 8,690 | 12,531 |
| Music production | 1,061 | 354 |
| Net gains from the sale of investments at fair value through profit or loss, net (<i>note i</i>) | – | 2,381 |
| | 55,455 | 40,455 |

Note:

- (i) No sale of investments at fair value through profit or loss noted during the year. Net gains from the sale of investments at fair value through profit or loss in 2008 represents the proceeds from the sale of investments at fair value through profit or loss of HK\$36,696,000 less the cost of sales and carrying amount of the investments sold of HK\$34,315,000.

5. SEGMENT INFORMATION

(a) Business segments

Business segment information is chosen as the primary reporting format because this is more relevant to the Group’s internal financial reporting.

The following table presents revenue and results, certain assets, liabilities and expenditures information for the Group's business segments of 2009:

| | Film and TV programme production <i>HK\$'000</i> | Event production <i>HK\$'000</i> | Artiste and model management <i>HK\$'000</i> | Music production <i>HK\$'000</i> | Investment in securities <i>HK\$'000</i> | Others <i>HK\$'000</i> | Consolidated <i>HK\$'000</i> |
|---|---|--|---|--|--|---------------------------|---------------------------------|
| Segment revenue | <u>44,440</u> | <u>1,264</u> | <u>8,690</u> | <u>1,061</u> | <u>-</u> | <u>-</u> | <u>55,455</u> |
| Segment results | <u>7,701</u> | <u>18</u> | <u>3,138</u> | <u>112</u> | <u>-</u> | <u>-</u> | <u>10,969</u> |
| Interest income and unallocated gains | | | | | | | 1,306 |
| Distribution costs | (6,188) | (537) | (315) | (2,152) | | (48) | (9,240) |
| Administrative expenses | (9,730) | (1,438) | (5,768) | (310) | | (20,087) | (37,333) |
| Other operating expenses | (20,791) | - | (2,102) | (696) | - | (5,019) | (28,608) |
| Change in fair value of financial assets at fair value through profit or loss | - | - | - | - | (201,088) | - | (201,088) |
| Loss from operations | | | | | | | (263,994) |
| Finance costs | | | | | | | (20,479) |
| Loss before taxation | | | | | | | (284,473) |
| Taxation | | | | | | | - |
| Loss for the year | | | | | | | <u>(284,473)</u> |
| Segment assets | <u>166,388</u> | <u>241</u> | <u>4,260</u> | <u>356</u> | <u>54,929</u> | <u>122,187</u> | <u>348,361</u> |
| Segment liabilities | <u>23,738</u> | <u>10,199</u> | <u>7,683</u> | <u>1,011</u> | <u>-</u> | <u>302,354</u> | <u>344,985</u> |
| Other segment information: | | | | | | | |
| Capital expenditures | 115 | - | 85 | - | - | 1,323 | 1,523 |
| Depreciation | 212 | 130 | 170 | - | - | 615 | 1,127 |
| Amortisation | - | - | 16 | - | - | 17 | 33 |
| Impairment loss recognised in respect of: | | | | | | | |
| Trade and other receivables, deposits and prepayments | 923 | - | 2,102 | 165 | - | 5,019 | 8,209 |
| Write down on: | | | | | | | |
| Film rights | 19,868 | - | - | - | - | - | 19,868 |
| Music production in progress and inventories | - | - | - | 531 | - | - | 531 |

