SEEC MEDIA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 205)

ANNOUNCEMENT OF AUDITED FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2006

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 31 December 2006 together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2006

	Notes	2006 HK$'000	2005 HK$'000
Revenue	2	**99,098**	101,463
Cost of sales		**(25,813)**	(23,336)
Gross profit		**73,285**	78,127
Other income		**7,503**	4,456
Selling and distribution costs		**(43,103)**	(21,577)
Administrative expenses		**(27,417)**	(11,044)
Other operating expenses		**–**	(172)
Change in fair value of derivative financial instruments		**(4,074)**	–
Impairment loss recognised in respect of available-for-sale investments		**(21,149)**	–
Finance costs	3	**(5,100)**	–
(Loss) profit before taxation	4	**(20,055)**	49,790
Taxation	5	**(6,266)**	(10,283)
(Loss) profit for the year		**(26,321)**	39,507
Attributable to:			
Equity holders of the parent		**(29,001)**	30,565
Minority interests		**2,680**	8,942
		(26,321)	39,507
(Loss) earnings per share (HK cents)	6		
Basic		**(1.87)**	1.97
Diluted		**(1.87)**	1.96

CONSOLIDATED BALANCE SHEET

As at 31 December 2006

	Notes	2006 HK$'000	2005 HK$'000
Non-current assets			
Property, plant and equipment		**3,058**	2,255
Sole agency rights		**22,766**	23,664
Goodwill		**125,216**	60,387
Interest in a jointly controlled entity		**–**	–
Available-for-sale investments		**–**	5,185
		151,040	91,491
Current assets			
Derivative financial instruments		**1,069**	–
Loan receivable		**–**	19,000
Available-for-sale investments		**13,005**	5,185
Amount due from a jointly controlled entity		**5,856**	5,856
Trade receivables	*8*	**30,860**	30,114
Other receivables and prepayments		**7,798**	4,838
Amounts due from related companies		**2,520**	889
Pledged bank deposit		**39,000**	–
Bank balances and cash		**131,706**	172,780
		231,814	238,662
Current liabilities			
Derivative financial instruments		**16,216**	–
Trade payables	*9*	**5,589**	2,774
Other payables and accruals		**25,699**	15,220
Amounts due to related companies		**1,116**	–
Bank borrowing		**7,968**	–
Tax payable		**12,836**	19,114
		69,424	37,108
Net current assets		**162,390**	201,554
Total assets less current liabilities		**313,430**	293,045
Non-current liability			
Convertible bond		**70,952**	–
Net assets		**242,478**	293,045
Capital and reserves			
Share capital		**155,372**	155,082
Reserves		**87,106**	113,730
Equity attributable to equity holders of the parent		**242,478**	268,812
Minority interests		**–**	24,233
Total equity		**242,478**	293,045

1. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new standard, amendments and interpretations ("New HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are either effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The adoption of the New HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new standards, amendment or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendment or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Amendment)	Capital disclosures[1]
HKFRS 7	Financial instruments: Disclosures[1]
HKFRS 8	Operating segments[2]
HK(IFRIC) – INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies[3]
HK(IFRIC) – INT 8	Scope of HKFRS 2[4]
HK(IFRIC) – INT 9	Reassessment of embedded derivatives[5]
HK(IFRIC) – INT 10	Interim financial reporting and impairment[6]
HK(IFRIC) – INT 11	HKFRS 2 – Group and treasury share transactions[7]
HK(IFRIC) – INT 12	Service concession arrangements[8]

[1] Effective for annual periods beginning on or after 1 January 2007.
[2] Effective for annual periods beginning on or after 1 January 2009.
[3] Effective for annual periods beginning on or after 1 March 2006.
[4] Effective for annual periods beginning on or after 1 May 2006.
[5] Effective for annual periods beginning on or after 1 June 2006.
[6] Effective for annual periods beginning on or after 1 November 2006.
[7] Effective for annual periods beginning on or after 1 March 2007.
[8] Effective for annual periods beginning on or after 1 January 2008.

2. REVENUE AND SEGMENTAL INFORMATION

Revenue represents the net invoiced value of provision of advertising agency services, net of discounts and sales related taxes.

