THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offers or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your securities in SEEC Media Group Limited, you should at once hand this Composite Document and the accompanying Forms of Acceptance to the purchaser(s) or transferee(s), or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Composite Document should be read in conjunction with the accompanying Forms of Acceptance, the contents of which form part of the terms and conditions of the Offers.

United Home Limited

(Incorporated in the British Virgin Islands with limited liability)

SEEC Media Group Limited
財訊傳媒集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 205)

COMPOSITE DOCUMENT RELATING TO VOLUNTARY CONDITIONAL CASH OFFERS BY

FIRST SHANGHAI SECURITIES LIMITED
第一上海證券有限公司

FIRST SHANGHAI SECURITIES LIMITED

ON BEHALF OF UNITED HOME LIMITED

FOR ALL THE ISSUED SHARES IN, AND FOR THE CANCELLATION OF ALL OUTSTANDING OPTIONS OF, SEEC MEDIA GROUP LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY UNITED HOME LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

Financial adviser to the Offeror

FIRST SHANGHAI CAPITAL LIMITED
第一上海融資有限公司

FIRST SHANGHAI CAPITAL LIMITED

Independent financial adviser to the Independent Board Committee

博大資本國際有限公司
Partners Capital International Limited

Capitalized terms used on this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from First Shanghai Securities containing, among other things, the details of the terms of and conditions to the Offers is set out on pages 7 to 14 of this Composite Document.

A letter from the Board is set out on pages 15 to 21 of this Composite Document.

A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders and the Optionholders is set out on pages 22 to 23 of this Composite Document.

A letter from Partners Capital containing its opinions on the Offers and its advice to the Independent Board Committee is set out on pages 24 to 45 of this Composite Document.

The procedures for acceptance of the Offers and other related information are set out in Appendix I to this Composite Document and in the accompanying Forms of Acceptance. Acceptances of the Share Offer and the Option Offers should be received by the Registrar (as regards the Share Offer) and the Offeror (as regards the Option Offers) respectively no later than 4:00 p.m. on Friday, 14 January 2011 or such other time as the Offeror may determine and announce in accordance with the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the Forms of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the paragraph headed "Overseas Holders of the Offer Shares and Options" in Appendix I to this Composite Document before taking any action. It is the responsibility of each overseas Shareholder and Optionholder wishing to accept the Offers to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or legal requirements. Overseas Shareholders and Optionholders are advised to seek professional advice on deciding whether to accept the Offers.

24 December 2010

CONTENTS

EXPECTED TIMETABLE

Despatch date of this Composite Document and commencement of the Offers	Friday, 24 December 2010
Latest time and date for acceptance of the Offers *(Note 1)*	4:00 p.m. on Friday, 14 January 2011
First Closing Date	Friday, 14 January 2011
Announcement of the results of the Offers as at the First Closing Date to be posted on the Stock Exchange's website and the Company's website *(Note 2)*	by 7:00 p.m. on Friday, 14 January 2011
Latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances received on or before 4:00 p.m. on the First Closing Date assuming the Offers become or are declared unconditional on the First Closing Date *(Note 3)*	Monday, 24 January 2011
Latest time and date for acceptance of the Offers assuming the Offers become or are declared unconditional on the First Closing Date	4:00 p.m. on Friday, 28 January 2011
Final closing date of the Offers if the Offers have been declared unconditional on the First Closing Date	Friday, 28 January 2011
Latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances received on or before 4:00 p.m. on 28 January 2011	Monday, 7 February 2011
Latest time and date by which the Offers can become or be declared unconditional as to acceptances *(Note 4)*	7:00 p.m. on Tuesday, 22 February 2011

Notes:

1. The Offers will be subject to the Offeror having received acceptances in respect of the Shares which, together with the Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it before or during the period of the Offers, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company. Unless the Offers have previously become or been declared unconditional or extended, the latest time for acceptance of the Offers is 4:00 p.m. on Friday, 14 January 2011. Pursuant to the Takeovers Code, where the Offers are declared unconditional, the Offers will remain open for acceptance for not less than 14 days thereafter. The Offeror will make an announcement as and when the Offers become unconditional.

2. The Offeror reserves the right to extend the Offers until such time and/or date as it may determine and in accordance with the Takeovers Code. The Offeror will issue an announcement to be posted on the Stock Exchange's website and the Company's website by 7:00 p.m. on Friday, 14 January 2011, being the First Closing Date, as to whether the Offers have been extended, or have become or been declared unconditional.

3. Amounts due to each of the Independent Shareholders and the Optionholders who accepts the Offers will be paid by the Offeror as soon as possible but in any event within 10 days of the later of the date the Offers become, or are declared, unconditional in all respects and the date of receipt of the duly completed Form(s) of Acceptance in accordance with the Takeovers Code.

4. In accordance with the Takeovers Code, in the event that the Offers (whether extended or not) have not become or been declared unconditional as to acceptances by 7:00 p.m. on Tuesday, 22 February 2011, being the 60th day after posting of this Composite Document, the Offers will lapse unless the Executive consents to a later date.

Unless otherwise expressly stated, all time and date references contained in this Composite Document refer to Hong Kong times and dates. The timetable set out above is indicative only and further announcements will be made in the event of any changes to the timetable.

In this Composite Document, unless the context otherwise requires, the following expressions have the following meanings:

"acting in concert"	has the meaning ascribed to it in the Takeovers Code
"Announcement"	the joint announcement dated 25 November 2010 issued by the Offeror and the Company in relation to the Offers
"associate"	has the same meanings as given to it in the Listing Rules and/or the Takeovers Code, as the case may be
"Board"	the board of Directors
"Carlet"	Carlet Investments Ltd., a company incorporated in the British Virgin Islands and is wholly owned by the Offeror
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Company"	SEEC Media Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares are listed on the Main Board of the Stock Exchange (stock code: 205)
"Composite Document"	this document issued by the Offeror and the Company to all Shareholders and Optionholders in accordance with the Takeovers Code containing, among other things, the terms of the Offers together with the Forms of Acceptance
"Conditions"	the conditions of the Offers
"Directors"	directors of the Company
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
"First Closing Date"	14 January 2011, being the closing date of the Offers which is 21 days after the date on which this Composite Document is posted
"First Shanghai Capital"	First Shanghai Capital Limited, a licensed corporation under the SFO permitted to engaged in type 6 (advising on corporate finance) regulated activity and the financial adviser to the Offeror

"First Shanghai Securities"	First Shanghai Securities Limited, a licensed corporation under the SFO permitted to engaged in type 1 (dealing in securities), 4 (advising on securities) and 6 (advising on corporate finance) regulated activities
"Form(s) of Acceptance"	the accompanying Yellow Form of Acceptance and/or (as the case may be) the White Form of Acceptance
"Group"	the Company and its subsidiaries
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	the independent board committee of the Company comprising all the independent non-executive Directors, namely Mr. Fu Fengxiang, Mr. Wang Xiangfei, Mr. Ding Yu Cheng and Mr. Zhang Ke, formed to advise the Independent Shareholders and the Optionholders on the Offers
"Independent Shareholders"	Shareholders other than the Offeror and parties acting in concert with it
"Last Trading Day"	24 November 2010, being the last trading day of the Shares prior to the publication of the Announcement
"Latest Practicable Date"	21 December 2010, being the latest practicable date prior to the printing of this Composite Document for the purpose of ascertaining certain information for inclusion in this Composite Document
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers adopted by the Company
"Offer Share(s)"	Share(s) in respect of which the Share Offer is made, being Share(s) not already owned or agreed to be acquired by the Offeror and parties acting in concert with it
"Offeror" or "United Home"	United Home Limited, a company incorporated in the British Virgin Islands with limited liability, the controlling Shareholder
"Offers"	the Share Offer and the Option Offers

"Option(s)"	the outstanding options granted by the Company pursuant to the Share Option Scheme
"Option Offer(s)"	the voluntary cash offer(s) made by First Shanghai Securities on behalf of the Offeror for the cancellation of all outstanding Options in accordance with the Takeovers Code
"Optionholder(s)"	the holder(s) of the Options
"Partners Capital"	Partners Capital International Limited, a licensed corporation under the SFO permitted to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee in respect of the Offers
"PRC"	the People's Republic of China (excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan)
"Registrar"	Tricor Secretaries Limited, the Hong Kong branch share registrar and transfer office of the Company, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong
"Relevant Period"	the period beginning six months prior to 25 November 2010 (being the date of the Announcement) and ending on and including the Latest Practicable Date
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Share Offer"	the voluntary conditional cash offer made by First Shanghai Securities on behalf of the Offeror for all the Offer Shares in accordance with the Takeovers Code
"Share Offer Price"	the price at which the Share Offer is made, being HK$0.14 per Offer Share
"Share Option Scheme"	the share option scheme adopted by the Company on 26 August 2002

"Shareholders"	holders of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Code on Takeovers and Mergers issued by the SFC as in force from time to time
"Unconditional Date"	the date on which the Offers become or are declared unconditional in all respects
''White Form of Acceptance''	the form of acceptance and transfer of the Options in WHITE in respect of the Option Offers which accompanies this Composite Document
''Yellow Form of Acceptance''	the form of acceptance and transfer of the Offer Shares in YELLOW in respect of the Share Offer which accompanies this Composite Document
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	renminbi, the lawful currency of the PRC
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent.

First Shanghai Securities Limited
19th Floor, Wing On House
71 Des Voeux Road Central
Hong Kong

To the Independent Shareholders and Optionholders 24 December 2010

Dear Sir or Madam,

VOLUNTARY CONDITIONAL CASH OFFERS BY FIRST SHANGHAI SECURITIES LIMITED

ON BEHALF OF UNITED HOME LIMITED

FOR ALL THE ISSUED SHARES IN, AND FOR THE CANCELLATION OF ALL OUTSTANDING OPTIONS OF, SEEC MEDIA GROUP LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY UNITED HOME LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

On 25 November 2010, the Offeror, being the controlling Shareholder, and the Company jointly announced that First Shanghai Securities will make the voluntary conditional cash offers for all the issued Shares, and for the cancellation of the Options, not already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

As at the Latest Practicable Date, the Offeror together with parties acting in concert with it held 845,843,824 Shares, representing approximately 48.62% of the existing issued share capital of the Company. As at the Latest Practicable Date, there were a total of 50,750,000 Options outstanding under the Share Option Scheme of which 12,350,000 Options were held by parties acting in concert with the Offeror.

This letter sets out, among other things, the details of the Offers, information on the Offeror and the intention of the Offeror regarding the Group. The terms of the Offers are set out in this letter, Appendix I to this Composite Document and in the Forms of Acceptance.

The Independent Shareholders are strongly advised to consider carefully the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from Partners Capital" as set out in this Composite Document.

THE OFFERS

Principal terms of the Offers

First Shanghai Securities hereby makes the voluntary conditional cash offers on behalf of the Offeror for all the Shares, and for the cancellation of the Options, not already owned or agreed to be acquired by the Offeror and parties acting in concert with it in accordance with the Takeovers Code.

As at the Latest Practicable Date, the Offeror together with parties acting in concert with it held 845,843,824 Shares, representing approximately 48.62% of the existing issued share capital of the Company. Save for the above, the Offeror and parties acting in concert with it did not have any other interests in the share capital or voting rights of the Company.

As at the Latest Practicable Date, the Company also had outstanding Options in respect of 50,750,000 Shares with exercise prices of HK$0.247, HK$0.268 and HK$0.330 per Share which are exercisable from 16 December 2012 to 15 December 2017, exercisable from 29 October 2011 to 28 October 2016 and exercisable from 7 February 2010 to 6 February 2015, respectively. Parties acting in concert with the Offeror held Options in respect of 3,850,000, 1,700,000 and 6,800,000 Shares with exercise prices of HK$0.247, HK$0.268 and HK$0.330 exercisable from 16 December 2012 to 15 December 2017, exercisable from 29 October 2011 to 28 October 2016 and exercisable from 7 February 2010 to 6 February 2015, respectively.

Save for the Options as mentioned above, the Company and the Offeror and parties acting in concert with it had no outstanding options, derivatives, warrants or securities which are convertible or exchangeable into securities of the Company as at the Latest Practicable Date.

Pursuant to Rule 13 of the Takeovers Code, the Offeror is required to make comparable offers for all the outstanding Options as part of the Offers.

The Offers are made on the following basis:

The Share Offer

For each Offer Share. . . . . HK$0.14 in cash

The Option Offers

For every Option with an exercise price of HK$0.247 . . . . HK$0.0001 in cash
For every Option with an exercise price of HK$0.268 . . . . HK$0.0001 in cash
For every Option with an exercise price of HK$0.330 . . . . HK$0.0001 in cash

For Options with an exercise price of HK$0.247 and HK$0.268, they are not exercisable before the close of the Offers (exercisable from 16 December 2012 to 15 December 2017 and 29 October 2011 to 28 October 2016, respectively). In the circumstances, the Option Offers are made only at a nominal price of HK$0.0001 for the cancellation of each corresponding Option.

The exercise price for Options of HK$0.330 is higher than the Share Offer Price of HK$0.14 and the Options are out of the money. In the circumstances, the Option Offer is being made only at a nominal price of HK$0.0001 for the cancellation of each corresponding Option.

Following acceptance of the Option Offers, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced.

In accordance with the terms of the Share Option Scheme, if the Share Offer having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Optionholders shall be entitled to exercise their Options at any time within 14 days after the date on which the Share Offer becomes or is declared unconditional and after which the Options shall lapse.

As at the Latest Practicable Date, none of the Shareholders or Optionholders had undertaken to or notified the Offeror of an intention to accept or reject the Offers.

Value of the Offers

As at the Latest Practicable Date, there were 1,739,565,172 Shares in issue, of which the Offeror together with parties acting in concert with it held 845,843,824 Shares. On the basis of the Share Offer Price of HK$0.14 and assuming that no Options are exercised before the close of the Offers, the Share Offer is valued at approximately HK$125,120,989.

As at the Latest Practicable Date, other than the Options held by the parties acting in concert with the Offeror, there were a total of 38,400,000 Options outstanding entitling the Optionholders to subscribe for an aggregate of 23,650,000 Shares at an exercise price of HK$0.247 per Share, 300,000 Shares at an exercise price of HK$0.268 per Share and 14,450,000 Shares at an exercise price of HK$0.330 per Share under the Share Option Scheme. Assuming none of the outstanding Options were exercised before the close of the Offers, the total amount required to satisfy the cancellation of all the outstanding Options is HK$3,840.

Based on the above, the Offers are valued at approximately HK$125,124,829 in aggregate.

The Offers will be financed by a loan facility of an amount not exceeding HK$126 million provided by First Shanghai Securities. First Shanghai Capital is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers and there have been no material changes to the availability of financial resources since the date of the Announcement. The Offeror does not intend that the payment of interest and repayment or security for any liability (contingent or otherwise) of the aforesaid loan will depend on the business of the Company.

Comparison with market price

The Share Offer Price of HK$0.14 per Offer Share represents:

– a discount of approximately 13.58% to the closing price of HK$0.162 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

– a premium of approximately 0.72% over the closing price of HK$0.139 per Share as quoted on the Stock Exchange on the Last Trading Day;

– a premium of approximately 2.19% over the average of the closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day of HK$0.137 per Share;

– a premium of approximately 2.94% over the average of the closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day of HK$0.136 per Share;

– a premium of approximately 2.94% over the average of the closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day of HK$0.136 per Share; and

– a discount of approximately 12.50% to the unaudited consolidated net asset value per Share of approximately HK$0.16 as at 30 June 2010.

Conditions of the Offers

The Offers are conditional on the satisfaction of the following Conditions:

(i) valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of at least 50% of the issued share capital of the Company including those Shares already owned by the Offeror and parties acting in concert with it as at the Last Trading Day; and

(ii) the Shares remaining listed and traded on the Stock Exchange up to the First Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension(s) of trading of the Shares as a result of the Offers and no indication being received on or before the First Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn.

Conditions (i) and (ii) cannot be waived.

In addition to the Conditions set out above, the Option Offers are subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects. The Board will approve the cancellation of the Options that are duly tendered for cancellation under the Option Offers.

In addition, the Offers are made on the basis that acceptance of the Offers by any person will constitute a warranty by such person or persons to the Offeror that the Shares and/or the Options acquired under the Offers shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the First Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the First Closing Date.

The Offers are being made in compliance with the Takeovers Code, which is administered by the Executive.

Effect of accepting the Offers

The Offer Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the First Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the First Closing Date.

The procedures for acceptance and further terms of the Offers are set out in Appendix I to this Composite Document.

Payment

Provided that the Offers have become, or have been declared, unconditional in all respects, payment in respect of acceptances of the Offers will be made as soon as possible but in any event within 10 days of the later of the date on which the Offers become, or are declared, unconditional in all respects and the date of receipt of a duly completed acceptance.

Stamp duty

Seller's ad valorem stamp duty (as prescribed under the Stamp Duty Ordinance, Chapter 117 of the Laws of Hong Kong) at a rate of 0.1% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, will be deducted from the amount payable to the relevant Independent Shareholder on acceptance of the Share Offer. The Offeror will arrange for payment of the stamp duty on behalf of accepting Independent Shareholders in connection with the acceptance of the Share Offer and the transfer of the Offer Shares.

No stamp duty is payable in connection with the cancellation of the Options.

Dealings in the Shares

None of the Offeror, its beneficial owner and parties acting in concert with any of them had dealt in any securities of the Company during the Relevant Period.

Compulsory acquisition

The Offeror does not intend to avail itself of any powers of compulsory acquisition.

INFORMATION ON THE GROUP

The Group is principally engaged in the provision of advertising agency services and distribution of book and magazines in the PRC.

Financial information of the Group is set out in Appendix II to this Composite Document.

INFORMATION ON THE OFFEROR AND ITS CONCERT PARTIES

The Offeror

The Offeror is incorporated in the British Virgin Islands and is beneficially owned by 15 individuals in equal proportions, four of whom are Directors (namely, Wang Boming, Zhang Zhifang, Dai Xiaojing and Li Shijie). The remaining shareholders are Wang Li, Xu Gang, Li Yi, Sun Jianyi, Wang Wei, Lei Jun, Liu Xiao, Xi Shuguang, Yang Daming, Chu Xubo and Song Guoqing. The Offeror is an investment holding company. As at the Latest Practicable Date, the Offeror had no major assets or liabilities except the shareholding interest in 845,843,824 Shares.

REASONS FOR THE OFFERS AND OFFEROR'S INTENTIONS FOR THE GROUP

The Offeror, the controlling Shareholder, together with parties acting in concert with it, currently hold approximately 48.62% of the existing issued share capital of the Company and would like to increase this to be held for long term. The Offeror considers that the Group's principal business of advertising agency services and distribution of book and magazines in the PRC have good potential, although these businesses also face challenges posed from new media to traditional media.

At the same time, the Offeror recognizes that the Shares are in general thinly traded with average daily trading volume of the Shares below 0.2% of the average public float for each of the months since January 2010 prior to the date of the Announcement. The Offers represent an opportunity to Independent Shareholders who wish to exit from their investments in the Company.

The Offeror intends that the Group will continue its existing principal activities and will maintain the listing status of the Company on the Stock Exchange after closing of the Offers. The directors of the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offers. As at the Latest

Practicable Date, the Offeror had no intention to introduce major changes in the business, including any redeployment of the fixed assets of the Group other than in the ordinary course of business. As at the Latest Practicable Date, the Offeror also had no intention to discontinue the employment of the employees of the Group other than in the ordinary course of business.

The Offeror has no intention to nominate additional Directors to the Board. An appropriate announcement will be made if there is any proposed change in the composition of the Board and any new appointment of Directors.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that:

- **a false market exists or may exist in the trading of the Shares; or**
- **there are insufficient Shares in public hands to maintain an orderly market,**

it will consider exercising its discretion to suspend dealings in the Shares. In this connection, it should be noted that upon completion of the Offers, there may be insufficient public float for the Shares and therefore, trading in the Shares may be suspended until a prescribed level of public float is attained.

The Stock Exchange will also closely monitor all future acquisitions or disposals of assets by the Company. Pursuant to the Listing Rules, the Stock Exchange has the discretion to require the Company to issue a circular to the Shareholders irrespective of the size of any proposed transactions, particularly when such proposed transactions represent a departure from the principal activities of the Company. The Stock Exchange also has the power to aggregate a series of transactions of the Company and any such transactions may result in the Company being treated as if it were new listing applicant and will subject to the requirements for new listing application as set out in the Listing Rules.

THE OFFER PERIOD AND TAX IMPLICATIONS

The Offers will be opened for acceptance from the date of despatch of this Composite Document on Friday, 24 December 2010 to Friday, 14 January 2011, both days inclusive. It is the responsibility of the overseas holders of the Shares and/or the Options who wish to accept the Offers and to take any action in relation thereto, to satisfy themselves as to the full observance of the laws of any relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required to comply with other necessary formalities or legal requirements. The overseas holders of the Shares and/or the Options will be responsible for the payment of any transfer or other taxes due by such overseas holders of the Shares in respect of their respective jurisdictions. None of the Offeror, First Shanghai Capital, First Shanghai Securities, the Registrar or any of their respective directors or any other parties involved in the Offers is in a position to advise the overseas holders of the Shares and/or the Options on their individual tax implications. The Independent Shareholders and the Optionholders are recommended to consult their own professional advisers as to the tax implications that may arise from accepting the Offers. None of the Company, the Offeror, the Directors, the professional adviser(s) to the Offeror and the Company or any other parties involved in the Offers accepts any responsibility for any tax effect on, or liabilities of, the relevant Independent Shareholders and the Optionholders.

ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding the procedures for acceptance and settlement and acceptance period as set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

GENERAL

To ensure equality of treatment of all Shareholders, those registered Shareholders who hold Offer Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offers. The attention of the overseas holders of Offer Shares is drawn to Appendix I to this Composite Document.