The following table presents revenue and results, certain assets, liabilities and expenditures information for the Group's business segments of 2008:

| | 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 | Others HK\$'000 | Consolidated HK\$'000 |
|--|--|---------------------------------|--|---------------------------------|---|--------------------|--------------------------|
| Segment revenue | <u>24,670</u> | <u>519</u> | <u>12,531</u> | <u>354</u> | <u>2,381</u> | <u>-</u> | <u>40,455</u> |
| Segment results | <u>7,897</u> | <u>382</u> | <u>3,011</u> | <u>44</u> | <u>2,381</u> | <u>-</u> | <u>13,715</u> |
| Interest income and unallocated gains | | | | | | | 7,713 |
| Distribution costs | (2,189) | - | (1,507) | (402) | - | (128) | (4,226) |
| Administrative expenses | (8,854) | (2,120) | (9,750) | (559) | - | (26,482) | (47,765) |
| Other operating expenses | (38,125) | - | (2,020) | (3,414) | - | (3,523) | (47,082) |
| Change in fair value of financial assets at fair value through profit or loss | - | - | - | - | 89,919 | - | <u>89,919</u> |
| Profit from operations | | | | | | | 12,274 |
| Impairment loss recognised in respect of goodwill | | | | | | | (1,092) |
| Finance costs | | | | | | | (20,468) |
| Gain on disposal of subsidiaries | | | | | | | <u>2,082</u> |
| Loss before taxation | | | | | | | (7,204) |
| Taxation | | | | | | | <u>-</u> |
| Loss for the year | | | | | | | <u>(7,204)</u> |
| Segment assets | <u>134,719</u> | <u>387</u> | <u>3,030</u> | <u>1,609</u> | <u>256,017</u> | <u>175,941</u> | <u>571,703</u> |
| Segment liabilities | <u>6,148</u> | <u>11,037</u> | <u>4,197</u> | <u>1,072</u> | <u>-</u> | <u>261,400</u> | <u>283,854</u> |
| Other segment information: | | | | | | | |
| Capital expenditures | 903 | - | 306 | - | - | 33 | 1,242 |
| Depreciation | 107 | 130 | 111 | - | - | 875 | 1,223 |
| Amortisation | 13,183 | - | 16 | - | - | 17 | 13,216 |
| Impairment loss recognised in respect of: | | | | | | | |
| Trade and other receivables, deposits and prepayments | 6,207 | - | 2,020 | - | - | 3,523 | 11,750 |
| Goodwill | - | - | - | - | - | 1,092 | 1,092 |
| Write down on: | | | | | | | |
| Film rights | 28,297 | - | - | - | - | - | 28,297 |
| Film production in progress | 3,621 | - | - | - | - | - | 3,621 |
| Music production in progress and inventories | - | - | - | 3,414 | - | - | <u>3,414</u> |

(b) Geographical segments

In determining the Group's geographical segments, revenue and results are attributed to the segments based on the location of the customers. More than 90% of the Group's assets and liabilities are located in the region of Hong Kong and the People's Republic of China (the "PRC"). Accordingly, analysis of segment assets and liabilities based on the geographical segments has not been disclosed. The following table presents revenue for the Group's geographical segments:

| | For the year ended 30 June 2009 | | | | |
|---------------------------------|--|-----------------------------------|-----------------------------|----------------------------|---------------------------|
| | North America HK\$'000 | Hong Kong HK\$'000 | The PRC HK\$'000 | Others HK\$'000 | Total HK\$'000 |
| Revenue from external customers | <u>–</u> | <u>23,057</u> | <u>30,034</u> | <u>2,364</u> | <u>55,455</u> |
| | For the year ended 30 June 2008 | | | | |
| | North America HK\$'000 | Hong Kong HK\$'000 | The PRC HK\$'000 | Others HK\$'000 | Total HK\$'000 |
| Revenue from external customers | <u>10</u> | <u>38,777</u> | <u>1,308</u> | <u>360</u> | <u>40,455</u> |

