SEEC MEDIA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 205)

ANNOUNCEMENT OF AUDITED FINAL RESULTS FOR THE YEAR ENDED 31st DECEMBER, 2005

The Board of Directors (the "Board") of SEEC Media Group Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2005 together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 31st December, 2005 HK$'000	2004 HK$'000 (restated)
Revenue	2	**101,463**	76,987
Cost of sales		**(23,336)**	(13,439)
Gross profit		**78,127**	63,548
Other income		**4,456**	6,090
Selling and distribution costs		**(21,577)**	(20,416)
Administrative expenses		**(11,044)**	(9,126)
Other operating expenses		**(172)**	(5,534)
Gain on disposal of subsidiaries		**–**	30,704
Profit before taxation	3	**49,790**	65,266
Taxation	4	**(10,283)**	(8,934)
Profit for the year		**39,507**	56,332
Attributable to:			
Equity holders of the parent		**30,565**	52,397
Minority interests		**8,942**	3,935
		39,507	56,332
Dividends:			
Proposed final dividend of HK$0.004 (2004: HK$0.01) per share		**6,207**	15,492
Final dividend paid for 2004 of HK$0.01 per share		**15,492**	–
Earnings per share (HK cents)	5		
Basic		**1.97**	3.39
Diluted		**1.96**	3.34

CONSOLIDATED BALANCE SHEET

	Notes	As at 31st December, 2005 HK$'000	2004 HK$'000
Non-current assets			
Property, plant and equipment		**2,255**	1,585
Intangible assets		**23,664**	24,872
Goodwill		**60,387**	60,387
Interest in a jointly controlled entity		**–**	–
Available-for-sale investments		**5,185**	–
Investments in securities		**–**	13,154
		91,491	99,998
Current assets			
Loan receivable		**19,000**	–
Available-for-sale investments		**5,185**	–
Investments in securities		**–**	13,080
Amount due from a jointly controlled entity		**5,856**	–
Trade receivables	*6*	**30,114**	31,264
Other receivables and prepayments		**4,838**	31,825
Amounts due from related companies		**889**	15,712
Bank balances and cash		**172,780**	102,523
		238,662	194,404
Current liabilities			
Trade payables	*7*	**2,774**	41
Other payables and accruals		**15,220**	11,706
Tax payable		**19,114**	13,415
		37,108	25,162
Net current assets		**201,554**	169,242
Total assets less current liabilities		**293,045**	269,240
Capital and reserves			
Share capital		**155,082**	154,787
Reserves		**113,730**	99,447
Equity attributable to equity holders of the parent		**268,812**	254,234
Minority interests		**24,233**	15,006
		293,045	269,240

1. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as "New HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for accounting periods beginning on or after 1st January, 2005. The application of the New HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and consolidated statement of changes in equity. In particular, the presentation of minority interests has been changed. The changes in presentation have been applied retrospectively. The adoption of the New HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current or prior accounting years are prepared and presented:

Business combinations

In the current year, the Group has applied HKFRS 3 "Business combinations" which is effective for business combinations for which the agreement date is on or after 1st January, 2005. The principal effects of the application of HKFRS 3 to the Group are summarised below:

Goodwill

In previous years, goodwill arising on acquisitions was capitalised on the balance sheet and amortised over its estimated useful life. The Group has discontinued amortising such goodwill from 1st January, 2005 onwards and goodwill will be tested for impairment at least annually. Goodwill arising on acquisitions after 1st January, 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current year. Comparative figures for 2004 have not been restated.

In the current year, the Group has also applied HKAS 21 "The effects of changes in foreign exchange rates" which requires goodwill to be treated as assets and liabilities of the foreign operation and translated at closing rate at each balance sheet date. Previously, goodwill arising on acquisitions of foreign operations was reported at the historical rate of exchange at each balance sheet date. In accordance with the relevant transitional provisions in HKAS 21, goodwill arising on acquisitions prior to 1st January, 2005 is treated as a non-monetary foreign currency item of the Company. Therefore, no prior year adjustment has been made.