All documents and remittances sent to the Independent Shareholders and Optionholders by ordinary post will be sent to them at their own risk. Such documents and remittances will be sent to the Independent Shareholders and Optionholders at their respective addresses as they appear in the register of members of the Company or the register of the Optionholders (as the case may be), and in the case of joint Independent Shareholders, to the Independent Shareholder whose name appears first in the register of members of the Company. None of the Company, the Offeror, First Shanghai Capital, First Shanghai Securities, the Registrar, or any of their respective directors or professional advisers or any other parties involved in the Offers will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the accompanying Forms of Acceptance and the additional information set out in the appendices to, and which forms part of, this Composite Document.

Yours faithfully,
For and on behalf of
First Shanghai Securities Limited
Robert Ching
Managing Director

SEEC Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 205)

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

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

Registered Office:
Windward 1,
Regatta Office Park,
West Bay Road,
Grand Cayman,
Cayman Islands

Principal place of business in Hong Kong:
Unit 3203, Cosco Tower,
Grand Millennium Plaza,
183 Queen's Road Central,
Hong Kong

24 December 2010

To the Independent Shareholders and the Optionholders

Dear Sir or Madam,

VOLUNTARY CONDITIONAL CASH OFFERS BY FIRST SHANGHAI SECURITIES LIMITED

ON BEHALF OF UNITED HOME LIMITED

FOR ALL THE ISSUED SHARES IN, AND FOR THE CANCELLATION OF ALL OUTSTANDING OPTIONS OF, SEEC MEDIA GROUP LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY UNITED HOME LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

On 25 November 2010, the Offeror, being the controlling Shareholder, and the Company jointly announced that First Shanghai Securities will make the voluntary conditional cash offers for all the issued Shares, and for the cancellation of the Options, not already owned or agreed to be acquired by the Offeror and parties acting in concert with it. As at the Latest Practicable Date, the Offeror together with parties acting in concert with it held 845,843,824 Shares, representing approximately 48.62% of the existing issued share capital of the Company. As at the Latest Practicable Date, there were a total of 50,750,000 Options outstanding under the Share Option Scheme of which 12,350,000 Options were held by parties acting in concert with the Offeror.

The Independent Board Committee comprising all the independent non-executive Directors (who have no direct or indirect interest in the Offers) has been established to make recommendations to the Independent Shareholders and the Optionholders (i) as to whether the Offers are or are not, fair and reasonable; and (ii) as to acceptance. Partners Capital has been appointed to advise the Independent Board Committee in this regard.

This Composite Document provides you with, among other things, information on and the procedures for acceptance and settlement of the Offers, the recommendations of the Independent Board Committee and the advice of Partners Capital on the Offers, the financial information of the Group, as well as other general information relating to the Group and the Offeror.

THE OFFERS

First Shanghai Securities is making the voluntary conditional cash offers on behalf of the Offeror for all the Shares, and for the cancellation of the Options, not already owned or agreed to be acquired by the Offeror and parties acting in concert with it in accordance with the Takeovers Code.

As at the Latest Practicable Date, the Offeror together with parties acting in concert with it held 845,843,824 Shares, representing approximately 48.62% of the existing issued share capital of the Company. Save for the above, the Offeror and parties acting in concert with it did not have any other interests in the share capital or voting rights of the Company.

As at the Latest Practicable Date, the Company also had outstanding Options in respect of 50,750,000 Shares with exercise prices of HK$0.247, HK$0.268 and HK$0.330 per Share which are exercisable from 16 December 2012 to 15 December 2017, exercisable from 29 October 2011 to 28 October 2016 and exercisable from 7 February 2010 to 6 February 2015, respectively. Parties acting in concert with the Offeror held Options in respect of 3,850,000, 1,700,000 and 6,800,000 Shares with exercise prices of HK$0.247, HK$0.268 and HK$0.330 exercisable from 16 December 2012 to 15 December 2017, exercisable from 29 October 2011 to 28 October 2016 and exercisable from 7 February 2010 to 6 February 2015, respectively.

Save for the Options as mentioned above, the Company and the Offeror and parties acting in concert with it had no outstanding options, derivatives, warrants or securities which are convertible or exchangeable into securities of the Company as at the Latest Practicable Date.

Pursuant to Rule 13 of the Takeovers Code, the Offeror is required to make comparable offers for all the outstanding Options as part of the Offers.

The Offers are made on the following basis:

The Share Offer

For each Offer Share. . . . . HK$0.14 in cash

The Offer Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the First Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the First Closing Date.

The Option Offers

For every Option with an exercise price of HK$0.247 . . . . HK$0.0001 in cash
For every Option with an exercise price of HK$0.268 . . . . HK$0.0001 in cash
For every Option with an exercise price of HK$0.330 . . . . HK$0.0001 in cash

For Options with an exercise price of HK$0.247 and HK$0.268, they are not exercisable before the close of the Offers (exercisable from 16 December 2012 to 15 December 2017 and 29 October 2011 to 28 October 2016, respectively). In the circumstances, the Option Offers are made only at a nominal price of HK$0.0001 for the cancellation of each corresponding Option.

The exercise price for Options of HK$0.330 is higher than the Share Offer Price of HK$0.14 and the Options are out of the money. In the circumstances, the Option Offer is being made only at a nominal price of HK$0.0001 for the cancellation of each corresponding Option.

Following acceptance of the Option Offers, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced.

In accordance with the terms of the Share Option Scheme, if the Share Offers having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Optionholders shall be entitled to exercise their Options at any time within 14 days after the date on which the Share Offer becomes or is declared unconditional and after which the Options shall lapse.

As at the Latest Practicable Date, none of the Independent Shareholders or Optionholders had undertaken or notified the Offeror of an intention to accept or reject the Offers.

Value of the Offers

As at the Latest Practicable Date, there were 1,739,565,172 Shares in issue, of which the Offeror together with parties acting in concert with it held 845,843,824 Shares. On the basis of the Share Offer Price of HK$0.14 and assuming that no Options are exercised before the close of the Offers, the Share Offer is valued at approximately HK$125,120,989.

As at the Latest Practicable Date, other than the Options held by the parties acting in concert with the Offeror, there were a total of 38,400,000 Options outstanding entitling the Optionholders to subscribe for an aggregate of 23,650,000 Shares at an exercise price of HK$0.247 per Share, 300,000 Shares at an exercise price of HK$0.268 per Share and 14,450,000 Shares at an exercise price of HK$0.330 per Share under the Share Option Scheme. Assuming none of the outstanding Options were exercised before the close of the Offers, the total amount required to satisfy the cancellation of all the outstanding Options is HK$3,840.

Based on the above, the Offers are valued at approximately HK$125,124,829 in aggregate.

Comparison with market price

The Share Offers Price of HK$0.14 per Offer Share represents:

– a discount of approximately 13.58% to the closing price of HK$0.162 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

– a premium of approximately 0.72% over the closing price of HK$0.139 per Share as quoted on the Stock Exchange on the Last Trading Day;

– a premium of approximately 2.19% over the average of the closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day of HK$0.137 per Share;

– a premium of approximately 2.94% over the average of the closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day of HK$0.136 per Share;

– a premium of approximately 2.94% over the average of the closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day Trading Day of HK$0.136 per Share; and

– a discount of approximately 12.50% to the unaudited consolidated net asset value per Share of approximately HK$0.16 as at 30 June 2010.

Conditions of the Offers

The Offers are conditional on the satisfaction of the following Conditions:

(i) valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of at least 50% of the issued share capital of the Company including those Shares already owned by the Offeror and parties acting in concert with it as at the Last Trading Day; and

(ii) the Shares remaining listed and traded on the Stock Exchange up to the First Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension(s) of trading of the Shares as a result of the Offers and no indication being received on or before the First Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn.

Conditions (i) and (ii) cannot be waived.

In addition to the Conditions set out above, the Option Offers are subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects. The Board will approve the cancellation of the Options that are duly tendered for cancellation under the Option Offers.

In addition, the Offers are made on the basis that acceptance of the Offers by any person will constitute a warranty by such person or persons to the Offeror that the Shares and/or the Options acquired under the Offers shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the First Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the First Closing Date.

The Offers are being made in compliance with the Takeovers Code, which is administered by the Executive.

Further details of the Offers

Further details of the Offers including, among others, the terms and conditions and the procedures for acceptance and settlement are set out in the letter from First Shanghai Securities contained in this Composite Document, Appendix I to this Composite Document and the accompanying Forms of Acceptance.

INFORMATION ON THE GROUP

The Group is principally engaged in the provision of advertising agency services and distribution of book and magazines in the PRC.

INFORMATION ON THE OFFEROR AND THEIR CONCERT PARTIES

The Offeror

The Offeror is incorporated in the British Virgin Islands and is beneficially owned by 15 individuals in equal proportions, four of whom are Directors (namely, Wang Boming, Zhang Zhifang, Dai Xiaojing and Li Shijie). The remaining shareholders are Wang Li, Xu Gang, Li Yi, Sun Jianyi, Wang Wei, Lei Jun, Liu Xiao, Xi Shuguang, Yang Daming, Chu Xubo and Song Guoqing. The Offeror is an investment holding company. As at the Latest Practicable Date, the Offeror had no major assets or liabilities except the shareholding interest in 845,843,824 Shares.

REASONS FOR THE OFFERS AND OFFEROR'S INTENTIONS FOR THE GROUP

The Offeror, the controlling Shareholder, together with parties acting in concert with it, currently hold approximately 48.62% of the existing issued share capital of the Company and would like to increase this to be held for long term. The Offeror considers that the Group's principal business of advertising agency services and distribution of book and magazines in the PRC have good potential, although these businesses also face challenges posed from new media to traditional media.

At the same time, the Offeror recognizes that the Shares are in general thinly traded with average daily trading volume of the Shares below 0.2% of the average public float for each of the months since January 2010 prior to the date of the Announcement. The Offers represent an opportunity to Independent Shareholders who wish to exit from their investments in the Company.

The Board is aware of the intentions of the Offeror. The Offeror intends that the Group will continue its existing principal activities and will maintain the listing status of the Company on the Stock Exchange after closing of the Offers. The directors of the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offers. The Offeror also has no intention to nominate additional Directors to the Board and an appropriate announcement will be made if there is any proposed change in the composition of the Board and any new appointment of Directors. The Board also noted that the Offeror had no intention to introduce major changes in the business, including any redeployment of the fixed assets of the Group and had no intention to discontinue the employment of the employees of the Group other than in the ordinary course of business. Regarding the intentions of the Offeror in respect of the Group, the Board will render cooperation and support to the Offeror.

RECOMMENDATION

Independent Shareholders and the Optionholders are advised to read the recommendations of the Independent Board Committee set out on pages 22 and 23 of this Composite Document and the advice of Partners Capital set out on pages 24 to 45 of this Composite Document before deciding on the actions to be taken on the Offers.

ADDITIONAL INFORMATION

Your attention is also drawn to the letter from First Shanghai Securities set out on pages 7 to 14 of this Composite Document as well as the additional information contained in the appendices to this Composite Document and the accompanying Forms of Acceptance.

Yours faithfully,
By Order of the Board
SEEC Media Group Limited
Zhang Zhifang
Director

SEEC Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 205)

24 December 2010

To the Independent Shareholders and the Optionholders

Dear Sir or Madam,

VOLUNTARY CONDITIONAL CASH OFFERS BY FIRST SHANGHAI SECURITIES LIMITED

ON BEHALF OF UNITED HOME LIMITED

FOR ALL THE ISSUED SHARES IN, AND FOR THE CANCELLATION OF ALL OUTSTANDING OPTIONS OF, SEEC MEDIA GROUP LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY UNITED HOME LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

We refer to the composite document dated 24 December 2010 jointly issued by the Company and the Offeror to the Independent Shareholders and the Optionholders ("**Composite Document**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined elsewhere in the Composite Document unless the context otherwise requires.

We have been appointed by the Board to consider the terms of the Offers and to advise the Independent Shareholders and the Optionholders as to whether, in our opinion, the terms of the Offers are fair and reasonable so far as the Independent Shareholders and the Optionholders are concerned and as to acceptances of the Offers.

Partners Capital has been appointed as the independent financial adviser to advise us in respect of the Offers. Your attention is drawn to the letter from Partners Capital set out in this Composite Document containing its advice to us and the principal factors and reasons taken into account by it in arriving at such advice.

Having taken into account the advice of Partners Capital, we consider that the terms of the Share Offer are not fair and reasonable so far as the Independent Shareholders are concerned, whereas the terms of the Option Offers are fair and reasonable so far as the Optionholders are concerned. Accordingly, we recommend the Independent Shareholders not to accept the Share Offer and the Optionholders to accept the Option Offers.

Yours faithfully,
For and on behalf of the
Independent Board Committee
SEEC Media Group Limited

Mr. Fu Fengxiang	**Mr. Wang Xiangfei**	**Mr. Ding Yu Cheng**	**Mr. Zhang Ke**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*	*Independent non-executive Director*

The following is the text of a letter of advice from Partners Capital, the independent financial adviser to the Independent Board Committee, which has been prepared for the purpose of incorporation into this Composite Document, setting out its advice to the Independent Board Committee in connection with the Offers.

博大資本國際有限公司
Partners Capital International Limited

Partners Capital International Limited
Unit 3906, 39/F, COSCO Tower
183 Queen's Road Central
Hong Kong

To the Independent Board Committee 24 December 2010

Dear Sirs,

**VOLUNTARY CONDITIONAL CASH OFFERS BY
FIRST SHANGHAI SECURITIES LIMITED
ON BEHALF OF
UNITED HOME LIMITED
FOR ALL THE ISSUED SHARES IN,
AND
FOR THE CANCELLATION OF ALL OUTSTANDING OPTIONS OF
SEEC MEDIA GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED
OR AGREED TO BE ACQUIRED BY
UNITED HOME LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our engagement to advise the Independent Board Committee in respect of the terms of the Offers, particulars of which are set out in the composite offer and response document of the Company (the "Composite Document") dated 24 December 2010 to the Independent Shareholders and the Optionholders, of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as ascribed to them under the section headed "Definitions" in the Composite Document.

As set out in the letter from First Shanghai Securities (the "Letter from First Shanghai Securities"), on 25 November 2010, the Offeror and the Company jointly announced that First Shanghai Securities will make voluntary conditional cash offers on behalf of the Offeror for all the Shares and for the cancellation of the Options not already owned or agreed to be acquired by the Offeror and parties acting in concert with it in accordance with the Takeovers Code. As at the Latest Practicable Date, the Offeror together with parties acting in concert with it hold 845,843,824 Shares, representing approximately 48.62% of the existing issued share capital of the Company.

First Shanghai Securities, on behalf of the Offeror, is making the Offers on behalf of the Offeror on the following terms:-

1 The Share Offer

For every Offer Share	HK$0.14 in cash

2 The Option Offers

For every Option with an exercise price of HK$0.247	HK$0.0001 in cash
For every Option with an exercise price of HK$0.268	HK$0.0001 in cash
For every Option with an exercise price of HK$0.330	HK$0.0001 in cash

Further terms and conditions of the Offers, including the procedures for acceptance, are set out in the Composite Document.

Partners Capital is not in the same group as the financial or other professional adviser (including a stockbroker) to the Offeror or the Company and is not connected with the directors, chief executive and substantial shareholders of the Offeror and the Company or any of their respective subsidiaries or their respective associates or their respective party acting, or presumed to be acting, in concert and Partners Capital had not had, a significant connection, financial or otherwise, with either the Offeror or the Company, or the controlling shareholder(s) of either of them, of a kind reasonably likely to create, or to create the perception of, a conflict of interest or reasonably likely to affect the objectivity of our advice. Therefore, Partners Capital is considered eligible to give independent advice on the Offers. Apart from normal professional fees payable to Partners Capital in connection with this appointment, no arrangement exists whereby Partners Capital will receive any fees or benefits from the Company or the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or their respective associates.

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Composite Document and have assumed that all information and representations made or referred to in the Composite Document as provided by the Directors and/or the Offeror were true, accurate and complete in all material aspects at the time they were made and continue to be true, accurate and complete in all material aspects and up to the Latest Practicable Date (the "Offer Period") and Independent Shareholders will be notified by the Directors and/or the Offeror of any material changes as soon as practicable if such material change arises after the despatch of the Composite Document and would affect our opinion. We have also relied on our discussion with the Directors regarding the Company, the Offers, including the information and representations contained in the Composite Document. We have also assumed that all statements of belief, opinion and intention made by the Directors and the Offeror respectively in the Composite Document were reasonably made after due enquiry. We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Composite Document and to provide a reasonable basis for our advice. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Composite Document nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the Offeror. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Group, the Offeror and their respective associates nor have we carried out any independent verification of the information supplied.

We have not considered the tax implications on the Independent Shareholders or the Optionholders of their acceptances or non-acceptances of the Offers since these are particular to their own individual circumstances. In particular, the Independent Shareholders and the Optionholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position with regard to the Offers and, if in any doubt, should consult their own professional advisers.

THE INDEPENDENT BOARD COMMITTEE

The Board currently consists of four executive Directors, namely, Mr. Wang Boming, Mr. Zhang Zhifang, Mr. Dai Xiaojing and Mr. Li Shijie and four independent non-executive Directors, namely, Mr. Wang Xiangfei, Mr. Ding Yu Cheng, Mr. Fu Fengxiang and Mr. Zhang Ke.

In accordance with Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising Mr. Wang Xiangfei, Mr. Ding Yu Cheng, Mr. Fu Fengxiang and Mr. Zhang Ke (being all the independent non-executive Directors) was formed to advise the Independent Shareholders and the Optionholders in respect of the Offers.

We have been appointed by the Board to advise the Independent Board Committee in respect of the Offers and such appointment has been approved by the Independent Board Committee.

THE SHARE OFFER

Principal factors and reasons considered

In arriving at our opinion regarding the terms of the Share Offer, we have considered the following principal factors and reasons:

(i) Review of financial performance of the Group

The Group is principally engaged in the provision of advertising agency services and distribution of book and magazines in the PRC.

Set out below is a summary of the financial information on the Group as extracted from Appendix II to the Composite Document:

	Year ended 31 December			Six months ended 30 June
	2007	**2008**	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	186,491	307,176	275,300	146,136
Profit/(loss) before taxation	15,662	(7,055)	(46,080)	(383)
Profit/(loss) attributable to Shareholders	6,141	(14,354)	(46,080)	(2,161)
Earnings/(loss) per Share (HK cents)				
– Basic	0.40	(0.83)	(2.65)	(0.12)
Net assets attributable to Shareholders	319,595	326,151	282,524	283,562
Net assets attributable to Shareholders per Share (HK$) *(Note)*	0.184	0.187	0.162	0.163

Source: annual reports of the Company for each of the three years ended 31 December 2009 and interim report of the Company for the six months ended 30 June 2010

Note: calculated based on the total number of 1,739,565,172 Shares as at the Latest Practicable Date

- *Audited consolidated results for the year ended 31 December 2007*

For the year ended 31 December 2007, the Group recorded a turnover of approximately HK$186.5 million, representing an increase of approximately 88.2% as compared with that of the preceding financial year ended 31 December 2006. Turnover of the Group was generated from advertising income and sales of books and magazines.

In the first half of 2007, the advertising revenue in real estate sector was still seriously affected by the austerity measures implemented by the central government in the PRC in 2006. However, the situation improved in the second half of the year for the advertising revenue contribution from the "Real Estate" magazine. The advertising rights of the "China Auto Pictorial" magazine was acquired in August 2007 and this automobile magazine brought positive contributions to the Group in terms of revenue and profit. Coupled with continued strong growth from the flagship "Caijing" magazine and increase in revenue from events and conferences activities, the Group's turnover increased.

During the year, selling and distribution costs rose to approximately HK$71.4 million, representing an increase of approximately 66% as compared with that of the preceding financial year ended 31 December 2006. Meanwhile, the administrative expenses dropped to approximately HK$22.8 million, representing a decrease of approximately 17% as compared with that of the preceding financial year ended 31 December 2006.

As a result of the above, for the same financial year, the Group recorded a net profit attributable to shareholders of approximately HK$6.1 million as compared to the net loss attributable to shareholders of approximately HK$29.0 million for the year ended 31 December 2006.

• *Audited consolidated results for the year ended 31 December 2008*

For the year ended 31 December 2008, the Group recorded a turnover of approximately HK$307.2 million, representing an increase of approximately 64.7% as compared with that of the preceding financial year ended 31 December 2007.

For the first half of 2008, due to the positive impact of the Beijing Olympic Games, the advertising revenue of the Group, especially from sports related advertisers, experienced a dramatic increase of over 150% as compared to that of the same period in 2007. Although the second half of each year has usually been a better period for a year in term of revenue generation in the past, due to the adverse impact of the global economic meltdown, the Group recorded 25% growth during the second half of 2008, as compared to that of the same period of previous year.

During the year, selling and distribution costs rose to approximately HK$179.4 million, representing an increase of approximately 151% as compared with that of the preceding financial year ended 31 December 2007. Meanwhile, the administrative expenses increased to approximately HK$26.9 million, representing an increase of approximately 18% as compared with that of the preceding financial year ended 31 December 2007. In addition, the interest expense also increased to approximately HK$12.12 million, representing an increase of 31% over that of the previous financial year, for financing the daily operations of the Group.

As a result of the above, for the same financial year, the Group recorded a net loss attributable to shareholders of approximately HK$14.4 million as compared to the net profit attributable to shareholders of approximately HK$6.1 million recorded for year ended 31 December 2007.

• *Audited consolidated results for the year ended 31 December 2009*

For the year ended 31 December 2009, the Group recorded a turnover of approximately HK$275.3 million, representing a decrease of approximately 10.4% as compared with that of the preceding financial year ended 31 December 2008.

The slowdown of the advertising market in the PRC continued in 2009 in the aftermath of the financial crisis. Although the reduction and deferral of customers' advertising budgets impacted on the Group's revenue, the gross profit was maintained steady at around 63% in 2009.