6. (LOSS)/PROFIT FROM OPERATIONS

| | 2009 HK\$'000 | 2008 HK\$'000 |
|--|--------------------------|--------------------------|
| (Loss)/profit from operations is stated after (crediting)/charging: | | |
| Cost of inventories (included in cost of sales) | 949 | 310 |
| Amortisation of film rights (included in cost of sales) | 36,540 | 13,183 |
| Auditors' remuneration | 600 | 600 |
| Amortisation of trademark | 16 | 16 |
| Amortisation of leasehold land | 17 | 17 |
| Depreciation of property, plant and equipment | 1,127 | 1,223 |
| Operating lease in respect of | | |
| – land and buildings | 3,299 | 2,013 |
| – subleased land and buildings | 1,375 | 3,041 |
| Impairment loss recognised in respect of trade and other receivables, deposits and prepayments | 8,209 | 11,750 |
| Write down on film production in progress | – | 3,621 |
| Write down on film rights | 19,868 | 28,297 |
| Write down on inventories | 531 | 2,784 |
| Write down on music production in progress | – | 630 |
| Loss on disposal of property, plant and equipment | 1,137 | 369 |
| Change in fair value of financial assets at fair value through profit or loss | 201,088 | (89,919) |

7. FINANCE COSTS

| | 2009 <i>HK\$'000</i> | 2008 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Interest on: | | |
| Bank borrowings wholly repayable – within five years | 548 | 684 |
| Short-term borrowings | 284 | 3,910 |
| Imputed interest on convertible notes | 19,496 | 15,732 |
| Others | 151 | 142 |
| | <u>20,479</u> | <u>20,468</u> |

8. TAXATION

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries incurred taxation loss for the year (2008: Nil).

As at 30 June 2009, the Group had unused tax losses of approximately HK\$163 million (2008: HK\$130 million) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

No provision for deferred tax liabilities has been made as the Group and the Company had no material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

9. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic loss per ordinary share attributable to equity holders of the Company is based on the following data:

| | 2009 <i>HK\$'000</i> | 2008 <i>HK\$'000</i> |
|---|--------------------------------------|--------------------------------------|
| Loss attributable to equity holders of the Company for the purpose of basic loss per ordinary share | <u>284,473</u> | <u>7,204</u> |
| | Number of shares '000 | Number of shares '000 |
| Weighted average number of ordinary shares for the purpose of basic loss per share | <u>1,938,802</u> | <u>1,462,912</u> |

The weighted average number of ordinary shares for the purpose of basic loss per share for the year ended 30 June 2009 is equal to the number of issued and fully paid capital as at 30 June 2009.

The weighted average number of ordinary shares for the purpose of basic loss per share for the year ended 30 June 2008 has been adjusted for the rights issue on 15 November 2007.

For the year ended 30 June 2008 and 30 June 2009, diluted loss per share is the same as the basic loss per share as the outstanding convertible notes had anti-dilutive effect on the basic loss per share.

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

At 30 June 2009, the balances of trade and other receivables, deposits and prepayments included trade receivables of approximately HK\$9,367,000 (2008: HK\$5,210,000). An aged analysis of trade receivables prepared on the basis of sales invoice date is as follows:

| | The Group | |
|--|---------------------|---------------------|
| | 2009 | 2008 |
| | HK\$'000 | HK\$'000 |
| 0 to 90 days | 6,192 | 3,978 |
| 91 to 180 days | 446 | 439 |
| 181 days or above | 10,159 | 10,076 |
| | <u>16,797</u> | <u>14,493</u> |
| Less: Impairment loss recognised in respect of trade receivables | (7,430) | (9,283) |
| | <u>9,367</u> | <u>5,210</u> |
| Total | <u><u>9,367</u></u> | <u><u>5,210</u></u> |

Trade receivable of approximately HK\$2,729,000 (2008: HK\$1,130,000) that were past due which over 180 days but not impaired for. These balances related to a number of customers that have good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

