SEEC MEDIA GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 205)

UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

The board of directors (the "Board") of SEEC Media Group Limited (the "Company") is pleased to present the interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2010 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010

		(Unaudited) Six months ended 30 June	
		2010	2009
	Notes	***HK$'000***	*HK$'000*
Revenue		**146,136**	115,699
Cost of sales		**(50,175)**	(46,852)
Gross profit		**95,961**	68,847
Other income		**1,465**	575
Other gains and losses		**4,177**	(7,618)
Selling and distribution costs		**(77,691)**	(73,819)
Administrative expenses		**(15,812)**	(16,481)
Share of loss of a jointly controlled entity		**(3,948)**	(8,406)
Finance costs	*3*	**(4,535)**	(4,121)
Loss before tax	*4*	**(383)**	(41,023)
Taxation	*5*	**(1,778)**	(90)
Loss for the period attributable to the owners of the Company		**(2,161)**	(41,113)
Exchange differences arising on translation, representing other comprehensive income for the period		**1,945**	98
Total comprehensive income (expense) for the period attributable to the owners of the Company		**(216)**	(41,015)
Loss per share (HK cents)			
Basic	*7*	**(0.12)**	(2.36)
Diluted		**(0.12)**	(2.36)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2010

	Notes	(Unaudited) As at 30 June 2010 HK$'000	(Audited) As at 31 December 2009 HK$'000
Non-current assets			
Property, plant and equipment		**49,140**	51,201
Deposit for acquisition of property, plant and equipment		**431**	1,043
Sole agency rights		**129,544**	133,309
Goodwill		**118,886**	118,886
Interests in a jointly controlled entity		**7,488**	–
Amount due from a jointly controlled entity		**17,347**	8,658
		322,836	313,097
Current assets			
Inventories		**1,226**	1,161
Trade receivables	8	**125,034**	90,839
Amounts due from related companies		**2,893**	4,704
Other receivables and prepayments		**10,030**	10,288
Pledged bank deposits	9	**18,075**	30,467
Bank balances and cash		**23,821**	74,381
		181,079	211,840
Current liabilities			
Convertible bond		**90,149**	–
Derivative financial instruments		**60**	6,654
Trade payables	10	**28,110**	32,876
Other payables and accruals		**49,383**	47,431
Amounts due to related companies		**25,246**	4,346
Bank borrowings		**13,514**	49,495
Tax payable		**13,927**	12,932
		220,389	153,734
Net current (liabilities) assets		**(39,310)**	58,106
Total assets less current liabilities		**283,526**	371,203
Non-current liability			
Convertible bond		**–**	88,679
Net assets		**283,526**	282,524
Capital and reserves			
Share capital	11	**173,956**	173,956
Reserves		**109,570**	108,568
Total equity attributable to owners of the Company		**283,526**	282,524

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Hong Kong Accounting Standard 34 (HKAS 34) "Interim Financial Reporting".

As at 30 June 2010, the Group had net current liabilities of approximately HK$39.3 million. In spite of this, the condensed consolidated financial statements have been prepared on a going concern basis since the Company intends to proceed with some future funding plans, including but not limited to rights issue, shares placement and arranging new long-term debt finance, to improve the financial position of the Group when the market circumstances are considered appropriate. In the opinion of the directors of the Company, the Group should be able to continue as a going concern in the coming year.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners

The Group applies HKFRS 3 (Revised) Business Combinations prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) Consolidated and Separate Financial Statements in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

As there was no transaction during the current interim period in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

The application of the other new and revised HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

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

HKFRSs (Amendments)	Improvements to HKFRSs 2010[1]
HKAS 24 (Revised)	Related Party Disclosures[4]
HKAS 32 (Amendment)	Classification of Rights Issues[2]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[3]
HKFRS 9	Financial Instruments[5]
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[4]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments[3]

1 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
2 Effective for annual periods beginning on or after 1 February 2010
3 Effective for annual periods beginning on or after 1 July 2010
4 Effective for annual periods beginning on or after 1 January 2011
5 Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

2. SEGMENT INFORMATION

The Group's operating segments based on information reported to the chief operating decision maker i.e. the Group's executive directors, are organised on the basis of the revenue streams and they are (a) advertising income from provision of agency services and organising conferences and events and (b) sale of books and magazines.

Information regarding the above segments is reported below.