During the year, selling and distribution costs decreased to approximately HK$147.1 million, representing a decrease of approximately 18% as compared with that of the preceding financial year ended 31 December 2008. However, the administrative expenses increased to approximately HK$36.3 million, representing an increase of approximately 59% as compared with that of the preceding financial year ended 31 December 2008. In addition, the Group recorded allowance for (i) amount due from jointly controlled entities; and (ii) bad and doubtful debts interest expense with an aggregate amount of approximately HK$11.0 million. Besides, the Group recognized an impairment loss in respect of goodwill of approximately HK$6.3 million and shared the loss of a jointly controlled entity of approximately HK$11.4 million.

As a result of the above, for the same financial year, the Group recorded a net loss attributable to Shareholders of approximately HK$46.1 million as compared to the net loss attributable to Shareholders of approximately HK$14.4 million recorded for the year ended 31 December 2008.

- *Unaudited consolidated results for the six months ended 30 June 2010*

For the six months ended 30 June 2010, the Group recorded (i) a turnover of approximately HK$146.1 million, representing an increase of approximately 26.3%; and (ii) gross profit of approximately HK$95.96 million, representing an increase of approximately 39% as compared with that of the corresponding period of the preceding financial year. The gross profit margin for the six months ended 30 June 2010 was 65.7% which was improved as compared to that of 59.5% recorded for the corresponding period of the preceding financial year. It was stated in the section headed "Business Review" in the 2010 Interim Report that the Group's overall operating results almost achieved a break even position in the first half of the year. The increase in the turnover of the Group was mainly due to the gradual recovery in global economies in the first half of 2010. "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. Besides, 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. It was mentioned in the section headed "Outlook and Prospect" of the interim report of the Company for the six months ended 30 June 2010 that, 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.

On the other hand, 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 whereas the administrative expense decreased by 4.1% to HK$15.8 million.

As a result of the above, for the six months ended 30 June 2010, the Group recorded a net loss attributable to shareholders of approximately HK$2.2 million, as compared to the net loss attributable to shareholders of approximately HK$41.1 million for the corresponding period in 2009.

- *Further analysis*

We note that the Group's revenue was mainly generated from its flagship magazine "Caijing" over the last few years. We also note that the Group has endeavoured to improve the financial performance of the Group by introducing new magazines to broaden the spectrum of the Group's book and magazines business and implementing various cost control measures. According to the yearly research report about advertising market in the PRC for 2009 prepared by the Nielsen Company[1] in January 2010, the aggregate expenditure on advertising on main media, namely television, newspaper and magazines, amounted to approximately RMB597.0 billion in 2009, representing an increase of approximately 14% as compared to that of 2008. The top ten spenders on advertising on magazines were from international cosmetics and automobile brands.

	2006	**2007**	**2008**	**2009**
Annual growth rate in the aggregate expenditure on advertising on main media, namely television, newspaper and magazines	+23%	+14%	+17%	+14%

Source: the Nielsen Company

On the other hand, according to the monthly research reports of Huicong DNB Market Research[2] from August 2009 to July 2010, "Caijing" ranked either first or second in terms of market share in the monthly advertisements revenue in financial magazines in the PRC. Meanwhile, according to the monthly research reports of Huicong DNB Market Research from August 2009 to July 2010, save for August 2009, "China Auto Pictorial", the exclusive advertising rights in which are held by the Group, ranked amongst top three in terms of market share in the monthly advertisements revenue in automobile magazines in the PRC.

1 The Nielsen Company is a global information and media company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and business publications. The privately held company is active in approximately 100 countries, with headquarters in New York, United States of America. The Nielsen Company is an independent third party.

2 Huicong DNB Market Research is a joint venture between Dun & Bradstreet, HC360, Huaxia D&B China. Dun & Bradstreet is one of the world's leading sources of commercial information and insight on businesses. D&B's global commercial database contains more than 140 million business records. HC360 is operated by HC International Inc., who is a leading Business-to-Business electronic commerce services provider in PRC and it was listed on Growth Enterprise Market of the Stock Exchange in December 2003. Huaxia D&B China is joint venture between Dun & Bradstreet and Huaxia International Credit Consulting Co., Ltd.. Huaxia International Credit Consulting Co., Ltd. is a credit agency established in the PRC in 1993. All of Dun & Bradstreet, HC360, Huaxia D&B China, Huaxia International Credit Consulting Co., Ltd. are independent third parties.

Based on the above, we note that the advertising industry in the PRC has been growing and we consider that it is highly likely that it will continue to grow. We also note that the major magazines of the Group have gained significant market acceptance in the PRC and we consider that the magazines of the Group may capture the business opportunities. Meanwhile, we note that the Group was hard hit during the recent financial crisis in 2008 and we consider that the expenditure on advertising is directly correlated to the status of economy. Furthermore, we note that the competition between various magazines is fierce as reflected by the changes in monthly ranking of the magazines and we consider that the Group may face considerable uncertainty arising from the changes in business environment and status of economy due to concerns about the fiscal problems in Europe and potential slowdown of economy in the PRC following its recent policies measures which may in turn have material adverse impact on the business, financial condition and results of operations of the Group.

On the other hand, as disclosed in the statement of material change contained in Appendix II to the Composite Document, on 18 November 2010, the Company effected an early redemption in full of the convertible bond due 2011 in the principal amount of US$12,000,000 and a cancellation of the nil-paid warrant issued by the Company on 19 May 2006 and the Directors estimate that the Group has achieved a net profit result for the ten months ended 31 October 2010 after recording losses for the year ended 31 December 2009 and the six months ended 30 June 2010. We consider that the early redemption of the convertible bond and cancellation of the nil-paid warrant would facilitate the Group to save coupon payments in the amount of roughly HK$2.8 million per annum and avoid dilution on the shareholdings of the Shareholders. Meanwhile, we have reviewed the management accounts of the Company for the ten months ended 31 October 2010 and noted that the Company has achieved a net profit for the period. However, we were advised that such unaudited and unpublished financial figures are subject to audit and further adjustments by the auditors and, accordingly, should not be relied upon and should not be disclosed before publication by the Company.

(ii) Share price performance and trading liquidity

The offer price of HK$0.14 (the "Share Offer Price") for each Offer Share represents:

(a) a premium of approximately 0.72% over the closing price of HK$0.139 per Share as quoted on the Stock Exchange on the Last Trading Day;

(b) a premium of approximately 2.19% over the average closing price of approximately HK$0.137 per Share for the five consecutive trading days up to and including the Last Trading Day;

(c) a premium of approximately 2.94% over the average closing price of approximately HK$0.136 per Share for the 30 consecutive trading days up to and including the Last Trading Day;

(d) a premium of approximately 2.94% over the average of the closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day of HK$0.136 per Share;

(e) a premium of approximately 2.19% over the average of the closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day of HK$0.137 per Share;

(f) a premium of approximately 1.45% over the average of the closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day of HK$0.138 per Share;

(g) a discount of approximately 7.28% to the average of the closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day of HK$0.151 per Share;

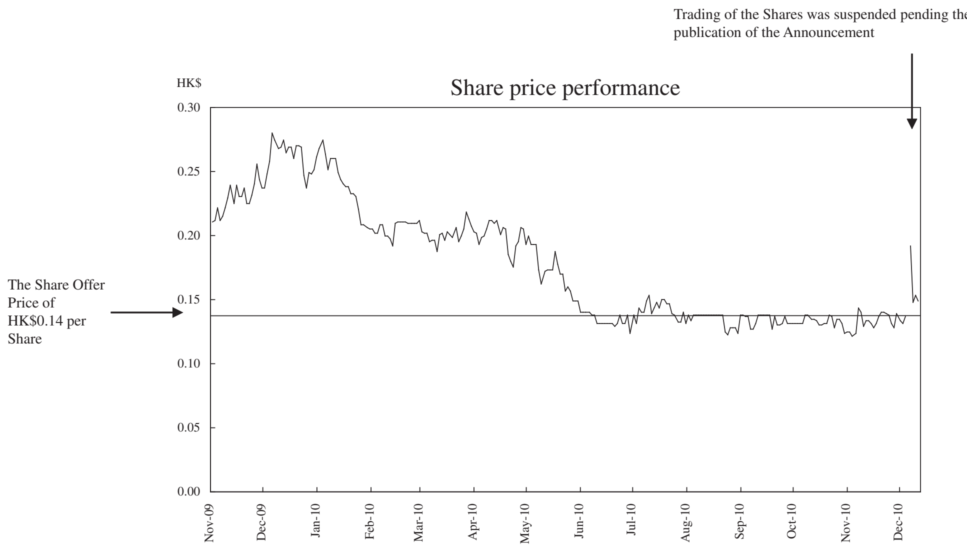
(h) a discount of approximately 20.00% to the average of the closing prices as quoted on the Stock Exchange for the 360 trading days up to and including the Last Trading Day of HK$0.175 per Share;

(i) a discount of approximately 12.50% to the unaudited consolidated net asset value per Share of approximately HK$0.16 as at 30 June 2010; and

(j) a discount of approximately 13.58% to the closing price of HK$0.162 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

- *Share price performance*

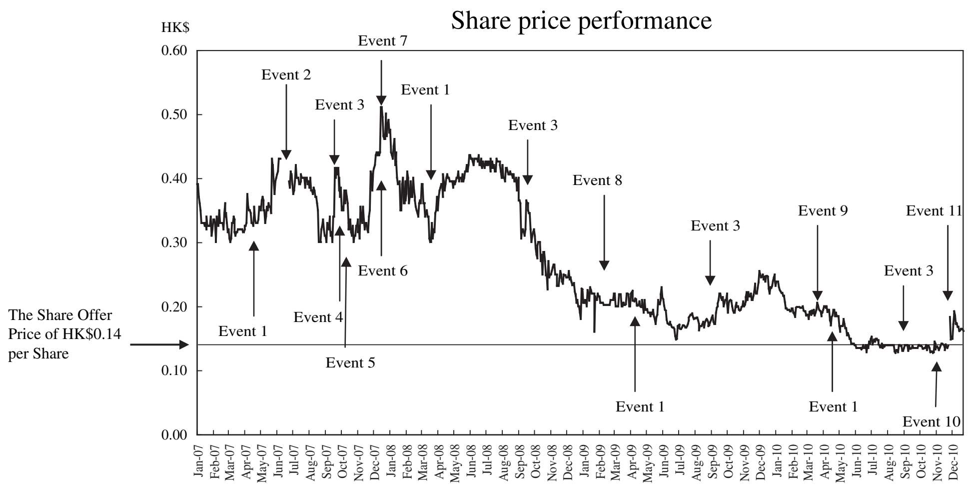
In view that the 12-month benchmarking period is a commonly used tenure for analysis purpose, we consider that it is relevant to review the closing price level of the Shares traded on the Stock Exchange during the 12 month period from 1 November 2009 to 24 November 2010 (being the Last Trading Day) and further up to the Latest Practicable Date (the "Review Period") as follows:



Source: www.hkex.com.hk

During the Review Period, the lowest closing price was HK$0.127 per Share recorded on 27 October 2010 and the highest closing price was HK$0.255 per Share recorded on 3 December 2009 respectively. During the Review Period, the share price was generally decreasing but stabilised at a level about the Share Offer Price. The Shares had been traded above the Share Offer Price before June 2010 in general and has been trading within a narrow band around the Share Offer Price since June 2010. Trading of the Shares was suspended with effect from 9:30 am on 25 November 2010 pending the publication of the Announcement. The share price rebounded significantly after the publication of the Announcement. The Share Offer Price represents a premium of approximately 10.2% over the lowest closing price per Share and a discount of approximately 45.1% to the highest closing price per Share during the Review Period. The Share Offer Price also represents a discount of approximately 13.58% to the closing price of the Shares of HK$0.162 on the Latest Practicable Date. In general, the Share Offer Price lies at the bottom end of the price range in the Review Period.

Moreover, we also review the closing price level of the Shares traded on the Stock Exchange during the last three financial years up to the Latest Practicable Date (the "Extended Review Period") with a view to further analyse the performance of the Shares on a longer horizon as follows:



Source: www.hkex.com.hk

Events:

1. Announcement of annual results of the Company (23 April 2007, 26 March 2008, 24 April 2009 and 23 April 2010)
2. Announcement of a discloseable and connected transaction and application of whitewash waiver (22 June 2007)
3. Announcement of interim results of the Company (21 September 2007, 24 September 2008, 25 September 2009 and 27 August 2010)
4. Collapse of Lehman Brothers (26 September 2007)
5. Announcement of a discloseable transaction of acquisition of property (11 October 2007)
6. Announcement of an unusual price and volume stating that a possible notifiable transaction is under negotiation (12 December 2007)
7. Announcement of a discloseable transaction of acquisition of license and exclusive advertising rights (17 December 2007)
8. Announcement of proposed issue of US$12,000,000 convertible bond due 2011 and redemption and cancellation of US$10,000,000 convertible bond due 2011 (4 March 2009)
9. Announcement of profit warning (12 April 2010)
10. Announcement of redemption of US$12,000,000 convertible bond due 2011 and cancellation of the nil-paid warrant (18 November 2010)
11. Trading of the Shares was suspended pending the publication of the Announcement (24 November 2010)

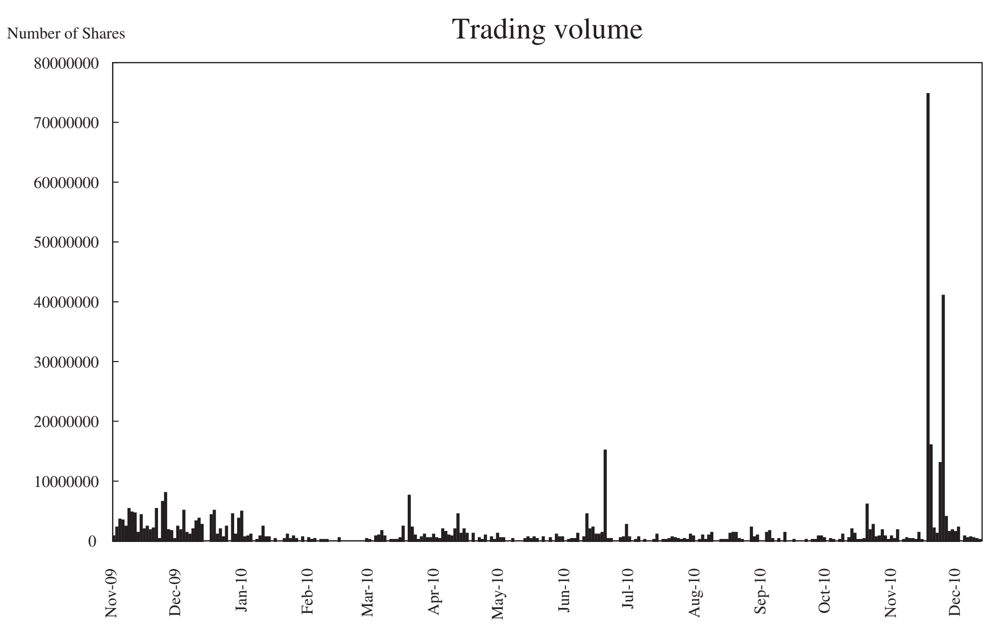
During the Extended Review Period, the lowest closing price was HK$0.127 per Share recorded on 27 October 2010 and the highest closing price was HK$0.51 per Share recorded on 12 and 13 December 2007 respectively. During the period from 1 January 2007 to mid-October 2008, the share price has been trading within a band of approximately HK$0.30 to HK$0.50. Thereafter, the share price decreased dramatically to HK$0.148 and started to stabilise in July 2009. The share price rebounded for a few months to the highest of HK$0.255 recorded in early December 2009 and began to drop again since January 2010. The Shares had been traded above the Share Offer Price before June 2010 in general and has been trading within a narrow band around the Share Offer Price since June 2010. We note that the Share Offer Price lies at the bottom end of the price range during the Extended Review Period.

We have identified various significant events occurred during the Extended Review Period but could not find out any strong impacts on and/or correlation with the price movements of the Shares during the Extended Review Period. We also note that the Group has not conducted any fund raising exercises during the Extended Review Period. As confirmed by the Company, the issue of convertible bond with principal amount of US$12,000,000 in March 2009 did not raise any capital as there was no new cash advance from the bondholder and it was a refinancing arrangement of the then existing convertible bond. Please refer to the announcement of the Company dated 4 March 2009 for further details.

Independent Shareholders should note that the Shares had been trading well above the Share Offer Price after the publication of the Announcement and the closing price of the Shares as at the Latest Practicable Date was much higher than the Share Offer Price. Accordingly, those Independent Shareholders who wish to realize their investment in the Shares are reminded that they should carefully and closely monitor the market price of the Shares during the Offer Period and consider selling their Shares in the open market during the Offer Period, rather than accepting the Share Offer, if the net proceeds from the sales of such Shares in the open market would exceed the net amount receivable under the Share Offer.

- *Liquidity*

For the purpose of assessing the trading liquidity of the Shares, the following chart shows the daily trading volume of the Shares during the Review Period:



Source: www.hkex.com.hk

Month	Highest daily turnover (in number of shares)	Lowest daily turnover (in number of shares)	Average daily turnover (in number of shares)	Number of trading days with no turnover (in days)	Percentage of average daily turnover over total number of Shares in issue (Note 1) (%)	Percentage of average daily turnover over total number of Shares held by the Independent Shareholders (Note 2) (%)
2009						
November	7,964,000	300,000	3,083,905	–	0.177%	0.345%
December	5,018,000	–	2,387,000	2	0.137%	0.267%
2010						
January	2,352,000	–	508,100	5	0.029%	0.057%
February	400,000	–	99,889	6	0.006%	0.011%
March	7,612,000	–	907,804	1	0.052%	0.102%
April	4,514,000	–	1,088,105	1	0.063%	0.122%
May	1,186,000	–	286,000	7	0.016%	0.032%
June	15,074,000	–	1,562,095	2	0.090%	0.175%
July	2,602,000	–	375,238	3	0.022%	0.042%
August	1,344,000	–	478,604	1	0.028%	0.054%
September	2,292,000	–	429,714	9	0.025%	0.048%
October	6,018,000	–	709,800	1	0.041%	0.079%
November (1 November to the Last Trading Date)	2,664,000	30,000	796,000	–	0.046%	0.089%
November (26 November to 30 November)	74,754,000	2,130,000	30,938,667	–	1.779%	3.462%
December (1 December to the Latest Practicable Date)	40,984,000	28,000	4,581,067	–	0.263%	0.513%

Source: www.hkex.com.hk

Notes:

1. Based on the total number of issued 1,739,565,172 Shares as at the Latest Practicable Date

2. Based on the total number of Shares held by the Independent Shareholders of 893,721,348 Shares as at the Latest Practicable Date

During the Review Period, no trading of the Shares was recorded on 38 trading days (out of 284 trading days) on the Stock Exchange. As illustrated in the table above, the trading volume of the Shares during the Review Period has been thin. During the period from November 2009 to December 2009, the average daily turnover was above 2,000,000 Shares in general. However, since January 2010 but before the publication of the Announcement, the average daily turnover was below 1,000,000 Shares in general except for April and June 2010. After the publication of the Announcement, the trading volume of the Shares became substantially higher. Nevertheless, despite the relatively higher trading volume in June 2010 and the exceptional high trading volume on the few days immediately after the publication of the Announcement, we consider the liquidity of the Shares was generally thin during most of the time in the Review Period.

Independent Shareholders are reminded that, although the trading volume of the Shares surged after the publication of the Announcement which may provide an opportunity for the Independent Shareholders to sell their Shares in the market at a price level higher than the Share Offer Price if the market price of the Shares could sustain, it is uncertain as to whether such high level of trading volume will be sustainable in the long term. For those Independent Shareholders who wish to realize their investments in the Shares and believe that they will be unable to sell the Shares in the market at a price higher than the Share Offer Price because of their sizes of the shareholdings, they may consider the Share Offer as an alternative exit of their investments.

(iii) Price-earnings multiple

As the Group is principally engaged in the advertising agency services and distribution of book and magazines in the PRC, price-earnings multiple is one of the most commonly used benchmarks for valuing the Company. However, the Group has been in a loss making position for the year ended 31 December 2009 and did not record any net profit attributable to Shareholders nor earnings before interest, tax, depreciation and amortization of the Company for the year. Accordingly, it would not be feasible and meaningful to assess the Share Offer Price using the price-earnings multiple approach.

(iv) Net Assets

Although it may not be most relevant to value a company principally engaged in the advertising agency services and distribution of book and magazines in the PRC by reference to its net assets in general as servicing companies usually do not require a large asset base to run their businesses, we have analysed the balance sheet of the Group as at 30 June 2010 and noted that its total assets amounted to approximately HK$503.9 million and comprised of sole agency rights (with a carrying amount of approximately HK$129.5 million) and goodwill (with a carrying amount of approximately HK$118.9 million) which was entirely related to provision of agency services on certain magazines. Accordingly, it is worthwhile to analyse the Share Offer Price in terms of net assets and we have identified (to the best of our knowledge) three companies listed on Main Board of the Stock Exchange which are principally engaged in the similar business of that of the Group (the "Comparables" and, each of them, the "Comparable").

The Comparables represent an exhaustive list and we consider that they are fair and representative comparables as their businesses are closely comparable to that of the Group, including the geographical location of the principal business (i.e. being principally engaged in the provision of advertising services and distribution of printed publications such as magazines, newspapers and books in the PRC and Hong Kong and having revenues primarily generated from the PRC market).

Details of the Comparables are set out below:

Stock code	Company name	Year end date	Approximate market capitalisation as at 24 November 2010 *(HK$ million)*	Closing share price as at 24 November 2010 *(HK$)*	Latest net asset value per share published before 24 November 2010 *(HK$)*	Premium/(Discount) of the closing share price on 24 November 2010 over/(to) the latest published net asset value per share
72	Modern Media Holdings Limited *(Note 1)*	31 December	646.4	1.550	0.619 *(Note 2)*	150.4%
426	One Media Group Limited *(Note 3)*	31 March	130.0	0.325	0.418	(22.2)%
1000	Beijing Media Corporation Limited *(Note 4)*	31 December	1,183.8	6.000	7.807	(23.1)%
					Median	(22.2)%
	Share Offer Price		**243.5**	**HK$0.140**	**HK$0.163** ***(Note 5)***	**(14.1)%**
	The Company	**31 December**	**241.8**	**HK$0.139**	**HK$0.163** ***(Note 5)***	**(14.7)%**

Source: www.hkex.com.hk

Notes:

1. Modern Media Holdings Limited is principally engaged in the provision of magazines advertising services, printing and distribution of magazines and provision of advertising-related services in both the PRC and Hong Kong.

