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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in SEEC Media Group Limited, you should at once hand this circular to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the same or transfer was effected for transmission to the purchaser or transferee.

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**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)**

**DISCLOSEABLE TRANSACTION**

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings unless the context requires otherwise:*

“11 April 2006 Announcement”	the announcement of the Company dated 11 April 2006
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	SEEC Media Group Limited, a company incorporated under the laws of the Cayman Islands with limited liability
“Connected Persons”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable under the Sale and Purchase Agreement
“Dealing Days”	in relation to the SNMI Shares, a day on which dealings of such shares take place during normal dealing hours on OTCBB in accordance with the relevant rules and regulations of OTCBB
“Director(s)”	the director(s) of the Company
“First Supplemental Deed”	a supplemental deed to the Sale and Purchase Agreement dated 12 September 2005 entered into among the Parties which took effect as from 1 July 2005 in respect of the payment method of the balance of the Consideration
“Group”	the Company and its subsidiaries from time to time and “member of the Group” shall be construed accordingly;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26 April 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	Model Code for Securities Transactions by Directors of Listed Companies

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## DEFINITIONS

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“Observer Star Global”	The Observer Star Global Publishing Holdings Ltd, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of SBN
“OTCBB”	The Over-The-Counter Bulletin Board in the US
“Outstanding Consideration”	an aggregate of HK\$21,000,000 representing the outstanding balance of the Consideration of HK\$19,000,000 together with HK\$2,000,000 payable under the First Supplemental Deed
“Parties”	(a) the Company; (b) Observer Star Global; and (c) SBN
“PRC”	The People’s Republic of China which excludes Hong Kong for the purposes of this circular
“Sale and Purchase Agreement”	an agreement dated 7 November 2004 between (a) the Company as vendor; (b) Observer Star Global as purchaser; and (c) SBN as the guarantor in respect of the sale and purchase of the entire issued share capital of Maxful Management Corp., a company incorporated under the laws of the British Virgin Islands with limited liability and a then direct wholly-owned subsidiary of the Company
“SBN”	Sun Business Network Ltd. (formerly known as Panpac Media Group Limited), a company incorporated under the laws of Singapore in October 1994 with limited liability and its shares are listed on the Official List of the SGX-ST on 29 July 1998
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGX-ST”	the Singapore Exchange Securities Trading Limited
“Share(s)”	shares of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	the holder(s) of Shares
“SNMI”	Sun New Media Inc., a company incorporated on 20 June 1972 in Minnesota, US, the entire issued shares of its common stock are traded on OTCBB
“SNMI Shares”	708,502 shares of SNMI common stock with par value of US\$0.01 per share

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## DEFINITIONS

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“Second Supplemental Deed”	a supplemental deed to the Sale and Purchase Agreement as revised by the First Supplemental Deed dated 11 April 2006 entered into among the Parties which took effect as from 1 April 2006
“subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance) of the Company
“US”	the United States of America
“US\$”	United States dollars, the lawful currency of US
“%”	per cent

*For the purposes of this circular, unless otherwise indicated, the exchange rate at US\$1=HK\$7.80 has been used, where applicable, for purpose of illustration only and do not constitute a representation that any amount have been, could have been or may be exchanged.*



**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)**

*Directors:*

*Executive Directors:*

Mr. WANG Boming (*Chairman*)

Mr. ZHANG Zhifang

Mr. DAI Xiaojing

Mr. LI Shijie

Mr. LAU See Him Louis

*Registered office:*

P. O. Box 897 GT

Second Floor

One Capital Place

Grand Cayman

Cayman Islands

British West Indies

*Independent Non-executive Directors:*

Mr. FU Fengxiang

Mr. WANG Xiangfei

Mr. GE Ming

Mr. DING Yu Cheng

*Principal office of business*

*in Hong Kong:*

Room 2502

Alexandra House

18 Chater Road

Central, Hong Kong

2 May 2006

*To the Shareholders*

Dear Sir/Madam,

**DISCLOSEABLE TRANSACTION**

**1. INTRODUCTION**

The Directors announced on 13 April 2006 that the Parties entered into the Second Supplemental Deed whereby the Parties agreed that Observer Star Global would transfer the SNMI Shares to the Company for satisfying in full the Outstanding Consideration.

The entering into of the Second Supplemental Deed constituted a discloseable transaction for the Company under the Listing Rules.