The following is an analysis of the Group's revenue and results by operating segment for the period under review:

Six months ended 30 June 2010

	Advertising income *HK$'000*	**Sale of books and magazines** *HK$'000*	**Consolidation** *HK$'000*
REVENUE			
External sales	**128,915**	**17,221**	**146,136**
RESULT			
Segment profit (loss)	**24,168**	**(5,898)**	**18,270**
Unallocated income			**1,465**
Unallocated expenses			**(15,812)**
Other gains and losses			**4,177**
Share of loss of a jointly controlled entity			**(3,948)**
Finance costs			**(4,535)**
Loss before taxation			**(383)**

Six months ended 30 June 2009

	Advertising income *HK$'000*	Sale of books and magazines *HK$'000*	Consolidation *HK$'000*
REVENUE			
External sales	94,542	21,157	115,699
RESULT			
Segment profit (loss)	2,605	(7,577)	(4,972)
Unallocated income			575
Unallocated expenses			(16,481)
Other gains and losses			(7,618)
Share of loss of a jointly controlled entity			(8,406)
Finance costs			(4,121)
Loss before taxation			(41,023)

Segment profit (loss) represents the profit earned by/loss from each segment without allocation of central administration costs, directors' salaries, share of loss of a jointly controlled entity, other gains and losses and finance costs. This is the measure reported to the Group's executive directors for the purpose of resource allocation and performance assessment.

3. FINANCE COSTS

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
Interest on bank loan wholly repayable within five years	**1,670**	1,346
Effective interest charges on convertible bond	**2,865**	2,775
	4,535	4,121

4. LOSS BEFORE TAX

The Group's loss before tax has been arrived at after charging (crediting):

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**4,192**	3,531
Amortisation of sole agency rights (included in costs of sales)	**4,883**	4,176
Loss on disposal of property, plant and equipment	**22**	5
Net exchange (gain) loss	**(310)**	247
Bank interest income	**(617)**	(62)

5. TAXATION

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

The tax charge for the periods represented the People's Republic of China (the "PRC") Enterprise Income Tax and is calculated at the rates prevailing in the relevant districts of the PRC.

6. DIVIDENDS

No dividends were paid, declared or proposed during the reported period. The directors do not recommend the payment of an interim dividend (2009: Nil).

7. 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:

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
Loss for the purpose of basic and diluted loss per share – Loss for the period attributable to owners of the Company	**(2,161)**	(41,113)
Number of shares		
Number of ordinary shares for the purpose of basic and diluted loss per share	**1,739,565,174**	1,739,565,174

For the six months ended 30 June 2010 and 30 June 2009, the computation of diluted loss per share do 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.

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

	As at 30 June 2010		As at 31 December 2009	
	HK$'000	***Percentage***	*HK$'000*	*Percentage*
Within three months	**73,172**	**58**	57,073	63
Four months to six months	**34,545**	**28**	21,935	24
Seven months to one year	**17,317**	**14**	11,831	13
	125,034	**100**	90,839	100

9. PLEDGED BANK DEPOSITS

Pledged bank deposits represent deposits pledged to a bank to secure short-term banking facilities granted to the Group and will be released upon the settlement of relevant bank borrowings.

10. TRADE PAYABLES

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

	As at 30 June 2010		As at 31 December 2009	
	HK$'000	***Percentage***	*HK$'000*	*Percentage*
Within three months	**18,893**	**67**	25,163	77
Four months to six months	**8,221**	**29**	7,303	22
Seven months to one year	**741**	**3**	127	–
Over one year	**255**	**1**	283	1
	28,110	**100**	32,876	100

11. SHARE CAPITAL

	Number of shares	**Amount**
	'000	*HK$'000*
Ordinary shares of HK$0.10 each		
Authorised:		
At 1 January 2009, 31 December 2009, and 30 June 2010	3,000,000	300,000
Issued and fully paid:		
At 1 January 2009, 31 December 2009, and 30 June 2010	1,739,566	173,956

During the six months ended 30 June 2010, no share was issued and no share option was exercised.

12. **RELATED PARTY TRANSACTIONS**

Apart from certain balances with related parties as disclosed in the condensed consolidated statement of financial position, during each of the six months ended 30 June 2010 and 2009, the Group paid and payable compensation to key management personnel, which inlcudes short-term benefit (i.e. fees and salaries and other benefits) of HK$484,639 (six months ended 30.6.2009: HK$958,326), post-employment benefits (i.e. contribution to retirement benefits schemes) of HK$101,118 (six months ended 30.6.2009: HK$101,856) and share-based payments (i.e. share option benefits) of HK$95,590 (six months ended 30.6.2009: HK$197,530).

