SEEC MEDIA GROUP LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 205)

ANNOUNCEMENT OF AUDITED FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Notes	**2016** *HK$'000*	2015 *HK$'000*
Revenue	*3*	**267,594**	286,683
Cost of sales		**(123,513)**	(138,897)
Gross profit		**144,081**	147,786
Other income		**8,631**	7,661
Impairment loss on sole agency rights		**(5,848)**	(40,235)
Impairment loss on goodwill		**(37,603)**	(61,790)
Unrealised fair value gains (losses) on held-for-trading investments		**77,054**	(32,297)
Realised losses on held-for-trading investments		**(10,419)**	(20,267)
Other gains and losses		**14,016**	2,976
Selling and distribution costs		**(111,932)**	(146,025)
Administrative expenses		**(73,396)**	(65,430)
Share of profit of a joint venture		**11,210**	8,125
Share of loss of an associate		**(25,603)**	(2,218)
Finance costs	*5*	**(1,589)**	(595)
Loss before taxation	*6*	**(11,398)**	(202,309)
Taxation	*7*	**(4,948)**	(194)
Loss for the year		**(16,346)**	(202,503)

	Notes	**2016**	2015
		HK$'000	*HK$'000*
Other comprehensive (expense) income			
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences arising on translation		**(9,743)**	(17,846)
Share of exchange differences of a joint venture		**1,345**	(318)
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive (expense) income of an associate		**(274)**	20,631
Total comprehensive expense for the year		**(25,018)**	(200,036)
Loss for the year attributable to:			
Owners of the Company		**(15,200)**	(200,113)
Non-controlling interests		**(1,146)**	(2,390)
		(16,346)	(202,503)
Total comprehensive expense attributable to:			
Owners of the Company		**(23,872)**	(197,646)
Non-controlling interests		**(1,146)**	(2,390)
		(25,018)	(200,036)
Loss per share (HK cents)	*8*		
Basic		**(0.24)**	(10.58)
Diluted		**(0.24)**	(10.58)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2016

	Notes	2016 HK$'000	2015 HK$'000
Non-current assets			
Property, plant and equipment		**32,096**	35,525
Sole agency rights	*10*	**–**	6,756
Other intangible assets	*11*	**28,085**	–
Goodwill	*12*	**10,337**	37,603
Interests in joint ventures		**40,448**	31,110
Available-for-sale investment		**35,700**	20,000
Interest in an associate		**132,537**	158,413
Amount due from a joint venture		**–**	6,747
Deposits paid		**45,600**	–
		324,803	296,154
Current assets			
Accounts receivable	*13*	**170,372**	93,046
Loan receivables	*14*	**119,095**	19,295
Amounts due from related companies		**28,851**	10,140
Other receivables and prepayments		**13,223**	9,352
Held-for-trading investments	*15*	**207,603**	72,703
Bank balances (trust and segregated accounts)		**6,627**	–
Bank balances (general accounts), cash and cash equivalents		**339,171**	746,744
		884,942	951,280
Current liabilities			
Accounts payable	*16*	**19,555**	22,686
Other payables and accruals		**142,314**	132,734
Amount due to a joint venture		**1,804**	–
Amounts due to related companies		**74,496**	9,287
Amount due to a shareholder of the Company		**–**	90,188
Borrowings	*17*	**23,269**	35,000
Tax payable		**4,369**	11,973
		265,807	301,868

	Note	**2016** *HK$'000*	2015 *HK$'000*
Net current assets		**619,135**	649,412
Total assets less current liabilities		**943,938**	945,566
Non-current liability			
Receipt in advance		**–**	86
Deferred tax liabilities		**8,476**	–
Net assets		**935,462**	945,480
Capital and reserves			
Share capital		**637,354**	637,354
Reserves		**288,947**	313,142
Equity attributable to owners of the Company		**926,301**	950,496
Non-controlling interests		**9,161**	(5,016)
Total equity		**935,462**	945,480

1. GENERAL

The Company is incorporated as an exempted company with limited liability in the Cayman Islands and continued in Bermuda with its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The change of domicile of the Company from the Cayman Islands to Bermuda was effective on 26 October 2015. The address of the registered office and principal place of business of the Company are disclosed "Corporate Information" section to the annual report.

The functional currency of the Company and respective group entities is Renminbi ("RMB"), the currency of the primary economic environment in which the Company together with its subsidiaries operate. For the purpose of the consolidated financial statements and conveniences of the financial statements users, the results and financial position of the Group are presented in Hong Kong dollars ("HK$").

The Company acts as investment holding company. The Group is principally engaged in the provision of advertising agency services and distribution of books and magazines in the People's Republic of China ("PRC") and the securities broking business, money lending business and provision of e-commerce platform services in Hong Kong.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time in the current year:

Amendments to HKFRS 11	Accounting for Acquisition of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle

Except as described below, the application of the above amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 1 "Disclosure Initiative"

The Group has applied the amendments to HKAS 1 Disclosure Initiative for the first time in the current year. The amendments to HKAS 1 clarify that an entity does not need to provide a specific disclosure required by an HKFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in HKFRS is insufficient to enable users of consolidated financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

As regards the structure of the consolidated financial statements, the amendments provide examples of systematic ordering or grouping of the notes.

The Group has applied these amendments retrospectively. The grouping and ordering of certain notes have been revised to give prominence to the areas of the Group's activities that management considers to be the most relevant to an understanding of the Group's financial performance and financial position. Specifically, information to capital risk management and information to financial instruments was reordered in the notes to the Group's consolidated financial statements in Annual Report. Other than the above presentation and disclosure change, the application of the amendments to HKAS 1 has not resulted in any impact on the financial performance or financial position of the Group in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers and the related Amendments[1]
HKFRS 16	Leases[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 7	Disclosure Initiative[4]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[4]

[1] Effective for annual periods beginning on or after 1 January 2018

[2] Effective for annual periods beginning on or after 1 January 2019

[3] Effective for annual periods beginning on or after a date to be determined

[4] Effective for annual periods beginning on or after 1 January 2017

HKFRS 9 "Financial Instruments"

HKFRS 9 introduced new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income ("FVTOCI"). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39 "Financial Instruments: Recognition and Measurement". The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group's financial instruments and risk management policies as at 31 December 2016, application of HKFRS 9 in the future may have a material impact on the classification and measurement of the Group's financial assets. The Group's available-for-sale investments, including those currently stated at cost less impairment will either be measured at fair value through profit or loss ("FVTPL") or be designated at FVTOCI. In addition, the expected credit loss model may result in early provision of credit loss which are not yet incurred in relation of the Group's financial assets measured at amortised cost.