The purpose of this circular is to provide you with further information in respect of the Second Supplemental Deed and other information as required under the Listing Rules.

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## LETTER FROM THE BOARD

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### **2. SECOND SUPPLEMENTAL DEED**

On 11 April 2006, the Parties entered into the Second Supplemental Deed whereby the Parties agreed to further supplement the Sale and Purchase Agreement as revised by the First Supplemental Deed that Observer Star Global, the purchaser under the Sale and Purchase Agreement, would transfer the SNMI Shares to the Company free and clear of all encumbrances together with all rights attaching or accruing thereto including the right to receive all dividends and distributions declared, made or paid on or after 1 April 2006 within 30 business days of the execution of the Second Supplemental Deed for satisfying in full the Outstanding Consideration. The transfer of the SNMI Shares was agreed after arm's length negotiations among the Parties with reference to the value of the SNMI Shares as quoted on OTCBB.

The SNMI Shares represented approximately 0.8% of the issued and fully-paid shares of SNMI common stock as at 11 April 2006, the date of the Second Supplemental Deed. The total value of the SNMI Shares was US\$2,692,308 (approximately HK\$21,000,000) representing US\$3.80 per SNMI Share which is the average closing prices of the SNMI Shares as quoted on OTCBB for the last 10 Dealing Days up to and including 31 March 2006.

### **3. INFORMATION ON OBSERVER STAR GLOBAL**

The principal activities of Observer Star Global are publication and distribution of a business magazine in Singapore. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Observer Star Global and its ultimate beneficial owner are third parties independent of the Company and its Connected Persons.

### **4. INFORMATION ON SBN**

The principal activities of SBN are printed media, education and events and exhibitions, and in the business of making investments in high technology companies including an online financial information provided in Singapore. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, SBN and its ultimate beneficial owner are third parties independent of the Company and its Connected Persons.

### **5. REASONS FOR THE TRANSFER OF THE SNMI SHARES**

As stated in the 11 April 2006 Announcement, the transfer of the SNMI Shares to the Company was for satisfying in full the Outstanding Consideration. As a result, it will not be necessary for the Group to make any provision for the Outstanding Consideration. In the long run, the Directors, including the independent non-executive Directors, consider that the investment in SNMI Shares will increase the Shareholders' wealth.

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## LETTER FROM THE BOARD

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Under the Sale and Purchase Agreement, SBN agreed to guarantee the due performance of the obligations of Observer Star Global under the Sale and Purchase Agreement as revised by the First Supplemental Deed and the Second Supplemental Deed. Further, under the Second Supplemental Deed, each of Observer Star Global and SBN has agreed to indemnify the Company against all losses and costs that the Company may incur or suffer in connection with or arising from any material breach by Observer Star Global and SBN's obligations under the Second Supplemental Deed.

The Directors, including the independent non-executive Directors, consider that the terms of the Second Supplemental Deed are fair and reasonable and the entering into of the Second Supplemental Deed is in the interests of the Shareholders as a whole.

SNMI engages in the integrated interactive business-to-business marketing services in the PRC for consumer products companies and their channel and distribution partners.

The principal activity of the Company is investment holding while its subsidiaries are mainly engaged in the provision of advertising agency services in the PRC.

### **6. EFFECT OF THE TRANSFER OF THE SNMI SHARES**

The transfer of the SNMI Shares to the Company is expected to have minimal effect on the Company's earnings. The Outstanding Consideration receivable from Observer Star Global is to be satisfied with the SNMI Shares which would be classified as available-for-sale financial assets under the present intention of the Directors. At each balance sheet date subsequent to the initial recognition, available-for-sale financial assets will be booked at their fair values. Changes in fair values are recognized in equity until the assets are disposed of or are determined to be impaired.

The audited net loss and profit (before and after taxation and extraordinary items) attributable to the SNMI Shares was approximately (US\$2,828) (approximately (HK\$22,058)) and US\$2,711 (approximately HK\$21,146) for the two financial years ended 31 December 2004 and 31 December 2003 respectively. The unaudited net loss (before and after taxation and extraordinary items) attributable to the SNMI Shares was approximately (US\$3,664) (approximately (HK\$28,579)) for the period from 1 January 2005 to 31 December 2005. The audited net asset deficit of SNMI as at 31 December 2004 was approximately US\$141,396 (approximately HK\$1,102,889). The unaudited net asset value of SNMI as at 31 December 2005 was approximately US\$78,000 (approximately HK\$608,400).

