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 2012

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" or the "SEEC Media Group") for the six months ended 30 June 2012 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

		(Unaudited) Six months ended 30 June	
		2012	2011
	Notes	***HK$'000***	*HK$'000*
Revenue	*2*	**230,828**	206,447
Cost of sales		**(76,084)**	(61,620)
Gross profit		**154,744**	144,827
Other income		**1,097**	2,143
Other gains and losses		**(580)**	709
Selling and distribution costs		**(98,237)**	(101,939)
Administrative expenses		**(27,028)**	(20,806)
Finance costs	*3*	**(1,273)**	(1,554)
Profit before tax	*4*	**28,723**	23,380
Taxation	*5*	**(10,093)**	(9,841)
Profit for the period		**18,630**	13,539
Exchange differences arising on translation, representing other comprehensive income for the period		**(1,633)**	5,961
Total comprehensive income for the period		**16,997**	19,500

	Notes	(Unaudited) Six months ended 30 June 2012 HK$'000	2011 HK$'000
Profit (loss) for the period attributable to:			
Owners of the Company		**19,144**	14,135
Non-controlling interests		**(514)**	(596)
		18,630	13,539
Total comprehensive income (expense) attributable to:			
Owners of the Company		**17,511**	20,096
Non-controlling interests		**(514)**	(596)
		16,997	19,500
Earnings per share (HK cents)			
Basic	*7*	**1.10**	0.81
Diluted		**1.10**	0.81

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	Notes	(Unaudited) As at 30 June 2012 HK$'000	(Audited) As at 31 December 2011 HK$'000
Non-current assets			
Property, plant and equipment		**46,234**	48,148
Sole agency rights		**117,086**	122,938
Goodwill		**118,886**	118,886
Interests in jointly controlled entities		**–**	–
Amount due from a jointly controlled entity		**52,956**	45,764
		335,162	335,736
Current assets			
Trade receivables	*8*	**207,175**	175,157
Amounts due from related companies		**2,588**	5,110
Other receivables and prepayments		**10,599**	14,643
Restricted bank deposits		**6,400**	5,675
Bank balances and cash		**21,574**	98,117
		248,336	298,702
Current liabilities			
Trade payables	*9*	**59,040**	57,732
Other payables and accruals		**71,783**	84,530
Amounts due to related companies		**2,868**	7,025
Amount due to immediate parent		**6,099**	1,599
Bank borrowings		**30,384**	30,520
Tax payable		**18,880**	21,624
		189,054	203,030
Net current assets		**59,282**	95,672
Total assets less current liabilities		**394,444**	431,408
Non-current liabilities			
Loan from immediate parent		**9,417**	63,325
Receipt in advance		**–**	561
		9,417	63,886
Net assets		**385,027**	367,522
Capital and reserves			
Share capital	*10*	**173,956**	173,956
Reserves		**212,642**	194,623
Equity attributable to owners of the Company		**386,598**	368,579
Non-controlling interests		**(1,571)**	(1,057)
Total equity		**385,027**	367,522

NOTES TO THE 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 with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The condensed consolidated financial statements have been prepared on the historical cost basis. The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2012 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011.

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are mandatorily effective for the current interim period.

2. REVENUE AND SEGMENT INFORMATION

Information reported to the Company's executive directors, being the chief operating decision makers, for the purpose of allocating resources to segments and assessing their performance are organized on the basis of the nature of the revenue streams. The Group's operating and reporting segments are (a) advertising income from placing their advertisements in several magazines in the People's Republic of China (the "PRC") and organizing conferences and events and (b) sale of books and magazines.

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

Six months ended 30 June 2012

	Advertising income *HK$'000*	**Sale of books and magazines** *HK$'000*	**Consolidation** *HK$'000*
REVENUE			
External sales	**215,815**	**15,013**	**230,828**
RESULT			
Segment profit (loss)	**70,108**	**(14,181)**	**55,927**
Unallocated income			**1,097**
Unallocated expenses			**(27,028)**
Finance costs			**(1,273)**
Profit before taxation			**28,723**

Six months ended 30 June 2011

	Advertising income *HK$'000*	Sale of books and magazines *HK$'000*	Consolidation *HK$'000*
REVENUE			
External sales	189,952	16,495	206,447
RESULT			
Segment profit (loss)	55,771	(12,883)	42,888
Unallocated income			2,143
Unallocated expenses			(20,806)
Other gains and losses			709
Finance costs			(1,554)
Profit before taxation			23,380

Segment result represents the profit earned by/loss from each segment without allocation of central administration costs, directors' salaries and finance costs. This is the measure reported to the chief operating decision makers for the purpose of resource allocation and performance assessment.