Trade receivables of approximately HK\$7,430,000 (2008: HK\$9,283,000) that were past due over 180 days and impaired for. In determining the recoverability of trade receivables, the directors of the Company considered any change in the credit quality of the trade receivables from the date credit were initially granted up to the reporting date. Accordingly, the directors of the Company considered provision for impairment in values be made in respect of trade receivables to their recoverable values and believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Movement in the allowance for doubtful debts:

| | The Group | |
|--|---------------------|---------------------|
| | 2009 | 2008 |
| | HK\$'000 | HK\$'000 |
| Beginning of year | 9,283 | 6,107 |
| Write off for the year | (4,899) | – |
| Impairment losses recognised in respect of trade receivables | 3,046 | 3,176 |
| | <u>7,430</u> | <u>9,283</u> |
| End of year | <u><u>7,430</u></u> | <u><u>9,283</u></u> |

11. TRADE AND OTHER PAYABLES

At 30 June 2009, the balances of trade and other payables included trade payables of approximately HK\$13,270,000 (2008: HK\$1,978,000). The following is an aged analysis of trade payables at the balance sheet date:

| | 2009 | 2008 |
|------------------|----------------------|---------------------|
| | HK\$'000 | HK\$'000 |
| 0 to 90 days | 6,564 | 264 |
| 91 days or above | 6,706 | 1,714 |
| | <u>13,270</u> | <u>1,978</u> |
| | <u><u>13,270</u></u> | <u><u>1,978</u></u> |

The directors of the Company considered that the carrying amounts of the trade and other payables were approximate to their fair values.

COMMENTARY ON ANNUAL RESULTS

Results

The Group's total turnover during the year ended 30 June 2009 was HK\$55.5 million, an increase of 37 percent on the figure of HK\$40.5 million for the financial year in 2008. The Group's gross profit was HK\$11.0 million, compared with HK\$13.7 million in the previous year. The increase in turnover was mainly due to more films were released during the year than that of last year.

Meanwhile, the Group recorded a loss from operations of approximately HK\$264.0 million during the year under review, compared with the profit from operations of approximately HK\$12.3 million in the previous year. The significant increase in the loss from operations was mainly contributed by the substantial decrease in fair value of the Group's investments in listed equity securities due to downturn of the financial market. As a result, the loss for the year of the Group increased significantly to HK\$284.5 million from the 2008 figure of HK\$7.2 million.

The loss attributable to equity holders was HK\$284.5 million, compared with the HK\$7.2 million loss in previous year. The loss per share for the year ended 30 June 2009 was HK\$0.15, compared with HK\$0.01 in fiscal year 2008.

REVIEW OF OPERATIONS

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

Film and TV programme production

The Group derived a turnover of HK\$44.4 million from film and TV programme production activities during the year ended 30 June 2009, a 80 percent increase on the figure of HK\$24.7 million for the previous year. The gross profit derived from these activities was HK\$7.7 million, compared with HK\$7.9 million in fiscal year 2008. Turnover of this segment for the year was mainly contributed by the six films and one TV programme released during the year, namely "The Way We Are – 天水圍的日與夜", "The Forbidden Legend: Sex & Chopsticks – 金瓶梅", "The Vampire Who Admires Me – 有隻僵屍暗戀你", "The Forbidden Legend: Sex & Chopsticks II – 金瓶梅 II", "I corrupt all cops – 金錢帝國" and "Night and Fog – 天水圍的夜與霧", respectively for films and "The Kung Fu Master Huang Fei Hong – 仁者黃飛鴻" for TV programme.

As of 30 June 2009, the total net book value of the Group's film rights stood at HK\$32.0 million. The write down on film rights during the year amounted to HK\$19.9 million. The Group's total film and TV programme production in progress as of 30 June 2009 were amounted to HK\$119.5 million. Films, including "On his majesty's secret service – 大內密探靈靈狗" and "The future x-cop – 未來警察" will be released in the second half of 2009. Other films and TV programmes including "Colour of Justice – 黑白戰警" and "The Underdog Knight – 硬漢" for films, "Rough Justice – 十大奇冤" and "The Dragon Gate – 龍門驛站" for TV programmes are expected to be released in 2010.

