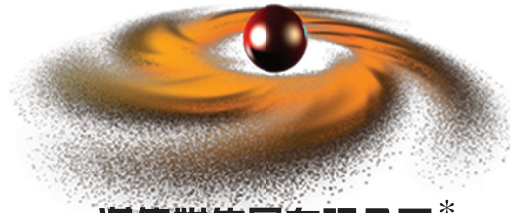


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漢傳媒集團有限公司*
SEE CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 491)

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2012

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2012

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements (the “Interim Financial Statements”) have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

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

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

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

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

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

Standards, amendment or interpretations issued but not yet effective

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

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

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

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

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

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

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

2. SEGMENT INFORMATION

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

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

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

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

(a) Segment revenue and results

| | Six months ended 31 December 2012 (Unaudited) | | | | | Consolidated HK\$'000 |
|--|--|---------------------------------|--|---------------------------------|---|--------------------------|
| | Film and TV programme production HK\$'000 | Event production HK\$'000 | Artiste and model management HK\$'000 | Music production HK\$'000 | Investment in securities HK\$'000 | |
| Segment revenue | <u>10,485</u> | <u>475</u> | <u>3,533</u> | <u>210</u> | <u>–</u> | <u>14,703</u> |
| Segment results | <u>2,847</u> | <u>127</u> | <u>1,129</u> | <u>182</u> | <u>–</u> | <u>4,285</u> |
| Interest income | | | | | | 55 |
| Reversal of impairment loss in respect of trade and other receivables | – | – | 1,399 | – | – | 1,399 |
| Unallocated gains | | | | | | 115 |
| Unallocated corporate expenses | | | | | | (8,989) |
| Distribution costs | (2,033) | – | (193) | (540) | – | (2,766) |
| Administrative expenses | (5,206) | (67) | (377) | (16) | – | (5,666) |
| Other operating expenses | (9,559) | – | (158) | (113) | – | (9,830) |
| Change in fair value of financial assets at fair value through profit or loss | – | – | – | – | (462) | (462) |
| Loss from operations | | | | | | (21,859) |
| Finance costs | | | | | | (306) |
| Loss before taxation | | | | | | (22,165) |
| Taxation | | | | | | – |
| Loss for the period | | | | | | <u>(22,165)</u> |

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

Six months ended 31 December 2011 (Unaudited)

| | 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> | Consolidated <i>HK\$'000</i> |
|--|---|--|---|--|--|---------------------------------|
| Segment revenue | <u>18,077</u> | <u>298</u> | <u>5,082</u> | <u>42</u> | <u>–</u> | <u>23,499</u> |
| Segment results | <u>6,469</u> | <u>167</u> | <u>1,731</u> | <u>37</u> | <u>–</u> | <u>8,404</u> |
| Interest income | | | | | | 49 |
| Reversal of impairment loss in respect of trade and other receivables | – | – | 70 | – | – | 70 |
| Unallocated gains | | | | | | 17 |
| Unallocated corporate expenses | | | | | | (11,585) |
| Distribution costs | (3,984) | – | (116) | (502) | – | (4,602) |
| Administrative expenses | (4,979) | (5) | (588) | (3) | – | (5,575) |
| Other operating expenses | (8,565) | – | (938) | (34) | – | (9,537) |
| Change in fair value of financial assets at fair value through profit or loss | – | – | – | – | (2,095) | <u>(2,095)</u> |
| Loss from operations | | | | | | (24,854) |
| Finance costs | | | | | | <u>(306)</u> |
| Loss before taxation | | | | | | (25,160) |
| Taxation | | | | | | <u>–</u> |
| Loss for the period | | | | | | <u><u>(25,160)</u></u> |

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

(b) Geographical information

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

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

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

3. LOSS FROM OPERATIONS

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

Note:

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

4. TAXATION

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

5. INTERIM DIVIDEND

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

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

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

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

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

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

7. PROPERTY, PLANT AND EQUIPMENT

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

8. INTERESTS IN ASSOCIATES

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

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

9. LOAN RECEIVABLE

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

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

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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

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

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

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

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

11. TRADE AND OTHER PAYABLES

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

The following is an aged analysis of trade payables:

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

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

12. PLEDGE OF ASSETS

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

13. SHARE CAPITAL

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

14. CONTINGENT LIABILITIES

- (i) As at 30 June 2004, the Company provided corporate guarantees amounting to approximately HK\$24 million to a financial institution in respect of banking facilities granted to Welback International Investments Limited and its subsidiaries (the "WIIL Group"), approximately HK\$5.5 million of which was utilised by members of the WIIL Group and such amount was claimed by the financial institution as disclosed in point (iii) below.
- (ii) The Company and its ex-subsiary, P.N. Electronics Ltd. ("PNE") have been involved in arbitration proceeding with North American Foreign Trading Corporation ("NAFT") in respect of a gross receivable of HK\$18 million and related damages from various parties for goods shipped by PNE and NAFT in 1996. The arbitration proceedings were initiated by NAFT against the Company and PNE claiming for alleged damages in New York, USA. The Company has upon legal advice, vigorously contested the alleged claims and has counterclaimed the said sum of HK\$18 million as well as other damages. The Company has not received any documents in relation to the arbitration proceedings for a substantial period of time and insofar as the Company is aware, the proceedings remain dormant.
- (iii) On 13 October 2003, a Writ of Summons and Statement of Claim was issued by BII Finance Company Limited ("BII Finance") against the Company under a guarantee allegedly given by the Company in favour of BII Finance in respect of certain liabilities of Welback Enterprises Limited, a former subsidiary of the Company. The claim is for a sum of approximately HK\$3,583,000 and US\$248,000 (approximately HK\$1,936,000), together with interest.

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

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

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

15. OPERATING LEASE COMMITMENTS

The Group as lessee

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

| | 31 December 2012 (Unaudited) HK\$'000 | 30 June 2012 (Audited) HK\$'000 |
|---------------------------------------|--|--|
| Within one year | 667 | 1,466 |
| In the second to fifth year inclusive | — | 7 |
| | 667 | 1,473 |

16. EVENTS AFTER THE REPORTING PERIOD

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

MANAGEMENT DISCUSSION AND ANALYSIS

Results

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

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

Review of Operations

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

Film and TV programme production

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

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

Event production

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

Artiste and model management

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

Music production

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

Investment in securities

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

Investment in a pay TV operation

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

Geographical Review

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

Future Business Prospects and Plans

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

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

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

Financial Review and Liquidity

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

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

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

Foreign Exchange Exposure and Treasury Policies

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

Employee Schemes

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

Pledge of Assets

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

Major Litigation and Arbitration Proceedings

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

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

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

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

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

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

CORPORATE GOVERNANCE CODE

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

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

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

AUDIT COMMITTEE

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

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

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

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

Hong Kong, 25 February 2013

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

Executive Directors:

Dr. Ma Ho Man, Hoffman (*Chairman*)

Mr. Wong Kui Shing, Danny (*Managing Director*)

Mr. Wong Chi Chiu

Independent Non-executive Directors:

Mr. Li Fui Lung, Danny

Mr. Ng Hoi Yue, Herman

Mr. Heung Pik Lun

* *for identification purpose only*