3. FINANCE COSTS

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
Interest on bank loan wholly repayable within five years	**991**	696
Interest on advance from a substantial shareholder	**282**	858
	1,273	1,554

4. PROFIT BEFORE TAX

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**5,568**	3,971
Amortisation of sole agency rights (included in costs of sales)	**5,234**	5,085
Loss on disposal of property, plant and equipment	**23**	20
Net exchange gain	**(91)**	(657)
Bank interest income	**(281)**	(863)
Allowance (reversal of allowance) for bad and doubtful debts	**580**	(709)

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 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 (2011: Nil).

7. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
Earnings for the purpose of basic and diluted earnings per share		
Profit for the period attributable to owners of the Company	**19,144**	14,135
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	**1,739,565,174**	1,739,565,174
Effect of dilutive potential ordinary shares – options	**1,174,580**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,740,739,754**	1,739,565,174

For the six months ended 30 June 2011, the computation of diluted earnings per share did not assume the exercise of the Company's share option because the exercise prices of those options was higher than the average market price for shares during the six months period ended 30 June 2011.

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 2012		As at 31 December 2011	
	HK$'000	***Percentage***	*HK$'000*	*Percentage*
Within three months	**122,872**	**59**	98,439	56
Months four to six	**58,517**	**28**	48,885	28
Months seven to one year	**25,786**	**13**	27,833	16
	207,175	**100**	175,157	100

9. TRADE PAYABLES

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

	As at 30 June 2012		As at 31 December 2011	
	HK$'000	***Percentage***	*HK$'000*	*Percentage*
Within three months	**29,814**	**51**	46,525	81
Months four to six	**24,608**	**42**	10,333	18
Months six to one year	**3,802**	**6**	209	–
Over one year	**816**	**1**	665	1
	59,040	**100**	57,732	100

10. SHARE CAPITAL

	Number of shares	**Amount**
	'000	*HK$'000*
Ordinary shares of HK$0.10 each		
Authorised:		
At 1 January 2011, 31 December 2011, and 30 June 2012	3,000,000	300,000
Issued and fully paid:		
At 1 January 2011, 31 December 2011, and 30 June 2012	1,739,566	173,956

During the six months ended 30 June 2012, no share was issued and no share option was exercised.

11. 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 2012 and 2011, the Group paid and payable compensation to key management personnel, which includes short-term benefit (i.e. fees and salaries and other benefits) of HK$518,000 (six months ended 30.6.2011: HK$644,000), post-employment benefits (i.e. contribution to retirement benefits schemes) of HK$128,000 (six months ended 30.6.2011: HK$116,000) and share-based payments (i.e. share option benefits) of HK$25,000 (six months ended 30.6.2011: HK$70,000).

During the six months ended 30 June 2012, the Group paid and payable interest expenses of approximately HK$282,000 (six months ended 30.6.2011: HK$858,000) to the immediate parent.

During the six months ended 30 June 2012, the Group paid and payable office rental expenses of approximately HK$2,019,000 (six months ended 30.6.2011: HK$1,905,000) to a related party.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2012 (2011: Nil).

BUSINESS REVIEW

During the first half of 2012, the macro economy of China was gloomy and has shown more and more signs on economic downturn. Despite of this, the SEEC Media Group still maintained stable performance and recorded growth in revenues, recording a year-on-year increase of approximately 12% in revenues for the first half of 2012, with a record high turnover of approximately HK$230.8 million for interim reporting periods. Profit amounted to approximately HK$19.1 million, representing a year-on-year increase of approximately 35%.

"Caijing Magazine", the flagship magazine of the Group, recorded a strong growth in turnover for the first half of the year, representing an increase of 25% as compared to that of last year. Once again, "Caijing Magazine" successfully defended its invincible championship among financial magazines on mainland China.

"China Auto Pictorial", the best selling auto magazine in China, managed to record a year-on-year growth of 6% in turnover for the first half of 2012 despite the slowdown in automobile sales in China. In addition, "Autocar", another auto magazine of the Group, also recorded a year-on-year increase of 8% in turnover.

"Grazia", the leading fashion magazine of the Group, has become one of the major fashion magazines in China. With the vigorous growth of the domestic luxury product market, "Grazia" recorded a brilliant growth of 45% in turnover for the first half of 2012. The English edition of "TimeOut", the Group's magazine for lifestyle and consumption, also recorded an increase of 52% in turnover for the first half of 2012, while another magazine "HisLife" achieved an increase of 23% in turnover. "La Revue Du Vin de France", a magazine launched only six months ago, also recorded growth in its turnover and was well recognized in the grape wine industry.

Although the stock market in China remained in the doldrums during the first half of 2012, with its professional news reports on finance and securities markets, "CapitalWeek", the Group's magazine for the securities market, managed to achieve a 10% growth in turnover despite the challenging market conditions. Similarly, "VMarketing China", the Group's magazine for marketing sector, also saw a growth of 29% in its turnover.

Despite the unfavorable economic conditions during the first half of 2012, the sports market was relatively active thanks to the London Olympic Games. Our sports magazine "Sports Illustrated" achieved a strong turnover with a year-on-year increase of 45% for the first half of the year.

