



REPORT OF THE DIRECTORS

The directors have pleasure in presenting the report of the directors of See Corporation Limited (formerly known as Ruili Holdings Limited) (hereinafter referred to as the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 30 June 2005.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at a special general meeting held on 24 August 2005 and the approval by the Registrar of Companies in Bermuda, the name of the Company was officially changed to See Corporation Limited 漢傳媒集團有限公司 on 1 September 2005 and for stock trading purposes on The Stock Exchange of Hong Kong Limited, the name change was effective on 12 October 2005.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Group is principally engaged in trading of digital cameras, games, multimedia electronic products and telecommunication and high technology components. Around the last quarter of 2004, the Group started the media and entertainment business which includes production of television programmes and artiste management. Details of the principal activities and other particulars of the Company's significant subsidiaries are set out in note 16 to the financial statements.

SEGMENT INFORMATION

An analysis of the Group's performance for the year by business and geographical segments is set out in note 4 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 June 2005 are set out in the consolidated income statement on page 26.

The states of affairs of the Group and the Company as at 30 June 2005 are set out in the balance sheets on pages 27 and 28 respectively.

The cashflows of the Group are set out in the statement on pages 30 and 31.

The directors do not recommend a payment of dividend nor transfer of any amount to reserves for the year ended 30 June 2005.



REPORT OF THE DIRECTORS (Continued)

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 72.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the share capital and share options of the Company during the year are set out in notes 27 and 12 to the financial statements respectively.

RESERVES

Details of movements in the reserve of the Group and the Company during the year are set out in note 28 to the financial statements.

REPORT OF THE DIRECTORS (Continued)

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors in office during the financial year and up to the date of this report are:

Executive directors

Mr. Yu Kam Kee, Lawrence, B.B.S., M.B.E., J.P.	(appointed on 24 August 2004)
Mr. Carl Chang	(appointed on 24 August 2004)
Mr. Yu Kam Yuen, Lincoln	(appointed on 24 August 2004)
Mr. Liao Chongde	(resigned on 1 March 2005)
Mr. Wu Jiahong	(resigned on 15 April 2005)
Mr. Zhang Yiwei	(resigned on 24 August 2004)
Mr. Lee Kwok Leung, Alan	(resigned on 24 August 2004)
Mr. Hu Yidong	(resigned on 24 August 2004)

Independent non-executive directors

Mr. Li Fui Lung, Danny	
Mr. Ng Hoi Yue, Herman	
Mr. John Paul McLellan	(appointed on 30 September 2004 and resigned on 1 October 2005)
Hon. Shek Lai Him, Abraham, J.P.	(appointed on 1 October 2005)

Pursuant to Bye-law 86 of the Company's bye-laws, Hon. Shek Lai Him, Abraham, J.P., who was appointed by the Board of Directors, shall hold office until the forthcoming annual general meeting of the Company, and being eligible, offers himself for re-election at that meeting.

Pursuant to Bye-law 87 of the Company's bye-laws, Mr. Li Fui Lung, Danny shall retire from office by rotation at the forthcoming annual general meeting and, being eligible, offers himself for re-election at that meeting.

None of the directors 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.

The Company has received from the independent non-executive directors annual confirmation of independence in accordance with rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has assessed their independence and concluded that all the independent non-executive directors are independent within the definition of the Listing Rules.

REPORT OF THE DIRECTORS (Continued)

PROFILE OF DIRECTORS

Profile of directors of the Company as at the date of the report are set out on pages 22 and 23.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

There were 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, which subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2005, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") as recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") were as follows:

(A) Shares

As at 30 June 2005, the interests of the directors and chief executive in the share capital of the Company and its associated corporations as defined in the SFO were as follows:

Name of director	Name of company	Number of ordinary shares	Capacity	Approximate percentage of interest
Yu Kam Kee, Lawrence ("Mr. Lawrence Yu")	See Corporation Limited	137,529,812 (L) (Note)	Beneficial owner	6.38%

Note: The letter "L" denotes long position in the shares of the Company. Out of these 137,529,812 shares, 34,382,453 shares represent shares in issue held by Mr. Lawrence Yu as beneficial owner. The interest in the remaining 103,147,359 shares arose as a result of his undertaking to take up those shares provisionally allotted to him under the issue of 1,615,668,333 rights shares of the Company in July 2005 ("Rights Issue"). The interest is expressed as a percentage of the share capital of the Company as enlarged by the Rights Issue.

REPORT OF THE DIRECTORS (Continued)

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

(B) Share options

The Company has a share option scheme under which the directors may, at their discretion, grant options to employees, including any directors, of the Company or its subsidiaries to subscribe for shares in the Company, subject to the terms and conditions stipulated therein. Details of the movement of the share options under the share option scheme during the year ended 30 June 2005 were as follows:

Name of director	Exercisable on or after	Exercise price HK\$	No. of share options		
			Outstanding as at 1 July 2004	Exercised during the year	Outstanding as at 30 June 2005
Wu Jiahong	20 February 2003	0.017	50,000,000	(50,000,000)	–

Save as aforesaid, as at 30 June 2005, to the knowledge of the Company, none of the directors nor the chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the SFO and have been recorded in the register maintained by the Company pursuant to Section 352 of the SFO; or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors or the chief executive of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate and none of the directors, the chief executive, their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right, save as the share options disclosed in the previous section headed "Directors' Interest in Shares, Underlying Shares and Debentures".