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. FINANCE COST

	2006	2005
	HK$'000	*HK$'000*
Interest on:		
Bank loan wholly repayable within five years	**105**	–
Effective interest expenses on convertible bond	**4,995**	–
	5,100	–

4. (LOSS) PROFIT BEFORE TAXATION

	2006	2005
	HK$'000	*HK$'000*
(Loss) profit before taxation has been arrived at after charging (crediting):		
Auditors' remuneration	**620**	500
Bad debts written off	**8,799**	2,540
Staff costs (including directors' remuneration):		
Wages, salaries and other allowances	**11,277**	8,497
Contributions to retirement benefits schemes	**1,262**	574
Share option benefits	**–**	142
	12,539	9,213
Depreciation of property, plant and equipment	**687**	740
Amortisation of sole agency rights*	**1,686**	2,551
	2,373	3,291
Operating leases payments in respect of rented premises	**2,602**	1,816
Loss on disposal of property, plant and equipment	**5**	22
Loss on disposal of investments held for trading	**–**	3
Bank interest income	**(3,069)**	(2,647)
Exchange loss (gain), net	**1,954**	(898)

* The amortisation of sole agency rights is included in "Cost of sales" on the face of the consolidated income statement.

5. TAXATION

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

The Group is subjected to the PRC enterprise income tax rate of 15% (2005: 15%), the preferential tax rate for enterprises established in Shenzhen and Hainan's Special Economic Zones. Taxes arising in other jurisdictions of the PRC are calculated at the rates of 33%.

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

	2006	2005
	HK$'000	*HK$'000*
(Loss) profit before taxation	**(20,055)**	49,790
Tax at PRC income tax rate of 15%	**(3,008)**	7,469
Effect of different income tax rates	**457**	705
Tax effect of tax losses not recognised	**3,813**	1,442
Tax effect of expenses not deductible for tax purposes	**5,374**	356
Tax effect of income not taxable for tax purposes	**(350)**	(17)
Others	**(20)**	328
Taxation for the year	**6,266**	10,283

At the balance sheet date, the Group had estimated unused tax losses of HK$57,730,000 (2005: HK$32,312,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the estimated unused tax losses due to the unpredictability of future profit streams. The estimated tax losses may be carried forward indefinitely.

6. (LOSS) EARNINGS PER SHARE

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

	2006	2005
	HK$'000	*HK$'000*
(Loss) earnings for the purposes of basic and diluted (loss) earnings per share ((loss) profit for the year attributable to equity holders of the parent)	**(29,001)**	30,565
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,552,386,395**	1,549,823,929
Effect of dilutive potential ordinary shares assumed exercise of share options	**–**	11,711,309
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,552,386,395**	1,561,535,238

For the year ended 31 December 2006, the computation of diluted loss per share does not assume the exercise of share options, conversion of the convertible bond or exercise of warrants since their exercise or conversion would result in a decrease in loss per share.

7. DIVIDEND

	2006	2005
	HK$'000	*HK$'000*
Proposed final – nil per ordinary share (2005: HK$0.004)	**–**	6,207
Dividends recognised as distribution during the year	**6,207**	15,492

8. **TRADE RECEIVABLES**

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

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

	2006		2005	
	HK$'000	***%***	*HK$'000*	*%*
Within three months	**20,314**	**66**	21,116	70
Four to six months	**6,939**	**22**	6,242	21
Seven months to one year	**3,607**	**12**	2,756	9
	30,860	**100**	30,114	100

The directors of the Company are in the opinion that the carrying amounts of trade receivables approximate their fair values.

9. **TRADE PAYABLES**

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

	2006		2005	
	HK$'000	***%***	*HK$'000*	*%*
Within three months	**5,589**	**100**	1,899	69
Four months to one year	**–**	**–**	834	30
Over one year	**–**	**–**	41	1
	5,589	**100**	2,774	100

The directors of the Company are in the opinion that the carrying amounts of trade payables approximate their fair values.

BUSINESS REVIEW

The print media industry in China has faced various challenges in 2006, with mixed results. The Internet and other new media formats kept evolving rapidly, though they were still far from changing the landscape of the advertising industry. The central government's austerity measures, especially in the real estate sector, have brought challenges to this sector and also related fields. According to HC International Inc. ("HC Intelligence") and CTR Market Research, the growth in overall advertising expenditure in China maintained its growth momentum and posted a growth of 18%, still exceeded the GDP growth of the nation in 2006. Of which, advertising spending in print media grew by 9% in 2006, while that in magazines even recorded a robust 22% growth compared with the previous year.