Music production

The Group released seven new music albums during the year, namely “今天 將來” by JJ 賈曉晨, “真心唱歌” by 高皓正, “Ladies Nite” by EO2, “Just Go” by 狄易達, “海盜啤” by 啤梨 – 葉文輝, “少女大帝” and “Bear label kids’ songs Vol.1” by various artistes.

The turnover of the Group’s music album production business during the year was HK\$1.1 million, compared with HK\$0.4 million in fiscal year 2008.

Although music production only accounts for a small portion of the Group’s total earnings, the Group will continue to produce music albums for our artistes as it will boost the popularity of our artistes as well as the Group’s image.

Event production

The Group organised a number of events during the year, these mainly included promotional activities, live music shows and fashion shows featured with the Group’s artistes and models. Turnover from the event production for the year were HK\$1.3 million compared with the previous year’s figure of HK\$0.5 million.

Artiste and model management

The Group continued to manage a group of popular artistes and models including Meng Yao, JJ 賈曉晨, 高皓正, Annie Man, Yedda Chao, EO2 and 狄易達.

Turnover and gross profit of the artiste and model management operation for the year were HK\$8.7 million and HK\$3.1 million respectively, compared with the previous year’s figures of HK\$12.5 million and HK\$3.0 million.

Pay TV operation

The operating result of TVB Pay Vision, a paid TV operator in which the Group holds a 49% interest, improved in 2009 as a result of the increase in its number of subscribers. Turnover of TVB Pay Vision grew by 8 percent to HK\$275.2 million from HK\$255.1 million during the 12 months up to 30 June 2009, and its net loss in the same period declined by 11 percent from HK\$239.8 million to HK\$213.5 million. The Group’s share of loss of TVB Pay Vision were nil in both fiscal 2008 and fiscal 2009.

On 30 June 2009, the Group entered into a sale and purchase agreement for the disposal of 31% interest out of the 49% interest in TVB Pay Vision (the “Disposal”) held by the Group at a cash consideration of approximately HK\$212.7 million. Upon completion of the Disposal, a disposal gain of approximately HK\$165.9 million is expected to be recorded in next financial year and the remaining 18% interest in TVB Pay Vision will be accounted for as an investment by the Group.

Investment in securities

Turnover of the investment in securities operation for the year were nil compared with HK\$2.4 million in fiscal 2008. The carrying value of the total segment assets of the investment in securities operation as at 30 June 2009 and 2008 were HK\$54.9 million and HK\$256.0 million, respectively.

GEOGRAPHICAL REVIEW

During the year under review, 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\$23.1 million and HK\$30.0 million, respectively, representing 42 percent and 54 percent of our total turnover.

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 continuous opening up 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 the current global economic uncertainties caused by the global financial turmoil. We are cautiously optimistic in 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 30 June 2009, the Group's net assets amounted to HK\$3.4 million, compared with HK\$287.8 million on the same date last year. The current ratio, representing current assets divided by current liabilities was 1.7. The Group's cash and bank balances amounted to HK\$31.5 million on the balance sheet date. The Group issued convertible notes for principal amounts of HK\$170 million and HK\$100 million in August 2005 and in December 2007, respectively. On 30 June 2009, the fair value of the liability component of these convertible notes was approximately HK\$249.9 million. At the balance sheet date, the Group had a short-term bank borrowing of approximately HK\$10.0 million. The gearing ratio, as a ratio of total borrowings over total assets was 0.8.

In the event that the Group requires additional funds for further development of the Group's existing business/new investments when suitable opportunities arise/repayment of its future financial obligations, the Board will consider to carry out equity fund raising activities and/or dispose of the Group's existing assets. In particular, the Group may consider to dispose of its remaining equity interests in TVBP and/or its existing investments in listed securities when favorable market conditions arise.