REPORT OF THE DIRECTORS (Continued)

INTEREST AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSABLE UNDER THE SECURITIES AND FUTURES ORDINANCE

So far as is known to any director or chief executive of the Company, as at 30 June 2005, shareholders (other than directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	Number of ordinary shares	Capacity	Approximate percentage of interest
Hanny Holdings Limited	1,736,666,666 (L) (Note 2)	Beneficial owner	322.47%
Tai Fook Securities Company Limited	1,117,520,974 (S)	Beneficial owner	51.87%
Tai Fook Finance Company Limited	1,117,520,974 (S) (Note 3)	Interest through a controlled corporation	51.87%
Tai Fook (BVI) Limited	1,117,520,974 (S) (Note 3)	Interest through controlled corporations	51.87%
Tai Fook Securities Group Limited	1,117,520,974 (S) (Note 3)	Interest through controlled corporations	51.87%
Visionary Profits Limited	312,520,974 (L)	Beneficial owner	14.50%
Han Yuanlin	312,520,974 (L) (Note 4)	Interest through a controlled corporation	14.50%
Asia Orient Company Limited	300,000,000 (L)	Beneficial owner	13.93%
Asia Orient Holdings (BVI) Limited	300,000,000 (L) (Note 5)	Interest through a controlled corporation	13.93%
Asia Orient Holdings Limited	300,000,000 (L) (Note 5)	Interest through controlled corporations	13.93%
Poon Jing	300,000,000 (L) (Note 5)	Interest through controlled corporations	13.93%

REPORT OF THE DIRECTORS (Continued)

INTEREST AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSABLE UNDER THE SECURITIES AND FUTURES ORDINANCE (Continued)

Name of shareholder	Number of ordinary shares	Capacity	Approximate percentage of interest
Young Champion Securities Limited	205,000,000 (L)	Beneficial owner	9.52%
Gold Wide Securities Limited	205,000,000 (L) (Note 6)	Interest through a controlled corporation	9.52%
Young Champion Holdings Limited	205,000,000 (L) (Note 6)	Interest through controlled corporations	9.52%
Yeung Hoi Sing, Sonny	217,500,000 (L) (Note 7)	Beneficial owner and interest through controlled corporations	10.10%

Notes:

- The letter "L" denotes the person's long position (i.e. interests) in the shares and the letter "S" denotes such person's short position in the shares.
- Out of these 1,736,666,666 shares, 1,416,666,666 shares are shares which may fall to be issued to Hanny Holdings Limited ("Hanny") in the event that the convertible notes subscribed by it pursuant to the convertible notes subscription agreement dated 21 April 2005 are subscribed in full and the conversion rights attached thereto are exercised in full at a price of HK\$0.12 per share. The remaining 320,000,000 shares represent Hanny's interest arising from the underwriting agreement dated 21 April 2005 ("Underwriting Agreement") entered into by the Company in relation to the Rights Issue. The interest is expressed as a percentage of the shares of the Company in issue as at 30 June 2005.
- Tai Fook Securities Company Limited is directly interested in these 1,117,520,974 shares, which interest arose from the Underwriting Agreement. Tai Fook Securities Company Limited is a wholly owned subsidiary of Tai Fook Finance Company Limited which, in turn, is a wholly owned subsidiary of Tai Fook (BVI) Limited. Tai Fook (BVI) Limited is a wholly owned subsidiary of Tai Fook Securities Group Limited. By virtue of the provisions of Part XV of the SFO, each of Tai Fook Finance Company Limited, Tai Fook (BVI) Limited and Tai Fook Securities Group Limited is deemed to be interested in all the shares in which Tai Fook Securities Company Limited is interested. The interest is expressed as a percentage of the share capital of the Company as enlarged by the Rights Issue.

REPORT OF THE DIRECTORS (Continued)

INTEREST AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSABLE UNDER THE SECURITIES AND FUTURES ORDINANCE (Continued)