2. Modern Media Holdings Limited completed a fund raising exercise by way of subscription and raised gross proceeds of HK$21 million in September 2010 and thus, the net asset value has been adjusted to reflect the increment in net asset position of Modern Media Holdings Limited.

3. One Media Group Limited is principally engaged in the publication, marketing and distribution of Chinese language lifestyle magazines.

4. Beijing Media Corporation Limited is principally engaged in the production of newspapers and magazines, printing and trading of print-related materials.

5. The unaudited net asset value per Share was derived from the unaudited consolidated net asset value of the Group of approximately HK$283.6 million as at 30 June 2010 and 1,739,565,172 Shares as at the Latest Practicable Date.

As set out in the above table, the premium/(discount) of the closing share prices over/(to) the net asset value per share of the Comparables ranges from a premium of approximately 150.4% to a discount of approximately 23.1%. We note that the sample size of the Comparables is small and the range of the premium and discount is wide. Accordingly, there may be a limitation on whether the mean of the premium and discount of the Comparables is highly representative. Accordingly, we consider that it is more relevant to look at the median of the premium and discount of the Comparables which is approximately 22.2% discount.

Upon comparison, we note that the Share Offer Price represents a discount of approximately 14.1% to the net asset value per Share as at 30 June 2010 of approximately HK$0.163 which lies slightly above the median of 22.2% discount but falls significantly below than the premium of the Comparable.

In view that the Share Offer was made by way of a voluntary general offer, we have also identified four precedent cases of voluntary general offer (the "Precedent Comparables") in respect of companies listed on Main Board of the Stock Exchange during the period from 1 November 2009 up to the Last Trading Date and assessed their offer prices in terms of net asset value. To the best of our knowledge, the table below represents an exhaustive list of all the cases of voluntary general offer in respect of companies listed on Main Board of the Stock Exchange during the same period.

Date of announcement	**Stock Code**	**Offeree company name**	**Offer price** *HK$*	**Latest published net assets value per share on or before the last trading day** *(HK$)*	**Premium/(discount) of the closing share price on the last trading day over/(to) the then latest published net asset value per share on or before the last trading day** *(%)*
25 November 2009	3928	Zhengzhou Gas Company Limited *(Note 1)*	14.73	7.9	86.47%
2 February 2010	93	Termbray Industries International (Holdings) Limited *(Note 2)*	1.20	0.58	106.90%
28 May 2010	1218	Easyknit International Holdings Limited *(Note 3)*	3.30	17.19	(80.80)%
4 August 2010	542	Morning Star Resources Limited *(Note 4)*	0.20	0.0943	112.09%
				Median	96.69%
		The Company	**0.14**	**0.163**	**(14.1)%**

Source: www.hkex.com.hk

Notes:

1. Zhengzhou Gas Company Limited is principally engaged in the sale of natural gas, pressure control equipment and gas appliances, the construction of gas pipelines and the provision of gas pipelines renovation services.
2. Termbray Industries International (Holdings) Limited is principally engaged in the property development, property investment, engineering projects (involving sale of tools and equipment) and provision of consultancy services on well drilling.
3. Easyknit International Holdings Limited is principally engaged in the sourcing and exporting of cotton-based knitted garments for infants, children and women, property investments and development, investments in securities and loan financing.
4. Morning Star Resources Limited is principally engaged in the travel and travel-related services, hotel investment, hotel management, property development and property agency services, financial services and securities broking.

Although the Precedent Comparables are engaged in different industries, they are in general asset-based companies as their assets comprise primarily of property, plants and equipment. Accordingly, we consider it appropriate and relevant to analyse the Precedent Comparables in terms of net assets.

As set out in the above table, the premium/(discount) of the offer price over/(to) the net asset value per share of the Precedent Comparables ranges from a premium of approximately 112.09% to a discount of approximately 80.80% and the offer price represents substantial premium over the respective net asset value per share for the majority of the Precedent Comparables.

We note that the range of the premium and discount is wide and there may be a limitation on whether the mean of the premium and discount of the Precedent Comparables is highly representative. Accordingly, we consider that it is more relevant to look at the median of the premium and discount of the Precedent Comparables.

Upon comparison, we note that the discount of the Share Offer Price to the net asset value per Share lies significantly below the median of those of the Precedent Comparables.

Independent Shareholders should note that the businesses, operations, industry and prospects of the Company are not the same as those of the Precedent Comparables and the offer price in a general offer exercise may vary in accordance with factors including, but not limited to, the particular business, operation, industry and prospects of each individual company. Accordingly, the Precedent Comparables are only used to provide a general reference for voluntary general offer made for companies listed on the Stock Exchange and should not be solely relied upon for evaluating the Share Offer Price.

Taking into account that:

(i) the discount of the Share Offer Price to the net asset value per Share lies slightly above the median of those of the Comparables but falls significantly below the premium of the Comparable;

(ii) the discount of the Share Offer Price to the net asset value per Share lies significantly below the median of those of the Precedent Comparables;

(iii) the Share Offer Price lies at the bottom end of the price range of the Shares during the Review Period and the Extended Review Period,

we consider that the Share Offer Price is not fair and reasonable so far as the Independent Shareholders are concerned.

(v) Dividend yield

We have reviewed the dividend payment history of the Company and note that the Company has not paid or declared any dividends to the Shareholders for each of the three financial years ended 31 December 2009 and for the six months ended 30 June 2010. Accordingly, no basis can be formed to appraise the fairness and reasonableness of the Share Offer Price based on the historical dividend yield of the Company.

However, we note that the Comparables (except Modern Media Holdings Limited) have been making regular dividend payment for the last three financial years.

(vi) Background and intention of the Offeror regarding the future prospects of the Group

The Offeror is incorporated in the British Virgin Islands and is beneficially owned by 15 individuals in equal proportions, four of whom are Directors (namely, Wang Boming, Zhang Zhifang, Dai Xiaojing and Li Shijie). The Offeror has been the controlling Shareholder since late 2002. The Offeror considers that the Group's principal business of advertising agency services and distribution of book and magazines in the PRC have good potential, although these businesses also face challenges posed from new media to traditional media.

At the same time, the Offeror recognizes that the Shares are in general thinly traded with average daily trading volume of the Shares below 0.2% of the average public float for each of the months since January 2010 except the period after the publication of the Announcement. The Offers represent an opportunity to Shareholders who wish to exit from their investments in the Company.

The Offeror intends that the Group will continue its existing principal activities and will maintain the listing status of the Company on the Stock Exchange after closing of the Offers. The directors of the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offers. The Offeror has no intention to re-deploy the employees or the fixed assets of the Group other than in the ordinary course of business.

The Offeror has no intention to nominate additional Directors to the Board. An appropriate announcement will be made if there is any proposed change in the composition of the Board and any new appointment of Directors.

Given that (i) the Offeror has been the controlling Shareholder and will remain as the controlling Shareholder; (ii) the Offeror intends to continue the Group's existing principal activities and will maintain the listing status of the Company on the Stock Exchange after closing of the Offers; (iii) the Offeror has no intention to re-deploy the employees or the fixed assets of the Group other than in the ordinary course of business; and (iv) the Offeror has no intention to nominate additional Directors to the Board, we consider that there should not be any material change to the Group's overall business, operating performance and financial position after the close of the Offers.

RECOMMENDATION

Having considered the principal factors set out above, in particular, the following:

(i) the Share Offer Price lies at the bottom end of the price range of the Shares during the Review Period and the Extended Review Period and represents merely a premium of approximately 0.72% over the closing price of the Share on the Last Trading Date and premium of approximately 2.19%, 2.94%, 2.94%, 2.19% and 1.45% over the average closing price of approximately HK$0.137, HK$0.136, HK$0.136, HK$0.137 and HK$0.138 per Share as quoted on the Stock Exchange for the 5, 30, 60, 90 and 120 consecutive trading days up to and including the Last Trading Date respectively;

(ii) after making loss for the two years ended 31 December 2009, the Group almost achieved a break even position for the six months ended 30 June 2010 and as further disclosed in the statement of material change contained in Appendix II to the Composite Document, the Group has achieved a net profit result for the ten months ended 31 October 2010;

(iii) the closing price of the Shares rose to a level higher than the Share Offer Price after the publication of the Announcement and remained at a level higher than the Share Offer Price as at the Latest Practicable Date;

(iv) the discount of the Share Offer Price to the net asset value per Share lies slightly above the median of those of the Comparables but falls significantly below the premium of the Comparable; and

(v) the discount of the Share Offer Price to the net asset value per Share lies significantly below the median of those of the Precedent Comparables,

we consider that the Share Offer is not fair and reasonable so far as the Independent Shareholders are concerned, and accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders not to accept the Share Offer.

The Independent Shareholders should note that the Shares have been trading well above the Share Offer Price after the publication of the Announcement and the closing price of the Shares was higher than the Share Offer Price as at the Latest Practicable Date. The trading volume of the Shares also surged after the publication of the Announcement which may provide an opportunity for the Independent Shareholders to sell their Shares in the market at a price level higher than the Share Offer Price if the market price of the Shares could sustain. However, it is uncertain as to whether the market prices of the Shares will remain trading at a level higher than the Share Offer Price and whether such high level of trading volume will be sustainable during and after the Offer Period. Those Independent Shareholders who wish to realise their investments in the Shares are reminded that they should carefully and closely monitor the market price and trading volume of the Shares during the Offer Period and consider selling their Shares in the open market during the Offer Period. Those Independent Shareholders who wish to realise their investments in the Shares are reminded that they should carefully and closely monitor the market price and trading volume of the Shares during the Offer Period and consider selling their Shares in the open market during the Offer Period.

In addition, the Independent Shareholders are reminded to note the recent fluctuations in overall stock market. In the event that the market price of the Shares drops below the Share Offer Price during the Offer Period, the Independent Shareholders may consider the Share Offer as an alternative exit of their investments. Meanwhile, these Independent Shareholders should note that the Share Offer may or may not become unconditional. In the event that the Offers become or are declared unconditional, the Shares surrendered by the Independent Shareholders for the acceptance of the Share Offer would only be settled and paid by the Offeror within 10 days of the later of the date on which the Offers become or are declared unconditional in all respects and the date on which all the relevant documents are received by the Registrar to render such acceptance complete and valid.

For those Independent Shareholders who wish to retain part or all of their shareholdings in the Company should carefully consider the future intentions of the Offeror regarding the Group after the close of the Offers, details of which are set out in the Letter from First Shanghai Securities.

The Independent Shareholders should also note the possibility that the consistently thin trading volume of the Shares (as recorded during most of time in the Review Period before the publication of the Announcement) may render the Independent Shareholders difficult to dispose of their Shares in the market after the close of the Offers without exerting downward pressure on the price of the Shares. We note that the trading volume of the Shares surged after the publication of the Announcement but it is uncertain that such high level of trading volume will be sustainable in the long term. The Independent Shareholders who believe that they will be unable to sell the Shares in the market at a price higher than the Share Offer Price because of their sizes of the shareholdings may consider the Share Offer as an alternative exit of their investments.

In any case, the Independent Shareholders should read carefully the procedures for accepting the Share Offer as detailed in the Composite Document and are strongly advised that the decision to realize or to hold their investments in the Shares is subject to individual circumstances and investment objectives.

THE OPTION OFFERS

As at the Latest Practicable Date, other than the Options held by the parties acting in concert with the Offeror, there are a total of 38,400,000 Options outstanding which entitling the holders thereof to subscribe for up to an aggregate of 23,650,000 Shares at an exercise price of HK$0.247, 300,000 Shares at an exercise price of HK$0.268 per Share and 14,450,000 Shares at an exercise price of HK$0.330 per Share under the Share Option Scheme. First Shanghai Securities is making, on behalf of the Offeror, the Option Offers on the following basis:

For every Option with an exercise price of HK$0.247 . . . . HK$0.0001 in cash

For every Option with an exercise price of HK$0.268 . . . . HK$0.0001 in cash

For every Option with an exercise price of HK$0.330 . . . . HK$0.0001 in cash

The respective exercise prices of the Options as compared to the closing price of HK$0.139 as at 24 November 2010 (being the Last Trading Day) were out of money. As at the Latest Practicable Date, the closing price of the Shares was HK$0.162 and therefore the Options were out of money and carried no intrinsic value.

Upon assessing the terms of the Option Offers, we envisage that the adoption of a "see-through" price (representing the difference between the offer price for ordinary shares and any given exercise price of the convertible instrument) is commonly regarded as the minimum offer price for any convertible instrument in conjunction with a general offer for ordinary shares. Under the context of the Option Offers, the Options would not command any positive sum of "see-through" price as the Share Offer Price of HK$0.14 per Share is lower than each of the exercise prices of HK$0.247, HK$0.268 and HK$0.330 per Share respectively. In this respect, we consider that the basis of determining the nominal value of HK$0.0001 per Option (the "Option Offer Price") is acceptable and accordingly the Option Offer Price is fair and reasonable so far as the Optionholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Optionholders to accept the Option Offers.

The Optionholders are advised to exercise their Options and dispose of the Shares so converted in the open market if the net proceeds from the sales of such converted Shares in the open market after deducting all transaction costs would exceed the net amount receivable under the Option Offers. The Optionholders should exercise caution in doing so and monitor the market closely.

On the other hand, for those Optionholders who wish to retain some or all of their Options and/or exercise some or all of their subscription rights under the Options and retain their Shares, they should closely monitor the overall stock market condition and carefully consider the future intention of the Offeror regarding the Group, details of which are set out in the Composite Document. The Optionholders should note that, in accordance with the terms of the Share Option Scheme, if the Share Offer becomes or is declared unconditional, the Optionholders shall be entitled to exercise their Options at any time until whichever is the earlier of the date of expiry of the Options or the last day of the period of 14 days after the date on which the Share Offer becomes or is declared unconditional and up to the end of the Offer Period. Any Options outstanding thereafter will lapse automatically (to the extent not already exercised) at the end of the Offer Period, pursuant to the terms of the Share Option Scheme.

Yours faithfully,
For and on behalf of
Partners Capital International Limited
Alan Fung
Managing Director

1. PROCEDURES FOR ACCEPTANCE

A. The Share Offer

If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares are in your name, and you wish to accept the Share Offer, you must send the duly completed relevant Yellow Form of Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title and/or any indemnity or indemnities required in respect thereof, for not less than the number of Shares in respect of which you intend to accept the Share Offer by post or by hand, to the Registrar, Tricor Secretaries Limited at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong, marked "SEEC Media Group Limited – Share Offer" on the envelope as soon as possible, but in any event not later than 4:00 p.m. on the First Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.

If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares is/are in the name of a nominee company or some name other than your own and you wish to accept the Share Offer whether in full or in respect of part of your holding of Shares, you must either:

(a) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), with the nominee company, or other nominee, and with instructions authorizing it to accept the Share Offer on your behalf and requesting it to deliver the relevant Yellow Form of Acceptance duly completed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or

(b) arrange for the Shares to be registered in your name by the Company through the Registrar and send the relevant Yellow Form of Acceptance duly completed and signed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or

(c) if your Shares have been lodged with your licensed securities dealer/ custodian bank through CCASS, instruct your licensed securities dealer/ custodian bank to authorize HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/custodian bank for the timing on processing of your instruction, and submit your instruction to your licensed securities dealer/custodian bank as required by them; or

(d) if your Shares have been lodged with your Investor Participant's Account with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.

If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer, the Yellow Form of Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipts and/ or other document(s) of title or that it/they is/are not readily available. If you find such document(s) or if it/they become available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, you should also write to the Registrar a letter of indemnity which, when completed in accordance with the instruction given, should be returned to the Registrar.

If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Share Offer, you should nevertheless complete the Yellow Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to any of First Shanghai Securities and/or, the Offeror or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such Share certificates to the Registrar and to authorise and instruct the Registrar to hold such Share certificate(s), subject to the terms and conditions of the Share Offer, as if it/they were delivered to the Registrar with the relevant Yellow Form of Acceptance.

Acceptance of the Share Offer may not be counted as valid unless:

(a) it is received by the Registrar on or before the latest time for acceptance on the First Closing Date at 4:00 p.m. (or such later time and/or date as the Offeror may determine and announce with the consent of the Executive) and the Registrar has recorded that the acceptance and any relevant documents required under paragraph (b) below have been so received; and

(b) the Yellow Form of Acceptance is duly completed and is: (i) accompanied by Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares and, if that/those Share certificate(s) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Shares in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or (ii) from a registered Shareholder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under the other subparagraph of this paragraph (b)); or (iii) certified by the Registrar or the Stock Exchange.

If the Yellow Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

No acknowledgement of receipt of any Yellow Form of Acceptance, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

B. The Option Offers

(a) If you accept the Option Offers, you should complete the relevant White Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms and conditions of the Option Offers.

(b) The completed White Form of Acceptance should be forwarded, together with the relevant Option certificate(s) (if any) and/or any other document(s) of title stating the number of outstanding Options in respect of which you intend to accept the Option Offers, by post or by hand to the Offeror at Unit 3203, Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong, marked "SEEC Media Group Limited – Option Offers" on the envelope, as soon as possible and in any event so as to reach the Offeror at the aforesaid address by no later than 4:00 p.m. on the First Closing Date.

2. SETTLEMENT

A. The Share Offer

Provided that the Yellow Form of Acceptance and relevant Share certificate(s) and/or transfer receipt(s) and/or any document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are in complete and good order and have been received by the Registrar by not later than 4:00 p.m. on the First Closing Date being the latest time for acceptance of the Share Offer (or such later time and/or date as the Offeror may determine and announce with the consent of the Executive) and the Share Offer has become or been declared unconditional in all respects, a cheque for the amount due to the accepting Independent Shareholders in respect of the Shares tendered by them under the Share Offer, less seller's ad valorem stamp duty payable by them, will be despatched to the accepting Independent Shareholders to the addresses specified on the Yellow Form of Acceptance by ordinary post at their own risk as soon as possible but in any event within 10 days of the later of the date on which the Offers become or are declared unconditional in all respects and the date on which all the relevant documents are received by the Registrar to render such acceptance complete and valid.

B. The Option Offers

Provided that the White Form of Acceptance of the outstanding Options and relevant Option certificate(s) (if any) are in complete and good order and have been received by the Offeror not later than 4:00 p.m. on the First Closing Date (or such later time and/or date as the Offeror may determine and announce with the consent of the Executive) and the Share Offer has become or been declared unconditional in all respects, a cheque for the amount due to each of the Optionholders in respect of the Options respectively, surrendered by the relevant Optionholders under the Option Offers will be despatched to each of them as soon as possible but in any event within 10 days of the later of the date on which the Offers become or are declared unconditional in all respects and the date on which all the relevant documents are received by the Offeror to render such acceptance complete and valid.

Settlement of the consideration to which any accepting Independent Shareholder(s) or Optionholder(s) is/are entitled under the Offers will be implemented in full in accordance with the terms of the Offers, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Independent Shareholder and Optionholder.

3. ACCEPTANCE PERIOD AND REVISIONS

Unless the Offers have previously been revised, the latest time and date for acceptance will be 4:00 p.m. on the First Closing Date. The Offeror reserves the right to revise the Offers after the despatch of this document until such day as it may determine and in accordance with the Takeovers Code. If the Offeror revises its terms, all Independent Shareholders and Optionholders, whether or not they have already accepted the Offers, will be entitled to accept the revised Offers under the revised terms.

If the Offers are revised, the announcement of such revision will state the next closing date. If the Offers are revised, it will remain open for acceptance for a period of not less than 14 days from the posting of the revised offer document.

In order to be valid, Yellow Form of Acceptance for the Share Offer must be received by the Registrar and White Form of Acceptance for the Option Offers must be received by the Offeror respectively, in accordance with the instructions printed thereon by 4:00 p.m. on the First Closing Date.

If the First Closing Date is extended, any reference in the Composite Document and in the Forms of Acceptance to the First Closing Date shall, except where the context otherwise requires, be deemed to refer to the First Closing Date of the Offers as so extended.

4. ANNOUNCEMENTS

By 6:00 p.m. on the First Closing Date of the Offers, or such later time and/or date as the Executive may in exceptional circumstances permit, the Offeror must inform the Executive and the Stock Exchange of its decisions in relation to revision, extension or expiry of the Offers. The Offeror shall publish an announcement to be posted on the Stock Exchange's website by 7:00 p.m. on the First Closing Date of the Offers stating whether the Offers have been revised or extended, or have expired. The announcement shall specify the number of Shares and Options, (a) for which valid acceptances have been received; (b) held, controlled or directed by the Offeror or persons acting in concert with it before the period of the Offers; and (c) acquired or agreed to be acquired by the Offeror or any person acting in concert with it during the period of the Offers.

The announcement must include details of any relevant securities in the Company which the Offeror or any person acting in concert with it has borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement must specify the percentages of the relevant classes of share capital, and the percentages of voting rights of the Company represented by these numbers of Shares.

5. RIGHT OF WITHDRAWAL

(a) Acceptance of the Offers tendered by the Independent Shareholders and the Optionholders, as the case may be, shall be irrevocable and cannot be withdrawn, except in the circumstances set out in (b) below or in compliance with Rule 17 of the Takeovers Code which provides that an acceptor shall be entitled to withdraw his/her/its acceptance after 21 days from the First Closing Date if the Offers have not by then become unconditional as to acceptances.

(b) If the Offeror is unable to comply with the requirements set out in the paragraph headed "Announcements" in this Appendix I, the Executive may require that the Independent Shareholders and the Optionholders who have tendered acceptances to the Offers, as the case may be, be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

(c) If an accepting Independent Shareholder or Optionholder withdraws his/her/its acceptance, the Offeror shall, as soon as possible but in any event within 10 days thereof, return, by ordinary post and at the risk of the Independent Shareholder or the Optionholder, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares lodged with the Yellow Form of Acceptance to the relevant Independent Shareholder, or the Option certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Option(s) lodged with the White Form of Acceptance to the relevant Optionholder.