HKFRS 15 "Revenue from contracts with Customer"

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations when it becomes effective. The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods and services. Specifically, HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with customer

- Step 2: Identify the performance obligations in the contract

- Step 3: Determine the transaction price

- Step 4: Allocate the transaction price to the performance obligations in the contract

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent consideration, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures. However, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified assets is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for own use and those classified as investment properties while other operating lease payments are presents as operating cash flows. Under HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangements and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2016, the Group as lessee has non-cancellable operating lease commitments of approximately HK$15.6 million as disclosed in page 31. A preliminary assessment indicated that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new arrangements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

Amendments to HKAS 7 "Disclosure Initiative"

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes. Specially, the amendments require the following changes in liabilities arising from financing activities to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company anticipate that the application of the amendments will result in additional disclosures on the Group's financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided on application.

Except for the above impact, the directors of the Company do not anticipate that the application of other new and amendments to HKFRSs will have significant impact on the Group's consolidated financial statements.

3. REVENUE

Revenue represents the gross invoiced value of advertising services, sales of books and magazines, commission and brokerage income arising from securities broking services, e-commerce platform services income and interest income arising from securities broking business and interest income from loan receivables. An analysis of the Group's revenue is as follows:

	2016	2015
	HK$'000	*HK$'000*
Advertising services income	**221,256**	267,200
Sales of books and magazines	**17,929**	19,483
Commission and brokerage income	**17,023**	–
E-commerce platform services income	**2,018**	–
Interest income arising from securities broking business	**6,729**	–
Interest income from loan receivables	**2,639**	–
	267,594	286,683

4. SEGMENT INFORMATION

Information reported to the Company's executive directors, being the chief operating decision makers, for the purposes of allocating resources to segments and assessing their performance are organised on the basis of the revenue streams. The Group has five operating and reporting segments during the year (2015: two) which are as follows: (a) advertising services income from provision of advertising services and organising conferences and events; (b) sales of books and magazines; (c) provision of securities broking services including brokerage, financing and underwriting and placement; (d) provision of e-commerce platform services; and (e) money lending.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments.

For the year ended 31 December 2016

	Provision of advertising services *HK$'000*	Sales of books and magazines *HK$'000*	Provision of securities broking services *HK$'000* *Note*	Provision of e-commerce platform services *HK$'000* *Note*	Money lending *HK$'000* *Note*	Consolidated *HK$'000*
Revenue						
External sales	221,256	17,929	23,752	2,018	2,639	267,594
Result						
Segment profit/(loss)	5,589	(1,118)	96	1,287	2,639	8,493
Other income						8,631
Other gains and losses						14,016
Unallocated administration expenses						(49,740)
Share of profit of a joint venture						11,210
Share of loss of an associate						(25,603)
Impairment loss on sole agency rights						(5,848)
Impairment loss on goodwill						(37,603)
Unrealised fair value gains on held-for-trading investments						77,054
Realised losses on held-for-trading investments						(10,419)
Finance costs						(1.589)
Loss before taxation						(11,398)

Note: Provision of securities broking services, provision of e-commerce platform services and money lending are the new segments reported by the Group during the year.

For the year ended 31 December 2015

	Provision of advertising services *HK$'000*	Sales of books and magazines *HK$'000*	Consolidated *HK$'000*
Revenue			
External sales	267,200	19,483	286,683
Result			
Segment profit	1,091	670	1,761
Other income			7,661
Other gains and losses			(151,613)
Unallocated administration expense (including equity-settled share-based payment expense)			(65,430)
Share of profit of a joint venture			8,125
Share of loss of an associate			(2,218)
Finance costs			(595)
Loss before taxation			(202,309)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment result represents the profit or loss earned by each segment without allocation of unallocated administration expense, other income, other gains and losses and finance costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment. Furthermore, as the assets and liabilities for reportable segments are not provided to the chief operating decision makers for the purposes of resources allocation and performance assessment, no segment assets and liabilities are presented accordingly.

Other segment information

For the year ended 31 December 2016

	Provision of advertising services *HK$'000*	Sales of books and magazines *HK$'000*	Provision of securities broking services *HK$'000*	Provision of e-commerce platform services *HK$'000*	Money lending *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment profit or loss:							
Depreciation of property, plant and equipment	**2,750**	**–**	**478**	**–**	**–**	**929**	**4,157**
Amortisation of sole agency rights	**1,898**	**–**	**–**	**–**	**–**	**–**	**1,898**
Amortisation of other intangible assets	**–**	**–**	**–**	**1,107**	**–**	**–**	**1,107**
Allowance for (reversal of allowance for) bad and doubtful debts	**2,508**	**(228)**	**–**	**–**	**–**	**–**	**2,280**
Impairment loss on sole agency rights	**5,848**	**–**	**–**	**–**	**–**	**–**	**5,848**
Impairment loss on goodwill	**37,603**	**–**	**–**	**–**	**–**	**–**	**37,603**
Realised losses on held-for-trading investments	**–**	**–**	**–**	**–**	**–**	**10,419**	**10,419**
Unrealised fair value gains on held-for-trading investments	**–**	**–**	**–**	**–**	**–**	**(77,054)**	**(77,054)**
Amounts regularly provided to the chief operating decision makers but not included in the measurement of segment profit or loss:							
Share of loss of an associate	**–**	**–**	**–**	**–**	**–**	**25,603**	**25,603**
Share of profit of a joint venture	**–**	**–**	**–**	**–**	**–**	**(11,210)**	**(11,210)**
Interest income	**–**	**–**	**–**	**–**	**–**	**(2,769)**	**(2,769)**
Interest expenses	**–**	**–**	**261**	**–**	**–**	**1,328**	**1,589**

For the year ended 31 December 2015

	Provision of advertising services *HK$'000*	Sales of books and magazines *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment profit or loss:				
Depreciation of property, plant and equipment	4,150	–	890	5,040
Amortisation of sole agency rights	6,588	–	–	6,588
Allowance for (reversal of allowance for) bad and doubtful debts	1,676	(327)	–	1,349
Impairment loss on sole agency rights	40,235	–	–	40,235
Impairment loss on goodwill	61,790	–	–	61,790
Realised losses on held-for-trading investments	–	–	20,267	20,267
Unrealised fair value loss on held-for-trading investments	–	–	32,297	32,297
Amounts regularly provided to the chief operating decision makers but not included in the measurement of segment profit or loss:				
Share of loss of an associate	–	–	2,218	2,218
Share of profit of a joint venture	–	–	(8,125)	(8,125)
Interest income	–	–	(3,068)	(3,068)
Interest expenses	–	–	595	595

Geographical information

The Group's operations are located in the PRC and Hong Kong.