During the six months ended 30 June 2010, the Group paid office rental expenses of approximately HK$1,815,000 (six months ended 30.6.2009: HK$1,734,000) to Shanghai SEEC Investment Development Corporation Co., Ltd which is related to the Group since the Company's key management personnel has significant interest in it.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2010 (2009: Nil).

BUSINESS REVIEW

Notwithstanding the gradual recovery in global economies in the first half of 2010, the overall prospect still remains unclear. According to "the Review and Outlook on the Global Economies for the First Half of 2010" published by Development Research Centre of the State Council in China, the global economies in the first half of 2010 continued the resilience pattern in the previous year, and the growth in emerging economies evidently surpassed that in developed countries. However, the deteriorated European sovereign debt crisis caused drastic fluctuation in global financial market, while the overheated emerging economies brought about a stronger expectation for inflation. These have together devastated the positive anticipation for economic revitalization. Hence the projected recovery in global economies is yet uncertain. Under this background, in the first half of 2010, SEEC Media Group recorded total revenue of HK$146.1 million, representing a 26% increase as compared with the corresponding period of the previous year, while the Group's operating loss declined with larger amplitude by 95% in the first half of the year amounting to HK$2.2 million. The significant shrink in our loss was mainly attributable to the substantial rise in advertising revenue for some of our new magazines introduced in recent years.

Temporary fluctuations occurred amid some negative factors, however, Caijing Magazine quickly restored its revenue to its established level and maintained its position as a flagship in the Group's magazines. The Group hopes that in the second half of the year, Caijing Magazine can hit a record high.

The Group's magazines launched in recent years have gradually weathered their nurturing stages with rapid growth in revenue. In reliance upon the established position in sports sector and active reports on the World Cup held in South Africa by the Group's Chinese version of Sports Illustrated, the revenue of Sports Illustrated achieved in the first half of the year was 50% higher than that in 2009. Further promoting its brand awareness among the readers in sports sector, Sports Illustrated becomes a renowned domestic magazine providing in-depth reports and articles on sports events.

Despite a huge variety of auto magazines resulted from the buoyant development of automobile industry in China, China Auto Pictorial is undoubtedly the largest amongst them. It owns a large readership and has a wide range of market influences. Capitalized on its professional and unique reports, in the first half of 2010, China Auto Pictorial attained significant revenue rise, 62% over the corresponding period of last year, which further secured its leadership among the auto magazines in China.

Grazia, a new magazine of the Group, offers the most updated information about fashion. Although it has been launched for only one year, it is widely sought by readers owing to its accurate positioning and sufficient information on fashion, and its revenue grew fast in a large pace.

China, as a developing country with the most rapid economic growth, has become the second largest economy after the United States. What comes along the rapid economic growth is the huge consumption drive. According to CCTV2 – Economic Channel, China has become the second largest consumer for luxury goods, with its aggregate consumption reaching 27.5% of the total luxury goods consumed in the world. In five years, China will probably take the first place in luxury goods consumption in the world. The Group's life-style oriented magazines such as the Chinese version of TimeOut and HisLife are positioned and targeted for different reader sectors in the consumer market. These magazines render the most updated information about fashion, leisure, shopping and appreciation and cater for the growing needs of affluent consumers in China. In the first half of the year, all these magazines recorded growth of over 100%.

CapitalWeek is one of the Group's long-established magazines with target readers in financial sector such as areas in securities investments and finance. With rebound in the stock markets and increase in the number of listed companies in China, the revenue of CapitalWeek more than doubled in the first six months of this year. Besides, the Group's Marketing China also doubled its advertising income.

Although some of the new magazines have not yet passed their nurturing stages, as compared with the first half of the previous year, the losses in these new magazines were significantly reduced. As a result, the Group's overall operating results almost achieved a break even position in the first half of the year.

OUTLOOK AND PROSPECT

From the operating results in the first half of 2010, most of the Group's new magazines have finished their nurturing stages, with their operating income improved a lot. The Group is looking forward to a harvest time of profit from these magazines. The Group shall continue this sound development trend. By leveraging the Internet and new media platforms, it will, in future, stride towards an integrated media group and achieve better operating results.

MANAGEMENT DISCUSSION AND ANALYSIS

During the first half of the year of 2010, revenue of the Group was approximately HK$146.1 million as compared to approximately HK$115.7 million in same period of 2009, representing an increase of 26.3%. The gross profit for the first half of the year of 2010 was 65.7% which was improved as compared to that of the same period in 2009 of 59.5%.