Share-based payments

In the current year, the Group has applied HKFRS 2 "Share-based payment" which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of share options granted to directors and employees of the Company, determined at the date of grant of the share options, over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. The Group has applied HKFRS 2 to share options granted on or after 1st January, 2005. In relation to share options granted before 1st January, 2005, the Group has chosen not to apply HKFRS 2 with respect to share options granted on or before 7th November, 2002 and vested before 1st January, 2005. However, the Group is still required to apply HKFRS 2 retrospectively to share options that were granted after 7th November, 2002 and had not yet vested on 1st January, 2005. Comparative figures have been restated.

Financial instruments

In the current year, the Group has applied HKAS 32 "Financial instruments: Disclosure and Presentation" and HKAS 39 "Financial instruments: Recognition and Measurement". HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1st January, 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The application of HKAS 32 has had no material impact on how financial instruments are presented for the current and prior accounting periods. The principal effects resulting from the implementation of HKAS 39 are summarised below:

Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

At 31st December, 2004, the Group classified and measured its debt and equity securities in accordance with the alternative treatment of Statement of Standard Accounting Practice 24 ("SSAP 24"). Under SSAP 24, investments in debt or equity securities are classified as "trading securities", "other securities" or "held-to-maturity investments" as appropriate. Both "trading securities" and "other securities" are measured at fair value. Unrealised gains or losses of "trading securities" are reported in the profit or loss for the year in which gains or losses arise. Unrealised gains or losses of "other securities" are reported in equity until the securities are sold or determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the year. From 1st January, 2005 onwards, the Group classified and measured its debt and equity securities in accordance with HKAS 39. Under HKAS 39, financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables", or "held-to-maturity financial assets". "Financial assets at fair value through profit or loss" and "available-for-sale financial assets" are carried at fair value, with changes in fair values recognised in profit or loss and equity respectively. "Loans and receivables" and "held-to-maturity financial assets" are measured at amortised cost using the effective interest method.

On 1st January, 2005, the Group classified and measured its equity securities in accordance with the requirements of HKAS 39. The other securities as reported as at 31st December, 2004 amounting to HK$13,154,000 not held for trading purposes are classified as available-for-sale investments as at 1st January, 2005. The trading securities as reported as at 31st December, 2004 amounting to HK$13,080,000 were classified as investment held for trading as at 1st January, 2005.

Financial assets and financial liabilities other than debt and equity securities

From 1st January, 2005 onwards, the Group has classified and measured its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of SSAP 24) in accordance with the requirements of HKAS 39. As mentioned above, financial assets under HKAS 39 are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables" or "held-to-maturity financial assets". Financial liabilities are generally classified as "financial liabilities at fair value through profit or loss" or "other financial liabilities". Financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value being recognised in profit or loss directly. Other financial liabilities are carried at amortised cost using the effective interest method after initial recognition. However, there has had no material effect on how the results for the current accounting period are prepared and presented.

1A. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The effects of the changes in accounting policies described above on the results for the current and prior years are as follows:

	2005 ***HK$'000***	2004 *HK$'000*
Decrease in amortisation of goodwill (included in other operating expenses)	**4,690**	–
Expenses in relation to share options granted to employees (included in administrative expenses)	**(142)**	(708)
Increase (decrease) in profit for the year	**4,548**	(708)

The financial effects of the application of the New HKFRSs on 31st December, 2004 and 1st January, 2005 are summaried below:

	Accumulated profits *HK$'000*	Share option reserve *HK$'000*
As originally stated	78,464	–
Retrospective recognition of equity settled share-based payment	(708)	708
As restated	77,756	708

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

HKAS 1 (Amendment)	Capital disclosure[1]
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures[2]
HKAS 21 (Amendment)	Net investment in foreign operation[2]
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions[2]
HKAS 39 (Amendment)	The fair value option[2]
HKAS 39 and HKFRS 4 (Amendments)	Financial guarantee contracts[2]
HKFRS 6	Exploration for and evaluation of mineral resources[2]
HKFRS 7	Financial instruments: Disclosures[1]
HK(IFRIC) – INT 4	Determining whether an arrangement contains a lease[2]
HK(IFRIC) – INT 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds[2]
HK(IFRIC) – INT 6	Liabilities arising from participating in a specific market–waste electrical and electronic equipment[3]
HK(IFRIC) – INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies[4]

[1] Effective for annual periods beginning on or after 1st January, 2007.

