

Directors' Report

The directors have pleasure in presenting their annual report and the audited financial statements for the year ended 31st December, 2003.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed by the shareholders on 9th June, 2003, the name of the Company was changed from Sino InfoTech Holdings Limited (國基資訊科技控股有限公司) to SEEC Media Group Limited (財訊傳媒集團有限公司).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 16 to the financial statements. During the year, the Group discontinued its design, manufacture and marketing of electronic consumer products operations at the time of disposal of its entire interest in Prod-Art Company Limited and its subsidiaries (collectively the "Prod-Art Group").

RESULTS

The results of the Group for the year ended 31st December, 2003 are set out in the consolidated income statement on page 18.

The directors do not recommend the payment of any dividend for the year.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and of the assets, liabilities and minority interests of the Group for the last five financial years is set out on page 52.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group disposed of its leasehold land and buildings with a net book value of approximately HK\$10,982,000 at a total consideration of approximately HK\$11,852,000. In addition, property, plant and equipment with an aggregate net book value of approximately HK\$23,403,000 was disposed of when the Group disposed of its entire interest in the Prod-Art Group. Details of these and other movements in property, plant and equipment of the Group and the Company during the year are set out in note 13 to the financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital are set out in note 24 to the financial statements.

DISTRIBUTABLE RESERVES

At 31st December, 2003, the amount of the Company's reserves available for distribution to shareholders was approximately HK\$21,827,000, comprising of the share premium of approximately HK\$343,035,000 less the accumulated losses of approximately HK\$321,208,000.

Directors' Report

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st December, 2003, the aggregate sales attributable to the Group's five largest customers accounted for less than 30% of the Group's total turnover. The aggregate purchases attributable to the Group's five largest suppliers taken together were less than 30% of the Group's total cost of sales for the year.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Mr. Wang Boming
Mr. Zhang Zhifang
Mr. Dai Xiaojing
Mr. Li Shijie
Mr. Xu Xiaolu
Mr. Yeh Shuen Ji
Ms. Kam Anais

Independent non-executive directors:

Mr. Fu Fengxiang
Mr. Wang Xiangfei (appointed on 26th June, 2003)
Mr. Yang Lang (resigned on 26th June, 2003)

In accordance with articles 101 and 119 of the Company's articles of association, Messrs. Wang Boming, Dai Xiaojing, Yeh Shuen Ji and Wang Xiangfei shall retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Other than those disclosed in note 32 (a) to the financial statements, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at 31st December, 2003 or at any time during the year.

Directors' Report

DIRECTORS' INTERESTS IN SECURITIES

1. Interests in shares

At 31st December, 2003, the interests of the directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Long positions in the ordinary shares of HK\$0.10 each of the Company:

Name of director	Nature of interest	Number of shares	Percentage of the issued share capital of the Company
Xu Xiaolu	Personal	3,300,000	0.21%
	Family (Note)	3,250,000	0.21%
		6,550,000	0.42%

Note: Ms. Kiu Sun, the spouse of Mr. Xu Xiaolu is beneficially interested in 3,250,000 shares. Accordingly, Mr. Xu Xiaolu also has a family interest in 3,250,000 shares.

Save as disclosed above, as at 31st December, 2003, none of the directors nor their associates had any long or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations.

2. Rights to acquire shares

Pursuant to the Company's share option schemes, the directors may, at their discretion, invite participants to take up options at a consideration of HK\$10 per grant to subscribe for ordinary shares of the Company.

Details of the movements in the share options to subscribe for shares of HK\$0.10 each in the Company granted to a director were as follows:

Name of Director	Date of grant	Exercise price HK\$	Exercisable period	Number of options		
				Outstanding at 1.1.2003	Granted during the year	Outstanding at 31.12.2003
Li Shijie	25.7.2003	0.21	25.7.2004 to 24.7.2009	-	6,900,000	6,900,000

The closing price of the Company's shares before the date of grant was HK\$0.206 per share.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company or the spouse or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, or had any right to subscribe for the securities or had exercised any such rights.

Directors' Report

SHARE OPTION SCHEMES

Particulars of the Company's share option schemes and details of movements in the Company's share options during the year to subscribe for shares of HK\$0.10 each in the Company granted under the share option schemes are set out in note 30 to the financial statements.

As disclosed in note 30 to the financial statements, the Company had granted a total number of 38,900,000 options during the year. The directors consider that it is not appropriate to disclose the value of options granted during the year since any valuation of the options would be subject to a number of assumptions that would be subjective and uncertain. The directors believe that the evaluation of options based upon speculative assumptions would not be meaningful and would be misleading.

SUBSTANTIAL SHAREHOLDERS

At 31st December, 2003, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of the relevant interests in the issued share capital of the Company:

Name	Number of shares beneficially held	Percentage of holding
United Home Limited (Note)	677,843,824	43.85%
Carlet Investments Ltd. (Note)	172,644,210	11.17%

Note: The 172,644,210 shares held by Carlet Investments Ltd. were indirectly owned by United Home Limited by virtue of its 100% ownership of Carlet Investments Ltd. In addition to the 172,644,210 shares held by Carlet Investments Ltd., 505,199,614 shares which represents approximately 32.68% of the issued share capital of the Company, were directly owned by United Home Limited.

Save as disclosed above, the Company has not been notified of any other relevant long or short positions in the issued share capital of the Company as at 31st December, 2003.

Directors' Report

CONNECTED TRANSACTIONS

During the year, the Group had the following connected transactions:

- (i) During the year, the Group paid rental of approximately HK\$987,000 to Shanghai SEEC Investment and Development Co., Ltd. ("SEEC Development"). SEEC Development is a substantial shareholder of Hainan Caixun Infomedia Co., Ltd. ("Hainan Caixun") and is considered as a connected party.
- (ii) Pursuant to a conditional agreement dated 24th November, 2003, the Group agreed to purchase a 60% interest in the registered capital of Beijing Caixun Century InfoTech Co., Ltd. which in turn holds a 30% interest in each of Shenzhen Caixun Advertising Co., Ltd. and Beijing Caixun Advertising Co., Ltd. at a total consideration of approximately HK\$19,600,000 from Shenyang Lianya Industrial Development Corporation ("Shenyang Lianya"). As Shenyang Lianya holds 59% of the equity interests in SEEC Development, which in turn is the substantial shareholder of Beijing Caixun Century InfoTech Co., Ltd. and Hainan Caixun, entering into the agreement constitutes a connected transaction for the Company. This acquisition was approved by the shareholders on 9th January, 2004.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

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

CODE OF BEST PRACTICE

The Company has complied throughout the year with the Code of Best Practice (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange except that the independent non-executive directors were not appointed for specific terms as required by paragraph 7 of the Code but are subject to retirement by rotation in accordance with the articles of association of the Company.

POST BALANCE SHEET EVENT

Details of a significant post balance sheet event are set out in note 33 to the financial statements.

Directors' Report

AUDITORS

During the year, Messrs. Ernst & Young, who acted as auditors of the Company for the past three years, resigned and Messrs. Deloitte Touche Tohmatsu were appointed as auditors of the Company. A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

Wang Boming

Director

Hong Kong, 24th February, 2004