6. STAMP DUTY

Seller's ad valorem stamp duty (as prescribed under the Stamp Duty Ordinance, Chapter 117 of the Laws of Hong Kong) at a rate of 0.1% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, will be deducted from the amount payable to the relevant Independent Shareholder on acceptance of the Share Offer. The Offeror will arrange for payment of the stamp duty on behalf of accepting Independent Shareholders in connection with the acceptance of the Share Offer and the transfer of the Offer Shares.

No stamp duty is payable in connection with the cancellation of the Options.

7. TAXATION

The Independent Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the tax implications of their accepting the Offers. It is emphasised that none of the Offeror, First Shanghai Capital, First Shanghai Securities or any of their respective directors or any persons involved in the Offers accepts any responsibility for any tax effects on, or liabilities of, any person or persons as a result of their acceptances of the Offers.

8. OVERSEAS HOLDERS OF THE OFFER SHARES AND OPTIONS

The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdiction. Independent Shareholders and Optionholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should obtain appropriate legal advice on, or be informed themselves about and observe any applicable legal requirement. It is the responsibility of each person who wishes to accept the Offers to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes due in respect of such jurisdiction.

9. GENERAL

(i) Acceptance of the Offers by any person or persons holding Shares and/or Options will be deemed to constitute a warranty by such person or persons to the Offeror that the Shares and/or Options acquired under the Offers are sold by any such person or persons free from all liens, charges, encumbrances, equities and third party rights and together with all rights attaching thereto, including the right to receive all dividends and distributions declared, made or paid on or after the First Closing Date. The Optionholders in accepting the Option Offers will surrender to the Company all of their existing rights, if any, in respect of the Options, following which such Options will be cancelled and extinguished.

(ii) All communications, notices, Form(s) of Acceptance, Share certificates, Option certificates, transfer receipts, other documents of title (and/ or any satisfactory indemnity or indemnities required in respect thereof) and remittances to be delivered by or sent to or from the Independent Shareholders or the Optionholders will be delivered by or sent to or from them, or their designated agents, through post at their own risk, and none of the Offeror, the Company, First Shanghai Capital, First Shanghai Securities or the Registrar or any of their respective agents, accepts any liability for any loss in postage or any other liabilities that may arise as a result thereof.

(iii) The provisions set out in the Forms of Acceptance form part of the terms of the Offers.

(iv) The accidental omission to despatch this Composite Document and/or the Forms of Acceptance or any of them to any person to whom the Offers are made will not invalidate the Offers in any way.

(v) The Offers and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.

(vi) Due execution of a Form(s) of Acceptance will constitute an authority to the Offeror, any director of the Offeror, First Shanghai Capital, First Shanghai Securities or such person or persons as the Offeror may direct, to complete and execute any document on behalf of the person or persons accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Shares or the Options in respect of which such person or persons has/have accepted the Offers.

(vii) References to the Offers in this Composite Document and in the Forms of Acceptance shall include any revision thereof.

(viii) The English text of this Composite Document and of the Forms of Acceptance shall prevail over their respective Chinese text.

1. FINANCIAL SUMMARY

Set out below is a summary of the results of the Group for each of the years ended 31 December 2007, 2008 and 2009 and each of the six months ended 30 June 2009 and 2010 extracted from the annual reports and the interim reports of the Company of the respective years/periods.

	Year ended 31 December			Six months ended 30 June	
	2007	2008	2009	2009	2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
REVENUE	186,491	307,176	275,300	115,699	146,136
PROFIT (LOSS) BEFORE TAXATION	15,662	(7,055)	(46,080)	(41,023)	(383)
TAXATION	(9,521)	(7,299)	–	(90)	(1,778)
PROFIT (LOSS) AND TOTAL COMPREHENSIVE INCOME (EXPENSE) ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE YEAR/THE PERIOD	6,141	(14,354)	(46,080)	(41,113)	(2,161)
Earnings (loss) per Share *(HK cents)* – Basic	0.40	(0.83)	(2.65)	(2.36)	(0.12)
Diluted	0.39	(0.83)	(2.65)	(2.36)	(0.12)

Notes:

(i) The Group had not declared any dividends and had no extraordinary items (or items which were exceptional because of size, nature or incidence) for the three years ended 31 December 2009 and the six months ended 30 June 2009 and 2010.

(ii) The Group had no non-controlling interests (or minority interests) for the three years ended 31 December 2009 and the six months ended 30 June 2009 and 2010.

(iii) The auditors of the Company, Deloitte Touche Tohmatsu, issued unqualified opinions in respect of the consolidated financial statements of the Group for each of the three years ended 31 December 2009.

2. AUDITED FINANCIAL INFORMATION

The audited financial information of the Group contained in the annual report of the Company for the year ended 31 December 2009 is reproduced below. Capitalised terms used in this section shall have the same meanings as those defined in the annual report of the Company for the year ended 31 December 2009.

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2009

		2009	2008
	Notes	*HK$'000*	*HK$'000*
Revenue	*5*	275,300	307,176
Cost of sales		(100,809)	(119,195)
Gross profit		174,491	187,981
Other income		2,071	4,658
Selling and distribution costs		(147,073)	(179,442)
Administrative expenses		(36,270)	(22,891)
Impairment loss recognised in respect of goodwill		(6,330)	–
Other gains and losses	*7*	(13,384)	14,754
Share of loss of a jointly controlled entity		(11,427)	–
Finance costs	*8*	(8,158)	(12,115)
Loss before taxation	*9*	(46,080)	(7,055)
Taxation	*11*	–	(7,299)
Loss for the year, attributable to the owners of the Company		(46,080)	(14,354)
Exchange differences arising on translation		326	12,568
Total comprehensive income (expense) for the year, attributable to the owners of the Company		(45,754)	(1,786)
Loss per share (HK cents)	*12*		
Basic		(2.65)	(0.83)
Diluted		(2.65)	(0.83)

Consolidated Statement of Financial Position
At 31 December 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment	13	51,201	51,005
Deposit for acquisition of property, plant and equipment		1,043	1,840
Sole agency rights	14	133,309	143,259
Goodwill	15	118,886	125,216
Interests in jointly controlled entities	16	–	11,427
Amount due from a jointly controlled entity	20	8,658	–
		313,097	332,747
Current assets			
Inventories	17	1,161	2,222
Derivative financial instruments	18 & 25	–	3,305
Trade receivables	19	90,839	109,120
Amounts due from jointly controlled entities	20	–	7,332
Amounts due from related companies	20	4,704	3,986
Other receivables and prepayments		10,288	10,893
Pledged bank deposits	21	30,467	42,252
Bank balances and cash	22	74,381	55,863
		211,840	234,973
Current liabilities			
Derivative financial instruments	18 & 25	6,654	7,587
Trade payables	23	32,876	34,470
Other payables and accruals		47,431	52,257
Amounts due to related companies	20	4,346	5,899
Bank borrowings	24	49,495	39,540
Tax payable		12,932	15,899
		153,734	155,652
Net current assets		58,106	79,321
Total assets less current liabilities		371,203	412,068
Non-current liability			
Convertible bond	25	88,679	85,917
Net assets		282,524	326,151
Capital and reserves			
Share capital	26	173,956	173,956
Reserves		108,568	152,195
Total equity and equity attributable to owners of the Company		282,524	326,151

Consolidated Statement of Changes in Equity

For the year ended 31 December 2009

	Attributable to owners of the Company						
	Share capital *HK$'000*	Share premium *HK$'000*	Statutory reserve *HK$'000* *(note)*	Exchange translation reserve *HK$'000*	Share option reserve *HK$'000*	Accumulated profits (loss) *HK$'000*	Total *HK$'000*
At 1 January 2008	172,472	59,369	8,178	19,222	2,643	57,711	319,595
Loss for the year	–	–	–	–	–	(14,354)	(14,354)
Exchange differences arising on translation	–	–	–	12,568	–	–	12,568
Total comprehensive income (expense) for the year	–	–	–	12,568	–	(14,354)	(1,786)
Issue of shares upon exercise of share options	145	229	–	–	–	–	374
Issue of shares as part of the consideration for acquisition of a sole agency right	1,339	4,486	–	–	–	–	5,825
Recognition of equity-settled share-based payment	–	–	–	–	2,143	–	2,143
	1,484	4,715	–	–	2,143	–	8,342
At 31 December 2008	173,956	64,084	8,178	31,790	4,786	43,357	326,151
Loss for the year	–	–	–	–	–	(46,080)	(46,080)
Exchange differences arising on translation	–	–	–	326	–	–	326
Total comprehensive income (expense) for the year	–	–	–	326`	–	(46,080)	(45,754)
Recognition of equity-settled share-based payment	–	–	–	–	2,127	–	2,127
Transfer to reserve funds	–	–	229	–	–	(229)	–
	–	–	229	–	2,127	(229)	2,127
At 31 December 2009	173,956	64,084	8,407	32,116	6,913	(2,952)	282,524

Note: According to the relevant laws and regulations in the People's Republic of China ("PRC") and the Articles of Association of the Company's subsidiaries in the PRC, they are required to set aside 10% of their profit after taxation to the statutory reserve (except where the reserve has reached 50% of the subsidiaries' registered capital). The profit after taxation is determined in accordance with the relevant accounting principles and financial regulations applicable to companies established in the PRC. This reserve cannot be used for purposes other than those for which they are created and are not distributable as dividends without the prior approval by the owners under certain conditions.

Consolidated Statement of Cash Flows

For the year ended 31 December 2009

	2009	2008
	HK$'000	*HK$'000*
OPERATING ACTIVITIES		
Loss before taxation	(46,080)	(7,055)
Adjustments for:		
Allowance for bad and doubtful debts	6,080	2,095
Allowance for inventories obsolescence	1,162	–
Allowance for amounts due from jointly controlled entities	4,932	–
Impairment loss recognised in respect of goodwill	6,330	–
Impairment loss recognised in respect of available-for-sale investments	–	718
Interest income	(674)	(1,920)
Interest expenses	8,158	12,115
Change in fair value of derivative financial instruments	2,372	(19,495)
Depreciation of property, plant and equipment	8,401	5,235
Amortisation of sole agency rights	10,153	9,645
Loss on disposals of property, plant and equipment	12	3
Loss on issue of new convertible bond	–	1,928
Share-based payment expense	2,127	2,143
Share of loss of a jointly controlled entity	11,427	–
Operating cash flows before movements in working capital	14,400	5,412
Increase in inventories	(101)	(1,457)
Decrease (increase) in trade receivables	12,201	(35,820)
Decrease in other receivables and prepayments	605	403
(Decrease) increase in trade payables	(1,594)	18,493
(Decrease) increase in other payables and accruals	(4,826)	16,754
Cash from operations	20,685	3,785
Overseas tax paid	(2,967)	(8,560)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	17,718	(4,775)

	2009 *HK$'000*	2008 *HK$'000*
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,693)	(25,392)
Advance to jointly controlled entities	(6,258)	(904)
Deposit paid for acquisition of property, plant and equipment	(1,043)	(1,840)
Advance to related companies	(718)	(1,430)
Decrease (increase) in pledged bank deposits	11,785	(1,391)
Interest received	674	1,920
Sale proceeds from disposals of property, plant and equipment	6	1,093
Investment in a joint controlled entity	–	(11,427)
Acquisition of a sole agency right	–	(6,240)
NET CASH USED IN INVESTING ACTIVITIES	(2,247)	(45,611)
FINANCING ACTIVITIES		
New bank loans raised	87,739	77,287
Repayment of bank loans	(77,784)	(77,153)
Interest paid	(5,396)	(4,307)
(Decrease) increase in amounts due to related companies	(1,553)	4,492
Proceeds from issue of shares	–	374
NET CASH FROM FINANCING ACTIVITIES	3,006	693
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	18,477	(49,693)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	55,863	103,731
NET EFFECT OF FOREIGN EXCHANGE RATE CHANGES	41	1,825
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	74,381	55,863

Notes to the Consolidated Financial Statements

For the year ended 31 December 2009

1. GENERAL

The Company is incorporated as an exempted company with limited liability in the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company are disclosed on page 2 to the annual report.

The functional currency of the respective group entities is Renminbi ("RMB"), the currency of the primary economic environment in which the Group operates. For the purpose of the consolidated financial statements and convenience of the financial statements users, the results and financial position of the Group are presented in Hong Kong dollars.

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 PRC.

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

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

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC) - INT 9 & HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) - INT 13	Customer loyalty programmes
HK(IFRIC) - INT 15	Agreements for the construction of real estate
HK(IFRIC) - INT 16	Hedges of a net investment in a foreign operation
HK(IFRIC) - INT 18	Transfers of assets from customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

HKAS 1 (Revised 2007) Presentation of financial statements

HKAS 1 (Revised 2007) has introduced a number of terminology changes (including revised titles for the consolidated financial statements) and changes in format and content of the financial statements.

HKAS 23 (Revised 2007) Borrowing costs

HKAS 23 (Revised 2007) removes the option available under the previous version of the standard to recognise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as expenses immediately and requires all such borrowing costs to be capitalised as part of the cost of the qualifying asset. The Group has applied the transitional requirements in HKAS 23 (Revised 2007) and applied the revised accounting policy to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009. As the Group did not incur borrowing costs for the qualifying assets, the change has had no impact on amounts reported in prior and current accounting periods.

HKFRS 8 Operating segments

HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS14 nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

Improving disclosures about financial instruments (amendments to HKFRS 7 Financial instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value.

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

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 24 (Revised)	Related party disclosures[6]
HKAS 27 (Revised)	Consolidated and separate financial statements[1]
HKAS 32 (Amendment)	Classification of right issues[4]
HKAS 39 (Amendment)	Eligible hedged items[1]
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters[3]
HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters[5]
HKFRS 2 (Amendment)	Group cash-settled share-based payments transactions[3]
HKFRS 3 (Revised)	Business combinations[1]
HKFRS 9	Financial instruments[7]
HK(IFRIC) - INT 14 (Amendment)	Prepayments of a minimum funding requirement[6]
HK(IFRIC) - INT 17	Distributions of non-cash assets to owners[1]
HK(IFRIC) - INT 19	Extinguishing financial liabilities with equity instruments[5]

1 Effective for annual periods beginning on or after 1 July 2009.
2 Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.
3 Effective for annual periods beginning on or after 1 January 2010.
4 Effective for annual periods beginning on or after 1 February 2010.
5 Effective for annual periods beginning on or after 1 July 2010.
6 Effective for annual periods beginning on or after 1 January 2011.
7 Effective for annual periods beginning on or after 1 January 2013.

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary.

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 the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Company.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less any accumulated impairment losses and is presented separately in the consolidated statement of financial position.

Goodwill on acquisition of additional interests in a subsidiary that constitute a business is calculated as the excess of the consideration paid for the additional interests over the book value of the net assets of the subsidiary attributable to the additional interests acquired.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Joint ventures

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

When a group entity transacts with a jointly controlled entity of the Group, profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for good sold and services provided in the normal course of business, net of discounts and sales related taxes.

Advertising agency fee is recognised upon the publication of the related advertisement.

Advertising income from conferences and events organised by magazines is recognised when the conferences and events are held.

Revenue from sales of books and magazines is recognised on the date of delivery, net of allowances for unsold copies which may be returned.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the supply of goods or services or for administrative purposes are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period in which the item is derecognised.

Sole agency rights

On initial recognition, sole agency rights acquired separately and from business combinations are recognised at cost and at fair value respectively. After initial recognition, sole agency rights with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for sole agency rights with finite useful lives is provided on a straight-line basis over their estimated useful lives.

Gains or losses arising from derecognition of sole agency rights are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into loans and receivables and derivative financial instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at fair value through profit or loss ("FVTPL")

The Group's financial assets at FVTPL comprise embedded derivatives which are not closely related to the host contracts.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including amounts due from jointly controlled entities, trade receivables, other receivables, amounts due from related companies, pledged bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses. (See accounting policy on impairment of loans and receivables below.)

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows of the loans and receivables have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments, observable changes in national or local economic conditions that correlate with default on receivables and financial difficulties found in respective debts.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When trade receivables are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at FVTPL and other financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities at FVTPL

The Group's financial liabilities at FVTPL comprise embedded derivatives which are not closely related to the host contracts.

Financial liabilities at FVTPL are measured at fair value, with changes in fair value arising on remeasurement recognised directly in profit or loss in the period in which they arise.

Other financial liabilities

Financial liabilities other than convertible bond (see accounting policy below), including trade payables, other payables, amounts due to related companies and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Convertible bond

Convertible bond issued by the Group that contain liability, conversion option and other embedded derivative components are classified separately into respective items on initial recognition. Conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative. At the date of issue, the liability, conversion option and other embedded derivative components are recognised at fair value.

In subsequent periods, the liability component of the convertible bond is carried at amortised cost using the effective interest method. The conversion option and other embedded derivative components are measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bond are allocated to the liability, conversion option and other embedded derivative components in proportion to their relative fair values. Transaction costs relating to the conversion option and other embedded derivative components are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bond using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Warrant

Warrant issued by the Company that will be settled by other than the fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a derivative financial instrument. At the date of issue, the warrant is recognised at fair value. In subsequent periods, the warrant is remeasured at fair value with changes in fair value recognised in the profit or loss.

Derivative financial instruments

Derivatives (including embedded derivative which are redemption discretionary option and conversion option) are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair values at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least ten per cent different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Impairment loss on tangible and intangible assets other than goodwill (see the accounting policy in respective of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as an income immediately.

Leasing

Leases are classified as finance leases whenever the terms of lease transfer substantially all risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating leases payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases and amortised over the lease term on a straight-line basis.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items of income or expense that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that group (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the exchange translation reserve).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in the exchange translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefits costs

Payments to Mandatory Provident Fund Scheme and state-managed retirement benefit schemes are charged as expenses when employees have rendered service entitling them to the contributions.

Equity-settled share-based payment transactions

Share options granted to employees after 7 November 2002 and vested on or after 1 January 2005

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share option reserve.

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated profits/losses.

Share options granted to employees after 7 November 2002 and vested before 1 January 2005

The financial impact of share options granted is not recorded in the consolidated financial statements until such time as the options are exercised, and no charge is recognised in profit or loss in respect of the value of options granted. Upon the exercise of the share options, the resulting shares issued are recorded as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded as share premium. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. At the end of the reporting period, the carrying amount of goodwill is HK$118,886,000 (2008: HK$125,216,000) (net of accumulated impairment loss of HK$6,330,000 (2008: nil)). Details of the recoverable amount calculation are disclosed in note 15.

Impairment of sole agency rights

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. Where the actual future cash flows are less than expected, a material impairment loss may arise. At the end of the reporting period, the carrying amount of sole agency rights is HK$133,309,000 (2008: HK$143,259,000).

Fair value of derivatives financial instruments

The directors of the Company use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. Details of the derivative financial instruments are disclosed in note 18.

5. REVENUE

Revenue represents the gross invoiced value of services rendered or sales of books and magazines, net of discounts and sales related taxes, is as follows:

	2009	**2008**
	HK$'000	*HK$'000*
Advertising agency income	223,964	254,715
Advertising income from conferences and events	20,928	21,968
Sales of books and magazines	30,408	30,493
	275,300	307,176

6. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Company's executive directors, being the chief operating decision maker, for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 nor changed the basis of measurement of segment profit or loss.

The Group's operating and reporting segments 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.

Segment revenues and results

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

For the year ended 31 December 2009

	Advertising income *HK$'000*	Sale of books and magazines *HK$'000*	Consolidated *HK$'000*
Revenue			
External sales	244,892	30,408	275,300
Result			
Segment profit (loss)	37,637	(22,629)	15,008
Unallocated income			2,071
Unallocated expenses			(41,202)
Change in fair value of derivative financial instruments			(2,372)
Share of loss of a jointly controlled entity			(11,427)
Finance costs			(8,158)
Loss before taxation			(46,080)

For the year ended 31 December 2008

	Advertising income *HK$'000*	Sale of books and magazines *HK$'000*	Consolidated *HK$'000*
Revenue			
External sales	276,683	30,493	307,176
Result			
Segment profit (loss)	41,580	(33,041)	8,539
Unallocated income			4,658
Unallocated expenses			(26,914)
Change in fair value of derivative financial instruments			19,495
Impairment loss recognised in respect of available-for-sale investments			(718)
Finance costs			(12,115)
Loss before taxation			(7,055)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment result 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, change in fair value of derivative financial instruments, impairment loss recognised in respect of available-for-sale investments, investment income and finance costs. This is the measure reported to the chief operating decision maker 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 maker 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 2009

	Advertising income	**Sale of books and magazines**	**Unallocated**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Depreciation of property, plant and equipment	8,177	92	132	8,401
Amortisation of sole agency rights	10,153	–	–	10,153
Allowance for inventories obsolescence	–	1,162	–	1,162
Allowance for bad and doubtful debts	6,080	–	–	6,080
Loss on disposals of property, plant and equipment	12	–	–	12
Impairment loss recognised in respect of goodwill	6,330	–	–	6,330

For the year ended 31 December 2008

	Advertising income	**Sale of books and magazines**	**Unallocated**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Depreciation of property, plant and equipment	5,180	45	10	5,235
Amortisation of sole agency rights	9,645	–	–	9,645
Allowance for bad and doubtful debts	2,095	–	–	2,095
Loss on disposals of property, plant and equipment	3	–	–	3

Geographical information

The Group's operations and assets are located in the PRC. All revenue are derived from customers located in the PRC. Accordingly, no analysis of revenue and non-current assets by geographical location are presented.

Information about major customers

There is no customer from either advertising income segment or sales of books and magazines segment contributed over 10% of the total revenue of the Group.

