漢傳媒集團有限公司
SEE CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 491)

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Dr. Ma Ho Man, Hoffman *(Chairman)*
(appointed on 14 October 2010)
Mr. Wong Kui Shing, Danny
(Managing Director)
Dr. Allan Yap
Mr. Wong Chi Chiu
(appointed on 21 December 2010)

Independent Non–executive Directors

Mr. Li Fui Lung, Danny
Mr. Ng Hoi Yue, Herman
Mr. Heung Pik Lun

COMPANY SECRETARY

Ms. Ng Yuk Yee, Feona

QUALIFIED ACCOUNTANT

Mr. Chow Chun Man, Jimmy

AUDIT COMMITTEE

Mr. Li Fui Lung, Danny
Mr. Ng Hoi Yue, Herman
Mr. Heung Pik Lun

REMUNERATION COMMITTEE

Dr. Allan Yap
Mr. Li Fui Lung, Danny
Mr. Ng Hoi Yue, Herman
Mr. Heung Pik Lun

COMPLIANCE ADVISER

Optima Capital Limited

AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

LEGAL ADVISER

Richards Butler in association with Reed Smith LLP

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Office D & E
20th Floor EGL Tower
No. 83 Hung To Road
Kwun Tong
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

HSBC Securities Services (Bermuda) Limited
6 Front Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
26th Floor Tesbury Centre
28 Queen's Road East
Wan Chai
Hong Kong

WEBSITE

http://www.irasia.com/listco/hk/see

STOCK CODE

491

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 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the period ended 31 December 2010, the Group recorded a consolidated turnover of approximately HK$19.6 million, representing a decrease of approximately 46% as compared to approximately HK$36.2 million for the corresponding period in 2009. Such decrease was mainly due to the fact that less films and TV programmes were released to the market during the period than that of the last corresponding period.

The Group recorded a loss attributable to owners of the Company of approximately HK$23.2 million for the period as compared to a profit of approximately HK$98.8 million for the corresponding period in 2009. Such substantial decline in profit is mainly attributable to the absence of an one–off gain of approximately HK$165.9 million on partial disposal of an associated company, TVB Pay Vision Holdings Limited, which was recorded in the last corresponding period. The loss from operations for the period was decreased to approximately HK$23.8 million from approximately HK$56.6 million in previous period. The decrease in loss from operations was mainly due to less write down of film rights (as included in other operating expenses) and less fair value loss in the Group's financial assets were made during the period compared to the last corresponding period. The write down of film rights and change in fair value loss in the Group's financial assets for the period was approximately HK$10.6 million and approximately HK$3.3 million respectively compared to approximately HK$29.0 million and approximately HK$17.3 million respectively in the corresponding period of last year. Basic and diluted loss per share for the period was HK$0.02 whilst the basic and diluted earnings per share for the last corresponding period was HK$0.12 and HK$0.10 respectively, after adjusting the effect of the share consolidation and rights issues completed in January 2010 and in March 2010 retrospectively.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Review of Operations

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

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$14.2 million, representing a decrease of approximately 57% as compared to the last corresponding period of approximately HK$33.0 million. The Group recorded a gross profit of approximately HK$6.8 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$36.4 million as at 31 December 2010, and the write down on film rights during the period amounted to approximately HK$10.6 million which was reflected in the condensed consolidated statement of comprehensive income. As at 31 December 2010, the Group's total investment in film and TV programme production that was in progress amounted to approximately HK$131.4 million.

Music production

Turnover from music production for the period amounted to approximately HK$0.5 million as compared to approximately HK$0.2 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.

Event production

During the period, the Group has recorded turnover of approximately HK$0.4 million from event productions as compared to approximately HK$0.4 million for the last corresponding period.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Review of Operations (Continued)

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 2010, the turnover derived from the business of artiste and model management was approximately HK$4.6 million, representing an increase of approximately 77% as compared to approximately HK$2.6 million for the corresponding period in 2009. Such increase in turnover during the period was mainly driven by the new models and artistes recently signed by the Group. The Group recorded a gross profit of approximately HK$1.4 million from artistes and model management in the current period.

Investment in a pay TV operation

The 18% interest in TVB Pay Vision Holdings Limited ("TVBP") 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 by the representation of the Group on the board of directors of TVBP despite the interest held by the Group is below 20%.

Investment in securities

During the period, no turnover was noted in the investment in securities operation (2009: Nil). The carrying value of the segment assets of the investment in securities operation outstanding as of 31 December 2010 and 30 June 2010 were approximately HK$6.2 million and approximately HK$6.0 million, respectively. The increase in the carrying value mainly represented the subscription of shares of a Hong Kong listed company by way of rights issue amounted to approximately HK$3.5 million and the change in fair value loss of financial assets at fair value through profit or loss during the period which amounted to approximately HK$3.3 million.

Geographical Review

During the period under review, the Group's revenue was mainly derived from Hong Kong and China market which accounted for approximately 90% of the Group's total turnover.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Future Business Prospects and Plans

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

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 in 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 Films and TV projects.

The Group will continue to explore investment opportunities by selecting new business opportunities carefully with a view to expanding our operations and achieving better returns for our shareholders while minimising risk.

The Group had no material acquisitions nor disposals of subsidiaries and associated companies during the six months ended 31 December 2010.

On 6 January 2011, the Group entered into a conditional sale and purchase agreement to acquire 80% equity interests in a company, which, together with its subsidiaries is principally engaged in investments on renewable resources in the Lao People's Democratic Republic, at a consideration of HK$240,000,000 (subject to adjustment). Completion of the transaction is still subject to the fulfilment of certain conditions. Details of the aforesaid acquisition were set out in the Company's announcement dated 6 January 2011.

In the event that the Group requires additional funds for further development of the Group's existing business/new investments when suitable opportunities arise/repayment of its future financial obligations, the Board will consider to carry out equity fund raising activities and/or dispose of the Group's existing assets.