### **7. LISTING RULES REQUIREMENTS**

The entering into of the Second Supplemental Deed constituted a discloseable transaction for the Company under the Listing Rules.



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## LETTER FROM THE BOARD

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### 8. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,  
For and on behalf of the Board  
**Wang Boming**  
*Chairman*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

## 2. DIRECTORS' DISCLOSURE OF INTERESTS

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: (a) 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); (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### Long positions in underlying shares of the Company – share options to subscribe for Shares

Name of Director	Date of Grant	Exercise price (HK\$)	Exercisable period	Number of share options outstanding
Li Shijie	25 July 2003	0.21	25 July 2004 to 24 July 2009	6,900,000

Save as disclosed herein, as at the Latest Practicable Date, none of the Director or chief executive of the Company had any interest or short position in the shares, underlying shares (within the meaning of Part XV of the SFO) or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (a) 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); (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code.

## 3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (not being Directors or chief executive of the Company) had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to

vote in all circumstances at general meetings of any other member of the Group or in any options in respect of such capital:

### Long positions in Shares

Name	Number of Shares beneficially held	Percentage of shareholding
United Home Limited ( <i>Note 1</i> )	677,843,824	43.69%
Carlet Investments Ltd. ( <i>Note 1</i> )	172,644,210	11.13%
Arisaig Greater China Fund Limited ( <i>Note 3</i> )	141,698,000	9.13%
Arisaig Partners (Mauritius) Ltd. ( <i>Notes 2 &amp; 3</i> )	141,698,000	9.13%
Arisaig Partners (Holdings) Ltd. ( <i>Note 3</i> )	141,698,000	9.13%
Arisaig Partners (BVI) Limited ( <i>Note 3</i> )	141,698,000	9.13%
Cooper Lindsay William Ernst ( <i>Note 4</i> )	141,698,000	9.13%
Madeleine Ltd. ( <i>Note 4</i> )	141,698,000	9.13%

*Note:* 1. The 172,644,210 Shares held by Carlet Investments Ltd. were indirectly owned by United Home Limited by virtue of its 100% interest in Carlet Investments Ltd. In addition to the 172,644,210 Shares held by Carlet Investments Ltd., 505,199,614 Shares which represents approximately 32.56% of the issued share capital of the Company, were directly owned by United Home Limited. Messrs. Wang Boming, Zhang Zhifang and Dai Xiaojing are directors of United Home Limited.

2. The capacity of Arisaig Partners (Mauritius) Ltd. in holding the 141,698,000 Shares was the fund manager of Arisaig Greater China Fund Limited.

3. The 141,698,000 Shares held by Arisaig Greater China Fund Limited were indirectly owned by Arisaig Partners (Holdings) Ltd. by virtue of its 100% ownership of Arisaig Partners (BVI) Limited, Arisaig Partners (Mauritius) Ltd. is a direct wholly owned subsidiary of Arisaig Partners (BVI) Limited and the immediate holding company of Arisaig Greater China Fund Limited.

4. This referred to the same number of 141,698,000 Shares as mentioned in note 3 above through 33% interests in Arisaig Partners (Holdings) Ltd. held by Madeleine Ltd. is beneficially owned by Cooper Lindsay William Ernst.

Save as disclosed above, the Directors or chief executive of the Company are not aware of any other persons (not being Directors or chief executive of the Company) as at the Latest Practicable Date, who had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who was directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or in any options in respect of such capital.

## 4. LITIGATION

No member of the Group is engaged in any litigation or claim of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened against any member of the Group.

**5. SERVICE CONTRACT**

As at the Latest Practicable Date, none of the Directors has entered, or proposed to enter, into a service contract with any member of the Group which is not determinable by the relevant member of the Group within one year with payment of compensation, other than statutory compensation.

**6. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, whether directly or indirectly, with the business of the Company.

**7. MISCELLANEOUS**

- (a) The secretary of the Company is Mr. TSEUNG Sheung Shun, who is an associate member of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is at P.O. Box 897 GT, Second Floor, One Capital Place, Grand Cayman, Cayman Islands, British West Indies and its principal place of business is at Room 2502, Alexandra House, 18 Chater Road, Central, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.