In view of the difficult operating environment and uncertainties in economic prospect, the Group had implemented measures for tightening costs and reducing expenditure. Accordingly, the selling and distribution cost only increased slightly by 5.2% to HK$77.7 million which was resulted from the cost control exercise. The administrative expense also decreased by 4.1% to HK$15.8 million.

The other gains in the current period were mainly the fair value gains of the derivative financial instruments related to the convertible bond of the Company as compared to the other losses of such instruments in 2009. The share of loss of a jointly controlled entity was HK$3.9 million as compared to HK$8.4 million in the same period of 2009. This was wholly related to normal operation of a joint venture company, Mondadori-SEEC (Beijing) Advertising Co., Ltd., which was set up together with Mondadori Group, an Italian magazines and publication group, for the Chinese version of a lifestyle fashion magazine, Grazia, in China.

The loss attributable to the shareholders of the Company was approximately HK$2.2 million for the first six-month period of 2010 and was substantially reduced as compared to a loss of HK$41.1 million in the same period of 2009.

To preserve financial resources for future expansion and operation of the Group, the Board did not recommend the payment of an interim dividend for the period (2009: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group's daily operation activities were financed by internal resources. The Group's equity as at 30 June 2010 was approximately HK$283.5 million as compared to approximately HK$282.5 million as at 31 December 2009.

The Group had convertible bond of approximately HK$90.1 million as at 30 June 2010 and of approximately HK$88.7 million as at 31 December 2009. The gearing ratio, which was computed by total liabilities over total assets was 43.7% as at 30 June 2010 as compared to 46.2% as at 31 December 2009.

As at 30 June 2010, the Group had secured bank borrowings of approximately HK$13.5 million as compared to HK$49.5 million as at 31 December 2009.

As at 30 June 2010, the Group had cash and time deposits amounted to approximately HK$23.8 million as compared to approximately HK$74.4 million as at 31 December 2009.

CHARGE ON ASSETS

As at 30 June 2010, the Company had fixed deposits of approximately HK$18.1 million charged to a bank for banking facilities granted to the Group as compared to approximately HK$30.5 million as at 31 December 2009.

As at 31 December 2009, the Group had pledged leasehold land and building in the PRC with a carrying amount of approximately HK$34.1 million to secure bank borrowings granted to the Group while no such pledge of assets were made as at 30 June 2010.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liability as at 30 June 2010 (2009: Nil).

FOREIGN CURRENCIES AND TREASURY POLICY

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

EMPLOYEES

At as 30 June 2010, the Group had 630 (2009: 567) employees in Hong Kong and PRC. Salaries, bonus and benefits were decided in accordance with the market condition and performance of the respective employees.

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

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

CORPORATE GOVERNANCE

The Company has complied throughout the period with the Code on Corporate Governance (the ("Code")) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") except the following major deviations:

Code Provision A.2.1

This Code stipulates that the roles of chairman and managing director (or chief executive officer ("CEO")) should be separate and should not be performed by the same individual.

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

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

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. no specific term and subject to retirement from office by rotation and be eligible for re-election in accordance with the provisions of the Company's Articles of Association). At each annual general meeting, one-third of the directors for the time being or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every director shall be subject to retirement by rotation at least one every three years.

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 21 June 2010 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.

REMUNERATION COMMITTEE

The Remuneration Committee comprises of two independent non-executive directors, namely Mr. Zhang Ke, being the Chairman of the Remuneration Committee and Mr. Ding Yu Cheng.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors. The Audit Committee is chaired by Mr. Fu Fengxiang and comprising two other members, namely Mr. Wang Xiangfei and Mr. Zhang Ke. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and financial reporting matters including the review of the unaudited consolidated interim financial statements for the six months ended 30 June 2010.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company for the six months ended 30 June 2010.

MEMBERS OF THE BOARD OF DIRECTORS

As at the date hereof, the members of the Board are as follows:

Executive Directors:
Mr. Wang Boming *(Chairman)*
Mr. Dai Xiaojing
Mr. Li Shijie
Mr. Zhang Zhifang

Independent Non-Executive Directors:
Mr. Ding Yu Cheng
Mr. Fu Fengxiang
Mr. Wang Xiangfei
Mr. Zhang Ke

By order of the Board
Wang Boming
Chairman

Hong Kong, 27 August 2010