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SEEC MEDIA GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 205)

PROPOSED ISSUE OF UNLISTED WARRANTS PURSUANT TO CONSULTANCY AGREEMENT UNDER GENERAL MANDATE

THE CONSULTANCY AGREEMENT

On 26 September 2014 (after trading hours), the Company entered into the Consultancy Agreement with the Consultant, pursuant to which, the Company engaged the Consultant to provide the Consultancy Services. As a consideration for the Consultancy Services, the Company agreed to issue 347,000,000 Warrants conferring the rights to subscribe for an aggregate of 347,000,000 Warrant Shares at the Subscription Price of HK\$0.69 per Warrant Share (subject to adjustment). The Warrants are to be subscribed at the Issue Price of HK\$0.001 per Warrant.

The subscription right will be exercisable within 12 months from the date of the issue of the Warrants. The aggregate number of the Warrant Shares to be issued will be 347,000,000 Shares, representing approximately 19.92% of the issued share capital of the Company as at the date of this announcement and approximately 16.61% of the issued share capital of the Company as enlarged by the Warrant Shares.

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Warrant Shares which may fall to be issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchange.

The Warrant Shares will be issued under the General Mandate. Accordingly, the issue of the Warrant Shares will not be subject to the approval of the Shareholders.

THE CONSULTANCY AGREEMENT

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The principal terms of the Consultancy Agreement are as follows:–

Date

26 September 2014 (after trading hours)

Parties

- (i) the Company; and
- (ii) the Consultant

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Consultant and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Term

12 months commencing from the date of the Consultancy Agreement.

Consultancy Services to be provided

Pursuant to the Consultancy Agreement, the Consultant shall, among others, (i) procure the investment opportunity with the Company in an internet payment related project in the PRC; (ii) assist the Company in negotiating the best terms of investment into such internet payment related project; (iii) assist the Company in the investment structure into such project; and (iv) lead a team of professional parties in evaluating, negotiating, due diligence, executing the Company's investment in such project.

Issue Price

The Issue Price is HK\$0.001 per Warrant.

Number of Warrants and Warrant Shares

A total of 347,000,000 Warrants conferring the right to subscribe for 347,000,000 Warrant Shares. Each Warrant carries the right to subscribe for one Warrant Share.

Upon exercise in full of the subscription rights attaching to 347,000,000 Warrants, a maximum of 347,000,000 Warrant Shares with an aggregate nominal value of HK\$34,700,000 will be allotted and issued, representing approximately 19.92% of the issued share capital of the Company as at the date of this announcement and approximately 16.61% of the issued share capital of the Company as enlarged by the Warrant Shares.

Conditions precedent of the Consultancy Agreement

The Company shall issue the Warrants upon, among the other matters, the fulfillment of the following conditions:

- (i) (if required) the Stock Exchange having approved the issue of the Warrants;

- (ii) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Warrant Shares; and
- (iii) all third party consents, approval and waivers required for or in connection with the Consultancy Agreement having been obtained.

OTHER PRINCIPAL TERMS OF THE WARRANTS

Subscription Price

The Subscription Price is HK\$0.69 per Warrant Share, subject to adjustment, represents:

- (i) a discount of approximately 19.77% to the closing price of HK\$0.860 per Share as quoted on the Stock Exchange as at the date of this announcement;
- (ii) a discount of approximately 7.01% to the average closing prices of HK\$0.742 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Consultancy Agreement;
- (iii) a premium of approximately 21.48% over the average closing price of HK\$0.568 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Consultancy Agreement; and
- (iv) a premium of approximately 200.00% over the net asset value of approximately HK\$0.23 per Share as at 30 June 2014 (based on the unaudited net assets of the Group as at 30 June 2014 and the number of issued Shares as at the date of this announcement).

The aggregate of the Issue Price of HK\$0.001 per Warrant and the Subscription Price of HK\$0.69 per Warrant Share, i.e. approximately HK\$0.691, represents:

- (i) a discount of approximately 19.65% to the closing price of HK\$0.860 per Share as quoted on the Stock Exchange as at the date of this announcement;
- (ii) a discount of approximately 6.87% to the average closing prices of HK\$0.742 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Consultancy Agreement;

- (iii) a premium of approximately 21.65% over the average closing price of HK\$0.568 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Consultancy Agreement; and
- (iv) a premium of approximately 200.43% over the net asset value of approximately HK\$0.23 per Share as at 30 June 2014 (based on the unaudited net assets of the Group as at 30 June 2014 and the number of issued Shares as at the date of this announcement).

The Issue Price of HK\$0.001 per Warrant is determined between the Company and the Consultant with reference to:–

- (i) No immediate cash payment will be made by the Company in compensating the Consultant for the provision of the Consultancy Services;
- (ii) Instead of paying a service fee, cash is paid by the Consultant in acquiring the Warrants;
- (iii) The Warrants are not listed and thus there is virtually no liquid market for the Consultant to benefit from disposing the Warrants; and
- (iv) The price of Share has reached an all-time high in the recent trading days.