[2] Effective for annual periods beginning on or after 1st January, 2006.

[3] Effective for annual periods beginning on or after 1st December, 2005.

[4] Effective for annual periods beginning on or after 1st March, 2006.

The Group has not early applied the above new standards, amendments and interpretations that have been issued but are not yet effective. The directors of the Company do not expect the application of these standards, amendments or interpretations will have material effect on the results of operations and financial position of the Group.

2. REVENUE AND SEGMENT INFORMATION

Revenue represents the net invoiced value of provision of advertising agency services, less trade discounts.

The Group's revenue is entirely derived from activities carried out in the People's Republic of China "PRC". Accordingly, no analysis by business and geographical segments is presented.

3. PROFIT BEFORE TAXATION

	2005 *HK$'000*	2004 *HK$'000* (restated)
Profit before taxation has been arrived at after charging (crediting):		
Auditors' remuneration	**500**	430
Bad debts written off	**2,540**	627
Staff costs (including directors' remuneration):		
Wages, salaries and other allowances	**8,497**	6,604
Contributions to retirement benefits schemes	**574**	503
Share option benefits	**142**	708
	9,213	7,815
Depreciation of property, plant and equipment	**740**	414
Amortisation of goodwill*	**–**	4,147
Amortisation of intangible assets*	**2,551**	2,225
	3,291	6,786
Operating leases payments in respect of rented premises	**1,816**	1,985
Loss on disposals of property, plant and equipment	**22**	–
Realised loss on investments in securities	**–**	591
Loss on disposals of investments held for trading	**3**	–
Allowances for bad and doubtful debts	**–**	1,240
Interest income	**(2,647)**	(4,840)
Exchange gain, net	**(898)**	–
Unrealised holding gain on trading securities	**–**	(513)

* *The amortisation of goodwill and intangible assets for the year are included in "Other operating expenses" and "Cost of sales" on the face of the consolidated income statement respectively.*

4. TAXATION

No provision for Hong Kong Profits Tax has been made for both years because the Group incurred a tax loss in Hong Kong.

Taxes arising in other jurisdictions of the PRC are calculated at the rates of tax prevailing in the PRC.

The taxation for the year can be reconciled to the profit before taxation per the consolidated income statement as follows:

	2005 *HK$'000*	2004 *HK$'000* (restated)
Profit before tax	**49,790**	65,266
Tax at PRC income tax rate of 15% *(Note)*	**7,469**	9,790
Effect of different income tax rates	**705**	1,684
Tax effect of deferred tax assets not recognised	**1,442**	2,865
Tax effect of expenses not deductible for tax purposes	**356**	1,106
Tax effect of income not taxable for tax purposes	**(17)**	(6,511)
Others	**328**	–
Tax charge for the year	**10,283**	8,934

Note: The Group is subjected to the PRC enterprise income tax rate of 15% (2004: 15%), the preferential tax rate for enterprises established in Shenzhen and Hainan's Special Economic Zones.

At the balance sheet date, the Group had unused estimated tax losses of HK$32,312,000 (2004: HK$26,160,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the estimated tax losses due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

5. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2005	2004
	HK$'000	*HK$'000*
		(restated)
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to equity holders of the parent)	**30,565**	52,397
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,549,823,929**	1,547,130,625
Effect of dilutive potential ordinary shares assumed on exercise of share options	**11,711,309**	19,595,172
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,561,535,238**	1,566,725,797

6. TRADE RECEIVABLES

The average credit period granted by the Group is within three months from the date of recognition of the sale.

