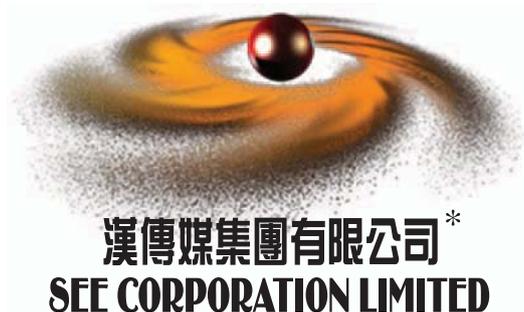


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(Incorporated in Bermuda with limited liability)

(Stock Code: 491)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

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 2016 (the “Period”) together with the comparative figures for the corresponding period in 2015.

* *for identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2016

		Six months ended 31 December	
		2016	2015
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
Continuing operations			
Revenue	3	33,742	13,568
Cost of sales		<u>(23,714)</u>	<u>(8,475)</u>
Gross profit		10,028	5,093
Other revenue		6,450	3,454
Distribution costs		(3,938)	(2,345)
Administrative expenses		(16,372)	(12,054)
Other operating expenses	4	(51,580)	(11,397)
Change in fair value of financial assets at fair value through profit or loss		<u>2,975</u>	<u>(19,874)</u>
Loss from continuing operations	4	(52,437)	(37,123)
Gain on disposal of interests in associates	11	34,825	–
Finance costs		<u>(6)</u>	<u>(6)</u>
Loss before taxation from continuing operations	3	(17,618)	(37,129)
Taxation		<u>–</u>	<u>–</u>
Loss for the period from continuing operations		(17,618)	(37,129)
Discontinued operation			
Loss for the period from discontinued operation	5	<u>–</u>	<u>(21,955)</u>
Loss for the period		<u>(17,618)</u>	<u>(59,084)</u>
Other comprehensive loss for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>(4,089)</u>	<u>(5,581)</u>
Other comprehensive loss for the period		<u>(4,089)</u>	<u>(5,581)</u>
Total comprehensive loss for the period		<u>(21,707)</u>	<u>(64,665)</u>

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

For the six months ended 31 December 2016

	Six months ended 31 December	
	2016	2015
	(Unaudited)	(Unaudited)
<i>Note</i>	HK\$'000	HK\$'000
Loss for the period attributable to:		
Owners of the Company	(14,835)	(48,136)
Non-controlling interests	(2,783)	(10,948)
	<u>(17,618)</u>	<u>(59,084)</u>
Total comprehensive loss for the period attributable to:		
Owners of the Company	(17,413)	(51,293)
Non-controlling interests	(4,294)	(13,372)
	<u>(21,707)</u>	<u>(64,665)</u>
Loss per share attributable to the owners of the Company:		
	7	
From continuing and discontinued operations		
– Basic and diluted	<u>(HK\$0.007)</u>	<u>(HK\$0.022)</u>
From continuing operations		
– Basic and diluted	<u>(HK\$0.007)</u>	<u>(HK\$0.016)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

		As at 31 December 2016 (Unaudited) HK\$'000	30 June 2016 (Audited) HK\$'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		53,060	59,431
Goodwill		106,394	–
Intangible assets		26,932	–
Interests in associates	11	–	–
Deposit paid for acquisition of subsidiaries		–	30,000
		186,386	89,431
Current assets			
Inventories		277	152
Film and TV programme rights		64,592	50,471
Film and TV programme production in progress		208,218	108,173
Investments in film production		17,766	15,647
Trade and other receivables, deposits and prepayments	8	143,209	102,058
Available-for-sale financial asset		60,526	–
Financial assets at fair value through profit or loss		95,454	63,385
Cash and bank balances		207,456	398,515
		797,498	738,401
Current liabilities			
Trade and other payables	9	200,259	38,744
Amount due to non-controlling interests		44,865	37,782
Tax payable		17	17
		245,141	76,543
Net current assets		552,357	661,858
Total assets less current liabilities		738,743	751,289