Financial Review and Liquidity

As at 31 December 2010, the Group's net assets amounted to approximately HK$298.2 million, as compared with approximately HK$288.7 million as of 30 June 2010. The current ratio, representing current assets divided by current liabilities, was 6.01.

The convertible note with the principal amount of HK$170 million issued in August 2005 was fully redeemed on the maturity date by the Company at 110% of the principal amount in August 2010.

During the period, the Company raised approximately HK$37.26 million before expenses by way of placing of new shares under the general mandate, issuing 207,000,000 ordinary shares under at the placing price of HK$0.18 per share. Net proceeds from the placing were approximately HK$36.06 million which was planned to be used for the general working capital of the Group.

At the end of the reporting period, the Group had short–term bank overdraft of approximately HK$10.0 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 were amounted to approximately HK$97.9 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 utilized 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 a result of fluctuations in currency exchange rates. As at 31 December 2010, the Group did not have outstanding hedging instruments.

Employee Schemes

As at 31 December 2010, the Group had 39 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 2010, certain assets of the Group with aggregate carrying value of approximately HK$20.7 million (30 June 2010: HK$20.8 million) were pledged to secure the bank overdraft granted to the Group.

Major Litigation and Arbitration Proceedings

The Company and its ex–subsidiary, P.N. Electronic Ltd. ("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.

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.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES

Directors' Interests in Shares, Underlying Shares and Debentures

(A) Shares

As at 31 December 2010, the directors and chief executive had the following interests, all being long position, in the ordinary shares of the Company and its associated corporations as notified to the Company and as required to be entered into a register under Section 352 of the Securities and Futures Ordinance ("SFO"):

Name of Director	Name of Company	Capacity	Number of Shares	Approximate Percentage of Interest
Ma Ho Man, Hoffman	See Corporation Limited	Beneficial Owner	236,042,361	18.95%

(B) Share options

The Company has in place a share option scheme under which 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. During the six months ended 31 December 2010, there were no outstanding share options granted to the directors of the Company.

Save as aforesaid, as at 31 December 2010, to the best knowledge of the Company:

(i) none of the directors, or 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) (a) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors and chief executive are taken or deemed to have under the provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules");

Directors' Interests in Shares, Underlying Shares and Debentures (Continued)

(B) ***Share options*** (Continued)

(ii) none of the directors, or chief executive or their spouses or children under 18 had any right to subscribe for the shares, underlying shares or debentures of the Company, or had exercised any right during the six months ended 31 December 2010.

Substantial shareholders

As at 31 December 2010, to the best knowledge, information and belief of the Company after making reasonable enquiries, the interests of shareholders, other than a director or chief executive of the Company, in the shares or underlying shares of the Company as recorded in the register maintained pursuant to Section 336 of the SFO or otherwise notified to the Company and/or the Stock Exchange were as follows:

Name of Shareholder	Long Position/ Short Position	Capacity	Number of Shares Held/Involved	Number of Underlying Shares Held/ Involved	Approximate Percentage of Interest
高榮顧問有限公司	Long Position	Beneficial Owner	72,000,000	–	6.90%

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 or otherwise notified to the Company and/or the Stock Exchange as at 31 December 2010.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES
(Continued)

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 31 December 2010, the Company purchased 4,568,000 ordinary shares of HK$0.01 each in the capital of the Company at prices ranging from HK$0.174 to HK$0.180 per share on the Stock Exchange.

Month/Year	Number of shares repurchased	Highest price per share	Lowest price per share	Aggregate consideration paid
		HK$	*HK$*	*HK$'000*
July 2010	4,568,000	0.180	0.174	821

The repurchased shares were cancelled and accordingly, the total issued share capital of the Company was reduced by the nominal value thereof. The directors considered that such repurchase resulted in an enhancement of the net asset value of the Company and/or its earning per share, thus has benefited the Company and its shareholders.

Code on Corporate Governance Practices

The Company is committed to ensuring high standards of corporate governance in the interests of shareholders and devotes considerable effort to identifying and formalizing best practices. Throughout the six months ended 31 December 2010, save and except as hereinafter mentioned, the Company has complied with all applicable code provisions ("Code Provisions") under the Code on Corporate Governance Practices ("CG Code") as set out in Appendix 14 to the Listing Rules.

Pursuant to Code Provision A.2.1 of the CG Code, the role of chairman and chief executive officer should be separate and should not be performed by the same individual. Since the resignation of Mr. Yu Kam Kee, Lawrence, *B.B.S., M.B.E., J.P.*, as Chairman and Executive Director of the Company on 1 October 2009, the position of Chairman has been vacated. In order to ensure smooth operation, Mr. Wong Kui Shing, Danny as the Managing Director of the Company is responsible for implementing the Company's strategy, managing and monitoring the performance of the management and overseeing the daily operation of the Company. Dr. Ma Ho Man, Hoffman has been appointed as Chairman of the Company and has assumed the role of Chairman since 14 October 2010.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES
(Continued)

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 and the directors confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 31 December 2010.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES
(Continued)

Directors' Updated Information pursuant to Rule 13.51B(1)

The following is the updated information regarding all directors of the Company, required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2):

Executive Director

Dr. Ma Ho Man, Hoffman was appointed as an Executive Director and Chairman of the Company on 14 October 2010 and a member of the prevention of bribery committee of the Company on 21 October 2010. Dr. Ma is currently an executive director and deputy chairman of Success Universe Group Limited (shares of which are listed on the Main Board of the Stock Exchange). In addition, he has been a managing director of Success Securities Limited, which is a licensed corporation under the SFO and a participant of the Stock Exchange. Dr. Ma has over 13 years of experience in the financial industry and extensive managerial experience. He was awarded Fellowship by Canadian Chartered Institute of Business Administration and Honorary Doctorate of Management by Lincoln University in 2009 and 2010 respectively. Save as disclosed in this report, Dr. Ma did not hold any other directorship in listed public companies in the last three years.