The Subscription Price of HK\$0.69 per Warrants Shares is determined between the Company and the Consultant with reference to:–

- (i) The price of Share has reached an all-time high in the recent trading days; and
- (ii) The current market capitalization of the Company of approximately HK\$1,498 million is well above the net asset value of the Group as at 30 June 2014 of approximately HK\$400 million;

Based on the above, the Board is of the opinion that the Issue Price and Subscription Price are fair and reasonable. The Board further considers that the purpose of compensating the Consultant in the form of the Warrants is to put the interests of the Consultant in line with the future share price performance of the Company, which, to certain extent, ties up with the quality and successfulness of the introduction of potential projects by the Consultant to the Company. Accordingly, the Board considers that the terms of the Consultancy Agreement and the Warrants are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Exercise Period

The subscription rights attaching to the Warrants may be exercised at any time within 12 months commencing from the date of issue of the Warrants. Upon expiry of the Exercise Period, any Warrants which have not been exercised will lapse and cease to be valid for any purpose.

The exercise of the subscription rights attaching to the Warrants within 6 months commencing from the date of issue of the Warrants is subject to the approval by the Board with reference to the performance of the Consultant under the Consultancy Agreement.

Ranking

The Warrants will rank *pari passu* in all respects among themselves.

The Warrant Shares to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants will rank *pari passu* in all respects with the Shares in issue except that they will not be entitled to any rights for which the record date of the said rights precedes the date of the holders' name being registered in the register of members of the Company.

Transferability

The Warrants can be freely transferred in integral multiples of 1,000,000 Warrants. In the event of a transfer of the Warrants to a connected person (as defined in the Listing Rules) of the Company, prior approval from the Company shall be obtained. The Company undertakes to comply with the relevant Listing Rules and to make necessary announcement(s), where appropriate, if and when the Consultant makes any transfer of the Warrants to other parties requiring disclosure.

Voting rights

The holder of the Warrants shall not be entitled to attend or vote at any general meetings of the Company by virtue of them being holders of the Warrants. The holder of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

Adjustment to the Subscription Price

Pursuant to the instrument constituting the Warrants, the Subscription Price shall from time to time be adjusted in accordance with the below events:

- (i) consolidation or subdivision;
- (ii) capitalisation of profits or reserves;
- (iii) capital distribution; and
- (iv) issue of new Shares by way of rights.

Application for listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

GENERAL MANDATE

The Warrant Shares will be issued under the General Mandate. Accordingly, the issue of the Warrant Shares will not be subject to the approval of the Shareholders.

Under the General Mandate, the Directors were authorized to issue up to 347,913,034 new Shares. As at the date of this announcement, no Share has been issued under the General Mandate.

REASONS FOR AND BENEFIT FROM THE CONSULTANCY AGREEMENT

The Group is principally engaged in the provision of advertising agency services and distribution of book and magazines in the People's Republic of China.

The Consultant is principally engaged to, among others, (i) procure the investment opportunity with the Company in an internet payment related project in the PRC; (ii) assist the Company in negotiating the best terms of investment into such internet payment related project; (iii) assist the Company in the investment structure into such project; and (iv) lead a team of professional parties in evaluating, negotiating, due diligence, executing the Company's investment in such project.

The Directors consider that the Consultant has good business networks and human relationships in electronic commerce, mobile payment and cloud data services, which is beneficial to the business diversification development of the Company and seizing new acquisition opportunities.

As at the date of this announcement, the Consultant has entered into a non-binding memorandum of understanding and under further negotiation with a third party (the "**Third Party**"), who is an official operator of e-commerce and internet payment systems owned by a bankcard association in the PRC (the "**PRC Bankcard Association**"), in relation to an internet payment related project(s) in the PRC.

In 2011, the PRC Bankcard Association had appointed the Third Party as a business partner in respect of the establishment of internet payment platform for the purpose of serving cross boarder online settlements in the PRC.

The Third Party has established its own online shopping platform for global wholesale and retail trade covering different high end product categories, including but not limited to the consumer electronics, apparels and daily essentials.

The issue of the Warrants will provide immediate funding without immediate dilution of the shareholdings of the existing Shareholders, and, if the subscription rights attaching to the Warrants are exercised, it will benefit the long-term business diversification development of the Company by broadening the capital base of the Company. Accordingly, the Directors are of the view that the terms of the Consultancy Agreement and the transactions contemplated thereunder, including the issue of the Warrants and the Warrant Shares, are fair and reasonable in the interest of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The gross proceeds and net proceeds from the issue of the Warrants will be approximately HK\$347,000 and HK\$177,000 respectively, which are intended to be used as general working capital of the Company. The net issue price per Warrant is approximately HK\$0.0005.

Assuming the full exercise of the subscription rights attaching to the Warrants at the Subscription Price, it is expected that an additional gross amount of HK\$239.43 million will be raised. The net proceeds (after deduction of all related expenses) of approximately HK\$238.73 million will be used to finance the operation and development of the Group. The net subscription price per Warrant Share is approximately HK\$0.69.

FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement:

CHANGES IN THE SHAREHOLDINGS STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has an authorised share capital of HK\$300,000,000 divided into 3,000,000,000 Shares of HK\$0.10 each, of which 1,742,315,172 Shares have been issued and are fully-paid.

For illustration purpose only, the shareholding structure of the Company as at the date of this announcement and immediately after the full exercise of the subscription rights attaching to the Warrants are as follows:

| | As at the date of this announcement | | Immediately after the full exercise of the subscription rights attaching to the Warrants | |
|-------------------------------------|--|-----------------------|--|-----------------------|
| | <i>No. of Shares</i> | <i>Approximate %</i> | <i>No. of Shares</i> | <i>Approximate %</i> |
| Shareholders | | | | |
| United Home Limited (<i>Note</i>) | 658,788,699 | 37.81% | 658,788,699 | 31.53% |
| Consultant | – | – | 347,000,000 | 16.61% |
| Public Shareholders | <u>1,083,526,473</u> | <u>62.19%</u> | <u>1,083,526,473</u> | <u>51.86%</u> |
| Total | <u><u>1,742,315,172</u></u> | <u><u>100.00%</u></u> | <u><u>2,089,315,172</u></u> | <u><u>100.00%</u></u> |

Note:

The 122,644,210 Shares held by Carlet Investments Ltd. are indirectly owned by United Home Limited by virtue of its 100% interest in Carlet Investments Ltd. In addition to the 122,644,210 Shares (representing approximately 7.04% of the entire issued Shares as at the date hereof) held by Carlet Investments Ltd., 536,144,489 Shares which represents approximately 30.77% of the entire issued Shares as at the date hereof, are directly owned by United Home Limited. Messrs. Wang Boming, Zhang Zhifang and Dai Xiaojing, being directors of the Company, each holds 1 share in United Home Limited which has a total of 15 shares issued as at the date hereof. Messrs. Wang Boming, Zhang Zhifang and Dai Xiaojing are also directors of United Home Limited.

ISSUE OF WARRANTS

Pursuant to Rule 15.02(1) of the Listing Rules, the Warrant Shares to be issued upon exercise of the Warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Warrants are issued. Options granted under employee or executive share schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit.

As at the date of this announcement, save and except for an aggregate of 40,350,000 share options granted by the Company pursuant to the share option scheme adopted by the Company on 26 August 2002, the Company did not have other securities with subscription rights outstanding and not yet exercised. Assuming full exercise of the subscription rights attaching to the Warrants, 347,000,000 Warrant Shares (representing approximately 19.92% of the existing issued share capital of the Company as at the date of this announcement) will be issued. Accordingly, the issue of the Warrants will be in compliance with the Rule 15.02(1) of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

| | |
|-------------------------|--|
| “AGM” | the annual general meeting of the Company held on 28 April 2014 |
| “Board” | the board of Directors |
| “Company” | SEEC Media Group Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange |
| “Consultancy Agreement” | the service agreement dated 26 September 2014 entered into between the Company and the Consultant in respect of the Consultancy Services |
| “Consultancy Services” | pursuant to the Consultancy Agreement, the Consultant shall, among others, (i) procure the investment opportunity with the Company in an internet payment related project in the PRC; |

- (ii) assist the Company in negotiating the best terms of investment into such internet payment related project;
- (iii) assist the Company in the investment structure into such project; and
- (iv) lead a team of professional parties in evaluating, negotiating, due diligence, executing the Company's investment in such project.

| | |
|---------------------|--|
| “Consultant” | Quantum Key Technology Limited, a company incorporated under the laws of Hong Kong with limited liability |
| “Directors” | directors of the Company |
| “Exercise Period” | a period of 12 months commencing from the date of the issue of the Warrants |
| “General Mandate” | the general mandate granted to the Directors pursuant to the resolution passed by the Shareholders at the AGM to allot, issue and deal with up 347,913,034 new Shares, representing 20% of the issued share capital of the Company as at the date of passing such resolution |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Issue Price” | HK\$0.001, being the issue price per Warrant |
| “Listing Committee” | has the meanings ascribed to it under the Listing Rules |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |

| | |
|----------------------|--|
| “PRC” | The People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the issued Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Price” | HK\$0.69 (subject to adjustment), being the subscription price per Warrant Share at which the holder of each Warrant may subscribe for the Warrant Shares |
| “Warrant(s)” | a total of 347,000,000 unlisted transferable warrants to be issued by the Company at the Issue Price, each conferring rights entitling its holder(s) to subscribe for up to 347,000,000 Warrant Shares at the Subscription Price |
| “Warrant Share(s)” | new Shares to be allotted and issued by the Company upon the exercise of the subscription rights attaching to the Warrants |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent |

By order of the Board
SEEC Media Group Limited
Zhang Zhifang
Executive Director

Hong Kong, 26 September 2014

As at the date hereof, the Board comprises Mr. Wang Boming, Mr. Zhang Zhifang, Mr. Dai Xiaojing, Mr. Zhou Hongtao and Mr. Suen Man, Simon as executive directors and Mr. Wang Xiangfei, Mr. Zhang Ke and Mr. Ding Yu Cheng as independent non-executive directors.