The Group had contingent liabilities of HK\$24 million on the balance sheet date, mainly as a result of a corporate guarantee provided to a financial institution in respect of banking facilities granted to former subsidiaries. HK\$5.5 million of the banking facilities were utilized by those former subsidiaries and this amount was subject to a claim by the financial institution concerned.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES AND RELATED HEDGES

During the year, the revenue and cost for film and TV programme production, music album production, event production, artiste and model management services and investment in securities were mainly dominated in Renminbi and Hong Kong dollars. Borrowings in terms of loans and convertible notes were denominated in Hong Kong dollars.

As the exchange rates of Hong Kong dollars against Renminbi were relatively stable during the year, the Group's exposure to fluctuations in exchange rates was minimal.

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

EMPLOYEE SCHEMES

As at 30 June 2009, the Group has 53 employees (All based in Hong Kong). 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 the assessment of individual performances.

PLEDGE OF ASSETS

As at 30 June 2009, certain assets of the Group with aggregate carrying value of HK\$21 million (2008: HK\$21 million) were pledged to secure banking facilities granted to the Company.

MAJOR LITIGATION AND ARBITRATION PROCEEDINGS

1. The Company and its ex-subsiary, P.N. Electronics Ltd. ("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 arbitration proceedings have been dormant for a substantial period of time.
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. 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).

The Company will 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. BII Finance has not taken any steps to progress with the action since June 2006.

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.

DIVIDENDS

The directors do not recommend the payment of a final dividend for the year ended 30 June 2009 (2008: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year, save and except as hereinafter mentioned, the Company has complied with all the code provisions as set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 to the Listing Rules.

On 10 November 2008, Mr. Fong Shing Kwong, Michael resigned as an independent non-executive director of the Company due to his other business and personal commitments, and ceased to be a member of the audit committee and the remuneration committee on the same date. The Company then had two independent non-executive directors and two audit committee members, the number of which fell below the minimum number required under Rules 3.10(1) and 3.21 of the Listing Rules. However, the Company complies with the requirements of Rule 3.10(2) and second part of Rule 3.21 in which one of the independent non-executive directors has the professional qualifications as required under Rule 3.10(2) of the Listing Rules.

Mr. Heung Pik Lun was appointed as an independent non-executive director and a member of the audit committee and the remuneration committee of the Company with effect from 20 March 2009. Save for the period from Mr. Fong's resignation to the appointment of Mr. Heung, the Company has at least three independent non-executive directors and three audit committee members throughout the year ended 30 June 2009.

Pursuant to code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. However, the Chairman of the Board was absent from the annual general meeting ("AGM") due to his prior business engagement and has designated Mr. Wong Yat Cheung, who resigned as the Managing Director with effect from 8 June 2009 but continued to act as the Executive Director, to attend the AGM on his behalf. Mr. Wong Yat Cheung together with other directors maintained an on-going dialogue with shareholders and answered all questions raised by the shareholders throughout the AGM.

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 despatched to the shareholders in due course.

REVIEW OF ANNUAL RESULTS

The annual results for the year have been reviewed by the audit committee of the Company. The audit committee has also reviewed with management and the external auditors 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 financial year ended 30 June 2009.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the designated website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.irasia.com/listco/hk/see. The annual report of the Company for the year ended 30 June 2009 containing all the information required by the Listing Rules will be despatched to the shareholders and available on the same websites in due course.

APPRECIATION

The directors would like to express its gratitude to all employees for their diligence and contribution. At the same time, the directors are also thankful for the support they have received from all the customers, suppliers and shareholders of the Group.

By Order of the Board of
See Corporation Limited
Mr. Wong Yat Cheung
Executive Director

Hong Kong, 5 October 2009

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Dr. Allan Yap (*Chief Executive Officer*)

Mr. Wong Yat Cheung

Independent Non-executive Directors:

Mr. Li Fui Lung, Danny

Mr. Ng Hoi Yue, Herman

Mr. Heung Pik Lun

* *for identification purpose only*