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	As at	
	31 December	30 June
	2016	2016
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Non-current liability		
Deferred tax liability	<u>405</u>	<u>–</u>
Net assets	<u>738,338</u>	<u>751,289</u>
Capital and reserves		
Share capital	22,133	22,133
Reserves	<u>736,631</u>	<u>754,044</u>
Equity attributable to owners of the Company	758,764	776,177
Non-controlling interests	<u>(20,426)</u>	<u>(24,888)</u>
	<u>738,338</u>	<u>751,289</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2016

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements (the “Interim Financial Statements”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 to 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 should be read in conjunction with the Group’s annual financial statements for the year ended 30 June 2016.

Certain comparative amounts have been reclassified to conform with the current period’s presentation.

2. PRINCIPAL ACCOUNTING POLICIES

The Interim Financial Statements have been prepared on the historical cost basis except for certain financial assets, which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The accounting policies used in the Interim Financial Statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30 June 2016, except as described below.

Available-for-sale financial assets

Available-for-sale (“AFS”) financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

Equity and debt securities held by the Group that are classified as AFS and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to interest income calculated using the effective interest method and changes in foreign exchange rates, if applicable are recognised in profit or loss. Dividends on AFS equity instruments are recognised in profit or loss when the Group’s right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

In the Period, the Group has also applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Accounting Standards (“HKASs”) issued by the HKICPA that are effective for accounting periods beginning on or after 1 July 2016.

HKFRS 11 (Amendments)	Accounting for acquisitions of interests in joint operations
HKAS 1 (Amendments)	Disclosure initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer plants
HKAS 27 (Amendments)	Equity method in separate financial statements
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment entities: Applying the consolidation exception
HKFRSs (Amendments)	Annual improvements to HKFRSs 2012-2014 cycles

The application of the above amendments to HKFRSs during the Period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

The Group has not early applied any new or revised HKFRSs that have been issued but are not yet effective for the current accounting period.

3. SEGMENT INFORMATION

For the purposes of resource allocation and assessment of segment performance, information reported to the Executive Directors, being the Chief Operating Decision Maker (“CODM”), focus 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 purposes of resource allocation and performance assessment, the business activities of the Group are organised into the following operating segments:

- Film and TV programme production and investment and others (including production, distribution and licensing of animated TV episodes and theatrical films)
- Cinema operations
- Event investment and others (including artiste and model management and music production)
- Investment in securities

3. SEGMENT INFORMATION *(Continued)*

The post production service operating segment was discontinued in the preceding financial year upon the disposal of 60% equity interest in Lucrative Skill Holdings Limited and its subsidiaries (collectively referred to as “Lucrative Skill Group”) in April 2016. The segment information reported as below does not include any amounts for this discontinued operation.

Information regarding the Group’s reportable segments from continuing operations is presented as below:

Segment revenue and results

	Six months ended 31 December 2016				Consolidated (Unaudited) HK\$’000
	Film and TV programme production and investment and others (Unaudited) HK\$’000	Cinema operations (Unaudited) HK\$’000	Event investment and others (Unaudited) HK\$’000	Investment in securities (Unaudited) HK\$’000	
Segment revenue	<u>19,167</u>	<u>15,039</u>	<u>-</u>	<u>(464)</u>	<u>33,742</u>
Segment results	<u>2,205</u>	<u>8,287</u>	<u>-</u>	<u>(464)</u>	<u>10,028</u>
Interest income					417
Bond interest income	-	-	-	692	692
Dividend income	-	-	-	4,861	4,861
Unallocated gains					480
Unallocated corporate expenses					(2,604)
Distribution costs	(7)	(3,931)	-	-	(3,938)
Administrative expenses	(2,432)	(11,114)	-	(222)	(13,768)
Other operating expenses	(50,069)	-	-	(1,511)	(51,580)
Change in fair value of financial assets at fair value through profit or loss	-	-	-	2,975	<u>2,975</u>
Loss from continuing operations					(52,437)
Gain on disposal of interests in associates					34,825
Finance costs					<u>(6)</u>
Loss before taxation from continuing operations					<u><u>(17,618)</u></u>

3. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

	Six months ended 31 December 2015				Consolidated (Unaudited) HK\$'000
	Film and TV programme production and investment and others (Unaudited) HK\$'000	Cinema operations (Unaudited) HK\$'000	Event investment and others (Unaudited) HK\$'000	Investment in securities (Unaudited) HK\$'000	
Segment revenue	<u>11,582</u>	<u>1,841</u>	<u>145</u>	<u>–</u>	<u>13,568</u>
Segment results	<u>4,034</u>	<u>1,023</u>	<u>36</u>	<u>–</u>	<u>5,093</u>
Interest income					615
Dividend income	–	–	–	1,940	1,940
Unallocated gains					899
Unallocated corporate expenses					(2,305)
Distribution costs	(13)	(2,332)	–	–	(2,345)
Administrative expenses	(3,728)	(6,019)	(2)	–	(9,749)
Other operating expenses	(11,397)	–	–	–	(11,397)
Change in fair value of financial assets at fair value through profit or loss	–	–	–	(19,874)	<u>(19,874)</u>
Loss from continuing operations					(37,123)
Finance costs					<u>(6)</u>
Loss before taxation from continuing operations					<u><u>(37,129)</u></u>

Segment revenue reported above represents revenue generated from external customers. There is no inter-segment sales for the Period (2015: Nil).

Segment results represent the profit earned by each segment without allocation of corporate gains, central administration costs which mainly include Directors' emoluments and corporate professional fees, and gain on disposal of interest in associates. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

4. LOSS FROM CONTINUING OPERATIONS

	Six months ended 31 December	
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss from continuing operations has been arrived at after charging/(crediting):		
Amortisation of film and TV programme rights (included in cost of sales)	1,338	1,403
Amortisation of intangible assets (included in administrative expenses)	404	–
Cost of investments in film production (included in cost of sales)	15,690	6,145
Depreciation of property, plant and equipment	4,310	961
Decrease in fair value of available-for-sale financial asset on initial recognition*	1,511	–
Impairment loss recognised in respect of film rights and investments in film production*	50,069	11,397
Loss on disposal of property, plant and equipment	–	507
Interest income from:		
– bank deposits	(417)	(615)
– investment in bond	(692)	–
	—————	—————

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

5. DISCONTINUED OPERATION

During the six months ended 31 December 2015, the Group operated the post production service business in Hong Kong and The People’s Republic of China (the “PRC”). As a result of the disposal of 60% equity interest in Lucrative Skill Group in April 2016, the Group ceased the business and therefore this operating segment constituted a discontinued operation. For presentation purpose, the comparative figures of this operating segment in 2015 have been reclassified and grouped into the loss for the period from discontinued operation under the section headed “Discontinued operation” in the condensed consolidated statement of profit or loss and other comprehensive income.

5. DISCONTINUED OPERATION *(Continued)*

Loss for the period from discontinued operation is analysed as follows:

	Six months ended 31 December 2015 (Unaudited) <i>HK\$'000</i>
Revenue	42,720
Cost of sales	<u>(40,735)</u>
Gross profit	1,985
Other revenue	1,035
Distribution costs	(2,188)
Administrative expenses	<u>(22,875)</u>
Loss from operation	(22,043)
Finance costs	<u>(639)</u>
Loss before taxation	(22,682)
Taxation	<u>727</u>
Loss for the period	<u><u>(21,955)</u></u>
Loss for the period attributable to:	
Owners of the Company	(13,854)
Non-controlling interests	<u>(8,101)</u>
	<u><u>(21,955)</u></u>
Loss from discontinued operation has been arrived at after charging/ (crediting):	
Amortisation of intangible assets	2,038
Depreciation of property, plant and equipment	4,399
Gain on disposal of property, plant and equipment	(390)
Interest income from bank deposits	<u>(3)</u>

6. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (2015: Nil).