Information about the Group's revenue from continuing and new operations from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets (Note)	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC	**239,185**	286,683	**205,081**	296,154
Hong Kong	**28,409**	–	**84,022**	–
	267,594	286,683	**289,103**	296,154

Note: Non-current assets excluded financial instruments, deferred tax assets and post-employment benefits.

Information about major customers

There is no customer from either provision of advertising services, sales of books and magazines, provision of securities broking services, provision of e-commerce platform services and money lending segment which contributed over 10% of the total revenue of the Group.

5. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest on other loans wholly repayable within five years	**1,589**	595

6. LOSS BEFORE TAXATION

	2016 *HK$'000*	2015 *HK$'000*
Loss before taxation has been arrived at after charging (crediting):		
Auditor's remuneration	**1,358**	1,783
Staff costs (including directors' emoluments):		
Wages, salaries and other allowances	**61,683**	69,644
Contributions to retirement benefits schemes	**18,212**	11,319
	79,895	80,963
Depreciation of property, plant and equipment	**4,157**	5,040
Amortisation of sole agency rights (included in cost of sales)	**1,898**	6,588
Amortisation of other intangible assets	**1,107**	–
Total depreciation and amortisation	**7,162**	11,628
Minimum lease payments under operating lease in respect of rented premises	**23,866**	16,366
Interest income earned on loans and receivables	**(3,411)**	(3,068)
Net foreign exchange gain	**(10,497)**	(4,325)
Gain on disposal of property, plant and equipment	**(401)**	–

7. TAXATION

Hong Kong Profits Tax has been provided at the rate of 16.5% for both years on the estimated assessable profits arising in Hong Kong during both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25% for both years.

	2016 *HK$'000*	2015 *HK$'000*
The charge comprises:		
Current taxation		
– PRC Enterprise Income Tax	**(954)**	(194)
– Hong Kong Profits Tax	**(248)**	–
Deferred taxation	**(3,746)**	–
	(4,948)	(194)

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2016	2015
	HK$'000	*HK$'000*
Loss		
Loss for the purposes of basic loss per ordinary share being loss for the year attributable to owners of the Company	**(15,200)**	(200,113)

	2016	2015
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**6,373,545,516**	1,891,931,982
Effect of dilutive potential ordinary shares:		
Share options issued by the Company	**–**	–
Weighted average number of ordinary shares for the purpose of diluted loss per share	**6,373,545,516**	1,891,931,982

The computation of diluted loss per share for both years does not assume the exercise of outstanding share options of the Company since their assumed exercise would result in a decrease in loss per share.

9. DIVIDEND

No dividend was paid or proposed for both years nor has any dividend been proposed since the end of the reporting period.

10. SOLE AGENCY RIGHTS

	Sole agency rights *HKD'000*
Cost	
At 1 January 2015	178,314
Exchange realignment	(9,703)
At of 31 December 2015 and 1 January 2016	168,611
Exchange realignment	(10,087)
At 31 December 2016	158,524
Accumulated amortisation and impairment	
At 1 January 2015	121,622
Amortisation expense	6,588
Impairment loss recognised in profit and loss	40,235
Exchange realignment	(6,590)
At of 31 December 2015 and 1 January 2016	161,855
Amortisation expense	1,898
Impairment loss recognised in profit and loss	5,848
Exchange realignment	(11,077)
At 31 December 2016	158,524
Carrying values	
At 31 December 2016	–
At 31 December 2015	6,756

The sole agency rights of advertising in certain magazines which are amortised over their contractual lives ranging from 12 to 20 years.

The directors of the Company conducted an impairment review of the Group's sole agency rights as at 31 December 2016 and 2015, respectively. The recoverable amount of the sole agency rights has been determined based on a value in use calculation which are based on the financial budgets approved by management covering a 2-year to 9-year-period (2015: 3-year to 10-year period) in accordance with the remaining contractual lives for the sole agency rights of advertising in respective magazines, and at a discount rate of 18% per annum (2015: 17% per annum). Other key assumptions for the value in use calculations are budgeted revenue and budgeted gross margin, which are determined based on past performance, management's expectations for the market development and market trend.

As the result of the impairment review, the recoverable amounts of certain sole agency rights have been assessed to be less than their carrying amounts resulting in an impairment loss of approximately HK$5,848,000 (2015: HK$40,235,000) being recognised in profit or loss during the year ended 31 December 2016.

11. OTHER INTANGIBLE ASSETS

	Technology know how *HKD'000*	Customer relationship *HKD'000*	Total *HKD'000*
Cost			
At 1 January 2016	–	–	–
Acquisition of subsidiaries	27,622	1,570	29,192
At 31 December 2016	27,622	1,570	29,192
Accumulated amortisation and impairment			
At 1 January 2016	–	–	–
Amortisation expense	911	196	1,107
At 31 December 2016	911	196	1,107
Carrying values			
At 31 December 2016	**26,711**	**1,374**	**28,085**
At 31 December 2015	–	–	–

The technology know how is related to a platform for catering business which was acquired through business combination on 9 September 2016. The useful life of the technology know how is 7 years.

The customer relationship represents the contract backlog with customers which were acquired through business combination on 9 September 2016. The useful life of the customer relationship is over its contract term.

The directors of the Company conducted an impairment review of the Group's other intangible assets and goodwill which related to provision of e-commerce platform services (the "CGU") as at 31 December 2016. The recoverable amount of the CGU has been determined based on a value in use calculation which are based on the financial budgets approved by management covering a period of 8 years in accordance with the remaining contractual lives for the other intangible assets of the operation, and at a discount rate of 26% per annum. Other key assumptions for the value in use calculations are budgeted revenue and budgeted gross margin, which are determined based on past performance, management's expectations for the market development and market trend.

As the result of the impairment review, the recoverable amount of the CGU has been assessed to be higher than the aggregate carrying amounts of other intangible assets and goodwill related to e-commerce platform services resulting in no impairment loss recognised in profit or loss during the year ended 31 December 2016.