As at the date of this report, Dr. Ma does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. He has not entered into any service contract with the Company. Dr. Ma has not been appointed for a specific term of service and is subject to retirement by rotation and re–election pursuant to the Bye–Laws of the Company ("Bye–Laws"). The emolument payable to Dr. Ma will be reviewed by the remuneration committee of the Company with reference to his position, his level of responsibilities, the remuneration policy of the Company and prevailing market conditions.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES
(Continued)

Directors' Updated Information pursuant to Rule 13.51B(1) (Continued)

Executive Director (Continued)

Mr. Wong Kui Shing, Danny was appointed as an Executive Director and Managing Director of the Company on 21 December 2009 and the chairman of the prevention of bribery committee of the Company on 28 June 2010. Mr. Wong holds a Bachelor of Arts degree from the University of Hong Kong. He was appointed as an executive director and chief executive officer of SMI Corporation Limited ("SMI") (shares of which are listed on the Main Board of the Stock Exchange) on 5 August 2009 and re–designated as the chairman of SMI and ceased to be the chief executive officer of SMI on 25 November 2009. Due to redesignation of duties, Mr. Wong has ceased to be the executive director of SMI on 31 December 2009 and has been appointed as a non–executive director of SMI on 1 January 2010. He has remained as the chairman and non–executive director of SMI until 26 March 2010 when his resignation as the chairman and non–executive director of SMI took effect. Mr. Wong was a former executive director of China Oil and Gas Group Limited ("China Oil and Gas Group") (shares of which are listed on the Main Board of the Stock Exchange). He has extensive exposure in the financial and investment fields for over 19 years and is well experienced in the international investment market. Save as disclosed in this report, Mr. Wong did not hold any other directorship in listed public companies in the last three years.

Pursuant to the listing enforcement notice/announcement of the Stock Exchange dated 16 October 2008, Mr. Wong, together with another former director of China Oil and Gas Group, has admitted breaching the directors' declaration, undertaking and acknowledgement with regard to directors given by each of them to the Stock Exchange in the form set out in Appendix 5B to the Listing Rules in failing to use their best endeavours to procure China Oil and Gas Group's compliance with the Listing Rules in relation to the failure of China Oil and Gas Group to publish its annual results and annual report for the year ended 31 July 2005 by 30 November 2005 and interim results and interim report for the six months ended 31 January 2006 by 30 April 2006. Accordingly, the Listing Committee publicly criticised Mr. Wong and another former director of China Oil and Gas Group for their respective breaches mentioned above.

Mr. Wong is the uncle of Mr. Wong Chi Chiu who is the Executive Director of the Company. He has not entered into any service contract with the Company. Mr. Wong has not been appointed for a specific term of service and is subject to retirement by rotation and re–election pursuant to the Bye–Laws. The emolument payable to Mr. Wong will be reviewed by the remuneration committee of the Company with reference to his position, his level of responsibilities, the remuneration policy of the Company and prevailing market conditions.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES
(Continued)

Directors' Updated Information pursuant to Rule 13.51B(1) (Continued)

Executive Director (Continued)

Dr. Allan Yap was appointed as an Executive Director and Chief Executive Officer of the Company on 8 June 2009. Dr. Yap was also appointed as the chairman of the remuneration committee of the Company on 1 October 2009 and a member of the prevention of bribery committee of the Company on 28 June 2010. He has resigned as the Chief Executive Officer of the Company on 21 December 2009, but continued to act as the Executive Director of the Company and the chairman of the remuneration committee and a member of the prevention of bribery committee of the Company. Dr. Yap has also resigned as a director of TVB Pay Vision Holdings Limited and TVB Pay Vision Limited on 17 December 2010, all of which are associates of the Company. He is currently a director of Mega–Vision Productions Limited, Mega–Vision Pictures Limited and See Movie Limited, all of which are subsidiaries of the Company.

Dr. Yap obtained the Honorary degree of Doctor of Laws and has over 28 years' experience in finance, investment and banking. He is the chairman of Hanny Holdings Limited (shares of which are listed on the Main Board of the Stock Exchange) and an executive director of Rosedale Hotel Holdings Limited (shares of which are listed on the Main Board of the Stock Exchange). Dr. Yap was an executive director of Neo Telemedia Limited (shares of which are listed on the Growth Enterprise Market of the Stock Exchange) until 20 July 2009 when his resignation as a director of the company took effect. He is the chairman and chief executive officer of China Enterprises Limited, a company whose shares are traded on the OTC Securities Markets in the United States of America, as well as Burcon NutraScience Corporation, a company whose shares are listed on the Toronto Stock Exchange in Canada and the Frankfurt Stock Exchange in Germany. Dr. Yap is an executive chairman of PSC Corporation Ltd., Intraco Limited and Tat Seng Packaging Group Ltd., all of which are companies whose shares are listed on the Singapore Exchange Limited. He was also the chairman of MRI Holdings Limited ("MRI"), a company whose shares were listed on the Australian Securities Exchange. In December 2009, the directors of MRI recommended the return of capital to its shareholders by way of members' voluntary liquidation which was approved by its shareholders in April 2010. Save as disclosed in this report, Dr. Yap did not hold any other directorship in listed public companies in the last three years.

As at the date of this report, Dr. Yap does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. He has not entered into any service contract with the Company. Dr. Yap has not been appointed for a specific term of service and is subject to retirement by rotation and re–election pursuant to the Bye–Laws. The amount of director's fee received by Dr. Yap for the period ended 31 December 2010 was approximately HK$480,000 which was determined with reference to his position, his level of responsibilities, the remuneration policy of the Company and prevailing market conditions.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES
(Continued)

Directors' Updated Information pursuant to Rule 13.51B(1) (Continued)

Executive Director (Continued)

Mr. Wong Yat Cheung was appointed as an Executive Director and Managing Director of the Company on 13 February 2007 and a member of the prevention of bribery committee of the Company on 28 June 2010. Mr. Wong has resigned as the Managing Director and the Executive Director of the Company on 8 June 2009 and 1 December 2010 respectively. He has ceased to be the member of the prevention of bribery committee of the Company with effect from 1 December 2010. Mr. Wong has also resigned as a director of Grand Class Investment Limited, Seethru Limited and See Base Limited on 1 December 2010 but continued to act as a director of Mega–Vision Productions Limited, Mega–Vision Pictures Limited, all of which are subsidiaries of the Company.