7. OTHER GAINS AND LOSSES

	2009	2008
	HK$'000	*HK$'000*
Change in fair value of derivative financial instruments	(2,372)	19,495
Loss on derecognition of financial liability at amortised cost	–	(203)
Loss on derecognition of derivative financial instruments	–	(1,725)
Loss on extinguishment of the original convertible bond	–	(1,928)
Impairment loss recognised in respect of available-for-sale investments	–	(718)
Allowance for amounts due from jointly controlled entities	(4,932)	–
Allowance for bad and doubtful debts	(6,080)	(2,095)
	(13,384)	14,754

During the year ended 31 December 2008, the directors had considered the fair value of available-for-sale investments and recognised an impairment loss of HK$718,000. Subsequent to the initial recognition of the investments, they had suffered significantly or prolonged decline in fair value below their respective cost. Accordingly, an impairment loss had been recognised in the profit or loss in 2008.

8. FINANCE COSTS

	2009	2008
	HK$'000	*HK$'000*
Interest on bank loan wholly repayable within five years	2,589	2,747
Effective interest charge on convertible bond	5,569	9,368
	8,158	12,115

9. LOSS BEFORE TAXATION

	2009	2008
	HK$'000	*HK$'000*
Loss before taxation has been arrived at after charging (crediting):		
Auditor's remuneration	680	850
Allowance for inventories obsolescence	1,162	–
Staff costs (including directors' emoluments):		
Wages, salaries and other allowances	48,915	46,464
Contributions to retirement benefits schemes	8,150	6,966
Share option benefits	2,127	2,143
	59,192	55,573
Depreciation of property, plant and equipment	8,401	5,235
Amortisation of sole agency rights (included in cost of sales)	10,153	9,645
Total depreciation and amortisation	18,554	14,880
Cost of inventories recognised as expenses	43,868	41,420
Minimum lease payments under operating lease in respect of rented premises	13,335	13,785
Loss on disposals of property, plant and equipment	12	3
Investment income earned on:		
Loans and receivables – bank interest income	(674)	(1,920)
Exchange (gain) loss, net	(258)	175

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the 9 (2008: 10) directors were as follows:

	Wang Boming HK$'000	Zhang Zhifang HK$'000	Dai Xiaojing HK$'000	Li Shijie HK$'000	Wu Chuan Hui Daphne HK$'000	Fu Fengxiang HK$'000	Wang Xiangfei HK$'000	Ding Yu Cheng HK$'000	Zhang Ke HK$'000	Total 2009 HK$'000
Fees	–	–	–	–	–	96	72	180	60	408
Other emoluments										
Salaries and other benefits	108	–	200	251	752	–	–	–	–	1,311
Contributions to retirement benefits schemes	65	–	65	65	9	–	–	–	–	204
Share option benefits	247	247	252	357	144	–	–	–	–	1,247
Total emoluments	420	247	517	673	905	96	72	180	60	3,170

	Wang Boming HK$'000	Zhang Zhifang HK$'000	Dai Xiaojing HK$'000	Li Shijie HK$'000	Wu Chuan Hui Daphne HK$'000	Lau See Him Louis HK$'000	Fu Fengxiang HK$'000	Wang Xiangfei HK$'000	Ding Yu Cheng HK$'000	Zhang Ke HK$'000	Total 2008 HK$'000
Fees	–	–	–	–	–	–	96	72	180	60	408
Other emoluments											
Salaries and other benefits	107	–	198	247	475	–	–	–	–	–	1,027
Contributions to retirement benefits schemes	43	–	43	43	6	–	–	–	–	–	135
Share option benefits	83	83	83	54	10	–	–	–	–	–	313
Total emoluments	233	83	324	344	491	–	96	72	180	60	1,883

During the year, Ms. Wu Chuan Hui Daphne (2008: Mr. Lau See Him Louis) resigned as director of the Company. During the year ended 31 December 2008, Ms. Wu Chuan Hui Daphne was appointed as director.

In both years, one of the five highest paid individual was a director, whose emolument is included above. The emoluments of the other four highest paid individuals were as follows:

	2009 HK$'000	2008 HK$'000
Salaries, allowances and benefits in kind	3,446	1,949
Contributions to retirement benefits scheme	182	72
Share option benefits	198	148
	3,826	2,169

The aggregate emoluments of each of their emoluments were within the emoluments band ranging from nil to HK$1,000,000 for both years.

No emoluments were paid by the Group to the directors or the five highest paid individuals as compensation for loss of office or as a discretionary bonus or an inducement to join or upon joining the Group. None of the directors or the five highest paid individuals has waived any emoluments in both years.

11. TAXATION

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

The tax charge for the year ended 31 December 2008 represented the PRC Enterprise Income Tax.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards, excepted for the PRC subsidiaries established in Shenzhen and Hainan's Special Economic Zones which are subjected to the PRC Enterprise Income Tax rate of 20% (2008: 18%). The tax rate of Shenzhen and Hainan's Special Economic Zones is increasing from 18% to 25% progressively from 2008 to 2012 pursuant to 國務院關於實施企業所得稅過渡優惠政策.

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

	2009	**2008**
	HK$'000	*HK$'000*
Loss before taxation	(46,080)	(7,055)
Tax at PRC income tax rate of 25%	(11,520)	(1,764)
Effect of different income tax rates of subsidiaries in other region	–	758
Effect of tax relief granted to certain PRC subsidiaries	(85)	(2,739)
Tax effect of tax losses not recognised	7,850	12,017
Utilisation of tax losses previously not recognised	(676)	–
Tax effect of expenses not deductible for tax purposes	7,615	6,064
Tax effect of income not taxable for tax purposes	(2,792)	(7,286)
Others	(392)	249
Taxation for the year	–	7,299

At the end of the reporting period, the Group had estimated unused tax losses of HK$164,447,000 (2008: HK$135,751,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the estimated unused tax losses due to the unpredictability of future profit streams. The estimated tax losses may be carried forward indefinitely.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of a PRC subsidiary amounting to approximately HK$23,363,000 (2008: HK$26,067,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

12. 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:

	2009	2008
	HK$'000	*HK$'000*
Loss		
Loss for the purposes of basic and diluted loss per share	(46,080)	(14,354)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	1,739,565,172	1,733,297,313

The computation of diluted loss per share does not assume the exercise of share options, conversion of the convertible bond or exercise of warrants since their assumed exercise or conversion would result in a decrease in loss per share in both years.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building	Leasehold improvements	Motor vehicles	Furniture, fixtures and fittings	Computer and office equipment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST						
At 1 January 2008	34,209	322	3,891	32	5,927	44,381
Exchange adjustment	2,131	73	249	–	445	2,898
Additions	–	8,185	975	–	4,502	13,662
Disposals	–	–	–	–	(1,192)	(1,192)
At 31 December 2008	36,340	8,580	5,115	32	9,682	59,749
Exchange adjustment	58	15	11	–	19	103
Additions	–	2,644	2,899	296	2,694	8,533
Disposals	–	–	–	–	(71)	(71)
At 31 December 2009	36,398	11,239	8,025	328	12,324	68,314
ACCUMULATED DEPRECIATION						
At 1 January 2008	–	322	1,227	32	1,745	3,326
Exchange adjustment	10	17	83	–	169	279
Provided for the year	1,141	1,862	838	–	1,394	5,235
Eliminated on disposals	–	–	–	–	(96)	(96)
At 31 December 2008	1,151	2,201	2,148	32	3,212	8,744
Exchange adjustment	3	7	4	–	7	21
Provided for the year	1,152	4,277	940	98	1,934	8,401
Eliminated on disposals	–	–	–	–	(53)	(53)
At 31 December 2009	2,306	6,485	3,092	130	5,100	17,113
CARRYING VALUES						
At 31 December 2009	34,092	4,754	4,933	198	7,224	51,201
At 31 December 2008	35,189	6,379	2,967	–	6,470	51,005

The leasehold land is held under medium-term lease and situated outside Hong Kong.

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and building	Over the shorter of lease term of land and 30 years
Leasehold improvements	Over the shorter of 3 years and the lease term
Motor vehicles	4 to 5 years
Furniture, fixtures and fittings	Over the shorter of 10 years and the lease term
Computer and office equipment	3 to $6\frac{2}{3}$ years

The Group has pledged leasehold land and building with a carrying amount of HK$34,092,000 (2008: nil) to secure bank borrowings granted to the Group.

14. SOLE AGENCY RIGHTS

	HK$'000
COST	
At 1 January 2008	141,394
Exchange adjustment	8,484
Additions	12,065
At 31 December 2008	161,943
Exchange adjustment	203
At 31 December 2009	162,146
ACCUMULATED AMORTISATION	
At 1 January 2008	8,679
Exchange adjustment	360
Provided for the year	9,645
At 31 December 2008	18,684
Provided for the year	10,153
At 31 December 2009	28,837
CARRYING VALUES	
At 31 December 2009	133,309
At 31 December 2008	143,259

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

15. GOODWILL

	HK$'000
COST AND IMPAIRMENT	
At 1 January 2008 and 31 December 2008	125,216
Impairment loss recognised	(6,330)
At 31 December 2009	118,886

Goodwill is entirely 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 (the "CGU").

The recoverable amount has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and at a discount rate of 15% (2008: 15%). The cash flows beyond the 5-year period are extrapolated using a constant growth rate of 5%. This growth rate is based on the relevant industry growth forcasts in the PRC. Key assumptions for the value in use calculations are the budgeted growth rate and budgeted gross margin, which are determined based on past performance, management's expectations for the market development and market growth forecasts. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

During the year, the Group recognised an impairment loss of HK$6,330,000 (2008: nil) in respect of goodwill as its recoverable amount of CGU is in excess of its carrying amount.

16. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	2009	2008
	HK$'000	HK$'000
Cost of unlisted investments in jointly controlled entities	11,427	11,427
Share of losses	(11,427)	–
	–	11,427

As at 31 December 2009 and 2008, the Group had interests in the following significant jointly controlled entities:

Name of entity	Form of business structure	Place/ country of incorporation/ registration	Principal place of operation	Class of share held	Proportion of nominal value of issued capital/ registered capital held by the Group		Proportion of voting power held		Principal activity
					2009	2008	2009	2008	
SEEC/Ziff Davis Media Group (China) Ltd.	Incorporated	British Virgin Islands	PRC	Ordinary shares	50%	50%	50%	50%	Investment holding
SEEC/Ziff Davis Media Consulting (Beijing) Co. Ltd.	Incorporated	PRC	PRC	Ordinary shares	50%	50%	50%	50%	Consulting, advertising and publishing-related activities
Mondadori - SEEC (Beijing) Advertising Co., Ltd.	Incorporated	PRC	PRC	Ordinary shares	50%	50%	50%	50%	Advertising agent

The summarised financial information in respect of the Group's interest in jointly controlled entities which are accounted for using the equity method is set out below:

	2009	2008
	HK$'000	*HK$'000*
Total assets	15,622	20,561
Total liabilities	(23,373)	(10,442)
Net liabilities	(7,751)	10,119
Revenue	8,067	–
Loss for the year	(18,396)	(551)

The Group has discontinued recognition of its share of loss of jointly controlled entities. The amounts of unrecognised share of results of jointly controlled entities, extracted from the relevant unaudited management accounts is as follows:

	2009	2008
	HK$'000	*HK$'000*
Unrecognised share of losses of jointly controlled entities for the year	6,969	551
Accumulated unrecognised share of losses of these jointly controlled entities	8,168	1,199

17. INVENTORIES

	2009	2008
	HK$'000	*HK$'000*
Finished goods	1,161	2,222

18. DERIVATIVE FINANCIAL INSTRUMENTS

	2009	2008
	HK$'000	*HK$'000*
Derivative financial asset:		
Redemption discretionary option *(note 25)*	–	3,305
Derivative financial liabilities:		
Conversion option *(note 25)*	5,079	5,577
Nil-paid warrant *(note 25)*	1,575	2,010
	6,654	7,587

The amounts are stated at fair values. The fair values are determined by an independent party, Ascent Partners Transaction Service Limited.

The fair value of redemption discretionary option was calculated using the lognormal model. The inputs into the lognormal model were as follows:

	2009	2008
Option life	1.38 years	2.26 years
Volatility of interest rate	0.874%	1.037%
Strike	93.51% to 100%	88.5% – 100%
Mean reversion constant	5%	0%

The fair values of conversion option and nil-paid warrants were calculated using the binomial model. The inputs into the model were as follows:

	2009	2008
Stock price	HK$0.25	HK$0.19
Volatility	51.2%	58.7%
Dividend	0%	0%
Option life	1.34 years	2.38 years
Risk-free rate	0.33%	0.69%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 1.38 (2008: 2.38) years.

19. 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:

	2009		2008	
	HK$'000	*%*	*HK$'000*	*%*
Within three months	57,073	63	59,547	55
Four months to six months	21,935	24	29,957	27
Seven months to one year	11,831	13	19,616	18
	90,839	100	109,120	100

Before accepting any new customer, the Group has assessed the potential customer's credit quality and defined credit limits by customer. Limits and credit rating attributed to customers are reviewed regularly. The management considers the customers neither past due nor impaired are in good credit quality.

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK$33,766,000 (2008: HK$49,573,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 173 days (2008: 180 days).

Ageing of trade receivables which are past due but not impaired

	2009	2008
	HK$'000	*HK$'000*
Four months to six months	21,935	29,957
Seven months to one year	11,831	19,616
Total	33,766	49,573

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

	2009	2008
	HK$'000	*HK$'000*
Balance at beginning of the year	6,402	4,454
Impairment losses recognised on trade receivables	6,080	2,095
Amounts written off as uncollectible *(Note)*	(593)	(437)
Exchange differences	14	290
Balance at end of the year	11,903	6,402

Note: Included are individually impaired trade receivables with an aggregate balance of HK$593,000 (2008: HK$437,000), which the management considered it is not probable to recover such amount. The Group does not hold any collateral over these balances.

20. AMOUNTS DUE FROM/TO RELATED PARTIES

	Notes	**2009** *HK$'000*	**2008** *HK$'000*
Non trading in nature:			
Amounts due from related companies	*(i)*	4,704	3,986
Amounts due from jointly controlled entities	*(ii)*	8,658	7,332
Amounts due to related companies	*(i)*	4,346	5,899

Notes:

(i) The related companies are companies which certain key management personnel of the Company have significant interests. The amounts due from/to related companies are unsecured, non-interest bearing and repayable on demand respectively. The maximum outstanding amount due from related companies during the year was HK$4,704,000 (2008: HK$3,986,000).

(ii) Amounts due from jointly controlled entities are unsecured, interest-free and repayable on demand. At 31 December 2009, the amount due from a jointly controlled entity is expected to be recovered after twelve months after the end of the reporting period and therefore classified as non-current asset.

21. PLEDGED BANK DEPOSITS

Pledged bank deposits represent deposits pledged to a bank to secure short-term banking facilities granted to Group and will be released upon the settlement of relevant bank borrowings. The pledged deposits carry fixed interest rate of 0.58% (2008: 2.6%) per annum.

22. BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from 0.01% to 1.35% (2008: 0.01% to 1.98%) per annum.

23. TRADE PAYABLES

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

	2009		**2008**	
	HK$'000	*%*	*HK$'000*	*%*
Within three months	25,163	77	26,213	76
Four months to six months	7,303	22	6,568	19
Six months to one year	127	–	1,502	4
Over one year	283	1	187	1
	32,876	100	34,470	100

The average credit period granted by trade payables is 90 days. The Group has financial risk management policies in place to ensure that all payables within the credit time frame.

24. BANK BORROWINGS

	2009	2008
	HK$'000	*HK$'000*
Secured bank loans repayable within one year	49,495	39,540

At the end of the reporting period, bank borrowings carry floating lending rate promulgated in the People's Bank of China less ten basis points, which range from 5.31% to 5.35% (2008: 5.59% to 7.23%) per annum.

The bank loans are secured by a bank deposit of HK$30,467,000 (2008: HK$42,252,000) and the leasehold land and building of HK$34,092,000 (2008: nil).

25. CONVERTIBLE BOND

Pursuant to an agreement dated 20 April 2006, the Company issued a convertible bond ("2006 Bond") amounting to US$10 million (equivalent to HK$78 million) and a nil-paid warrant ("Nil-paid warrant") to an independent third party, Templeton Strategic Emerging Markets Fund II, LDC, represented by Templeton Asset Management Limited (collectively referred to "Templeton"), on 19 May 2006.

The Nil-paid warrant, which was granted for no consideration and detachable from the 2006 Bond, carried the right to subscribe for up to 79,947,009 shares of the Company at exercise price of HK$0.422 per share during the period from 19 May 2006 to 18 May 2011.

Pursuant to the supplemental deed to the 2006 Bond dated 4 March 2009 entered between the Company and Templeton (the "Supplementary Deed"), which took effect as from 31 December 2008. Templeton surrendered to the Company, and the Company cancelled, the 2006 Bond (and treat its outstanding principal amount as fully redeemed in accordance with the terms set out in the bond instrument) in substitution for which the Company issued a new convertible bond ("2008 Bond") in the aggregate amount of US$12,000,000 to Templeton.

The 2008 Bond bears interest from 31 December 2008 at the rate of 3% per annum of the principal amount of the 2008 Bond. Interest is payable annually in arrears on 31 December each year with the first payment commencing on 31 December 2009.

The Company may, at any time having given not less than 30 days' notice and not more than 60 days' notice (the "Early Redemption Notice") to Templeton, redeem all or some of the 2008 Bond before 18 May 2011 at a discount on the principal amount. The discount rate is reducing gradually from 11.5% to 0%. Templeton shall have the right to opt to convert all or some only of the 2008 Bond at HK$0.422 per share instead of accepting the Early Redemption Notice.

Templeton have the right to convert all or some of the 2008 Bond into the Company's share at any time during the period beginning on and after 31 December 2008 up to the close of business on 4 May 2011 at HK$0.422 per share, which is subject to adjustment if any.

Unless previously redeemed, converted or purchased and cancelled, the Company will redeem 2008 Bond at their full outstanding principal amount plus accrued interest on 18 May 2011.

The 2006 Bond, 2008 Bond and Nil-paid warrant contain the following components that are separately accounted for:

(i) Liability component for the convertible bond represents the present value of the contractually determined stream of future cash flows discounted at the rate of interest at initial issue date. The effective interest rate of the liability component is 6.46% per annum for 2008 Bond and 12% per annum for 2006 Bond.

(ii) Conversion option of the convertible bond to be accounted for as a separate financial liability represents the fair value of the option to convert the liability into equity of the Company.

(iii) Redemption discretionary option represents the Company's option to early redeem all or part of convertible bond.

(iv) Nil-paid warrant represents the right to subscribe the Company's own equity.

The movement of different components of the convertible bond during the year is set out below:

	Liability		Nil-paid warrant		Conversion option		Redemption discretionary option		Total	
		equivalent as		equivalent as		equivalent as		equivalent as		equivalent as
	US$'000	*HK$'000* *(Note)*	*US$'000*	*HK$'000*	*US$'000*	*HK$'000*	*US$'000*	*HK$'000*	*US$'000*	*HK$'000*
At 1 January 2008	10,113	78,876	2,248	17,535	789	6,158	(210)	(1,641)	12,940	100,928
Interest charged	1,198	9,368	–	–	–	–	–	–	1,198	9,368
Interest paid	(200)	(1,560)	–	–	–	–	–	–	(200)	(1,560)
(Gain) loss arising on changes of fair value	–	–	(1,989)	(15,525)	381	2,972	(890)	(6,942)	(2,498)	(19,495)
Cancellation of 2006 Bond	(10,989)	(85,714)	–	–	(1,170)	(9,130)	1,100	8,583	(11,059)	(86,261)
Issue of 2008 Bond	11,086	85,917	–	–	719	5,577	(426)	(3,305)	11,379	88,189
At 31 December 2008	11,208	86,887	259	2,010	719	5,577	(426)	(3,305)	11,760	91,169
Interest charged	718	5,569	–	–	–	–	–	–	718	5,569
Interest paid	(362)	(2,807)	–	–	–	–	–	–	(362)	(2,807)
(Gain) loss arising on changes of fair value	–	–	(56)	(435)	(64)	(498)	426	3,305	306	2,372
At 31 December 2009	11,564	89,649	203	1,575	655	5,079	–	–	12,422	96,303

Note: The amounts of HK$88,679,000 (2008: HK$85,917,000) and HK$970,000 (2008: HK$970,000) are included in convertible bond and other payables and accruals, respectively.

The fair value of the liability component of convertible bond at the end of the reporting period is approximately HK$85,085,752 (2008: HK$85,917,000) which is determined assuming redemption on 18 May 2011, using an interest rate of 9.82% (2008: 6.46%) per annum.

26. SHARE CAPITAL

	Number of shares	Amount
	'000	*HK$'000*
Ordinary shares of HK$0.10 each		
Authorised:		
At 1 January 2008, 31 December 2008, and 31 December 2009	3,000,000	300,000
Issued and fully paid:		
At 1 January 2008	1,724,725	172,472
Issue of shares *(Note 1)*	13,391	1,339
Exercise of share options *(Note 2)*	1,450	145
At 31 December 2008 and 31 December 2009	1,739,566	173,956

All the issued shares rank pari passu in all respects including all rights as to dividends, voting and return of capital.

Notes:

(1) As part of the consideration for acquisition of the sole agency right, 13,390,560 ordinary shares of the Company with par value of HK$0.10 each were issued as consideration shares. The fair value of such consideration shares, determined using the published market closing price at the date of completion of acquisition on 4 June 2008, amounted to approximately HK$5,825,000 (equivalent to HK$0.435 per consideration share).

(2) During the year ended 31 December 2008, the subscription rights attaching to 950,000 and 500,000 share options were exercised at the subscription price of HK$0.21 and HK$0.35 per share, respectively, resulting in the issue of 1,450,000 shares of HK$0.10 each for a total cash consideration of HK$374,500.

27. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes bank borrowings and convertible bond disclosed in notes 24 and 25, cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associate with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

28. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2009	2008
	HK$'000	*HK$'000*
Financial assets		
FVTPL – Derivative financial instruments	–	3,305
Loans and receivables	216,701	226,825
Financial liabilities		
FVTPL – Derivative financial instruments	6,654	7,587
Amortised cost	190,829	187,485

Financial risk management objectives and polices

The Group's major financial instruments include trade receivables, pledged bank deposits, bank balances and cash, trade payables, other payables, bank borrowings and convertible bond. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	2009	2008	2009	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong dollar	284	733	4,514	4,045
United States dollar	91,888	86,887	33,800	50,923

Sensitivity analysis

The Group is mainly exposed to the Hong Kong dollar and the United States dollar. The following table details the Group's sensitivity to a 5% (2008: 5%) change in Hong Kong dollars and United States dollars against RMB. 5% (2008: 5%) is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% (2008: 5%) change in foreign currency rates. The sensitivity analysis includes those financial assets and financial liabilities denominated in currency other than RMB. A positive number below indicates a decrease in post-tax loss where RMB strengthen 5% (2008: 5%) against the relevant currency for net asset position, and vice versa. For a 5% (2008: 5%) weakening of RMB against the relevant currency, there would be an equal and opposite impact on the profit or loss.

	Hong Kong dollar impact		United States dollar impact	
	2009	**2008**	**2009**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
(Increase) decrease in post-tax loss	(212)	(166)	2,904	1,798

In management's opinion, the sensitivity analysis is unrepresentative of the inherent currency risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

Fair value interest rate risk

The Group is exposed to fair value interest rate risk in relation to the convertible bond issued by the Group (see note 25 for details of convertible bond) as well as the pledged bank deposits.

The Group currently does not have interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Cash flow interest rate risk

The Group's cash flow interest rate risk relates to the pledged bank deposits as well as variable-rate bank borrowings (see notes 21 and 24 for details). The Group cash flow interest rate risk is mainly concentrated on the fluctuation of lending rate promulgated by the People's Bank of China. The Group's cash flow interest rate risk relates to bank balances are insignificant as the bank balances due to prevailing for interest rates.

The Group currently does not have interest rate hedging policy. However, the management will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined is prepared assuming the pledged bank deposits as well as bank borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates in both years.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 December 2009 would increase/decrease by HK$95,000 (2008: HK$14,000).

Price risk

The Group's derivative financial instruments exposed the Group to a potential loss in market value if there is an adverse change in share price of the Company.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks on the derivative financial instruments at the end of the reporting period.

If the prices of the Company's share had been 4% (2008: 5%) higher/lower, post-tax loss for the year would increase/decrease by HK$1,841,000 (2008: HK$830,000) for the Group as a result of change in fair value of derivative financial instruments.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debts at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Except for concentration of credit risk on amounts due jointly controlled entities and related parties, the Group has no significant concentration of credit risk on trade receivables by customer with exposure spread over a number of counter-parties and customers. However, the Group has concentration of credit risk in the PRC.

The Group's pledged bank deposit and bank balances are deposited with banks with high credit ratings and the Group has limited exposure to any single financial institution.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Company's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest (based on interest rate at the end of the reporting period) and principal cash flows.

	Weighted average interest rate	**Less than 3 months**	**4 - 6 months**	**7 months to 1 year**	**Over 1 year to 5 years**	**Total undiscounted cash flows**	**Carrying amount at 31.12.2009**
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2009							
Non-derivative financial liabilities							
Trade payables	–	32,876	–	–	–	32,876	32,876
Other payables	–	15,433	–	–	–	15,433	15,433
Amounts due to related companies	–	4,346	–	–	–	4,346	4,346
Bank borrowings	5.35	–	51,734	–	–	51,734	49,495
Convertible bond *(Note)*	3	–	–	2,790	94,646	97,436	88,679
		52,655	51,734	2,790	94,646	201,825	190,829

	Weighted average interest rate	Less than 3 months	4 - 6 months	7 months to 1 year	Over 1 year to 5 years	Total undiscounted cash flows	Carrying amount at 31.12.2008
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
2008							
Non-derivative financial liabilities							
Trade payables	–	34,470	–	–	–	34,470	34,470
Other payables	–	20,689	970	–	–	21,659	21,659
Amounts due to related companies	–	5,899	–	–	–	5,899	5,899
Bank borrowings	6.98	40,230	–	–	–	40,230	39,540
Convertible bond (Note)	3	–	–	2,790	96,855	99,645	85,917
		101,288	970	2,790	96,855	201,903	187,485

Note: The undiscounted cash flow is presented on the assumption that there would be no conversion of convertible bond into share of the Company prior its maturity date.

Fair value

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis. For an option-based derivative, the fair value is estimated using option pricing model.

The Group's financial instruments that are measured subsequent to initial recognition at fair value include derivative financial instruments grouped into level 3, which are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The reconciliations from the beginning balances to the ending balances of the level 3 financial instruments are disclosed in note 25.

Except for the liability component of the convertible bond as set out in note 25, the directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost approximate their fair values.

29. NON-CASH TRANSACTION

During the year ended 31 December 2008, part of the consideration for the acquisition of a sole agency right was settled by issue of 13,390,560 new ordinary shares of the Company at HK$0.435 each.

30. 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:

	2009	**2008**
	HK$'000	*HK$'000*
Within one year	2,674	4,246
In the second to fifth year inclusive	1,878	2,125
	4,552	6,371

Operating lease payments represent rentals payable by the Group for its office premises. Leases are negotiated for a term ranging from 3 to 5 years.

(b) Capital commitments

	2009	**2008**
	HK$'000	*HK$'000*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	350	1,092

(c) 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 of advertising on their magazines which fall due as follows:

	2009	**2008**
	HK$'000	*HK$'000*
Within one year	1,316	4,847
In the second to fifth year inclusive	–	1,316
	1,316	6,163

The amount recognised as an expense (included in cost of sales) in the year was approximately HK$4,847,000 (2008: HK$2,219,000).

One of the agreements has a non-cancellable term of two years with progressive increase in charges over the term. The term of such agreement will be renegotiated in 2010 for further six years. The charges for other agreements are fixed for the relevant periods.

31. SHARE OPTION SCHEME

Equity-settled share option scheme

The Company operates a share option scheme (the "Share Option Scheme") adopted on 26 August 2002 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the operations of the Group and to enable the Group to recruit high calibre employees and attract resources that are valuable to the Group. Eligible participants of the Share Option Scheme include any employee (including executive directors), officer (including non-executive directors and independent non-executive directors), consultant, agent, professional adviser, customer, business partner, joint venture partner, strategic partner, landlord or tenant of, or any supplier or provider of goods or services to the Group, or any trustee of a discretionary trust to which one or more beneficiaries belong to any of the above-mentioned categories of persons. The Share Option Scheme became effective on 26 August 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the Company's shares in issue at any time. At the end of the reporting period, the number of shares issuable under share options granted under the Share Option Scheme was 53,700,000 (2008: 65,300,000), which represented approximately 3.09% (2008: 3.75%) of the Company's shares in issue as at that date. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK$10 in total by the grantee. An option may be exercised under the Share Option Scheme at any time from the vested date to the tenth anniversary from the grant date of the option.

The exercise price of the share options is determinable by the directors, but must not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of an ordinary share of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following table discloses details of the Company's share options held by the directors and the employees of the Group and movements in such holdings during the year:

				Number of share options								
Grantee	Date of grant	Exercise price *HK$*	Exercisable period	Outstanding at 1.1.2008	Exercised during the year	Granted during the year	Forfeited during the year	Outstanding at 31.12.2008	Granted during the year	Forfeited during the year	Expired during the year	Outstanding at 31.12.2009
Executive directors:												
Mr. Li Shijie	25.7.2003	0.210	25.7.2004 to 24.7.2009	6,900,000	–	–	–	6,900,000	–	–	(6,900,000)	–
	7.2.2007	0.330	7.2.2010 to 6.2.2015	1,000,000	–	–	–	1,000,000	–	–	–	1,000,000
	29.10.2008	0.268	29.10.2011 to 28.10.2016	–	–	1,700,000	–	1,700,000	–	–	–	1,700,000
	16.12.2009	0.247	16.12.2012 to 15.12.2017	–	–	–	–	–	1,000,000	–	–	1,000,000
Mr. Wang Boming	7.2.2007	0.330	7.2.2010 to 6.2.2015	1,500,000	–	–	–	1,500,000	–	–	–	1,500,000
Mr. Zhang Zhifang	7.2.2007	0.330	7.2.2010 to 6.2.2015	1,500,000	–	–	–	1,500,000	–	–	–	1,500,000
Mr. Dai Xiaojing	7.2.2007	0.330	7.2.2010 to 6.2.2015	1,500,000	–	–	–	1,500,000	–	–	–	1,500,000
	16.12.2009	0.247	16.12.2012 to 15.12.2017	–	–	–	–	–	1,000,000	–	–	1,000,000
Ms. Wu Chuan Hui Daphne	25.2.2004	0.566	25.2.2005 to 24.2.2010	2,500,000	–	–	–	2,500,000	–	(2,500,000)	–	–
	7.2.2007	0.330	7.2.2010 to 6.2.2015	1,000,000	–	–	–	1,000,000	–	(1,000,000)	–	–
Other employees in aggregate	25.7.2003	0.210	25.7.2004 to 24.7.2009	17,950,000	(950,000)	–	(1,950,000)	15,050,000	–	–	(15,050,000)	–
	21.10.2003	0.350	22.10.2003 to 21.7.2008	500,000	(500,000)	–	–	–	–	–	–	–
	7.2.2007	0.330	7.2.2010 to 6.2.2015	31,600,000	–	–	(4,250,000)	27,350,000	–	(11,300,000)	–	16,050,000
	29.10.2008	0.268	29.10.2011 to 28.10.2016	–	–	5,300,000	–	5,300,000	–	(5,000,000)	–	300,000
	16.12.2009	0.247	16.12.2012 to 15.12.2017	–	–	–	–	–	28,150,000	–	–	28,150,000
				65,950,000	(1,450,000)	7,000,000	(6,200,000)	65,300,000	30,150,000	(19,800,000)	(21,950,000)	53,700,000

Notes:

(1) The weighted average closing price of the Company's shares immediately before the dates, and on the dates, the options were exercised was HK$0.364 and HK$0.366, respectively during the year ended 31 December 2008.

(2) The option granted on 25 July 2003, 21 October 2003, 25 February 2004, 7 February 2007, 29 October 2008, 16 December 2009 would be fully vested on 25 July 2004, 22 October 2003, 25 February 2005, 7 February 2010, 29 October 2011 and 16 December 2012, respectively.

(3) At the end of the reporting period, the number of share option exercisable under the share option scheme was nil (2008: 24,250,000).

(4) Share options forfeited upon staff resignation.

The estimated fair value of the options granted during the year is HK$3,539,610 (2008: HK$773,500). The fair value was calculated using the binominal model. The inputs into the model were as follows:

	2009	**2008**
Share price	HK$0.24	HK$0.19
Exercise price	HK$0.247	HK$0.268
Expected volatility	50.71%	58.72%
Expected life	8 years	5 years
Risk-free rate	1.8048%	2.091%
Expected dividend yield	0%	0%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioral considerations.

The binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The Company recognised the total expense of HK$2,127,000 (2008: HK$2,143,000) in relation to share options during the year.

32. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in independently administrated funds. The Group has followed the minimum statutory contribution requirements of 5% of eligible employees' relevant aggregate income.

The employees of the subsidiaries in the PRC are members of the pension schemes operated by the PRC government. The relevant PRC subsidiaries are required to contribute a certain percentage of the relevant portion of these employees' basic salaries to the pension to fund the benefits. The only obligations of the relevant PRC subsidiaries with respect of the pension scheme is the required contributions under the pension scheme.

33. RELATED PARTY TRANSACTIONS

The Group had the following related party transactions during the year:

		THE GROUP	
		2009	**2008**
	Notes	*HK$'000*	*HK$'000*
Office rental expenses paid to Shanghai SEEC Investment Development Corporation Co., Ltd. 上海聯辦投資發展有限公司 ("Shanghai SEEC")	*(i)*	3,506	2,580
Disposal of property, plant and equipment to 財經雜誌社	*(ii)*	–	1,093
Agency fee paid to 北京聯辦傳媒廣告有限公司 ("北京聯辦")	*(ii)*	136	877
Purchase data analysis reports from Beijing Ronglian Information Communication Co., Ltd. 北京融聯信息傳播有限公司 ("Beijing Ronglian")	*(ii)*	3,574	–
Market research and analysis fee paid to 北京市東方融燕書刊發行責任有限公司	*(ii)*	3,404	–
Allowance for amounts due from jointly controlled entities		4,932	–

Notes:

(i) Shanghai SEEC is related to the Group since the Company's key management personnel has significant interest in Shanghai SEEC.

(ii) 財經雜誌社, 北京聯辦, 北京市東方融燕書刊發行責任有限公司 and Beijing Ronglian are related to the Group since the Company's key management personnel has managerial duties and significant influence in the financial and operating policy in 財經雜誌社, 北京聯辦, 北京市東方融燕書刊發行責任有限公司 and Beijing Ronglian.

In addition, compensation of key management personnel, which includes short-term benefit (i.e. fees and salaries and other benefits), post-employment benefits (i.e. contribution to retirement benefits schemes) and share-based payments (i.e. share option benefits), represents directors' remuneration as set out in note 10. The directors' remuneration is determined by the Board having regard to the performance, responsibilities and experiences of individuals and market trends.

34. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries at 31 December 2009 and 2008 are as follows:

Name	Country of incorporation or registration/ operations	Proportion of nominal value of issued share capital/ registered capital held by the Company	Issued and fully paid ordinary share capital/ registered capital and form of business structure	Proportion of nominal value of issued share capital/ registered capital held by the Company Directly %	Indirectly %	Principal activities
Beijing Cai Lian Advertising Co., Ltd.	PRC	RMB5,000,000 Limited liability company	Ordinary shares	100	–	Advertising agent
Beijing Caixun Advertising Co., Ltd.	PRC	RMB5,000,000 Limited liability company	Ordinary shares	–	100	Advertising agent
Beijing Caixun Century Advertising Co., Ltd	PRC	RMB10,000,000 Limited liability company	Ordinary shares	100	–	Advertising agent
Beijing Caixun Century Infotech Co., Ltd.	PRC	RMB4,000,000 Limited liability company	Ordinary shares	–	100	Investment holding
Beijing Jinzheng Ronglian Advertising Company Limited	PRC	RMB2,000,000 Limited liability company	Ordinary shares	–	100	Advertising agent and books and magazines distributor
Beijing SEEC Book and Press Distribution Co., Ltd.	PRC	RMB5,000,000 Limited liability company	Ordinary shares	–	100	Books and magazines distributor
Hainan Caixun Infomedia Co., Ltd.	PRC	RMB9,000,000 Limited liability company	Ordinary shares	–	100	Investment holding
Shenzhen Caixun Advertising Co., Ltd.	PRC	RMB1,000,000 Limited liability company	Ordinary shares	–	100	Advertising agent
Shanghai Caixun Media Conference Exhibition Limited	PRC	HK$10,000,000 Limited liability company	Ordinary shares	100	–	Investment holding
Superfort Management Corp.	British Virgin Islands/ Hong Kong	US$100 Limited company	Ordinary shares	100	–	Investment holding

The directors are of the opinion that a complete list of the particulars of all subsidiaries would be of excessive length and therefore the above list contains only the subsidiaries which principally affect the results or assets and liabilities of the Group.

None of the subsidiaries had any debt securities outstanding during the year or at the end of the year.

3. UNAUDITED FINANCIAL INFORMATION

The unaudited financial information of the Group contained in the interim report of the Company for the six months period ended 30 June 2010 is reproduced below. Capitalised terms used in this section shall have the same meanings as those defined in the interim report of the Company for the six months ended 30 June 2010.

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
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

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2010

	Attributable to owners of the Company						
	Share capital	Share premium	Statutory reserve	Exchange translation reserve	Share option reserve	Accumulated profits	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2009 (audited)	173,956	64,084	8,178	31,790	4,786	43,357	326,151
Loss for the period	–	–	–	–	–	(41,113)	(41,113)
Exchange differences on translation	–	–	–	98	–	–	98
Total comprehensive income (expense) for the period	–	–	–	98	–	(41,113)	(41,015)
Recognition of equity-settled share-based payment	–	–	–	–	1,058	–	1,058
Transfer to reserve funds	–	–	27	–	–	(27)	–
	–	–	27	–	1,058	(27)	1,058
At 30 June 2009 (unaudited)	173,956	64,084	8,205	31,888	5,844	2,217	286,194
At 1 January 2010 (audited)	173,956	64,084	8,407	32,116	6,913	(2,952)	282,524
Loss for the period	–	–	–	–	–	(2,161)	(2,161)
Exchange differences on translation	–	–	–	1,945	–	–	1,945
Total comprehensive income (expense) for the period	–	–	–	1,945	–	(2,161)	(216)
Recognition of equity-settled share-based payment	–	–	–	–	1,218	–	1,218
Transfer to reserve funds	–	–	150	–	–	(150)	–
	–	–	150	–	1,218	(150)	1,218
At 30 June 2010 (unaudited)	173,956	64,084	8,557	34,061	8,131	(5,263)	283,526

Condensed Consolidated Statement of Cash Flows
For the six months ended 30 June 2010

	(Unaudited) Six months ended 30 June 2010 HK$'000	2009 HK$'000
NET CASH USED IN OPERATING ACTIVITIES	(28,092)	(39,398)
Investment in a jointly controlled entity	(11,463)	–
(Advance to) repayment from a jointly controlled entity	(8,769)	5,744
Decrease (increase) in pledged bank deposit	12,392	(780)
Other investing cash flows	1,302	8,007
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(6,538)	12,971
New bank loans raised	13,436	60,790
Repayment of bank loans	(49,664)	(50,908)
Increase (decrease) in amount due to related companies	20,940	(1,875)
Other financing cash flows	(1,670)	(836)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(16,958)	7,171
NET DECREASE IN CASH AND CASH EQUIVALENTS	(51,588)	(19,256)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	74,381	55,863
NET EFFECT OF FOREIGN EXCHANGE RATE CHANGES	1,028	27
CASH AND CASH EQUIVALENTS AT END OF PERIOD, represented by bank balances and cash	23,821	36,634

Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2010

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	Sale of books and magazines	Consolidation
	HK$'000	*HK$'000*	*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	Sale of books and magazines	Consolidation
	HK$'000	*HK$'000*	*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 includes 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.

4. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 October 2010, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, the Group had secured bank borrowings of approximately HK$23.2 million, other payables of approximately HK$65.4 million and a convertible bond of carrying amount of approximately HK$91.1 million.

The secured bank borrowings are secured by the Group's leasehold land and building with a carrying amount of approximately HK$37.2 million as at 31 October 2010.

Save as disclosed in the above paragraphs, and apart from normal trade payable in the ordinary course of business and intra-group liabilities, as at 31 October 2010, the Group had no other outstanding mortgages, charges, indebtedness, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

Amounts referred to in this indebtedness statement denominated in currencies other than Hong Kong dollars have been translated into Hong Kong dollars at the relevant rates of exchange prevailing as at the close of business on 31 October 2010.

5. MATERIAL CHANGE

The Directors wish to draw the attention of the Shareholders and the Optionholders to the following development after the year ended 31 December 2009:

(a) As stated in the announcement of the Company dated 18 November 2010, the Company effected an early redemption in full of the convertible bond due 2011 in the principal amount of US$12,000,000 and a cancellation of the nil-paid warrant issued by the Company on 19 May 2006.

(b) Based on the preliminary review of the unaudited consolidated management accounts of the Group for the ten months ended 31 October 2010, the Directors estimate that the Group has achieved a net profit result as compared to the net loss results recorded for the year ended 31 December 2009 and for the six months ended 30 June 2010. The Company has yet to finalise the annual results of the Group for the year ending 31 December 2010 and is not in a position to quantify the financial position of the Group for the year ending 31 December 2010.

Save as disclosed above, the Directors are not aware of any material changes in the financial or trading position or outlook of the Group since 31 December 2009, being the date to which the latest published audited financial statements of the Group were made up, up to the Latest Practicable Date.

The statement in relation to the estimated net profit result for the ten months ended 31 October 2010, which has to be reported on in accordance with Rule 10 of the Takeovers Code, is set out in the section headed "Material Change" under Appendix II to this Composite Document. Set out below are the text of the letters received by the Directors from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong and from Partners Capital in connection with such statement for the purpose of inclusion in this Composite Document.

Deloitte.
德勤

德勤‧關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F, One Pacific Place
88 Queensway
Hong Kong

24 December 2010

The Directors
SEEC Media Group Limited
Unit 3203, Cosco Tower
Grand Millennium Plaza
183 Queen's Road Central
Hong Kong

First Shanghai Securities Limited
19th Floor, Wing On House
71 Des Voeux Road Central
Hong Kong

Dear Sirs,

In connection with the following statement (the "Material Change Statement") as set out in the composite document relating to voluntary conditional cash offers by First Shanghai Securities Limited on behalf of United Home Limited for all the issued shares in, and for the cancellation of all outstanding options of, SEEC Media Group Limited (other than those already owned or agreed to be acquired by United Home Limited and parties acting in concert with it) issued by SEEC Media Group Limited (the "Company") on 24 December 2010:

"The Directors wish to draw the attention of the Shareholders and the Optionholders to the following development after the year ended 31 December 2009:

(a) As stated in the announcement of the Company dated 18 November 2010, the Company effected an early redemption in full of the convertible bond due 2011 in the principal amount of US$12,000,000 and a cancellation of the nil-paid warrant issued by the Company on 19 May 2006.

(b) Based on the preliminary review of the unaudited consolidated management accounts of the Group for the ten months ended 31 October 2010, the Directors estimate that the Group has achieved a net profit result as compared to the net loss results recorded for the year ended 31 December 2009 and for the six months ended 30 June 2010. The Company has yet to finalise the annual results of the Group for the year ending 31 December 2010 and is not in a position to quantify the financial position of the Group for the year ending 31 December 2010.