12. GOODWILL

	The Group
	HK$'000
Cost	
At 1 January 2015, 31 December 2015 and 1 January 2016	118,886
Addition	10,337
At 31 December 2016	129,223
Accumulated impairment	
At 1 January 2015	19,493
Impairment loss recognised in profit or loss	61,790
At 31 December 2015 and 1 January 2016	81,283
Impairment loss recognised in profit or loss	37,603
At 31 December 2016	118,886
Carrying values	
At 31 December 2016	**10,337**
At 31 December 2015	37,603

Goodwill is allocated to the Group's cash-generating units identified according to business segment as follows:

	2016	2015
	HK$'000	*HK$'000*
Provision of advertising service *(Note a)*	**–**	37,603
Provision of e-commerce platform services *(Note b)*	**10,337**	–
	10,337	37,603

(a) The goodwill which related to the provision of advertising agency services on certain magazines of certain subsidiaries which share common cost and resulted from business combination in 2002 and 2005.

During the year ended 31 December 2016, as an annual impairment test assessed by the management, the management of the Group determines to recognise impairment loss of approximately HK$37,603,000 (2015: HK$61,790,000) on the goodwill which related to the advertising services and the impairment loss has been included in profit or loss.

(b) The goodwill which related to the provision of e-commerce platform services of certain subsidiaries which share common cost and resulted from acquisition of subsidiaries in 2016 which disclosed in note 18.

The recoverable amount of the CGU has been determined based on a value in use calculation. The recoverable amount of the CGU of goodwill is determined taking into account the valuation performed by independent professional valuers not connected to the Group, based on the cash flow forecast derived from the most recent financial budgets approved by the management covering a 5-year period in accordance with the expected cash inflows generating period, and at a discount rate of 24.5% per annum. Other key assumptions for the value in use calculations are the budgeted revenue and budgeted gross margin, which are determined based on past performance, management's expectations for the market development and market trend. After the impairment loss recognised for the year, the management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

13. ACCOUNTS RECEIVABLE

	2016	2015
	HK$'000	*HK$'000*
Accounts receivable	**91,602**	105,154
Less: allowance for doubtful debts	**(13,351)**	(12,108)
	78,251	93,046
Accounts receivable arising from the business of dealing in securities: *(Note)*		
– Cash client	**91,950**	–
– Hong Kong Securities Clearing Company Limited ("HKSCC")	**171**	–
	92,121	–
	170,372	93,046

Note: The credit period for the business dealing in securities with the settlement terms of cash clients are usually one to two days after the trade date.

No ageing analysis of the Group's accounts receivable arising from the business of dealing in securities is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of these businesses.

The Group seeks to maintain tight control over its outstanding accounts receivable of securities broking business in order to minimise credit risk. Outstanding balances are regularly monitored by management. The management ensures that the listed equity securities belonged to clients in which the Group holds as custodian are sufficient to cover the amounts due to the Group.

Credit period granted by the Group to customers for both provision of advertising agency services and sales of books and magazines are not more than three months from the date of recognition of the sale.

The ageing analysis of the Group's accounts receivable arising from the provision of advertising agency services and sales of books and magazines net of allowance for doubtful debts, presented based on date of magazines issued, which approximate the date of revenue recognition is as follows:

	2016		2015	
	HK$'000	*%*	*HK$'000*	*%*
Less than three months	**52,603**	**67**	56,192	60
Three months to six months	**17,013**	**22**	17,958	20
Over six months to one year	**8,635**	**11**	18,896	20
	78,251	**100**	93,046	100

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and credit ratings attributed to customers are reviewed regularly. Management considers the customers neither past due nor impaired are of good credit quality based on repayment history of respective customers.

Included in the Group's accounts receivable balance arising from the provision of advertising services and sales of books and magazines are debtors with aggregate carrying amount of approximately HK$25,648,000 (2015: approximately HK$36,854,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on historical experience. The Group does not hold any collateral over these balances. The average age of these receivables is 136 days (2015: 197 days).

Ageing of accounts receivable which are past due but not impaired

	2016	2015
	HK$'000	*HK$'000*
Three months to six months	**17,013**	17,958
Over six months to one year	**8,635**	18,896
	25,648	36,854

As at 31 December 2016 and 2015, the Group has provided fully for all receivables over 1 year because historical experience is such that receivables that are past due beyond 1 year are generally not recoverable.

Movement in the allowance for bad and doubtful debts

	2016	2015
	HK$'000	*HK$'000*
Balance at beginning of the year	**12,108**	19,663
Impairment losses recognised on accounts receivable	**5,113**	7,439
Amount recovered during the year	**(2,833)**	(6,090)
Amounts written off as uncollectible	**(257)**	(8,021)
Exchange realignment	**(780)**	(883)
Balance at end of the year	**13,351**	12,108

In determining the recoverability of accounts receivable, the Group considers any change in the credit quality of the accounts receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

14. LOAN RECEIVABLES

The loan receivables carried fixed interest rates and will be repaid in accordance with the terms of the loan agreements.

	2016	2015
	HK$'000	*HK$'000*
Loan receivables		
– Non-current portions	**–**	–
– Current portions *(Note)*	**119,095**	19,295
	119,095	19,295

Note: As at 31 December 2016, the current portions of loan receivables included amount of HK$19,295,000 (2015: HK$19,295,000) was secured with the issued shares of a company listed on the Hong Kong Stock Exchange (the "Stock Exchange"). The loan is recoverable on demand and as at 31 December 2016, the fair value of pledged shares was HK$41,250,000 (2015: HK$24,750,000) determined based on the quoted market prices.

The loan receivables balance of HK$19,295,000 has been reclassified from other receivables in 2015 to conform with the current year's presentation.

The loan receivables as at 31 December 2016 are analysed by the remaining period to contractual maturity date as follows:

	2016	2015
	HK$'000	*HK$'000*
Less than three months	**39,795**	19,295
Three months to six months	**79,300**	–
Over six months to one year	**–**	–
	119,095	19,295

Loan receivables of HK$99,800,000 (2015: HK$19,295,000) that were neither past due nor impaired related to debtors for whom there is no recent history of default.

15. HELD-FOR-TRADING INVESTMENTS

	2016	2015
	HK$'000	*HK$'000*
Held-for-trading investments include:		
Listed securities:		
– Equity securities listed in Hong Kong	**207,603**	72,703
	207,603	72,703

Held-for-trading investments as at 31 December 2016 represent equity securities listed in Hong Kong. The fair values of the investments are determined based on the quoted market bid price available on the Stock Exchange. The fair value of held-for-trading investments was classified as Level 1 of the fair value hierarchy. No equity securities were disposed of subsequent to 31 December 2016 and no realised gain (loss) recognised.