In 2006, the Group initiated a set of strategic moves to strengthen its efforts in the consumer driven magazine segment. As of 31 December 2006, the Group owned the advertising rights to a portfolio of nine magazines in China, three of which were newly launched during the year. While the magazines in the original portfolio maintained their leading positions due to increased efforts on integrated advertising sales and brand extension, the Group set out to develop more consumer magazine titles together with the three newly launched titles.

Despite a strong performance by the Group's leading magazines, revenue declined 2.3% overall to approximately HK$99.1 million. This was attributable to a combination of factors.

The Group's flagship magazine, Caijing Magazine (財經), recorded a very strong performance in 2006 and continued to maintain its leading market position thanks to its reinforced management, well established brand equity and excellent editorial quality. It achieved a revenue growth of 20% as a result of increased advertising rates as well as a high demand for its advertising space.

Caijing Magazine was ranked No. 1 by HC Intelligence in terms of advertising revenue among all business and financial magazines and No. 8 among all magazines in China. According to CTR Market Research, Caijing Magazine has the highest AIR (average issue readership) among all business and financial magazines, demonstrating its unrivalled quality in editorial content. Caijing Magazine's top three advertising categories are automobiles, IT and luxury goods, with financial services a very close fourth.

However, Caijing Magazine's strong performance was offset by the decline in revenue from the Real Estate Series (地產) (formally known as the New Real Estate Series), because the advertising spending in real estate and related industries was hit by the stringent measures adopted by the central government of China. As a result, the advertising revenue of the Real Estate Series decreased by 18% to approximately HK$24 million in 2006 compared with the year before.

Also, the Group rescheduled some conferences and events organized by several magazines, and as a result, revenue derived from conferences and events decreased by 36% to approximately HK$9.5 million compared with the previous year.

The Group further strengthened its cooperation with international media groups. In 2006, Marketing China (成功營銷) formed a content syndication relationship with VNU Business Media (now known as Neilson Media Group).

With the aim of developing its consumer driven magazine segment, the Group launched three new titles in collaboration with renowned international media groups in the past year. Through cooperation with Time Inc., in September 2006, the Group launched Sports Illustrated (體育畫報) in China which is positioned to capture the immense opportunities arising from the 2008 Olympic Games as well as the increasingly booming sports industries in the nation.

In June 2006, the Group collaborated with Meredith Corporation to introduce Better Homes and Gardens (美好家園) in China to offer infotainment on home management for a target audience of the flourishing middle class. On a further positive note, even though the first title of the joint venture with Ziff Davis Media Inc. – PC Magazine (電腦時空) – has only been in the market for one year and is still in its nurturing stage, it has achieved satisfactory performance to date. Following on the encouraging market response of this magazine, the joint venture officially introduced another new title – CIO Insight (信息方略) – to the market in December 2006. The magazine targets at senior IT decision makers and provides them with updated technology information.

All of these titles are still in their initial investment stage and therefore affected the Group's earnings in 2006. However, the introductions of these new magazine titles is expected to further diversify the Group's revenue sources for its long term and sustained development in the years ahead.

The Group acquired the remaining 22% interest of Caixun Advertising Group in the first half of 2006, which is expected to strengthen the Group's position to further benefit from the growth potential of the China advertising industry.

BUSINESS OUTLOOK

The Group remains positive about the advertising market potential for the coming years in China. According to Zenith Optimedia, China has already surpassed Germany to become the fourth largest advertising expenditure market in the world. We believe that the overall advertising industry will continue with its current growth pace, as the government aims to further promote consumption as a key stimulus for China's economic growth. The two major international events, the 2008 Beijing Olympics and 2010 World Expo to be held in Shanghai, are expected to provide additional impetus in propelling the domestic economic growth.

In the coming years, the Group will continue its focus on the magazine advertising business through further expansion of its magazine portfolio. The Group aims to achieve this through both organic growth and acquisitions. In diversifying into the consumer driven segment, the Group is set to have more titles either through cooperation with international media groups, or through acquisition opportunities of long-term and exclusive advertising rights to other quality magazine titles in China. The Group will also develop and execute Internet strategies for each of its titles to seize the growth opportunities that occur.