4. Visionary Profits Limited, as a result of its agreeing to sub-underwrite the Rights Issue, is directly interested in these 312,520,974 shares. Han Yuanlin is the sole owner of Visionary Profits Limited. By virtue of the provisions of Part XV of the SFO, Han Yuanlin is deemed to be interested in all the shares in which Visionary Profits Limited is interested. The interest is expressed as a percentage of the share capital of the Company as enlarged by the Rights Issue.
5. Asia Orient Company Limited, as a result of its agreeing to sub-underwrite the Rights Issue, is directly interested in these 300,000,000 shares. Asia Orient Company Limited is a wholly owned subsidiary of Asia Orient Holdings (BVI) Limited which, in turn, is a wholly owned subsidiary of Asia Orient Holdings Limited. By virtue of the provisions of Part XV of the SFO, each of Asia Orient Holdings (BVI) Limited and Asia Orient Holdings Limited is deemed to be interested in all the shares in which Asia Orient Company Limited is interested. The interest is expressed as a percentage of the share capital of the Company as enlarged by the Rights Issue.
6. Young Champion Securities Limited, as a result of its agreeing to sub-underwrite the Rights Issue, is directly interested in these 205,000,000 shares. Young Champion Securities Limited is a wholly owned subsidiary of Gold Wide Securities Limited which, in turn, is a wholly owned subsidiary of Young Champion Holdings Limited. By virtue of the provisions of Part XV of the SFO, each of Gold Wide Securities Limited and Young Champion Holdings Limited is deemed to be interested in all the shares in which Young Champion Securities Limited is interested. The interest is expressed as a percentage of the share capital of the Company as enlarged by the Rights Issue.
7. Mr. Yeung Hoi Sing, Sonny is the sole owner of Young Champion Holdings Limited. By virtue of the provisions of Part XV of the SFO, Mr. Yeung Hoi Sing, Sonny is deemed to be interested in all the shares in which Young Champion Holdings Limited is interested. Mr. Yeung Hoi Sing, Sonny is personally directly interested in 12,500,000 shares. The interest is expressed as a percentage of the share capital of the Company as enlarged by the Rights Issue.

Save as disclosed above, the Company has not been notified of any other interests or short positions in the shares and underlying shares of the Company representing 5% or more of the issued share capital of the Company and recorded in the register maintained under Section 336 of the SFO as at 30 June 2005.

CONVERTIBLE BONDS, SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

The Company had no outstanding convertible bonds, securities, options, warrants or similar rights as at 30 June 2005.



REPORT OF THE DIRECTORS (Continued)

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

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

PRE-EMPTIVE RIGHTS

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year, 78% of the Group's purchases were attributable to the Group's five largest suppliers with the largest supplier accounting for 59% of the Group's purchases. In addition, 83% of the Group's turnover was attributable to the Group's five largest customers with the largest customer accounting for 42% of the Group's turnover.

As at 30 June 2005, to the knowledge of the directors of the Company, none of the directors, their associates or any shareholders owning more than 5% of the Company's share capital had any beneficial interests in the Group's five largest suppliers and customers.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 30 June 2005, the following directors were considered to have interests in the following businesses, being businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group as required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

Mr. Lawrence Yu has an indirect interest of approximately 44% in Sun-Tech International Group Limited ("Sun-Tech"). In addition, Mr. Lawrence Yu and Mr. Yu Kam Yuen, Lincoln ("Mr. Lincoln Yu") are interested in approximately 3.89% and 0.28% respectively in the issued share capital of Softbank Investment International (Strategic) Limited ("Softbank") which in turn holds approximately 20.4% indirect interest in Sun-Tech. Mr. Lawrence Yu is an executive director and Mr. Lincoln Yu is a non-executive director of Softbank. Sun-Tech is principally engaged in the provision of computer system integration services which is in competition with those business of the Group.

Save as disclosed above, during the year ended 30 June 2005, none of the Directors have any interest in business which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

REPORT OF THE DIRECTORS (Continued)

CORPORATE GOVERNANCE

The Company is dedicated to enhancing and maintaining high corporate governance standards for the benefit of shareholders. In the opinion of the directors, the Company has complied throughout the financial year ended 30 June 2005 with the Code of Best Practice set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") in force prior to 1 January 2005 save that the non-executive directors of the Company are not appointed for a specific term. Nevertheless, they are subject to retirement by rotation and re-election at the Annual General Meeting of the Company in accordance with the Company's Bye-laws.

As regards the newly promulgated Code on Corporate Governance Practices (Appendix 14 of the Listing Rules)(the "CG Code"), the Company has complied with most of the code provisions of the CG Code with certain deviations. The Company is taking the appropriate steps to ensure full compliance with the provisions of the CG Code, details of which will be set out in subsequent interim and annual reports of the Company.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("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 and the directors have complied with the required standard set out in the Model Code for the year ended 30 June 2005.

AUDIT COMMITTEE

The Company's audit committee comprises three independent non-executive directors, namely Mr. Li Fui Lung, Danny, the chairman of the committee, Mr. Ng Hoi Yue, Herman and Hon. Shek Lai Him, Abraham, J.P.. Both Mr. Li Fui Lung, Danny and Mr. Ng Hoi Yue, Herman are certified public accountants.

The annual results for the year have been reviewed by the Group's external auditors and the audit committee of the Company. The audit committee has also reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the Group's audited annual financial statements for the financial year ended 30 June 2005.



REPORT OF THE DIRECTORS (Continued)

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors as at the date of this report, there is sufficient public float of the Company's issued shares as required under the Listing Rules throughout the year ended 30 June 2005.

SUBSEQUENT EVENTS

Details of significant subsequent events are set out in note 34 to the financial statements.

AUDITORS

A resolution to re-appoint Messrs. HLB Hodgson Impey Cheng as auditors of the Company will be proposed at the forthcoming annual general meeting.

On Behalf of the Board
Yu Kam Kee, Lawrence
B.B.S., M.B.E., J.P.
Chairman

Hong Kong, 26 October 2005