7. LOSS PER SHARE (Continued)

(b) From continuing operations (Continued)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

For the six months ended 31 December 2016 and 2015, the diluted loss per share for continuing operations was the same as the basic loss per share as there was no dilutive potential ordinary share for both periods.

(c) From discontinued operation

For the six months ended 31 December 2015, the basic and diluted loss per share for discontinued operation was HK\$0.006 (2016: N/A) based on the loss for the period attributable to the owners of the Company from discontinued operation of HK\$13,854,000 (2016: Nil) and the denominators detailed above for both basic and diluted loss per share.

For the six months ended 31 December 2016 and 2015, the diluted loss per share for discontinued operation was the same as the basic loss per share as there was no dilutive potential ordinary share for both periods.

8. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at	
	31 December	30 June
	2016	2016
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Trade receivables, net	20,619	5,544
Other receivables, deposits and prepayments	122,590	96,514
	<u>143,209</u>	<u>102,058</u>

8. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(Continued)*

The Group normally allows an average credit period of 30 to 90 days (30 June 2016: 30 to 180 days) to its trade customers, except for a customer which was given a longer credit period according to the terms of the agreements. The ageing analysis of the trade receivables of the Group based on the invoice date at the end of the reporting period is as follow:

	As at	
	31 December	30 June
	2016	2016
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
0 – 90 days	7,029	5,544
91 – 180 days	–	–
Over 180 days	19,831	6,241
	<u>26,860</u>	<u>11,785</u>
Less: Impairment loss recognised in respect of trade receivables	<u>(6,241)</u>	<u>(6,241)</u>
	<u><u>20,619</u></u>	<u><u>5,544</u></u>

Included in the trade receivable balances are debtors with carrying amounts of HK\$3,940,000 (2015: Nil) that were past due at the end of the reporting period for which the Group had not provided for impairment loss. The Group does not hold any collateral over these balances. The Group's management closely monitors the credit quality of debtors and considers the debtors that are neither past due nor impaired to be of a good credit quality as they have good relationship with and stable repayment patterns to the Group in the previous years.

9. TRADE AND OTHER PAYABLES

	As at	
	31 December	30 June
	2016	2016
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Trade payables	12,261	8,323
Accruals	17,416	12,531
Other payables	15,316	11,502
Deposits received from customers	23,266	6,388
Deposit received for disposal of film rights <i>(note)</i>	56,000	–
Deposit received for share subscription <i>(note 13(a))</i>	76,000	–
	<u>200,259</u>	<u>38,744</u>

9. TRADE AND OTHER PAYABLES (Continued)

Note: The amount represents the total consideration received for disposal of certain film rights. Details of the transactions are set out in the Company's announcement dated 30 November 2016. Shortly after the end of the reporting period, both parties agreed to extend the deadline of delivery of all title documents of the films to 30 April 2017.

The following is the ageing analysis of trade payables of the Group based on invoice date at the end of the reporting period:

	As at	
	31 December	30 June
	2016	2016
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
0 – 90 days	5,686	1,508
Over 90 days	6,575	6,815
	12,261	8,323

10. BUSINESS COMBINATION

Acquisition of Jade Dynasty Multi-Media Limited (“JDMM”)

On 21 July 2016, the Group completed the acquisition of approximately 78.64% of the issued share capital of JDMM from 2 vendors (who are independent third parties) and the shareholder's loan owed by JDMM to one of the vendors at a cash consideration of HK\$142,600,000. JDMM and its subsidiaries (collectively referred to as “JDMM Group”) are principally engaged in production, distribution and licensing of animated TV episodes and theatrical films in Hong Kong, the PRC and overseas countries. Details of the acquisition were disclosed in the Company's announcements dated 4 May 2016 and 21 July 2016.