Mr. Wong is a prominent director, producer and scriptwriter in Hong Kong, both in terms of box–office success and breaking new grounds for film production. He graduated from the Chinese University of Hong Kong in 1978 and holds a bachelor's degree in Chinese Language and Literature. Having over 30 years experience in the Hong Kong film and television industry, Mr. Wong has produced over 100 films and TV drama–series. Some of his reputable film sequels are "The Romancing Star", "God of Gamblers" and "Young and Dangerous", all of which set new movie box–office records as well as new trends for the Hong Kong movie scene. He was recently awarded by UA Cinemas as the Movie Director with the Highest Box–Office Record between 1985 and 2005. Mr. Wong did not hold any directorship in listed public companies in the last three years.

As at the date of this report, Mr. Wong does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. He has not entered into any service contract with the Company. Mr. Wong has not been appointed for a specific term of service and is subject to retirement by rotation and re–election pursuant to the Bye–Laws. The amount of director's salary received by Mr. Wong for the period from 1 July 2010 to 30 November 2010 was approximately HK$750,000 which was determined with reference to his position, his level of responsibilities, remuneration policy of the Company and prevailing market conditions. He is also entitled to a housing allowance of HK$35,000 per month.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES
(Continued)

Directors' Updated Information pursuant to Rule 13.51B(1) (Continued)

Executive Director (Continued)

Mr. Wong Chi Chiu was appointed as an Executive Director of the Company on 21 December 2010. Mr. Wong has over 9 years experience in corporate finance and auditing with participation in activities including mergers and acquisitions, initial public offerings and fund raising exercises. He holds a bachelor of business administration degree in accounting from Hong Kong University of Science and Technology. Mr. Wong was an executive director of KH Investment Holdings Limited (shares of which are listed on the Growth Enterprise Market of the Stock Exchange) until 1 November 2010 when his resignation as an executive director of the company took effect. Save as disclosed in this report, Mr. Wong did not hold any other directorship in any public listed companies in the past three years.

Mr. Wong is the nephew of Mr. Wong Kui Shing, Danny who is the Managing Director of the Company. He has not entered into any service contract with the Company. Mr. Wong has not been appointed for a specific term of service and is subject to retirement by rotation and re–election pursuant to the Bye–Laws. The emolument payable to Mr. Wong will be reviewed by the remuneration committee of the Company with reference to his position, his level of responsibilities, remuneration policy of the Company and prevailing market conditions.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES
(Continued)

Directors' Updated Information pursuant to Rule 13.51B(1) (Continued)

Independent Non–executive Director

Mr. Li Fui Lung, Danny was appointed as an Independent Non–executive Director and the chairman of the audit committee of the Company on 23 October 2001 and a member of the remuneration committee of the Company on 26 October 2005. Mr. Li graduated with a Bachelor of Science Degree from the University of Hong Kong and subsequently obtained postgraduate certificate in accountancy from the University of Stirling in Scotland. He has over 29 years experience in the accounting profession and after qualifying as Chartered Accountant in 1980 with Ernst & Whinney in Scotland, has worked as finance manager, controller and internal auditor in major multinational companies. Mr. Li is the sole proprietor of Messrs. Danny Li & Company, a certified public accountants firm in Hong Kong, and has been practising as a certified public accountant in Hong Kong for more than 9 years. He is a member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in Scotland and the Institute of Chartered Accountants in Australia. Mr. Li is also an independent non–executive director of Centraland Limited whose shares are listed on the Singapore Stock Exchange. Save as disclosed in this report, Mr. Li did not hold any other directorship in listed public companies in the last three years.

As at the date of this report, Mr. Li does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. He has entered into an appointment letter with the Company for a period of 3 years from 1 October 2010 to 30 September 2013. Mr. Li is subject to retirement by rotation and re–election pursuant to the Bye–Laws. The amount of director's fee received by Mr. Li for the period ended 31 December 2010 was approximately HK$100,000 which was determined with reference to his duties and responsibilities in the Company and market benchmark.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES
(Continued)

Directors' Updated Information pursuant to Rule 13.51B(1) (Continued)

Independent Non–executive Director (Continued)

Mr. Ng Hoi Yue, Herman was appointed as an Independent Non–executive Director and a member of the audit committee of the Company on 16 May 2002 and a member of the remuneration committee of the Company on 26 October 2005. Mr. Ng is an associate member of The Institute of Chartered Accountants in England and Wales and a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has been practising as a certified public accountant in Hong Kong since 1989. Mr. Ng is an independent non–executive director of Greenfield Chemical Holdings Limited (shares of which are listed on the Main Board of the Stock Exchange). He was an independent non–executive director of Henry Group Holdings Limited (shares of which are listed on the Main Board of the Stock Exchange) until 19 February 2010 when his resignation as a director of the company took effect. Save as disclosed in this report, Mr. Ng did not hold any other directorship in listed public companies in the last three years.

As at the date of this report, Mr. Ng does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. He has entered into an appointment letter with the Company for a period of 3 years from 1 October 2010 to 30 September 2013. Mr. Ng is subject to retirement by rotation and re–election pursuant to the Bye–Laws. The amount of director's fee received by Mr. Ng for the period ended 31 December 2010 was approximately HK$90,000 which was determined with reference to his duties and responsibilities in the Company and market benchmark.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES
(Continued)

Directors' Updated Information pursuant to Rule 13.51B(1) (Continued)

Independent Non–executive Director (Continued)

Mr. Heung Pik Lun was appointed as an Independent Non–executive Director and a member of the audit committee and the remuneration committee of the Company on 20 March 2009. Mr. Heung graduated from the University of Windsor with a Bachelor Degree of Arts in 1985. He has substantial experience in general management and administration affairs. Mr. Heung is an executive director of Hanny Holdings Limited (shares of which are listed on the Main Board of the Stock Exchange). Save as disclosed in this report, Mr. Heung did not hold any other directorship in listed public companies in the last three years.