16. ACCOUNTS PAYABLE

	2016	2015
	HK$'000	*HK$'000*
Accounts payable	**12,760**	22,686
Accounts payable arising from the securities broking business		
– Cash clients *(Note)*	**6,795**	–
– HKSCC	**–**	–
	19,555	22,686

Note: The balance of accounts payable arising from the securities broking business are repayable on demand except where certain accounts payable to clients represent margin deposits received from clients for their trading activities under normal course of business. Only the excess amounts over the required margin deposits stipulated are repayable on demand.

No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

The ageing analysis of the Group's accounts payable arising from the provision of advertising agency services and sales of books and magazines presented based on the invoice date at the end of the reporting period is as follows:

	2016		2015	
	HK$'000	*%*	*HK$'000*	*%*
Less than three months	**9,349**	**73**	18,410	81
Three months to six months	**956**	**7**	1,940	9
Over six months to one year	**2,455**	**20**	2,336	10
	12,760	**100**	22,686	100

The average credit period granted by accounts payable is 63 days (2015: 90 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

17. BORROWINGS

	2016	2015
	HK$'000	*HK$'000*
Loan repayable within one year	**–**	35,000
Margin payables	**23,269**	–
	23,269	35,000

On 18 December 2015, the Group entered into a HK$35,000,000 loan agreement with an independent third party which was a money lender with a licence granted under the Money Lender Ordinance (Chapter 163 of the Laws of Hong Kong). The loan borned a fixed interest rate of 8% per annum and would mature on 18 March 2016. The loan was secured by a guarantee provided by the Company. The loan has been early repaid in full on 20 January 2016.

As at 31 December 2016, margin financing from a regulated securities broker was granted to the Group which were secured by the Group's held-for-trading investments. Amount of margin payables approximately HK$23,269,000 (2015: nil) as at 31 December 2016 had been utilised against these facilities and the total carrying amount of the held-for-trading investments charged to the securities broker was HK$52,824,000 (2015: nil).

18. ACQUISITION OF SUBSIDIARIES

On 9 September 2016, a wholly-owned subsidiary of the Company, Honor Fame Group Limited, entered into an agreement with an independent third party for the acquisition of the entire issued share capital of Well Dynamic Group Limited ("Well Dynamic"), together with its subsidiary, "Well Dynamic Group") at the consideration of HK$34,000,000. Well Dynamic is an investment holding company incorporated in the British Virgin Islands with limited liability. The wholly-owned subsidiary of Well Dynamic principally engaged in the provision of services in relation to an e-commerce platform. The consideration was satisfied by cash. The acquisition of Well Dynamic Group was completed in September 2016.

The fair values of the identifiable assets and liabilities of the Well Dynamic Group as at the date of acquisition were as follows:

	HK$'000
Intangible assets	29,192
Cash and bank balances	144
Other receivables, prepayments and deposit	45
Trade and other payables	(988)
Deferred tax liabilities	(4,730)
Total identifiable net assets at fair value	23,663
Goodwill	10,337
	34,000

At the date of acquisition in 2016, goodwill of HK$10,337,000 has been determined based on the acquirees' provisional fair value of intangible assets acquired. Goodwill arose on the acquisition of subsidiaries because these acquisitions included the benefit of expected synergies and the future profitability as at acquisition date.

Intangible assets of HK$28,085,000 in relation to the acquisition of subsidiaries under technology know how and customer relationship have been recognised by the Group.

	HK$'000
Consideration was satisfied by the fair value:	
Cash	34,000
	34,000
An analysis of the cash flows in respect of the acquisition is as follows:	
Cash consideration paid	34,000
Less: Cash and cash equivalents acquired	(144)
Net cash outflow of cash and cash equivalents	33,856

BUSINESS REVIEW

Advertising and Sales of Books and Magazines

Due to the continuous slowing down of economic growth in China, the print media advertising business faced ongoing difficult and challenging business environment. As such, the performance of the advertising agency business and sales of books and magazines business of the Group for the year 2016 was adversely affected.

The economic challenges in China persisted during the year ended 31 December 2016. The revenue from provision of advertising services, organising conferences and events; and from sales of books and magazines decreased from approximately HK$267.2 million to approximately HK$221.3 million, representing a decrease of approximately 17.2%, and from approximately HK$19.5 million to approximately HK$17.9 million, representing a decrease of 8.2%, respectively during the current year. The advertising revenue of "Caijing" magazine had been hard hit and experienced a significant decrease of around 45% due to the macroeconomic downturn in China and a transformation of print media industry where customers diverted their advertising spending to other digital platforms.

Securities Broking

In January 2016, the Group was granted by the Securities and Futures Commission a license to carry out Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "SFO"). By carrying out the securities broking business, it is expected that the Group can be benefited from diversifying its business portfolio.

The Group provides brokerage services for clients in respect of securities listed on the Stock Exchange of Hong Kong Limited. For the year ended 31 December 2016, the commission and brokerage income and the interest income derived from the securities broking business amounted to approximately HK$17.0 million and HK$6.7 million respectively, representing approximately 6.4% and 2.5% of the total revenue of the Group respectively. Since the commencement of the securities broking business, the Group endeavored to provide brokerage services for the clients, as well as participate in equity fund raising transactions for Hong Kong listed companies, including placing, underwriting and initial public offering. In addition, in view of the weak investor sentiment in 2016, the Group has adopted flexible market strategy in order to increase the number of clients.

Money Lending

In order to strengthen the flexibility of the Group so that it is able to react to the changing market situation promptly, the Group intends to provide diversified financial services to its clients through developing money lending services. It is believed that the money lending business will be able to leverage the existing financial business of the Group and broaden the Group's income stream. Therefore, the Group has commenced operation in the money lending business through an indirect non-wholly owned subsidiary of the Company, which is a licensed money lender under the Money Lenders Ordinance (Chapter 163, Laws of Hong Kong). The money lenders license was granted on 28 June 2016. For the year ended 31 December 2016, the interest income from loan receivables arising from the money lending business amounted to approximately HK$2.6 million, representing approximately 1.0% of the total revenue of the Group.

E-commerce

In September 2016, the Group acquired the entire issued share capital of a company in which its wholly-owned subsidiary was principally engaged in the provision of services in relation to an e-commerce platform. For the year ended 31 December 2016, the revenue contributed by the provision of e-commerce platform services was approximately HK$2.0 million, representing approximately 0.8% of the total revenue of the Group.