Save as disclosed above, the Directors are not aware of any material changes in the financial or trading position or outlook of the Group since 31 December 2009, being the date to which the latest published audited financial statements of the Group were made up, up to the Latest Practicable Date."

We have been advised by the directors of the Company that the Material Change Statement is based on the assessment by the directors of the Company and its subsidiaries (together hereinafter referred to as the "Group") of the unaudited management accounts of the Group for the ten months ended 31 October 2010 (the "Management Accounts").

In accordance with the instruction of the directors of the Company, we have reviewed the accounting policies adopted and calculations made in arriving at the profit estimate of the consolidated profit of the Group for the ten months ended 31 October 2010 attributable to equity holders of the Company (the "Profit Estimate") included in the Management Accounts, for which the directors of the Company are solely responsible.

We have not performed an audit of the Profit Estimate or the Management Accounts for the ten months ended 31 October 2010.

In our opinion the Profit Estimate, so far as the accounting policies and calculations are concerned, has been properly compiled and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the annual report of the Company for the year ended 31 December 2009.

Yours faithfully,
Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

博大資本國際有限公司
Partners Capital International Limited

Partners Capital International Limited
Unit 3906, 39/F, COSCO Tower
183 Queen's Road Central
Hong Kong

24 December 2010

The Directors
SEEC Media Group Limited
Unit 3203
COSCO Tower
Grand Millennium Plaza
183 Queen's Road Central
Hong Kong

Dear Sirs,

Voluntary conditional cash offers by
First Shanghai Securities Limited
on behalf of
United Home Limited
for all the issued shares in,
and for the cancellation of all outstanding options of
SEEC Media Group Limited
(other than those already owned
or agreed to be acquired by
United Home Limited
and parties acting in concert with it)

We refer to the paragraph headed "material change" ("Statement of Material Change") of SEEC Media Group Limited (the "Company") made by the directors (the "Directors") of the Company and for which the Directors are solely responsible, as set out on page 107 of the composite offer and response document dated 24 December 2010 in respect of the Offers (the "Composite Document"). Unless otherwise defined herein, terms used in this letter shall have the same meanings as defined in the Composite Document.

We have reviewed the calculations and accounting policies in arriving at the anticipated achievement in net profit results of the Group for the ten months ended 31 October 2010 as contained in the Statement of Material Change, we have discussed with the Company the bases and assumptions upon which the Statement of Material Change has been made. We have also discussed with Deloitte Touche Tohmatsu ("Deloitte"), the auditors of the Company, the bases upon which the Statement of Material Change has been compiled. We have also considered the letter issued by Deloitte of the even date as set out in Appendix III to the Composite Document regarding their view on whether the Statement of Material Change has been prepared properly.

Based on the above, we are satisfied that the Statement of Material Change, for which the Directors are solely responsible, has been prepared and/or compiled after due and careful consideration.

Yours faithfully,
For and on behalf of
Partners Capital International Limited
Alan Fung
Managing Director

1. RESPONSIBILITY STATEMENT

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than those relating to the Group), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document (other than those relating to the Group) misleading.

2. DISCLOSURE OF INTEREST

As at the Latest Practicable Date, the shareholdings of the Offeror and parties acting in concert with it in the Company were as follows:

Name	Capacity	Number of Shares beneficially held/underlying Shares	Percentage of holding
United Home *(Note)*	Beneficial owner and controlled corporation	845,843,824	48.62%
Carlet *(Note)*	Beneficial owner	172,644,210	9.93%

Notes: The 172,644,210 Shares held by Carlet were indirectly owned by United Home by virtue of its 100% ownership in Carlet. In addition to the 172,644,210 Shares held by Carlet, 673,199,614 Shares which represents approximately 38.69% of the issued share capital of the Company, were directly owned by United Home.

As at the Latest Practicable Date, Options held by the Offeror and parties acting in concert with it were as follows:

Name	Exercise price *HK$*	Exercisable period	Number of Options outstanding as at the Latest Practicable Date	Number of underlying Shares
Dai Xiaojing	0.33	7.2.2010 to 6.2.2015	1,500,000	1,500,000
	0.247	16.12.2012 to 15.12.2017	1,000,000	1,000,000
Li Shijie	0.33	7.2.2010 to 6.2.2015	1,000,000	1,000,000
	0.268	29.10.2011 to 28.10.2016	1,700,000	1,700,000
	0.247	16.12.2012 to 15.12.2017	1,000,000	1,000,000
Wang Boming	0.33	7.2.2010 to 6.2.2015	1,500,000	1,500,000
Zhang Zhifang	0.33	7.2.2010 to 6.2.2015	1,500,000	1,500,000
Lei Jun	0.247	16.12.2012 to 15.12.2017	300,000	300,000
Liu Xiao	0.33	7.2.2010 to 6.2.2015	1,000,000	1,000,000
	0.247	16.12.2012 to 15.12.2017	1,000,000	1,000,000
Wang Wei	0.247	16.12.2012 to 15.12.2017	500,000	500,000
Xi Shuguang	0.33	7.2.2010 to 6.2.2015	300,000	300,000
	0.247	16.12.2012 to 15.12.2017	50,000	50,000
			12,350,000	12,350,000

As at the Latest Practicable Date, save as disclosed above, none of the Offeror, its directors and their respective parties acting in concert, owned or controlled any Shares or any options, warrants, derivatives or securities carrying conversion or subscription rights into shares of the Company.

As at the Latest Practicable Date, the Offeror and any party acting in concert with it had not borrowed or lent any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into shares of the Company.

3. DEALINGS

None of the Offeror, its directors nor the parties acting in concert with them had dealt for value in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into shares of the Company during the Relevant Period.

4. OTHER ARRANGEMENT IN RELATION TO THE OFFERS

(i) As at the Latest Practicable Date, no benefit (other than statutory compensation) was or would be given to any Director as compensation for his loss of office or otherwise in connection with the Offers.

(ii) As at the Latest Practicable Date, there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any parties acting in concert with it on one hand and any Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or dependence upon the Offers.

(iii) As at the Latest Practicable Date, there was no agreement or arrangement to which the Offeror or its parties acting in concert is a party which relate to circumstances in which it may or may not invoke or seek to invoke a precondition or a condition to the Offers.

(iv) As at the Latest Practicable Date, the Offeror had not received any irrevocable commitment to accept or reject the Offers.

(v) As at the Latest Practicable Date, save for the 798,180,836 Shares owned by the Offeror and parties acting in concert with it which had been pledged and any Shares acquired in pursuance of the Offers will be pledged to First Shanghai Securities as security for the loan facility provided by First Shanghai Securities to satisfy the payment obligation of the Offeror under the Offers, there was no other securities acquired in pursuance of the Offers which will be transferred, charged or pledged to any other persons, nor any agreement, arrangement or understanding and particulars of all securities in the Company held by such persons.

The terms of the Share pledge are as follows:

Number of Shares pledged: 798,180,836 representing approximately 45.88% of the issued share capital of the Company as at the Latest Practicable Date. These Shares are maintained in the Offeror's account and Carlet's account with First Shanghai Securities.

Furthermore, the Offeror and Carlet shall maintain collaterals whose acceptable value represents a maximum of 40% of the market value (the "Collateral Percentage") of the Share mortgage. In order to maintain the Collateral Percentage, the Offeror shall deposit additional collaterals, make payments of deposits or margins in cash, securities or otherwise in amounts in such form determined by First Shanghai Securities within 15 days upon demand by First Shanghai Securities at any time.

In case of an event of default, First Shanghai Securities shall have the right to sell the pledged Shares.

(vi) As at the Latest Practicable Date, save as disclosed above, no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror or with any party acting in concert with the Offeror and there is no agreement, arrangement for or understanding for any transfer, charge or pledge of Shares acquired pursuant to the Offers, to any other person.

5. MARKET PRICES

The table below shows the closing prices per Share on the Stock Exchange (i) on the last trading day of each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) on the Latest Practicable Date.

Date	**Closing price** *HK$*
31 May 2010	0.142
30 June 2010	0.145
30 July 2010	0.140
31 August 2010	0.131
30 September 2010	0.140
29 October 2010	0.145
The Last Trading Day	0.139
30 November 2010	0.153
The Latest Practicable Date	0.162

The highest and lowest closing prices per Share as quoted on the Stock Exchange during the Relevant Period were HK$0.192 per Share on 6 December 2010 and HK$0.127 per Share on 27 October 2010.

6. CONSENT AND QUALIFICATION

The following are the qualifications of the experts whose letters/opinions are contained in this Composite Document:

Name	Qualification
First Shanghai Securities	A corporation licensed under the SFO permitted to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities
First Shanghai Capital	A corporation licensed under the SFO permitted to conduct type 6 (advising on corporate finance) regulated activity

Each of First Shanghai Securities and First Shanghai Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter and the references to its name, in the form and context in which they respectively appear.

7. MISCELLANEOUS

(i) The board of directors of the Offeror comprises Mr. Dai Xiaojing, Mr. Wang Boming and Mr. Zhang Zhifang.

(ii) The registered office of the Offeror is situated at Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands. The address of the Offeror in Hong Kong is at Unit 3203, Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong.

(iii) The registered office of First Shanghai Securities and First Shanghai Capital is situated at 19/F, Wing On House, 71 Des Voeux Road Central, Hong Kong.

(iv) The registered office of Partners Capital is at Unit 3906, 39/F, COSCO Tower, 183 Queen's Road Central, Hong Kong.

(v) Carlet is wholly owned by the Offeror and the Offeror is the sole director of Carlet.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (i) during 9:30 a.m. to 5:00 p.m. from Monday to Friday (except public holidays) at the office of the Company at Unit 3203, Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong; (ii) on the website of the SFC at www.sfc.hk; and (iii) on the website of the Company at www.seec-media.com.hk, from the date of this Composite Document for so long as the Offers remain open for acceptance:

(a) memorandum and articles of association of the Offeror;

(b) the letter from First Shanghai Securities, the text of which is set out in this Composite Document;

(c) the letter of consent from each of First Shanghai Securities and First Shanghai Capital referred to in the paragraph headed "Consent and Qualification" in this Appendix;

(d) a secured margin loan agreement dated 24 November 2010 between First Shanghai Securities, the Offeror and Carlet; and

(e) a guarantee letter dated 24 November 2010 between First Shanghai Securities and Carlet.

RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this Composite Document (other than information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document (other than those relating to the Offeror and parties acting in concert with it), the omission of which would make any statement in this Composite Document misleading.

SHARE CAPITAL

(a) Authorised and issued share capital

The authorised and issued capital of the Company as at the Latest Practicable Date was as follows:

Authorised:	*HK$*
3,000,000,000 Shares	300,000,000
Issued and fully paid:	
1,739,565,172 Shares	173,956,517

All the issued Shares rank pari passu with each other in all respects including the rights as to voting, dividends and return of capital.

Subsequent to 31 December 2009, the end of the last financial year of the Company, and up to the Latest Practicable Date, the Company had not issued any Shares.

(b) Options

As at the Latest Practicable Date, in addition to the existing Shares disclosed above, the Company had the following outstanding Options:

(i) 50,750,000 Options which conferred rights on holders to subscribe for 50,750,000 Shares. Details of the exercise price and exercise period of the Options are as follows:–

Grantee	Exercise period	Exercise price *HK$*	Outstanding as at the Latest Practicable Date
Dai Xiaojing	7 February 2010 to 6 February 2015	0.330	1,500,000
	16 December 2012 to 15 December 2017	0.247	1,000,000
Li Shijie	7 February 2010 to 6 February 2015	0.330	1,000,000
	29 October 2011 to 28 October 2016	0.268	1,700,000
	16 December 2012 to 15 December 2017	0.247	1,000,000

Grantee	Exercise period	Exercise price *HK$*	Outstanding as at the Latest Practicable Date
Wang Boming	7 February 2010 to 6 February 2015	0.330	1,500,000
Zhang Zhifang	7 February 2010 to 6 February 2015	0.330	1,500,000
Employees and others	7 February 2010 to 6 February 2015	0.330	15,750,000
	29 October 2011 to 28 October 2016	0.268	300,000
	16 December 2012 to 15 December 2017	0.247	25,500,000
		Total	50,750,000

Save as disclosed above, as at the Latest Practicable Date, the Company did not have any outstanding share options or warrants or other securities carrying rights of conversion into Shares.

DISCLOSURE OF INTERESTS

Interests in the Company

(a) Directors' interests and short positions in the securities of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares (within the meaning of Part XV of the SFO) or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interest in underlying Shares of the Company – long positions (Options to subscribe for Shares)

Pursuant to the Share Option Scheme, the Directors may, at their discretion, invite participants to take up options at a consideration of HK$10 per grant to subscribe for Shares.

As at the Latest Practicable Date, details of the Options to subscribe for Shares granted to Directors were as follows:

Name of Director	Capacity	Date of grant	Exercise price *HK$*	Exercisable period	Number of Options outstanding as at the Latest Practicable Date	Number of underlying Shares
Dai Xiaojing	Beneficial owner	7.2.2007	0.33	7.2.2010 to 6.2.2015	1,500,000	1,500,000
		16.12.2009	0.247	16.12.2012 to 15.12.2017	1,000,000	1,000,000
Li Shijie	Beneficial owner	7.2.2007	0.33	7.2.2010 to 6.2.2015	1,000,000	1,000,000
		29.10.2008	0.268	29.10.2011 to 28.10.2016	1,700,000	1,700,000
		16.12.2009	0.247	16.12.2012 to 15.12.2017	1,000,000	1,000,000
Wang Boming	Beneficial owner	7.2.2007	0.33	7.2.2010 to 6.2.2015	1,500,000	1,500,000
Zhang Zhifang	Beneficial owner	7.2.2007	0.33	7.2.2010 to 6.2.2015	1,500,000	1,500,000
					9,200,000	9,200,000

(b) Interests in associated corporation

Name of associated corporation	Name of Director	Capacity	Number of shares of the associated corporation (Personal interests) *(note)*	Per cent of total issued share capital of associated corporation as at the Latest Practicable Date
United Home	Dai Xiaojing	Beneficial owner	1	6.67%
	Li Shijie	Beneficial owner	1	6.67%
	Wang Boming	Beneficial owner	1	6.67%
	Zhang Zhifang	Beneficial owner	1	6.67%

Note: Each of Dai Xiaojing, Li Shijie, Wang Boming and Zhang Zhifang holds 1 share of US$1.00 in United Home which had a total of 15 shares issued as at the Latest Practicable Date.

As at the Latest Practicable Date, the Board comprised four executive Directors and four independent non-executive Directors, of whom all the executive Directors were parties acting in concert with the Offeror and none of the independent non-executive Directors was interested in any Share or Option. Hence, none of the Directors was in the position to either accept or reject the Offers.

As at the Latest Practicable Date, no Shares had been borrowed or lent by any of the Directors or by the Company.

Interests in the Offeror

As at the Latest Practicable Date, the Group did not have any interest in the shares, options, warrants, derivatives and securities carrying conversion or subscription rights into shares of the Offeror.

Save as disclosed in the sub-section headed "Interests in the Company" under the section headed "Disclosure of interests" in this Appendix, as at the Latest Practicable Date, none of the Directors had any interest in the shares, options, warrants, derivatives and securities carrying conversion or subscription rights into shares of the Offeror or the Company.

None of (a) the subsidiaries of the Company; (b) the pension fund of the Company or of a subsidiary of the Company; or (c) any advisers to the Company (as specified in class (2) of the definition of "associate" under the Takeovers Code) had any interest in the Shares, warrants, options or derivatives and securities carrying conversion or subscription rights into shares of the Company as at the Latest Practicable Date.

Dealings in securities of the Company

During the Relevant Period, none of the Directors had dealt for value in the Shares, options, warrants, derivatives and securities carrying conversion or subscription rights into shares of the Company.

During the Relevant Period,

(a) no subsidiaries of the Company, pension funds of any member of the Group or advisers to the Company as specified in class (2) of the definition of "associate" under the Takeovers Code, Partners Capital and its associate (as defined under the Takeovers Code) had dealt for value in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into shares of the Company;

(b) no persons had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of "associate" under the Takeovers Code, and none of them had dealt for value in the Shares, options, warrants, derivatives and securities carrying conversion or subscription rights into shares of the Company; and

(c) no Shares, convertible securities, warrants, options or derivatives of the Company were managed on a discretionary basis by any fund managers connected with the Company as at the Latest Practicable Date, and none of them had dealt for value in the Shares, options, warrants, derivatives and securities carrying conversion or subscription rights into shares of the Company.

Dealings in securities of the Offeror

During the Relevant Period, none of the Directors or the Company had dealt for value in the shares, options, warrants, derivatives and securities carrying conversion or subscription rights into shares of the Offeror.

Service contracts

As at the Latest Practicable Date, there was no service contract with the Company or any of its subsidiaries or associated companies in force for the Directors (a) which (including both continuous and fixed term contract) had been entered into or amended within the Relevant Period; (b) which is continuous contract with a notice period of 12 months or more; or (c) which is a fixed term contract with more than 12 months to run irrespective of the notice period.

Miscellaneous

As at the Latest Practicable Date:

(a) no benefit would be given to any Director as compensation for loss of office or otherwise in connection with the Offers;

(b) there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers; and

(c) no material contracts had been entered into by the Offeror in which any Director had any a material personal interest.

MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) have been entered into by members of the Group within the two years immediately preceding 25 November 2010 (being the date of the Announcement) and up to the Latest Practicable Date and are or may be material:

(a) a supplemental deed dated 4 March 2009 between the Company and Templeton Strategic Emerging Markets Funds II, LDC ("Templeton") amending and supplementing certain terms and conditions of a bond instrument dated 18 May 2006 executed by the Company by way of deed setting out the terms and conditions of a 2% redeemable convertible bond in the aggregate principal amount of US$10,000,000 issued by the Company to Templeton on 18 May 2006;

(b) a deed dated 18 November 2010 between the Company and Templeton pursuant to which the Company paid an aggregate sum of US$12,044,140 to Templeton for redeeming a 3% redeemable convertible bond in the aggregate principal amount US$12,000,000 issued to Templeton on 31 March 2009 and for cancelling a nil-paid warrant issued to Templeton on 19 May 2006 which carries the right to subscribe for up to 79,947,009 Shares; and

(c) a loan facility agreement dated 18 November 2010 between the Company and United Home pursuant to which United Home makes available a loan facility in a principal sum of US$11 million to the Company at a rate of interest of 2% per annum for a term of 24 months.

LITIGATION

In a High Court Action 1194 of 2010, Chau Hoi Shuen, Solina Holly ("Chau"), in a writ of summons filed on 6 August 2010 claims against the Company for, among other things, compensatory damages for distributing and publishing certain articles in the Issue No. 26509 Caijing Magazine containing words defamatory to Chau. In a defence filed by the Company on 13 October 2010, the Company denied Chau's claims. Pursuant to a reply filed by Chau on 10 November 2010, Chau has replied to the defence made by the Company and set out further particulars of her claims.

The Company is in the course of preparing a timetabling questionnaire to be filed into Court and served to Chau and will await the response from Chau thereon. Chau will either apply for the consent order from court if the Company and Chau can agree on the directions and timetable or take out a case management summons with the court within the time limit as prescribed by the Rules of High Court (Cap. 4A) of the Laws of Hong Kong for an order setting out the directions and timetable for preparing the above Action for trial.

If Chau does not procure the consent order or take out the case management summons within the prescribed time limit, the Company may apply to court for an order to dismiss the action.

As at the Latest Practicable Date, the Directors believed that it was not practical to assess the outcome of the above Action.

In another High Court Action 1134 of 2010, 北京財訊廣告有限公司(Beijing Caixun Advertising Co., Ltd.*), a wholly-owned subsidiary of the Company ("Beijing Caixun"), on 28 July 2010 issued a writ of summons against Hutton Media Limited ("Hutton") and claimed Hutton for a sum of RMB2,493,150.52 representing advertising fees received by Hutton (as agent for and on behalf of Beijing Caixun) from advertising agencies or advertisers in Hong Kong who placed their advertisements in the Caijing Magazine. Hutton has failed to reply to Beijing Caixun's claims within the time limit set out in the writ of summons. As a result, Beijing Caxun has obtained a final judgment against Hutton on 20 September 2010. On 7 October 2010 Beijing Caixun served on Hutton a statutory demand for a sum of RMB2,493,150.52 together with interest thereon and related costs and Hutton failed to respond within the time limit set out in the statutory demand. As at the Latest Practicable Date, Beijing Caixun was considering taking further action against Hutton, including to petition for winding up Hutton.

Save as disclosed above, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries as at the Latest Practicable Date.

(* *for identification purpose only*)

CONSENTS

The following are the qualification of the experts whose letter/opinion is contained in this Composite Document:

Name	Qualification
Partners Capital	a licensed corporation under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities
Deloitte Touche Tohmatsu	Certified Public Accountants

Each of Partners Capital and Deloitte Touche Tohmatsu has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter and the references to its name, in the form and context in which they are included.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (a) during 9:30 a.m. to 5:00 p.m. from Monday to Friday (except public holidays) at the office of the Company at Unit 3203, Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong; (b) on the website of the SFC at www.sfc.hk; and (c) on the website of the Company at www.seec-media.com.hk, from the date of this Composite Document for so long as the Offers remain open for acceptance:

(i) the Memorandum and Articles of Association of the Company;

(ii) the annual reports of the Company for the two years ended 31 December 2009 and the interim report of the Company for the six months ended 30 June 2010;

(iii) the material contracts referred to in the section headed "Material Contracts" in this Appendix;

(iv) the letter from the Board;

(v) the letter from the Independent Board Committee to the Independent Shareholders and the Optionholders, the text of which is set out in this Composite Document;

(vi) the letter from Partners Capital to the Independent Board Committee, the text of which is set out in this Composite Document;

(vii) the letter from Partners Capital on the statement of material change as set out in Appendix III to this Composite Document;

(viii) the letter from Deloitte Touche Tohmatsu on the statement of material change as set out in Appendix III to this Composite Document; and

(ix) the written consents referred to in the paragraph headed "Consents" in this Appendix.