As at the date of this report, Mr. Heung does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. He has entered into an appointment letter with the Company for a period of 3 years from 20 March 2009 to 19 March 2012. Mr. Heung is subject to retirement by rotation and re–election pursuant to the Bye–Laws. The amount of director's fee received by Mr. Heung for the period ended 31 December 2010 was approximately HK$50,000 which was determined with reference to his duties and responsibilities in the Company and market benchmark.

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 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 2010. 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 2010.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2010

	Note	Six months ended 31 December 2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000
Turnover	2	**19,613**	36,208
Cost of sales		**(10,857)**	(26,792)
Gross profit		**8,756**	9,416
Other revenue		**492**	81
Change in fair value of financial assets at fair value through profit or loss		**(3,337)**	(17,260)
Other operating expenses	3	**(10,667)**	(29,610)
Distribution costs		**(2,755)**	(3,440)
Administrative expenses		**(16,282)**	(15,821)
Loss from operations	3	**(23,793)**	(56,634)
Finance costs		**(1,950)**	(10,441)
Gain on partial disposal of associates		**–**	165,864
(Loss)/profit before taxation		**(25,743)**	98,789
Taxation	4	**–**	–
(Loss)/profit for the period		**(25,743)**	98,789
Other comprehensive income		**–**	–
Total comprehensive (expense)/income for the period		**(25,743)**	98,789
(Loss)/profit for the period attributable to:			
Owners of the Company		**(23,160)**	98,789
Non–controlling interests		**(2,583)**	–
		(25,743)	98,789
Total comprehensive (expense)/income attributable to:			
Owners of the Company		**(23,160)**	98,789
Non–controlling interests		**(2,583)**	–
		(25,743)	98,789
(Loss)/earnings per share attributable to the owners of the Company	6		
– Basic		**HK$(0.02)**	HK$0.12
– Diluted		**HK$(0.02)**	HK$0.10

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	Note	31 December 2010 (Unaudited) HK$'000	30 June 2010 (Audited/ Restated) HK$'000
Non–current Assets			
Intangible assets	7	**9**	17
Property, plant and equipment	8	**22,066**	22,675
Interests in associates	9	**26,583**	26,583
Loan receivable	10	**10,000**	10,000
		58,658	59,275
Current Assets			
Film rights		**36,355**	41,282
Film production in progress		**131,436**	101,534
Music production in progress		**972**	556
Inventories		**69**	4
Trade and other receivables, deposits and prepayments	11	**14,528**	11,486
Financial assets at fair value through profit or loss		**6,177**	5,964
Cash and bank balances		**97,868**	300,134
		287,405	460,960
***Less:* Current Liabilities**			
Trade and other payables	12	**37,867**	36,131
Bank overdraft – secured		**9,960**	9,978
Convertible note	14	**–**	185,386
		47,827	231,495
Net current assets		**239,578**	229,465

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

As at 31 December 2010

	Note	31 December 2010 (Unaudited) HK$'000	30 June 2010 (Audited/ Restated) HK$'000
Total assets less current liabilities		**298,236**	288,740
Net assets		**298,236**	288,740
Equity			
Capital and reserves attributable to the owners of the Company			
Share capital	15	**12,455**	10,435
Reserves		**295,478**	285,419
		307,933	295,854
Non–controlling interests		**(9,697)**	(7,114)
		298,236	288,740

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2010 (Unaudited)

	Attributable to the owners of the Company							
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Convertible note reserves HK$'000	Accumulated deficits HK$'000	Sub–total HK$'000	Non–controlling interests HK$'000	Total HK$'000
At 1 July 2010	10,435	683,935	–	45,920	(444,436)	295,854	(7,114)	288,740
Loss for the period	–	–	–	–	(23,160)	(23,160)	(2,583)	(25,743)
Other comprehensive income for the period	–	–	–	–	–	–	–	–
Total comprehensive expenses for the period	–	–	–	–	(23,160)	(23,160)	(2,583)	(25,743)
Repurchase and cancellation of shares *(Note)*	(50)	(848)	–	–	77	(821)	–	(821)
Transfer to capital redemption reserve *(Note)*	–	(50)	50	–	–	–	–	–
Placing of shares	2,070	–	–	–	–	2,070	–	2,070
Premium arising from placing of shares	–	35,190	–	–	–	35,190	–	35,190
Share issue expenses on placing of shares	–	(1,200)	–	–	–	(1,200)	–	(1,200)
Redemption of convertible note – equity component	–	–	–	(45,920)	45,920	–	–	–
At 31 December 2010	12,455	717,027	50	–	(421,599)	307,933	(9,697)	298,236

Note:

During the six month ended 31 December 2010, the Company had repurchased 4,568,000 of its own shares through the Stock Exchange and cancelled a total number of 5,000,000 ordinary shares of which 432,000 shares were repurchased in June 2010.

The Company repurchased 432,000 of its own shares through the Stock Exchange during the year ended 30 June 2010 and it was subsequently cancelled in July 2010. Total consideration of the 432,000 repurchased shares but not yet cancelled amounted to approximately HK$77,000 was temporarily charged to accumulated deficit during the year ended 30 June 2010. Such amount was then transferred from the accumulated deficit and charged against share capital and share premium amounted to approximately HK$4,000 and HK$73,000, respectively upon cancellation of the 432,000 repurchased shares in July 2010.

The Company further repurchased 4,568,000 of its own shares through the Stock Exchange in July 2010. Total consideration of the 4,568,000 repurchased shares amounted to approximately HK$821,000 was charged against share capital and share premium amounted to approximately HK$46,000 and HK$775,000, respectively upon cancellation of the 4,568,000 repurchased shares in July 2010.