OUTLOOK AND PROSPECT

With the launch of Shenzhen-Hong Kong Stock Connect in December 2016, it is expected that the market sentiment and market momentum in Hong Kong will be improved. The management believes the financial business of the Group, including the existing business in securities broking and money lending, will be benefited. Looking forward, it is expected that the equity fund raising market and the financial activities in Hong Kong will remain strong. In addition to the Group's principal business of advertising and sale of books and magazines, the Group will continue its effort to develop and strengthen the abovementioned financial business. It is expected that the proportion of the Group's revenue contributed by the financial business will become higher in the future.

The Group will maintain its cautiously optimistic outlook and explore other suitable investment opportunities which are able to bring satisfactory and sustainable returns to the Group and maximize the shareholders' value.

USE OF PROCEEDS

On 9 September 2015, the Company proposed to raise gross proceeds of up to approximately HK$531.13 million, before expenses, by way of an open offer of 5,311,287,930 ordinary shares of HK$0.10 each to the qualifying shareholders at a subscription price of HK$0.10 per offer share, on the basis of five offer shares for every one existing shares held on the record date (the "Open Offer"). On 29 December 2015, 5,311,287,930 offer shares were allotted and issued pursuant to the Open Offer. The net proceeds for the Open Offer were approximately HK$518.27 million.

For the details of the Open Offer, please refer to the announcements of the Company dated 19 August 2015, 9 September 2015, 23 November 2015 and 28 December 2015, the circular of the Company dated 4 November 2015 and the prospectus of the Company dated 4 December 2015 (the "Prospectus").

On 22 June 2016, the Company announced that the use of the unutilized net proceeds of approximately HK$72 million been changed from original allocation as for the operation and development of the e-commerce platform to the revised allocation as for the acquisition of companies engaged in the development and operation of e-commerce platform.

On 8 July 2016, the Company announced that the use of part of the unutilized net proceeds of approximately HK$100 million from original allocation as for the set-up and operation of a company licensed under the SFO (the "Type 1 Company") to conduct Type 1 (dealing in securities) regulated activity under the SFO to the revised allocation as for the operation and development of money lending business.

The Board from time to time reviews the business operation of the Type 1 Company and assesses the existing placements and underwriting activities involved, the potential business opportunities from its clients, and the condition of equity fund raising market in Hong Kong.

The Board noted that the equity fund raising market condition in Hong Kong for the first half of 2016 was less active and far below from the Company's expectation as at the date of the Prospectus. Since the commencement of business, the Group used its best endeavored to look for potential placing and underwriting business opportunities from its clients and potential clients. Nevertheless, the Type 1 Company had only acted as the underwriter/sub-underwriter for two of its clients. Apart from the two underwriting activities, no other underwriting activity from the clients or other potential clients could be identified by the Type 1 Company. On the other hand, during the first half of 2016, the liquid capital of the Type 1 Company was sufficient to comply with relevant requirement in accordance with the Securities and Futures (Financial Resources) Rules (Chapter 571N, Laws of Hong Kong) (the "FRR Rules").

In view of these, the Board considered that, after the change in use of proceeds as announced on 8 July 2016, there are still sufficient financial resources for the Type 1 Company to operate and comply with the liquid capital requirement under the FRR Rules in the foreseeable future. Moreover, it was believed that the money lending business will be able to leverage the existing financial business of the Group and broaden the Group's income stream. Accordingly, the Board considers that the change in use of proceeds is fair and reasonable and in the best interests of the Company and its shareholders as a whole.

For the details of the change in use of proceeds from the Open Offer, please refer to the announcements of the Company dated 22 June 2016 and 8 July 2016 (the "Announcements").

The information on the use of proceeds from the Open Offer is tabled as follows:

	Intended use of proceeds as stated in the Prospectus and the Announcements	**Actual use of proceeds as at the date of this announcement**	**Unutilised balance**	**Details**
	HK$'000	*HK$'000*	*HK$'000*	
Set-up and operation of the Type 1 Company	265,000	150,000	115,000	Used as capital injection for the Type 1 Company
Set-up and operation of companies licensed under the SFO to conduct Type 4, Type 6 and Type 9 regulated activities under the SFO	30,000	–	30,000	–
Acquisition of companies engaged in the development and operation of e-commerce platform	124,000	94,000	30,000	Used as consideration and refundable deposit for the acquisition of companies engaged in the development and operation of e-commerce platform
Operation and development of money lending business	100,000	99,800	200	Used as intended
	519,000	343,800	175,200	

The Board expected that the unutilised balance will be used as intended.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group encountered a very difficult operating environment in the print media advertising business in China during the year 2016. For the year ended 31 December 2016, the aggregated revenue of the Group deriving from the provision of advertising agency services and organising conferences and events, and sales of books and magazines was approximately HK$239.2 million, representing a decrease of approximately 16.6% as compared with that of approximately HK$286.7 million for the year ended 31 December 2015. The decrease was mainly attributable to the adverse effects on the advertising and sales of books and magazines business of the Group as a result of prolonged keen competition, decrease in customers' spending in print media advertising in China.

For the year ended 31 December 2016, the revenue of the Group deriving from the securities broking business, the e-commerce business and the money lending business were approximately HK$23.8 million (2015: nil), approximately HK$2.0 million (2015: nil) and approximately HK$2.6 million (2015: nil) respectively. The securities broking business, the e-commerce business and the money lending business were all commenced during the year ended 31 December 2016.

The overall gross profit margin of the Group for the year ended 31 December 2016 was approximately 53.8%, which was slightly higher than that for the year 2015 of approximately 51.6%. The higher gross profit margin in current year was mainly attributable to the revenue contributed by the securities broking business with much higher gross profit margin.

In view of the severity of the difficult business environment and pessimistic outlook of the Group's advertising and sale of books and magazines business, impairment loss on sole advertising agency rights in certain magazines of approximately HK$5.8 million (2015: approximately HK$40.2 million) and impairment loss on goodwill of approximately HK$37.6 million (2015: approximately HK$61.8 million) had been provided for the year ended 31 December 2016.

The Group held certain held-for-trading investments comprising of equity securities listed in Hong Kong. For the year ended 31 December 2016, there were unrealised fair value gains and realised losses on held-for-trading investments of approximately HK$77.1 million (2015: losses of approximately HK$32.3 million) and approximately HK$10.4 million (2015: approximately HK$20.3 million) respectively.

For the year ended 31 December 2016, other gains and losses mainly consisted of net exchange gain of approximately HK$10.5 million (2015: approximately HK$4.3 million), gain on deregistration of a joint venture of approximately HK$5.4 million (2015: nil) and net allowance for bad and doubtful debts of approximately HK$2.3 million (2015: approximately HK$1.3 million). The increase in allowance for bad and doubtful debts was mainly due to the slow-down of the advertising business and the deterioration of the credit of certain trade receivables arising from the advertising business. The Group had tightened the credit control and increased the effort in collection of the trade receivables arising from the advertising business.