The aging analysis of the Group's trade receivables is as follows:

	2005		2004	
	HK$'000	*%*	*HK$'000*	*%*
Within three months	**21,116**	**62**	15,427	44
Four to six months	**6,242**	**18**	6,189	18
Seven months to one year	**2,756**	**8**	9,648	27
Over one year	**4,049**	**12**	3,961	11
	34,163	**100**	35,225	100
Less: Allowances for bad and doubtful debts	**(4,049)**		(3,961)	
Total after allowances for bad and doubtful debts	**30,114**		31,264	

7. **TRADE PAYABLES**

The aging analysis of the Group's trade payables are as follows:

	2005		2004	
	HK$'000	***%***	*HK$'000*	*%*
Within two months	**1,899**	**69**	–	–
Five months to one year	**834**	**30**	6	15
Over one year	**41**	**1**	35	85
	2,774	**100**	41	100

CHAIRMAN'S STATEMENT

On behalf of the Board of the Company, I am pleased to present to you the 2005 annual results for the Group.

For the year ended 31st December, 2005, the Group recorded total revenues of approximately HK$101.5 million, representing an increase of 31.8% from HK$77.0 million in 2004.

Profit attributable to shareholders amounted to approximately HK$30.6 million, compared to HK$52.4 million in 2004. Basic earnings per share were HK$0.0197 versus HK$0.0339 in 2004. Profit attributable to shareholders for the year ended 31st December, 2004 included certain one-time non-recurring items such as gain on disposal of a long-term exclusive advertising right to China Business Post. Excluding such gains, operating profit before taxation for the year ended 31st December, 2005 was HK$49.8 million, representing an increase of 43.9% from the previous year's amount of HK$34.6 million.

The Board recommends a final dividend of HK$0.004 per share (2004: HK$0.01).

Business Review

2005 was a year of unprecedented challenges for the print media in China. Although the overall advertising market still outpaced the GDP growth in 2005, the macro-economic control measures adopted by the PRC government targeted at certain sectors such as real estate and automobile continued to negatively impact advertisers' spending on print media. According to CTR Market Research, the overall advertising expenditures and magazine advertising expenditures both recorded 18% growth in 2005, the lowest for the past three years. Advertising expenditures in print media by some key sectors such as real estate, automobile and telecommunications even declined in 2005.

As of 31st December, 2005, the Group owned the advertising rights to a portfolio of 6 leading magazines in China. During the year, revenues and earnings from the Group's core print media advertising business delivered strong growth over the same period of 2004 despite the sluggish growth in print advertising. Our revenues grew by 31.8% to HK$101.5 million. The encouraging increase in revenues was primarily the result of an increase in advertising rate card and advertising pages. Apart from print advertising sales, we have benefited from our efforts in brand extension by organizing more branded conferences and events in 2005.

The top three contributors to the Group's advertising revenues remained to be the real estate, automobile and IT industries. We have also witnessed growth from areas like the financial services and personal consumer product sectors, as the gradual opening of the financial services industry according to WTO accession and diminishing import tax on certain consumer products have driven clients from these sectors to adopt more sophisticated advertising strategies to boost their sales and market shares.

The solid performance reflects the leadership positions of our magazine titles command across all the magazine segments we operate in. Throughout the year, the Group has been focusing on strengthening the prominent brand names of the magazine titles under our portfolio through putting more sales and marketing efforts. Increased emphasis was also placed on providing advertisers with innovative marketing tools by way of new content and advertising format or packaging and bundle sale with branded conferences and events.

Our flagship title Caijing Magazine continued to deliver strong performance leveraging on its brand power as well as strengthened sales efforts. In 2005, approximately HK$43.8 million, or 43.2% of the total revenues of the Group was derived from Caijing Magazine, representing a 33.0% increase from the same period of last year. Three years in a row, Caijing Magazine have managed to increase its advertising rates, by 12% on average in 2005 due to strong demand for its advertising space.

Despite a contraction in advertising expenditures by real estate sector in 2005, the New Real Estate Magazine Series generated approximately HK$29.4 million in revenue for the Group, representing an increase of 34.7% from the same period of last year, and accounted for 29.0% of the Group's total revenues. The strong growth achieved by the New Real Estate Magazine Series was attributable to its continuous focus on promotion through more magazine display channels, and more importantly, increasingly diversifying revenue streams from conferences and events leveraging on its strong brand name.

