



## CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board") of See Corporation Limited (formerly known as Ruili Holdings Limited) (hereinafter referred to as the "Company"), I am pleased to announce the results of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 30 June 2005.

### BUSINESS AND OPERATIONS REVIEW

#### Trading of Multimedia Electronic Products and Provision of Telecommunication and System Integration Services

Compared with last year, we are able to achieve significant growth of 141% in turnover for the sale of multimedia electronic products. Such increase is largely attributable to the rise in demand of multimedia electronic products like DVD players and digital cameras.

During this year, the Group has diversified its business by providing telecommunication and system integration services through the acquisition of 深圳銀河通信息技術有限公司.

The trading of digital cameras, games, multimedia electronic products and telecommunication and high technology components remains highly competitive and the Group continues to adopt an aggressive pricing strategy in order to maintain its market share.

#### Media and Entertainment Business

Around the last quarter of 2004, the Group embarked on its new business in the media and entertainment industry. To reflect the Company's proactive approach in developing its show business which offers great entertainment and enjoyment to the public through its multi-media networks, the Company was renamed "See Corporation Limited 漢傳媒集團有限公司" in September 2005. In addition, the Group is developing a cross-media platform, as demonstrated in the establishment of various Group companies to engage in the production, promotion and distribution of music, movie, television programme, other multimedia entertainment products and entertainment events and artiste and model management businesses.

See People Limited, See Music Limited, See Movie Limited and See Entertainment Limited were all founded as the flagship operations of the Group and represented the milestone in the development of the Group's entertainment business. The Group also established other companies like Snazz Entertainment Group Limited, and after the year end Snazz Artistes Limited, Snazz Music Limited and Mega-Vision Productions Limited to diversify its scope of business to include content production, distribution and talent management, etc.

To expand its businesses worldwide, the Group joined the world's renowned model agency, Look Models International Inc. ("Look Models"). A licence arrangement for the use of the brand "Look Models" was entered into by the Group in May 2005, and Look Models Hong Kong Limited was formed in late June 2005 as the Group's wholly owned subsidiary to kickstart its model agency operation in the Pacific rim region.

## **CHAIRMAN'S STATEMENT** (Continued)

The first closing of the acquisition of 49% shareholding interest in Galaxy Satellite TV Holdings Limited ("Galaxy") was completed in August 2005. Galaxy and its wholly owned subsidiary, Galaxy Satellite Broadcasting Limited, now operating under the brand name "SUPERSUN", are principally engaged in pay-television business in Hong Kong and teleport business which includes the provision of satellite uplink and playback services. The acquisition represents a further investment by the Group into the media and entertainment business and would enable the Group to enter the pay-television market in Hong Kong. It is expected that the acquisition will bring fast growing return to the Group after Galaxy attains a critical mass of viewers.

### **MAJOR CORPORATE ACTIONS**

#### **During the year ended 30 June 2005**

- (1) Consolidation of 40 shares of HK\$0.01 each of the Company into one share of HK\$0.4 each which became effective on 20 December 2004;
- (2) Placing of 225,000,000 shares of the Company at HK\$0.40 each which was completed on 21 January 2005;
- (3) Capital reorganization involving inter alia reduction of the nominal value of the issued shares of the Company from HK\$0.40 to HK\$0.01 each by canceling the paid-up capital to the extent of HK\$0.39 per share which became effective on 28 June 2005 and cancellation of HK\$28,662,776 standing to the credit of the share premium account of the Company which became effective on 15 July 2005;

#### **After the year ended 30 June 2005**

- (4) Issue of 1,615,668,333 rights shares at the subscription price of HK\$0.10 per rights share on the basis of three rights shares for every issued share. The rights shares were issued on 22 July 2005;
- (5) Issue of a convertible note in an aggregate principal amount of HK\$170,000,000 to Hanny Holdings Limited on 10 August 2005. The convertible note is zero coupon-based, has a maturity term of 5 years and is convertible into the Company's ordinary shares at a conversion price of HK\$0.12 per share (subject to adjustments).



## CHAIRMAN'S STATEMENT (Continued)

### OUTLOOK

Our vision of being market leader in the entertainment industry is enshrined in the motto "Seeing is believing!". The management is confident that our business strategy, coupled with the advent of technology and cinematic advances, will greatly benefit our Group in the future.

Our Group is providing high quality content and utilizes resources to produce sophisticated entertainment products to be distributed via a variety of media. We will continue our efforts in grooming promising artists dedicated to the entertainment industry. We are committed to sourcing and nurturing up-and-coming performers and exploring their potentials by experienced entertainment business professionals. The alliance with Look Models attracts elite models, as witnessed by the recent joining of famous super models to the Group.

Looking forward, the management team will be dedicated to actively exploring investment opportunities worldwide to lay down a solid foundation for the future growth and prosperity of the Company. We are optimistic of the results of the Group in the coming years.

### APPRECIATION

The year 2005 witnessed a brand new start of the Group. On behalf of the Board, I would like to express our gratitude to our management and staff for their continuing support to the Group.

**Yu Kam Kee, Lawrence**

B.B.S., M.B.E., J.P.

*Chairman*

Hong Kong, 26 October 2005