Upon cancellation of the total 5,000,000 repurchased shares during the six months ended 31 December 2010, an amount equivalent to the nominal value of these shares of HK$50,000 was transferred from share premium account to the capital redemption reserve account accordingly.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Continued)

For the six months ended 31 December 2009 (Unaudited)

	Attributable to the owners of the Company							
	Share capital *HK$'000*	Share premium *HK$'000*	Capital redemption reserve *HK$'000*	Convertible note reserves *HK$'000*	Accumulated deficits *HK$'000*	Sub–total *HK$'000*	Non–controlling interests *HK$'000*	Total *HK$'000*
At 1 July 2009	19,388	500,040	–	55,978	(572,030)	3,376	–	3,376
Profit for the period	–	–	–	–	98,789	98,789	–	98,789
Other comprehensive income for the period	–	–	–	–	–	–	–	–
Total comprehensive income for the period	–	–	–	–	98,789	98,789	–	98,789
Placing of shares	3,800	–	–	–	–	3,800	–	3,800
Premium arising from placing of shares	–	13,300	–	–	–	13,300	–	13,300
Share issue expenses on placing of shares	–	(806)	–	–	–	(806)	–	(806)
Redemption of convertible note – equity component	–	–	–	(10,058)	10,058	–	–	–
At 31 December 2009	23,188	512,534	–	45,920	(463,183)	118,459	–	118,459

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2010

	Six months ended 31 December 2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000
Net cash outflow from operating activities	**(50,062)**	(62,714)
Net cash (outflow)/inflow from investing activities	**(89)**	211,657
Net cash outflow from financing activities	**(152,097)**	(96,082)
(Decrease)/increase in cash and cash equivalents	**(202,248)**	52,861
Cash and cash equivalents at beginning of the period	**290,156**	21,552
Cash and cash equivalents at end of the period	**87,908**	74,413
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	**97,868**	84,400
Bank overdraft – secured	**(9,960)**	(9,987)
	87,908	74,413

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2010 (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 investment properties and 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 2010.

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.

HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKFRS 1 (Amendment)	Additional Exemptions for First–time Adopters
HKFRS 1 (Amendment)	Limitation Exemption from Comparative HKFRS 7 Disclosure for First–time Adoptors
HKFRS 2 (Amendment)	Group Cash–settled Share–based Payment Transactions
HKAS 32 (Amendment)	Classification of Rights Issues
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Except for the adoption of amendment to HKAS 17, the adoption of other new and revised HKFRSs has had no material effect on the operating results and presentation of financial statements for the current and prior accounting periods.

The amendments to HKAS 17 "Leases" are effective for the Group with the effect from 1 July 2010. Amendments to HKAS 17 require that the classification of leases is based on the extent to which the risks and rewards incidental to ownership of an asset lie with the lessor or the lessee. In particular, the amendments deleted the specific guidance in the standard which previously required that the land element in a lease is a normally classified as an operating lease unless title to the leasehold land is expected to be passed to the lessee by the end of lease term. Under the amended HKAS 17, a leasehold land is classified as a financial lease if the lease transfers substantially all the risks and rewards incidental to ownership of the leasehold land to the lessee.

The amendments to HKAS 17 are required to be applied retrospectively. Comparative information has been restated to reflect this change in accounting policy. The effect of the adoption of this change in accounting policy is a reclassification of the Group's leases from "Leasehold land" to "Property, plant and equipment" of approximately HK$14,221,000, HK$14,229,000 and HK$14,246,000 as of 31 December 2010, 1 July 2010, 1 July 2009 respectively; and the reclassification of the corresponding "Amortisation of leasehold land" to "Depreciation" of approximately HK$8,000 and HK$8,000 for the six months ended 31 December 2010 and 31 December 2009 respectively. This amendment had no impact on the Group's accumulated deficits and current period's loss.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

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.

HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First–time Adopters[2]
HKFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets[2]
HKFRS 9	Financial Instruments[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[3]
HKAS 24 (Revised)	Related Party Disclosures[1]
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[1]

1 *Effective for annual periods beginning on or after 1 January 2011.*
2 *Effective for annual periods beginning on or after 1 July 2011.*
3 *Effective for annual periods beginning on or after 1 January 2012.*
4 *Effective for annual periods beginning on or after 1 January 2013.*

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 2009/10 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

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 July 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM"), which is a group of executive directors of the Company, for the purpose of allocating resources to segments and to assessing their performance. In contrast, the predecessor standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. In the past, the Group's primary reporting format was business segment.

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

Accordingly, the application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

2. SEGMENT INFORMATION (Continued)

Information regarding the Group's reportable segments is presented below. Amounts reported for the prior period have been restated to conform to the current period presentation.

(a) Segment revenue and results

	Six months ended 31 December 2010 (Unaudited)					
	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$'000*	Consolidated *HK$'000*
Segment revenue	14,150	432	4,551	480	–	19,613
Segment results	6,846	93	1,362	455	–	8,756
Interest income						269
Unallocated gains						223
Unallocated corporate expenses						(10,684)
Distribution costs	(2,135)	–	(36)	(584)	–	(2,755)
Administrative expenses	(3,530)	(75)	(1,836)	(157)	–	(5,598)
Other operating expenses	(10,623)	–	(44)	–	–	(10,667)
Change in fair value of financial assets at the fair value through profit or loss	–	–	–	–	(3,337)	(3,337)
Loss from operations						(23,793)
Finance costs						(1,950)
Loss before taxation						(25,743)
Taxation						–
Loss for the period						(25,743)

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

2. SEGMENT INFORMATION (Continued)

(a) Segment revenue and results (Continued)

	Six months ended 31 December 2009 (Unaudited)					
	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$'000*	Consolidated *HK$'000*
Segment revenue	33,050	358	2,599	201	–	36,208
Segment results	8,066	37	1,113	200	–	9,416
Interest income						74
Unallocated gains						7
Unallocated corporate expenses						(18,677)
Administrative expenses						(584)
Other operating expenses	(29,600)	–	(10)	–	–	(29,610)
Change in fair value of financial assets at the fair value through profit or loss	–	–	–	–	(17,260)	(17,260)
Loss from operations						(56,634)
Finance costs						(10,441)
Gain on partial disposal of associates						165,864
Profit before taxation						98,789
Taxation						–
Profit for the period						98,789