In summary, although affected by the slow down of the economic environment to a certain extent, the Group, replying on its strong brand names developed throughout these years, managed to achieve a growth in its turnover and a significant increase in profit against an unfavorable backdrop. Our achievements come from the high efficiency of the Group's operating team and valuable support from our shareholders.

OUTLOOK AND PROSPECTS

Despite the bearish macro economy in 2012, we still believe that development would be the main theme of economy in the future. The Group will ride on the development trend, so as to create more value to the community and bring more wealth for our shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

During the first half of the year of 2012, revenue of the Group was approximately HK$230.8 million as compared to approximately HK$206.4 million in the same period of 2011, representing an increase of 11.8%. The increase was mainly because of the general increase in advertising rates of the magazines in the Group during the period. The gross profit for the first half of the year of 2012 was 67.0% which was slightly decreased as compared to that of the same period in 2011 of 70.2%.

The selling and distribution costs decreased by 3.6% to HK$98.2 million which was resulted from the reduction of advertising and promotion expenses for some magazines of the Group. The administrative expense was increased by 29.9% to HK$27.0 million because of general increase in salary and expansion in staff number to cater the advertising business of our magazines launched in recent years, and the increase in depreciation and rental expense for new office in Beijing.

The profit attributable to the shareholders of the Company was approximately HK$19.1 million for the first six-month period of 2012, while the profit attributable to the shareholders of the Company was approximately HK$14.1 million in the same period of last year, representing an increase of 35.4%.

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 (2011: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group's daily operation activities were financed by internal resources. The Group's equity as at 30 June 2012 was approximately HK$385.0 million as compared to approximately HK$367.5 million as at 31 December 2011.

The Group had non-current liabilities of approximately HK$9.4 million from a loan advanced by the immediate parent, United Home Limited as at 30 June 2012 as compared to approximately HK$63.9 million as at 31 December 2011 from a loan advanced by the immediate parent and receipt in advance. The gearing ratio, which was computed by non-current liabilities over total assets was 1.6% as at 30 June 2012 as compared to 10.0% as at 31 December 2011.

As at 30 June 2012, the Group had secured bank borrowings of approximately HK$30.4 million as compared to HK$30.5 million as at 31 December 2011.

As at 30 June 2012, the Group had cash and time deposits amounted to approximately HK$21.6 million as compared to approximately HK$98.1 million as at 31 December 2011.

CHARGE ON ASSETS

As at 30 June 2012, the Company had fixed deposits of approximately HK$6.4 million charged to a bank for banking facilities granted to the Group as compared to approximately HK$5.7 million as at 31 December 2011.

As at 30 June 2012, the Group had pledged leasehold land and building in the PRC with a carrying amount of approximately HK$33.7 million to secure bank borrowings granted to the Group as compared to approximately HK$34.5 million as at 31 December 2011.

CONTINGENT LIABILITIES

On 6 August 2010, Chau Hoi Shuen, Solina Holly ("Ms. Chau") in a writ of summons filed claims against the Company for compensatory damages for distributing and publishing certain articles in the Issue No. 265 of Caijing Magazine containing words defamatory to Ms. Chau. In the defense filed by the Company on 13 October 2010, the Company denied Ms. Chau's claims. The representatives of Ms. Chau and the Company attended mediation on 20 April 2011, however, both parties failed to settle the litigation by mediation. The litigation is fixed for trial at the high court of Hong Kong in September 2012. In the option of the legal advisor of the Company, it is not practical to assess the outcome of the case and accordingly, no provision was made in the condensed consolidated financial statements.

COMMITMENTS

(a) Operating lease commitments

As lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments which fall due as follows:

	As at 30 June 2012	As at 31 December 2011
		HK$'000
Within one year	**5,475**	7,266
In the second to fifth year inclusive	**1,163**	1,991
	6,638	9,257

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 Company at the end of the reporting period had commitments to make payments to certain magazines publication companies for agency rights for advertising in their magazines which fall due as follows:

	As at 30 June 2012 *HK$'000*	As at 31 December 2011 *HK$'000*
Within one year	**3,140**	2,983
In the second to fifth year inclusive	**14,274**	12,773
Over five years	**3,510**	4,680
	20,924	20,436

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 loan advanced from immediate parent and the bank borrowing, the Group did not have any fixed interest rate borrowings and had not engaged in any financial instruments for hedging or speculative activities.

EMPLOYEES

At as 30 June 2012, the Group had 790 (31.12.2011: 747) 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, REDEMPTION OR SALE OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold 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) 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 once 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 11 May 2012 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 two independent non-executive directors, namely Mr. Zhang Ke being the chairman of the committee and Mr. Ding Yu Cheng.

NOMINATION COMMITTEE

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

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 condensed consolidated interim financial statements for the six months ended 30 June 2012.

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 2012.

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, 17 August 2012