The selling and distribution costs for the year ended 31 December 2016 was approximately HK$111.9 million, decreased by approximately 23.3% from approximately HK$146.0 million for the year 2015. The decrease was mainly due to the reduction in selling and promotional effort which was in line with the decrease in advertising services income and also the decrease of selling staff costs after the cessation of certain loss-making magazines contracts.

The administrative expenses increased by approximately 12.2% from approximately HK$65.4 million for the year 2015 to approximately HK$73.4 million for the year 2016. The increase was mainly due to the mixed result of (i) the additional administrative expenses incurred for the development and operation of the new businesses commenced during the year 2016, namely the securities broking business, the money lending business and the e-commerce business; and (ii) the tight cost management and reduction of staff costs in advertising agency business to improve operational efficiency.

For the year ended 31 December 2016, a share of profit from MondadoriSEEC (Beijing) Advertising Co. Ltd., a joint venture of the Group for the operation of Grazia magazine in China, of approximately HK$11.2 million (2015: approximately HK$8.1 million) was recognised. The increase of approximately 38.0% was mainly due to the increase in its profitability by introducing cost control measures during the year by the joint venture.

For the year ended 31 December 2016, a share of loss from GreaterChina Professional Services Limited, an associate of the Group, of approximately HK$25.6 million (2015: approximately HK$2.2 million) was recognised. Greaterchina Professional Services Limited is a company listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (stock code: 8193) in which the principal businesses of its subsidiaries were asset advisory services and asset appraisal, corporate services and consultancy, media advertising and financial services.

The loss for the year ended 31 December 2016 attributable to shareholders amounted to approximately HK$15.2 million (2015: approximately HK$200.1 million), representing a decrease of approximately 92.4%. The decrease was mainly due to the (i) reduction in impairment loss on sole agency rights and goodwill as compared with those in the year 2015, and (ii) the unrealised fair value gains on held-for-trading investments of approximately HK$77.1 million in current year as compared with the losses of approximately HK$32.3 million in last year.

To preserve financial resources for future operation of the Group, the Board did not recommend the payment of a dividend for the year 2016 (2015: nil).

Material Acquisitions and Disposals of Subsidiaries

On 9 September 2016, a wholly-owned subsidiary of the Company, Honor Fame Group Limited, entered into an agreement with an independent third party for the acquisition of the entire issued share capital of Well Dynamic Group Limited ("Well Dynamic"), together with its subsidiary, "Well Dynamic Group") at the consideration of HK$34,000,000. Well Dynamic is an investment holding company incorporated in the British Virgin Islands with limited liability. The wholly-owned subsidiary of Well Dynamic principally engaged in the provision of services in relation to an e-commerce platform. The consideration was satisfied by cash. The acquisition of Well Dynamic Group was completed in September 2016.

Significant Investments

As at 31 December 2016, the Group had held-for-trading investments, representing equity securities listed in Hong Kong, of approximately HK$207.6 million. The Board considers that investments with market value accounting for more than 5% of the Group's total assets as at 31 December 2016 as significant investments.

Details of the top two held-for-trading investments, in terms of market value as at 31 December 2016, are as follows:

	As at 31 December 2016				For the year ended 31 December 2016	
Company name	Number of shares held	Proportion to the total issued share capital for the stocks	Market value	Proportion to the total assets of the Group	Unrealised fair value gains on the investments	Dividend received
			HK$'000		*HK$'000*	*HK$'000*
Luen Wong Group Holdings Limited ("LWH")	3,500,000	0.28%	78,400	6.51%	57,470	–
China e-Wallet Payment Group Limited (formerly known as RCG Holdings Limited)("CEPG")	74,000,000	3.16%	48,100	3.99%	28,120	–
			126,500		85,590	–

LWH is principally engaged in the provision of civil engineering works and investment holding. CEPG is principally engaged in the provision of biometric and Radio Frequency Identification products and solution services.

For the year ended 31 December 2016, the unrealised fair value gains on held-for-trading investments was approximately HK$77.1 million (2015: losses of approximately HK$32.3 million), which was mainly contributed by the appreciation of market values of the stocks of LWH and CEPG, and partially offset by the decrease in market values of other stocks held by the Group. The realised losses on held-for-trading investments for the year ended 31 December 2016 was approximately HK$10.4 million (2015: approximately HK$20.3 million). Looking forward, the Board believes that the future performance of the listed investments held by the Group will be volatile and substantially affected by overall economic environment, equity market conditions, investor sentiment and the business performance and development of the investee companies.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's daily operating activities were mainly financed by internal resources. As at 31 December 2016, the Group's total equity was approximately HK$935.5 million (2015: approximately HK$945.5 million). The decrease was mainly attributable to the loss for the current year and the exchange differences arising on translation because of the depreciation of Renminbi during the year.

The Group had non-current liabilities of approximately HK$8.5 million as at 31 December 2016 (2015: approximately HK$0.1 million). The non-current liabilities as at 31 December 2016 consisted of deferred tax liabilities. As at 31 December 2016, the Group's gearing ratio was approximately 22.7% representing a percentage of total liabilities over total assets (2015: approximately 24.2%).

As at 31 December 2016, the group had borrowings of approximately HK$23.3 million (2015: approximately HK$35.0 million). The borrowings carried a fixed interest rate of 8% per annum and was repayable on demand (2015: fixed interest rate of 8% per annum; repayable within one year).

As at 31 December 2016, the Group had bank and cash balances (other than those in trust and segregated accounts) amounted to approximately HK$339.2 million (2015: approximately HK$746.7 million) because of the equity fund raised in the Company's open offer completed in December 2015.

CHARGES ON ASSETS

As at 31 December 2016, the Group had pledged held-for-trading investments of approximately HK$52.8 million (2015: nil) to secure the margin payables of approximately HK$23.3 million (2015: nil), which was included in the borrowings of the Group.

COMMITMENTS

(a) Operating lease commitments

As lessee

At the end of the reporting period, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	HK$'000	*HK$'000*
Within one year	**9,480**	10,772
In the second to fifth year inclusive	**6,079**	3,598
	15,559	14,370

Operating lease payments represent rentals payable by the Group for its office premises. Leases are negotiated for a term ranging from nine months to 3 years.

(b) **Other commitments**

Pursuant to several agreements entered into between the Company and magazine publication companies, being independent third parties, the Group at the end of the reporting period had commitments to make payments to certain magazines publication companies for agency rights of advertising.