As an important step of expanding our magazine portfolio, the Group formed a joint venture with Ziff Davis Media Inc. and launched the No.1 technology publication in the United States, PC Magazine, in the China market in November 2005. Apart from the Chinese edition of PC Magazine, the joint venture will also establish related online properties and integrated marketing capabilities, including the offering of live and online events. Moreover, the joint venture may determine to launch Chinese editions of additional Ziff Davis Media magazines and services in the future.

Business Outlook

The Group remained positive about the advertising market potential for the coming years in China. We believe that the overall advertising industry will continue to expand at a pace in line with its present rate, as the government aims to further promote consumption as a key stimulus for China's economic growth and two major events, including the 2008 Beijing Olympics and 2010 World Expo, draw near. On the other hand, in accordance with its WTO commitment, the PRC government has allowed foreign companies to wholly own advertising agency companies in China since 11th December, 2005. The relaxation of foreign ownership in advertising agency companies may provide a favorable environment for the Group to further expand its advertising agency business in China.

In the coming years, the Group will continue our focus on magazine advertising business through further expansion of our magazine portfolio. We aim to achieve this through both organic growth and acquisitions. As we have successfully concluded negotiations with various top international media groups to introduce the Chinese editions of their leading magazine titles into China in the near future, we are also in the process of exploring acquisition opportunities for long-term, exclusive advertising rights to other quality magazine titles in China, with a focus on consumer driven segments.

Acknowledgement

On behalf of the Board, I would like to take this opportunity to thank our business partners, customers, and shareholders. I would also like to thank our staff for their loyalty and dedication. We remain committed to further growing and strengthening our business and maximizing the shareholders' value.

MANAGEMENT DISCUSSION AND ANALYSIS

During the year of 2005, turnover of the Group was approximately HK101.5 million as compared to approximately HK$77.0 million in 2004, representing an increase of approximately 31.8%.

The profit attributable to shareholders of the parent for the year of 2005, amounted to approximately HK$30.6 million, representing a decrease of 41.6% from approximately HK$52.4 million in 2004.

In 2004, the Company disposed of a subsidiary, which held an exclusive advertising right to a financial newspaper, China Business Post, with a gain on disposal of approximately HK$30.7 million. Excluding the effect of this non-recurring item, the profit for the year in 2005 increased to approximately HK$39.5 million from approximately HK$25.6 million in 2004.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's daily operating activities were financed by internal sources. As at 31st December, 2005, the Group's equity attributable to equity holders of the parent was approximately HK$268.8 million (2004: HK$254.2 million). The Group had no long term debt as at 31st December, 2005 and 31st December, 2004. The gearing ratio, which was computed by current liabilities over equity attributable to equity holders of the parent was 13.8% (2004: 9.9%).

As at 31st December, 2005, the Group had cash and time deposits amounted to approximately HK$172.8 million (2004: HK$102.5 million)

As at 31st December, 2005, the Group had investments of value approximately HK$10.4 million (2004: HK$26.2 million)

CONTINGENT LIABILITIES

The Group and the Company did not have any significant contingent liability as at 31st December, 2005. (2004: Nil)

CHARGES ON ASSETS

As at 31st December, 2005, the Group and the Company did not have any charges on assets. (2004: Nil)

FOREIGN CURRENCIES AND TREASURY POLICY

Most of the Group's business transactions, assets and liabilities are denominated in Hong Kong Dollars, United States Dollars or Renminbi. It is the Group's treasury policy to manage its foreign currency exposure whenever its financial impact is material to the Group. During the year, the Group did not have any fixed interest rate borrowings and had not engaged in any financial instruments for hedging or speculative activities.

EMPLOYEES

As at 31st December, 2005, the Group had approximately 121 (2004: 126) employees in Hong Kong and the PRC. Salaries, bonuses and benefits were decided in accordance with market conditions and performance of the respective employees.

SHARE OPTION SCHEMES

The Company's share option scheme was adopted on 26th August, 2002. As at 31st December, 2005, the number of shares issuable under share options granted under this share option scheme was 35,900,000.

DIVIDEND

The directors recommend the payment of a final dividend of HK$0.004 per share (2004: HK$0.01) payable to shareholders whose names appear on the register of members of the Company on Friday, 12th May, 2006, amounting to approximately HK$6,207,000. Subject to the approval of shareholders at the forthcoming Annual General Meeting to be held on 29th May, 2006, the dividend will be distributed and paid on or before 15th June, 2006.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding and maximizing shareholders' interests.