10. BUSINESS COMBINATION (Continued)

Acquisition of Jade Dynasty Multi-Media Limited (“JDMM”) (Continued)

The following table summaries the consideration paid for this acquisition and the fair value of identifiable assets acquired and liabilities assumed at the date of acquisition.

	(Unaudited) HK\$'000
Property, plant and equipment	188
Intangible assets	27,336
Film and TV programme rights	16,198
Film and TV programme production in progress	9,041
Investment in film production	720
Trade and other receivables, deposits and prepayments	14,893
Cash and bank balances	867
Trade and other payables	(23,876)
Amount due to a shareholder	(3,968)
Deferred tax liability	(405)
	<hr/>
Total identifiable net assets	40,994
Non-controlling interests	(8,756)
Assignment of shareholder's loan	3,968
Goodwill	106,394
	<hr/>
Total cash consideration paid	142,600
	<hr/> <hr/>
Net cash outflow arising from the acquisition:	
Total cash consideration paid	(142,600)
Less: Deposit paid in prior year	30,000
	<hr/>
	(112,600)
Cash and cash equivalent acquired	867
	<hr/>
	(111,733)
	<hr/> <hr/>

JDMM Group was acquired so as to complement the Group's expansion strategy and step into the rapid expansion of animation market.

Acquisition-related costs of HK\$420,000 had been charged to administrative expenses in the unaudited consolidated statement of profit or loss.

10. BUSINESS COMBINATION *(Continued)*

Acquisition of Jade Dynasty Multi-Media Limited (“JDMM”) (Continued)

Included in the Group’s revenue and loss for the Period are HK\$348,000 and HK\$2,065,000 respectively attributable from JDMM Group since the completion date of this acquisition.

Had JDMM Group been consolidated from 1 July 2016, the unaudited consolidated profit or loss would show pro forma revenue of HK\$1,184,000 and loss of HK\$4,713,000.

11. DISPOSAL OF INTERESTS IN ASSOCIATES

On 9 November 2016, the Group completed the disposal of 5% shareholding interest in TVB Pay Vision Holdings Limited and its subsidiaries (collectively referred to as “TVBP Group” which was accounted for as the Group’s associates since the Group had the voting interest of TVBP Group at 42.5% by holding its ordinary shares) to an independent third party at a cash consideration of HK\$35,000,000. At the date of disposal, there was no carrying amount of the interests in associates and so the Group recorded a gain on disposal of HK\$34,825,000 after deduction of the related professional fees of HK\$175,000. TVBP Group is principally engaged in pay television business in Hong Kong. Details of this disposal were set out in the Company’s announcement dated 21 November 2016.

12. CONTINGENT LIABILITIES

- (a) As at 30 June 2004, the Company provided a corporate guarantee in the amount of HK\$24.0 million to a financial institution in respect of banking facilities granted to Welback International Investments Limited and its subsidiaries (“WIIL Group”), HK\$5.5 million of which was utilised by members of WIIL Group and such amount was claimed by the financial institution as disclosed in point (c) below.
- (b) 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.

12. CONTINGENT LIABILITIES *(Continued)*

- (c) 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, 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.

13. EVENTS AFTER THE END OF THE REPORTING PERIOD

(a) Share subscription

On 19 December 2016, the Company entered into a subscription agreement with Giant Lead Profits Limited (“Giant Lead”) which conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 1,000,000,000 shares of the Company at a subscription price of HK\$0.19 per share (the “Subscription”). Pursuant to the subscription agreement, Giant Lead had paid a deposit of HK\$76,000,000 to the Group at the end of the reporting period (see note 9). The Subscription has not yet been completed at the date hereof pending fulfillment of certain conditions precedent. The net proceeds from the Subscription after deduction of the related professional fees and other related expenses are estimated to be HK\$189,500,000. The Group intends to use the net proceeds for enhancement and expansion of cinema operations and for film production and investment or other existing businesses of the Group.