MANAGEMENT DISCUSSION AND ANALYSIS

During the year of 2006, turnover of the Group was approximately HK$99.1 million as compared to approximately HK$101.5 million in 2005, representing a decrease of approximately 2.3%. In 2006, the advertising revenue in real estate sector was seriously affected by the austerity measures implemented by the central government in China. Continued strong growth in revenue from Caijing Magazine was offset by advertising revenue drop in Real Estate Series, resulting a slight decrease in the Group's turnover.

In collaboration with some international renowned media groups, the Group had launched three magazine titles during the year, namely, Better Homes and Gardens, Sports Illustrated and CIO Insight. As a result of the initial stage of investment in developing these titles, the selling and distribution costs increased by approximately 100% and administration expenses increased by approximately 148%.

At the balance sheet date, the directors have considered the recoverable amount of the available-for-sales investments held by the Company and recognized a non-recurring impairment loss of approximately HK$21.1 million for the year 2006.

The Company had issued a convertible bond ("CB") amounting to US$10 million (equivalent to HK$78 million) in May 2006. The Company recorded an interest expense of approximately HK$5.0 million and the loss arising on changes of fair value of the components of the CB was approximately HK$4.1 million for the year 2006.

As a result, the loss attributable to shareholders of the parent for the year of 2006, amounted to approximately HK$29.0 million, when compared to a profit of approximately HK$30.6 million in 2005.

To preserve financial resources for future expansion and operation of the Group, the Board does not recommend the payment of a dividend for the year 2006 (2005: HK$0.004 per share).

Liquidity and Financial Resources

The Group's daily operating activities were financed by internal sources. As at 31 December 2006, the Group's equity was approximately HK$242.5 million (2005: HK$268.8 million). The Group had non-current convertible bond of approximately HK$71 million as at 31 December 2006 (2005: nil). As at 31 December 2006, the Group's gearing ratio was 18.5% representing a percentage of non-current liability over total assets. As at 31 December 2005, the gearing ratio, which was computed by current liabilities over equity attributable to equity holders of the parent was 13.8%.

As at 31 December 2006, the Group had cash and time deposits amounted to approximately HK$131.7 million (2005: HK$172.8 million).

As at 31 December 2006, the Group had available-for-sale investments of value approximately HK$13.0 million (2005: HK$10.4 million).

Charges on Assets

As at 31 December 2006, the Company had fixed deposit of approximately HK$39.0 million charged to a bank for banking facilities granted to the Group's companies. (2005: Nil)

Contingent Liabilities

The Group and the Company did not have any significant contingent liability as at 31 December 2006. (2005: Nil)

Issue of Convertible Bond

Pursuant to an agreement dated 20 April 2006, the Company issued a CB amounting to US$10 million (equivalent to HK$78 million) and a nil-paid warrant ("Nil-paid warrant") to an independent third party, Templeton Strategic Emerging Markets Fund II, LDC, represented by Templeton Asset Management Limited, on 19 May 2006. The CB carried coupon interest at the rate of 2% per annum on the outstanding principal amount of the CB and will be mature at the fifth year after the issuance of the CB. The Nil-paid warrant, which was granted for no consideration carried the right to subscribe for up to 79,947,009 shares of the Company.

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, apart from the convertible bond as referred above and the bank borrowing, 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 31 December 2006, the Group had 262 (2005: 121) 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 26 August 2002. As at 31 December 2006, the number of share issuable under share options granted was 33,000,000 (2005: 35,900,000).

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 has complied with the code provisions laid down in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2006, except for the Code provisions (i)A.2.1 whereas there is no separation of the role of Chairman and Chief Executive Officer. Mr. Wang Boming assumes the role of both the Chairman and the Chief Executive Officer; and (ii) A.4.1 whereas all non-executive directors of the Company are not appointed for a specific term as they are subject to retirement and rotation in accordance with the Company's articles of association.

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers of the Listing Rules ("Model Code"). Following specific enquiry by the Company, all directors confirmed that they have complied with the required standards as set out in the Model Code throughout the year ended 31 December 2006.

AUDIT COMMITTEE

The Audit Committee reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial report matters including the review of the audited financial statements for the year ended 31 December 2006.

PRELIMINARY ANNOUNCEMENT OF THE RESULTS AGREED BY AUDITORS

The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the year ended 31 December 2006 as set out in the preliminary announcement 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 Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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 and Executive Director

Hong Kong, 23 April 2007

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. Ding Yu Cheng and Mr. Zhang Ke, all as independent non-executive Directors.