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

2. SEGMENT INFORMATION (Continued)

(b) Geographical information

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

	Six months ended 31 December	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Hong Kong	**14,119**	18,239
The People's Republic of China	**3,603**	11,889
Others	**1,891**	6,080
	19,613	36,208

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31 December 2010 (in HK Dollars)

3. LOSS FROM OPERATIONS

	Six months ended 31 December	
	2010	2009
	(Unaudited)	(Unaudited/ Restated)
	HK$'000	*HK$'000*
Loss from operations has been arrived at after charging as following items:		
Amortisation of film rights	**7,304**	22,866
Amortisation of intangible assets	**8**	8
Write down on film rights *(Note)*	**10,623**	29,006
Impairment loss recognized in respect of trade and other receivables, deposits and prepayments *(Note)*	**44**	604
Depreciation of property, plant and equipment	**510**	576
Operating leases in respect of land and buildings	**1,156**	1,665
Staff cost	**5,456**	5,828
Change in fair value of financial assets at fair value through profit or loss	**3,337**	17,260
Loss on disposal of property, plant and equipment	**410**	–

Note:

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31 December 2010 (in HK Dollars)

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 (2009: Nil).

5. INTERIM DIVIDEND

The directors of the Company do not recommend the payment of an interim dividend for the current period (2009: Nil).

6. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The calculation of basic (loss)/earnings per ordinary share attributable to owners of the Company is based on the following data:

	Six months ended 31 December	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
(Loss)/earnings for the period attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per ordinary share	**(23,160)**	98,789

6. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY (Continued)

	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**1,051,215,173**	799,477,313
Effect of dilutive potential ordinary shares:		
Convertible notes	**–**	147,745,569
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	**1,051,215,173**	947,222,882

For the six months ended 31 December 2010, diluted loss per share is the same as the basic loss per share as the outstanding convertible note has anti–dilutive effect on the basic loss per share.

The calculation of basic earnings per share for the six months ended 31 December 2009 is based on the profit attributable to owners of the Company of approximately HK$98,789,000 and the weighted average number of 799,477,313 ordinary shares (in issue after adjusting the effect of the share consolidation and rights issues completed in January 2010 and in March 2010 retrospectively), as if the shares were consolidated and outstanding throughout the period.

The calculation of diluted earnings per share for the six months ended 31 December 2009 is based on the profit attributable to owners of the Company of approximately HK$98,789,000 and the weighted average number of 947,222,882 ordinary shares (in issue after adjusting the effect of the share consolidation and rights issues completed in January 2010 and in March 2010 retrospectively), as if the shares were consolidated and outstanding throughout the period.

7. INTANGIBLE ASSETS

Intangible assets represent trademarks and artiste contract rights. The changes in the net book value of intangible assets for the six months ended 31 December 2010 are analysed as follow:

	HK$'000
At 30 June 2010 (Audited) and 1 July 2010	17
Amortisation charged for the period	(8)
At 31 December 2010 (Unaudited)	**9**

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2010, the Group acquired items of property, plant and equipment with a cost of approximately HK$311,000 (six months ended 31 December 2009: HK$52,000). Items of property, plant and equipment with a net book value of approximately HK$410,000 were disposal of during the six months ended 31 December 2010 (six months ended 31 December 2009: HK$Nil), resulting in a loss on disposal of approximately HK$410,000 (six months ended 31 December 2009: HK$Nil).

9. INTERESTS IN ASSOCIATES

	31 December 2010 (Unaudited) *HK$'000*	30 June 2010 (Audited) *HK$'000*
Share of net assets of associates	**–**	–
Goodwill arising on acquisition of associates	**26,583**	26,583
	26,583	26,583

At 31 December 2010, the directors of the Company assessed the recoverable amount of goodwill arising on the acquisition of associates by reference to the valuation of the associates as at 31 December 2010 performed by Norton Appraisals Limited ("Norton Appraisals"), an independent firm of professional valuers, and considered that no impairment loss should be made (30 June 2010: HK$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.

10. 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 2010 was approximate to its fair value.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	31 December 2010 (Unaudited) *HK$'000*	30 June 2010 (Audited) *HK$'000*
Trade receivables, net	**9,216**	7,104
Other receivables, deposits and prepayments, net	**5,312**	4,382
	14,528	11,486

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

	31 December 2010 (Unaudited) *HK$'000*	30 June 2010 (Audited) *HK$'000*
0 to 90 days	**2,955**	6,737
91 to 180 days	**6,105**	125
Over 180 days	**9,515**	9,972
	18,575	16,834
Less: Impairment loss recognized in respect of trade receivables	**(9,359)**	(9,730)
	9,216	7,104

The Group allows an average credit period of 90 to 180 days (30 June 2010: 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 at 31 December 2010 were approximate to their fair values.

12. TRADE AND OTHER PAYABLES

	31 December 2010 (Unaudited) *HK$'000*	30 June 2010 (Audited) *HK$'000*
Trade payables	**5,700**	4,672
Other payables	**32,167**	31,459
	37,867	36,131

The following is an aged analysis of trade payables:

	31 December 2010 (Unaudited) *HK$'000*	30 June 2010 (Audited) *HK$'000*
0 to 90 days	**2,813**	3,217
91 days or above	**2,887**	1,455
	5,700	4,672

The directors of the Company considered that the carrying amounts of Group's trade and other payables at 31 December 2010 were approximate to their fair values.

13. PLEDGE OF ASSETS

At 31 December 2010, the Group's leasehold land and buildings with net book value of approximately HK$14,221,000 (30 June 2010: HK$14,229,000) and HK$6,440,000 (30 June 2010: HK$6,534,000), respectively were pledged to a bank for the bank overdraft granted to the Group.