Details of the Subscription were set out in the announcement jointly made by Giant Lead and the Company dated 22 December 2016 and the circular to be issued by the Company.

13. EVENTS AFTER THE END OF THE REPORTING PERIOD *(Continued)*

(b) Possible mandatory conditional cash offer

Upon completion of the Subscription, Giant Lead and its associate will be interested in approximately 34.14% of the issued shares of the Company. Pursuant to Rule 26.1 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong (the “Takeovers Code”), Giant Lead will be required to make a mandatory conditional general offer in cash (the “Offer”) for all the issued shares of the Company other than those already owned and acquired by Giant Lead and its associate (the “Offer Shares”). The offer price for each Offer Share is HK\$0.215 in cash. The Offer is conditional on the number of the shares of the Company being received on the closing date of the Offer, together with the shares already owned by Giant Lead and its associate, resulting in Giant Lead and its associate holding more than 50% of the voting rights of the Company in accordance with the Takeovers Code.

Details of the Offer were set out in the announcement jointly made by Giant Lead and the Company dated 22 December 2016 and the composite document to be jointly issued by both parties.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

During the Period, the Group reported revenue from continuing operations of HK\$33.7 million (2015: HK\$13.6 million), representing an increase of 148.7% when compared with the same period of last year. Loss for the Period from continuing operations reduced to HK\$17.6 million (2015: HK\$37.1 million) mainly owing to the recognition of gain on disposal of interests in associates of HK\$34.8 million during the Period.

Loss for the Period attributable to the owners of the Company amounted to HK\$14.8 million (2015: HK\$48.1 million) while the basic loss per share was HK\$0.007 (2015: HK\$0.022).

Review of Operations

Continuing operations

The Group is principally engaged in the entertainment and media business and its activities can be categorised as (i) film and TV programme production and investment and others; (ii) cinema operations; (iii) event investment and others; and (iv) investment in securities.

Film and TV programme production and investment and others

During the Period, this segment generated revenue of HK\$19.2 million (2015: HK\$11.6 million) to the Group. The gross profit derived from these activities was HK\$2.2 million (2015: HK\$4.0 million). Revenue of this segment was mainly contributed by licensing of certain film rights and release of certain co-invested films during the Period.

As of 31 December 2016, the carrying values of the Group's film and TV programme rights and film and TV programme production in progress were HK\$64.6 million and HK\$208.2 million (30 June 2016: HK\$50.5 million and HK\$108.2 million) respectively. The carrying amount of the investments in film production was HK\$17.8 million (30 June 2016: HK\$15.6 million). Due to worsen marketability of certain films, total impairment loss of investments in film production of HK\$50.1 million (2015: HK\$11.4 million) was recognised for the Period.

During the Period, the Group stepped into the production, distribution and licensing of animated TV episodes and theatrical films through the acquisition of certain subsidiaries. For details of this acquisition, please refer to the section headed "Acquisition of Subsidiaries" below.

Cinema operations

During the Period, the Group recorded revenue and gross profit of HK\$15.0 million and HK\$8.3 million (2015: HK\$1.9 million and HK\$1.0 million) respectively from this segment.

Event investment and others

This segment had no revenue for the Period as compared with HK\$0.1 million in the same period of last year. During the Period, the Group had invested certain percentage in a concert which was successfully held in February 2017 and the results are expected to be recognised in the second half of the financial year ending 30 June 2017. The Group continues to keep cautious in the selection of events to be invested.

Investment in securities

During the Period, the Group transacted certain investments in listed securities and bond and resulted in a loss of HK\$0.5 million (2015: Nil). At the end of the reporting period, the Group continues to hold certain investments in listed securities and bond with the carrying amounts of HK\$95.5 million and HK\$60.5 million (30 June 2016: HK\$63.4 million and Nil) respectively. Based on the stock market price of such portfolio of investment in securities and the valuation of bond conducted by an independent firm of valuers, the Group recorded an increase in the fair value of HK\$3.0 million (2015: a decrease in the fair value of HK\$19.9 million) for securities investment and a decrease in the fair value of HK\$1.5 million (2015: Nil) for bond investment for the Period.