The code on Corporate Governance Practices (the "Code") was introduced to Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") which became effective for accounting periods commencing on or after 1st January, 2005 with the exceptions in respect of the code provision C.2 on internal controls and the disclosure requirements in the Corporate Governance Report relating to the internal control. Appropriate actions were duly taken by the Directors to put Company in compliance of code provisions in the Code.

During the year under review, the Company has complied with all relevant code provisions set out in the Code, except for the deviations stated below:

(1) Code Provision A.2.1

Code A.2.1 stipulates that the roles of chairman and managing director (or chief executive officer ("CEO")) should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing.

The Company does not presently have any officer with the title of "CEO" or "Managing Director". At present, Mr Wang Boming, being the Chairman and an Executive Director of the Company, is assuming the role of the CEO of the Company and is responsible for the strategic planning and corporate policy of the Group.

The Directors consider that Mr Wang Boming is the most appropriate person to assume the role of the CEO because he has considerable knowledge and experience in the advertising and publication businesses in the PRC and has leadership and corporate expertise in the Group. The Directors believe that vesting the roles of the chairman and CEO in the same person provides consistent and sustainable development of the Group, strong and consistent leadership in the Company's decision making and operational efficiency.

(2) Code Provision A.4.1

Code A.4.1 stipulates that non-executive directors should be appointed for a specific term and subject to re-election.

The term of office for non-executive Directors are the same as for all Directors (i.e. not appointed for a specific term but only subject to retirement from office by rotation and be eligible for re-election in accordance with the provisions of the Company's Articles of Association). At each annual general meeting, one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least one every three years.

(3) Code Provision E.2.1

Code E.2.1 stipulates that the chairman of a meeting and/or directors who, individually or collectively, hold proxies in respect of shares representing 5% or more of the total voting rights at a particular meeting shall demand a poll in certain circumstances where, on a show of hands, a meeting votes in the opposite manner to that instructed in those proxies. If a poll is required under such circumstances, the chairman of the meeting should disclose to the meeting the total number of votes represented by all proxies held by directors indicating an opposite vote to the votes cast at the meeting on a show of hands.

In compliance with the code provision Code E.2.1, the Company proposes to put forward to its shareholders for approval at the forthcoming annual general meeting a special resolution to amend the Articles of Association of the Company to the effect that if required by the Listing Rules, at any general meeting a poll may be demanded by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing 5% or more of the total voting rights at such meeting; and the Company shall disclose the voting figures on a poll.

AUDIT COMMITTEE

The Company established an audit committee appointed in accordance with the requirements of the Code for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises three members, Mr. Fu Fengxiang, Mr. Wang Xiangfei and Mr. Ge Ming, the independent non-executive Directors. The Group's audited consolidated results for the year ended 31st December, 2005 have been reviewed by the Audit Committee of the Company.

PRELIMINARY ANNOUNCEMENT OF THE RESULTS AGREED BY AUDITORS

The figures in respect of this preliminary announcement of the Group's consolidated income statement, consolidated balance sheet and the related notes thereto for the year ended 31st December, 2005 have been agreed by the Group's auditors, Messrs Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with the Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by HKICPA and consequently no assurance has been expressed by Messrs Deloitte Tohmatsu Tohmatsu on this preliminary announcement.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed on 12th May, 2006 during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfer of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:00 p.m. on 11th May, 2006.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

A results announcement containing the information required by Appendix 16 to the Listing Rules will be published on the website of the Stock Exchange in due course.

By Order of the Board
Wang Boming
Chairman

Hong Kong, 19th April, 2006

As at the date of this announcement, the Board comprises Mr. WANG Boming, Mr. ZHANG Zhifang, Mr. DAI Xiaojing, Mr. LI Shijie and Mr. LAU See Him Louis, all as executive Directors; and Mr. FU Fengxiang, Mr. WANG Xiangfei, Mr. GE Ming and Mr. DING Yu Cheng, all as independent non-executive Directors.