During the year ended 31 December 2016, a wholly-owned subsidiary of the Group has entered into agreements with two independent third parties pursuant to which the Group has agreed to acquire the entire equity interest in a company established in the PRC. The PRC company principally engaged in operating a e-commerce platform. As at 31 December 2016, the relating commitments contracted but not yet incurred was HK$6,000,000.

During the year ended 31 December 2016, a wholly-owned subsidiary of the Group has entered into an agreement pursuant to which the Group has agreed to acquire the entire interest associated with an internet domain name. As at 31 December 2016, the relating commitments contracted but not yet incurred was HK$14,400,000.

The Group at the end of the reporting period had commitments to make payments which fall due as follows:

	2016	2015
	HK$'000	*HK$'000*
Within one year	**22,740**	2,340
In the second to fifth year inclusive	**4,680**	7,020
Over five years	**–**	–
	27,420	9,360

The amount recognised as an expense (included in cost of sales) in the year was approximately HK$5.8 million for agency rights of advertising (2015: approximately HK$6.7 million).

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. As at 31 December 2016, the Group had a fixed interest rate borrowing amounting HK$23.3 million (2015: HK$35.0 million) from a money lender and had not engaged in any financial instruments for hedging or speculative activities.

EMPLOYEES

As at 31 December 2016, the Group had 456 (2015: 478) employees in Hong Kong and PRC. Salaries, bonuses and benefits were decided in accordance with market conditions and performance of the respective employees.

SHARE OPTION SCHEMES

The Company operates a share option scheme (the "Old Share Option Scheme") which was adopted on 26 August 2002. On 11 May 2012, the Company adopted a new share option scheme (the "Share Option Scheme"), of which all terms and conditions are the same as the Old Share Option Scheme. During the year, no (2015: nil) share option was granted to directors and employees of the Group. As at 31 December 2016, the number of shares issuable under share options granted under the Old Share Option Scheme was approximately 1,851,000 and the number of shares issuable under the shares options which has not yet been granted under the Share Option Scheme was 85,361,358 shares.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in these financial statements, the Group has the following significant events which took place subsequent to the end of the reporting period:

(a) On 19 September 2016, a wholly-owned subsidiary of the Company entered into an agreement to sell its commercial office properties located in PRC (the "Disposal") for a consideration of RMB52,000,000 (equivalent to approximately HK$61,905,000) (inclusive of the relevant value added tax in the PRC). The purchaser was 北京聯辦文化傳媒有限責任公司 (the "Purchaser"), a limited liability company incorporated under the laws of the PRC where one of the director of the Company, Mr. Zhang Zhifang, and two past directors of the Company, Mr. Wang Boming and Mr. Dai Xiaojing who are all connected persons (collectively the "Three Directors"), who through their shareholdings and directorship in the holding companies of the Purchaser, collectively may control the holding companies and has controlling interest in the Purchaser. Under the circumstances, the Purchaser might constitute an associate of the Three Directors and the Disposal was considered as a connected transaction under the Listing Rules. As at 31 December 2016, the Disposal has not been completed due to a delay in the formalities to transfer the titles of the properties. The Disposal was subsequently completed on 9 January 2017. For further details, please refer to the announcements of the Company dated 19 September 2016, 27 September 2016, 19 October 2016 and 14 November 2016.

(b) On 12 December 2016, the Group entered into an agreement with an independent third party to acquire the entire interest associated with an internet domain name at a consideration of HK$36.0 million. As at 31 December 2016, HK$21.6 million had been paid as a refundable deposit. The acquisition was completed in February 2017.

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

During the year under review, the Company has complied with all relevant code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except for the deviations stated below:

(1) Code Provision A.1.3 and A.7.1

Code A.1.3 and A.7.1 stipulate that 14-day notice should be given for each regular board meeting and that in respect of regular meetings, and so far as practicable in all other cases, an agenda and accompanying board papers should be sent in full to all directors in a timely manner and at least 3 days before the intended date of a board or board committee meeting (or such other period as agreed).

The Company agrees that sufficient time should be given to the directors in order to make a proper decision. In these respects, the Company adopts a more flexible approach (and yet sufficient time has been given) in convening board meetings to ensure efficient and prompt management decisions could be made.

(2) Code Provision A.2

Subsequent to the resignation of Mr. Wang Boming as the chairman of the Board and an executive Director of the Company effected in November 2016, the Board currently does not appoint any Director as its chairman. The Board will review the present situation in the coming regular meetings as appropriate.

(3) 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 Bye-laws). 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 once every three years.

(4) Code Provision A.6.7

Code A.6.7 stipulates that independent non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

On 13 May 2016, Ms. Wensy Ip, an independent non-executive Director, did not attend the Company's annual general meeting due to her other business engagements.

(5) Code Provision E.1.2

Code E.1.2 stipulates that the chairman of the board should attend the annual general meeting.

The chairman of the Board was absent from the annual general meeting held on 13 May 2016 due to his prior business engagement. Mr. Zhang Zhifang, an executive Director and the elected chairman of that meeting, was available to answer questions in that meeting.

(6) Compliance with Rules 3.10(1), 3.10A and 3.21

Rules 3.10(1), 3.10A and 3.21 of the Listing Rules stipulate the required minimum number of independent non-executive directors, the Audit Committee members, the Remuneration Committee members and the Nomination Committee members. Upon the resignations of Mr. Dai Xiaojing and Mr. Ding Yu Cheng as directors on 19 April 2016, the Company failed to compile with the aforesaid Listing Rules. The Company has appointed Mr. Wong Ching Cheung as an independent non-executive Director, chairman of Nomination Committee, and members of Remuneration Committee and Audit Committee with effect from 18 July 2016, Rules 3.10(1), 3.10A and 3.21 of the Listing Rules have then been complied with.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "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 2016.

AUDIT COMMITTEE

The Audit Committee reviewed with management the accounting principles and practices adopted by the Group and discussed internal control, risk management and financial report matters including the review of the audited financial statements for the year ended 31 December 2016.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The Annual Report of the Company containing the information required by Appendix 16 to the Listing Rules will be published on the website of the Stock Exchange in the due course.

By order of the Board
SEEC Media Group Limited
Li Leong
Executive Director

Hong Kong, 31 March 2017

As at the date of this announcement, the executive directors are Mr. Li Leong, Mr. Li Xi, Mr. Zhang Zhifang and Mr. Zhou Hongtao; and the independent non-executive directors are Ms. Wensy Ip, Mr. Law Chi Hung and Mr. Wong Ching Cheung.