14. CONVERTIBLE NOTE

	Liability component of the convertible note	Equity component of the convertible note
	HK$'000	*HK$'000*
At 30 June 2010 and 1 July 2010		
2005 Convertible Note *(Note)* (Audited)	185,386	45,920
Imputed interest expenses	1,614	–
Redemption of 2005 Convertible Note *(Note)*	(187,000)	(45,920)
At 31 December 2010 (Unaudited)	**–**	**–**

Note:

HK$170,000,000 convertible note issued in 2005 and due in 2010 (the "2005 Convertible Note")

On 21 April 2005, the Company entered into a subscription agreement (the "2005 Subscription Agreement") in relation of issuance of HK$170,000,000 zero–coupon convertible note due on 9 August 2010 to Hanny Holdings Limited ("Hanny").

Pursuant to the 2005 Subscription Agreement, Hanny may at any business date after the date of issue of the 2005 Convertible Note up to and including the date prior to the fifth anniversary of the date of issue of the 2005 Convertible Note convert the whole or any part in an amount or integral multiple of HK$500,000 of the principal amount of the 2005 Convertible Note into shares of HK$0.01 each in the share capital of the Company, at the conversion price of HK$0.12 per share at inception date. The effective interest rate of the liability component is 8.55% per annum to the Company. Unless previously converted by Hanny, the 2005 Convertible Note is redeemable on the date of maturity at 110% of the principal amount of the 2005 Convertible Note then outstanding.

The conversion price of the 2005 Convertible Note of HK$170,000,000 had been adjusted from HK$0.12 per share to HK$0.0406 per share as a result of the right issue taken place on 30 June 2006.

14. CONVERTIBLE NOTE (Continued)

Note: (Continued)

HK$170,000,000 convertible note issued in 2005 and due in 2010 (the "2005 Convertible Note") (Continued)

The conversion price of the 2005 Convertible Note had been further adjusted from HK$0.0406 per share to HK$4.06 per share as a result of the share consolidation taken place on 31 October 2006.

The conversion price of the 2005 Convertible Note had been further adjusted from HK$4.06 per share to HK$1.69 per share as a result of the rights issue taken place on 16 May 2007.

The conversion price of the 2005 Convertible Note had been further adjusted from HK1.69 per share to HK$1.09 per share as a result of the rights issue taken place on 15 November 2007.

The conversion price of the 2005 Convertible Note had been further adjusted from HK$1.09 per share to HK$1.08 per share as a result of the issue of the 2007 Convertible Note taken place on 5 December 2007.

The conversion price of the 2005 Convertible Note had been further adjusted from HK$1.08 per share to HK$21.60 per share as a result of capital reorganization taken place on 6 January 2010.

The conversion price of the 2005 Convertible Note had been further adjusted from HK$21.60 per share to HK$5.66 per share as a result of the rights issue taken place on 18 March 2010.

The 2005 Convertible Note are denominated in Hong Kong dollar, contain two components, liability and equity elements. The Company determined the fair value of the liability component using an equivalent market interest rate for a similar note without a conversion option. The residual amount is assigned as the equity component and included in shareholder's equity named as convertible note reserves.

The 2005 Convertible Note has been redeemed on 9 August 2010, the maturity date of the 2005 Convertible Note.

15. SHARE CAPITAL

	Number of shares	Nominal value *HK$'000*
Authorised:		
Ordinary shares of HK$0.01 each at beginning and at end of period	50,000,000,000	500,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each at beginning of period (Audited)	1,043,460,891	10,435
Placing of shares *(Note i)*	207,000,000	2,070
Cancellation of shares repurchased *(Note ii)*	(5,000,000)	(50)
Ordinary shares of HK$0.01 each at end of period (Unaudited)	**1,245,460,891**	**12,455**

Notes:

(i) On 21 December 2010, the Company issued 207,000,000 shares at the placing price of HK$0.18 per ordinary share under the General Mandate pursuant to an ordinary resolution passed by the shareholders of the Company at the annual general meeting held on 3 December 2010.

(ii) 5,000,000 ordinary shares repurchased by the Company in June 2010 (432,000 shares) and July 2010 (4,568,000 shares) were cancelled during the period. Nominal value of the cancelled ordinary shares amounted to HK$50,000 was transferred from the share premium account to the capital redemption reserve. The premium of the repurchased shares together with the direct attributable expenses relating to the shares repurchased amounted to approximately HK$848,000 were charged against the share premium account.

16. CONTINGENT LIABILITIES AND COMMITMENTS

(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–subsidiary, 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).

16. CONTINGENT LIABILITIES AND COMMITMENTS (Continued)

(iii) (Continued)

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.

17. OPERATING LEASE COMMITMENTS

The Group as lessee

At 31 December 2010, 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 2010 (Unaudited) *HK$'000*	30 June 2010 (Audited) *HK$'000*
Within one year	**1,268**	1,669
In the second to fifth year inclusive	**1,135**	1,566
	2,403	3,235

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31 December 2010 (in HK Dollars)

18. EVENTS AFTER THE REPORTING PERIOD

On 6 January 2011, the Group entered into a conditional sale and purchase agreement (the "S&P Agreement") to acquire 80% equity interests in a company, which, together with its subsidiaries is principally engaged in investments on renewable resources in the Lao People's Democratic Republic, at a consideration of HK$240,000,000 (subject to adjustment). A refundable deposit of HK$30,000,000 has been made upon signing of the S&P Agreement and the balance of the consideration being HK$210,000,000 is to be satisfied by cash and the issue of the promissory note by the Company upon completion.

The transaction constitutes a major and connected transaction for the Company under Chapter 14 and Chapter 14A of the Listing Rules and completion of the transaction is, conditional upon the fulfilment of, amongst other things, the following conditions:

(a) the Group being satisfied with the outcome of the business, financial and legal due diligence against the target group; and

(b) the approval of the S&P Agreement and the transactions contemplated thereunder in accordance with the Listing Rules by the independent shareholders of the Company.

Details of the transaction were set out in the Company's announcement dated 6 January 2011.

19. APPROVAL OF INTERIM FINANCIAL REPORT

The interim financial statements were approved and authorised for issue by the Board of Directors on 24 February 2011.

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

Hong Kong, 24 February 2011