Acquisition of Subsidiaries

Jade Dynasty Multi-Media Limited

On 21 July 2016, the Group completed the acquisition of approximately 78.64% of the issued share capital of JDMM from 2 vendors (who are independent third parties) and the shareholder's loan owed by JDMM to one of the vendors at a cash consideration of HK\$142.6 million. JDMM Group are principally engaged in production, distribution and licensing of animated TV episodes and theatrical films in Hong Kong, the PRC and overseas countries. Details of the acquisition were disclosed in the Company's announcements dated 4 May 2016 and 21 July 2016.

Disposals

TVB Pay Vision Holdings Limited

On 9 November 2016, the Group completed the disposal of 5% shareholding interest in TVBP Group (which was accounted for as the Group's associates since the Group had the voting interest of TVBP Group at 42.5% by holding its ordinary shares) to an independent third party at a cash consideration of HK\$35.0 million. The Group recorded a gain on disposal of HK\$34.8 million. TVBP Group is principally engaged in pay television business in Hong Kong. Details of this disposal were set out in the Company's announcement dated 21 November 2016.

Film rights

On 30 November 2016, the Group entered into 3 sale and purchase agreements for the disposal of its ownership (whether solely and partially) and licensing/distribution rights in total of 42 films to an independent third party at a cash consideration of HK\$56.0 million. Details of this disposal were set out in the Company's announcement dated 30 November 2016.

Shortly after the end of the reporting period, both parties agreed to extend the deadline of delivery of all title documents of the films to 30 April 2017. The consideration fully received by the Group in December 2016 was therefore recorded as a deposit received at the end of the reporting period.

Events After the End of the Reporting Period

Share subscription

On 19 December 2016, the Company entered into a subscription agreement with Giant Lead which conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 1,000,000,000 shares of the Company at a subscription price of HK\$0.19 per share. Pursuant to the subscription agreement, Giant Lead had paid a deposit of HK\$76.0 million to the Group at the end of the reporting period. The Subscription has not yet been completed at the date hereof pending fulfillment of certain conditions precedent. The net proceeds from the Subscription after deduction of the related professional fees and other related expenses are estimated to be HK\$189.5 million. The Group intends to use the net proceeds for enhancement and expansion of cinema operations and for film production and investment or other existing businesses of the Group.

Details of the Subscription were set out in the announcement jointly made by Giant Lead and the Company dated 22 December 2016 and the circular to be issued by the Company.

Possible mandatory conditional cash offer

Upon completion of the Subscription, Giant Lead and its associate will be interested in approximately 34.14% of the issued shares of the Company. Pursuant to Rule 26.1 of the Takeovers Code, Giant Lead will be required to make a mandatory conditional general offer in cash for all the issued shares of the Company other than those already owned and acquired by Giant Lead and its associate. The offer price for each Offer Share is HK\$0.215 in cash. The Offer is conditional on the number of the shares of the Company being received on the closing date of the Offer, together with the shares already owned by Giant Lead and its associate, resulting in Giant Lead and its associate holding more than 50% of the voting rights of the Company in accordance with the Takeovers Code.

Details of the Offer were set out in the announcement jointly made by Giant Lead and the Company dated 22 December 2016 and the composite document to be jointly issued by both parties.

Future Business Prospects and Plans

The Group dedicated its efforts in expanding its cinema operation business. The Group has identified certain locations in the PRC (including Beijing, Chongqing and Chengdu) to establish its cinema operations and some relevant applications have been submitted to the government authorities for approval of operating cinemas in the respective regions. The Directors expect that these new cinema operations will commence business in the financial year of 2017/18 and they will not only bring in new income stream and stable return to the Group but also develop a platform for films exhibition in the PRC.

The income from the film investment and TV programme production continues to be the major source of the Group's revenue. The Directors would like to expand the film production and investment business by producing more prevalent films or investing in other film producers' films. Currently, the Group has certain film investment projects and TV programme production projects on pipeline which have not been released.

The Directors optimistically consider that the Subscription, upon completion, will allow the Company to bring in a renowned investor with strong financial resources and extensive business network, both in Hong Kong and the PRC which in turn will bring strategic value to the Group. Hence, the Directors are confident to the growth and prospect of the Group.

Capital Structure, Financial Review and Liquidity

As at 31 December 2016, net assets of the Group amounted to HK\$738.3 million, as compared with HK\$751.3 million as of 30 June 2016. The Group's cash and bank balances at the end of the reporting period amounted to HK\$207.5 million (30 June 2016: HK\$398.5 million).

As at 31 December 2016, the Group had total borrowings of HK\$44.9 million (30 June 2016: HK\$37.8 million) representing the amount due to non-controlling interests which is denominated in Hong Kong dollars, unsecured, interest-free and repayable on demand. The gearing ratio (expressed as a percentage of total borrowings over total assets) remained 0.05 (30 June 2016: 0.05).

At the end of the reporting period, the Company had provided a corporate guarantee of HK\$24.0 million in favour of a financial institution in respect of banking facilities granted to certain former subsidiaries, HK\$5.5 million of which was utilised by those former subsidiaries and this amount was subject to a claim by the financial institution concerned. Details of the claim have been disclosed in point 2 under the section headed "Major Litigation and Arbitration Proceedings" below.

There was no change in the capital structure of the Company during the Period.

Exposure to Fluctuation in Exchange Rates and Related Hedges

The Group's cash and bank balances, income and expenditure are primarily denominated in Hong Kong dollars and Renminbi. Despite the devaluation of Renminbi during the Period, the carrying amount of the Group's Renminbi denominated monetary assets was only less than 10% of its net assets at the end of the reporting period. Hence, the Group's exposure to fluctuations in exchange rates is insignificant.

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

Use of Proceeds from Equity Fund Raising

During the Period, the Group had fully utilised the remaining proceeds of HK\$83.8 million raised from the placing of 368,880,000 shares of the Company at an issue price of HK\$0.81 per share on 4 June 2015 to settle part of the consideration of acquisition of JDMM Group.

Employees and Remuneration Policy

As at 31 December 2016, the Group's number of employees were 72 (30 June 2016: 43). Total staff costs from continuing and discontinued operations including the Directors' remuneration for the Period were HK\$2.8 million (2015: HK\$27.3 million). If excluding the staff costs of discontinued operation for the six months ended 31 December 2015, the total staff costs in 2015 would be HK\$5.0 million (2016: HK\$2.8 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 programmes, medical insurance scheme and discretionary bonuses.

To provide incentive or rewards to staff, the Company has adopted a share option scheme under which options of the Company may be granted to Directors and employees of the Group to subscribe for shares of the Company.

Major Litigation and Arbitration Proceedings

1. The Company and its ex-subsiary, PNE, have been involved in arbitration proceedings with NAFTA in respect of a gross receivable of HK\$18 million and related damages from various parties for goods shipped by PNE and NAFTA in 1996. The arbitration proceedings were initiated by NAFTA 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 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, 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.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (2015: Nil).

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

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

CORPORATE GOVERNANCE

Corporate Governance Code

During the Period, 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 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. Having made specific enquiry to all the Directors, all of them confirmed that they had complied with the required standard of dealings as set out in the Model Code throughout the Period.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<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 aforesaid websites in due course.

By Order of the Board
See Corporation Limited
Direk Lim
Chairman

Hong Kong, 24 February 2017

As at the date hereof, the Board comprises:–

Executive Directors:

Mr. Direk Lim (*Chairman*)

Dr. Fan Rongzhang

Independent Non-executive Directors:

Mr. Ng Hoi Yue

Ms. Chan Sim Ling, Irene

Mr. Ho Tat Kuen