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## **SEEC MEDIA GROUP LIMITED**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 205)**

### **PAST CONTINUING CONNECTED TRANSACTION AND FUTURE CONTINUING CONNECTED TRANSACTION INVOLVING PRC LEASE AGREEMENTS**

Reference is made to the 2012 Announcement.

The Board announces that on 21 December 2015, Beijing Caixun, Shenzhen Caixun and Jinzheng Ronglian Advertising, all as lessees, entered into the Existing Lease Agreement I, Existing Lease Agreement II and Existing Lease Agreement III, respectively with Shanghai SEEC, as lessor, whereby Beijing Caixun, Shenzhen Caixun and Jinzheng Ronglian Advertising agreed to lease the Premises I, Premises II and Premises III, respectively from Shanghai SEEC for a term of 12 months commencing from 1 January 2016 for office use purpose. The monthly rental payable by Beijing Caixun, Shenzhen Caixun and Jinzheng Ronglian Advertising to Shanghai SEEC is RMB213,457.28, RMB34,955.55 and RMB48,790.76 respectively.

At the time of entering into of the Existing Lease Agreements by the Group, Shanghai SEEC had undergone a restructuring whereby it was considered to be no longer a connected person of the Company, therefore it would not trigger any implications under Chapter 14A of the Listing Rules.

However, the Board has recently reconsidered the whole arrangement and, as a matter of prudence, concluded that as the Three Directors (namely Mr. Wang Boming and Mr. Zhang Zhifang, both are existing Directors; and Mr Dai Xiaojing, a past Director, who are all connected persons) collectively, may exercise effective control over Shanghai SEEC, the entering into of the Existing Lease Agreements might have constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the Past Continuing Connected Transaction were less than 5%, the entering into of the Existing Lease Agreements would have been subject to the announcement, annual review and reporting requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The terms of the Existing Lease Agreements were arrived at after arm's length negotiations between the Group and Shanghai SEEC with reference to the market rents of similar properties in the Chaoyang District of Beijing, the PRC.

On the other hand, as (a) the Group has been leasing some of the Premises from Shanghai SEEC since November 2002; and (b) due to the recent proposed disposal of certain PRC properties in Prime Tower by the Group as announced by the Company on 18 and 27 September 2016, the Directors consider that there will be considerable time and cost saving (in terms of relocation and renovation) for the Group and in the interests of the Group to continue to lease the Premises from Shanghai SEEC. As such, the Board announces that on 18 October 2016, Beijing Caixun, Shenzhen Caixun and Jinzheng Ronglian Advertising entered into the New Lease Agreement I, New Lease Agreement II and New Lease Agreement III, respectively with Shanghai SEEC whereby Beijing Caixun, Shenzhen Caixun and Jinzheng Ronglian Advertising agreed to lease the Premises I, Premises II and Premises III, respectively from Shanghai SEEC for a term of 24 months commencing from 1 January 2017 for office use purpose. The monthly rental payable by Beijing Caixun, Shenzhen Caixun and Jinzheng Ronglian Advertising to Shanghai SEEC will be RMB223,998.38, RMB36,681.75 and RMB51,200.18 respectively.

The terms of the New Lease Agreements are arrived at after arm's length negotiations between the Group and Shanghai SEEC with reference to the market rents of similar properties in the Chaoyang District of Beijing, the PRC.

The entering into of the New Lease Agreements constitutes continuing connected transactions for the Company under Chapter 14 A of the Listing Rules.

As the applicable percentage ratios for the Future Continuing Connected Transaction are less than 5%, the transactions contemplated under the Future Continuing Connected Transaction are subject to the announcement, annual review and reporting requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the 2012 Announcement where the Company announced that, among other things, the Company entered into certain lease agreements with Shanghai SEEC which constituted continuing connected transactions for the Company under the then Listing Rules.

The purpose of this announcement is to supply the shareholders of the Company with information relating to the Past Continuing Connected Transaction and the Future Continuing Connected Transaction.

## **1. THE EXISTING LEASE AGREEMENTS AND PAST CONTINUING CONNECTED TRANSACTION**

The Board announces that on 21 December 2015, Beijing Caixun, Shenzhen Caixun and Jinzheng Ronglian Advertising, all as lessees, entered into the Existing Lease Agreement I, Existing Lease Agreement II and Existing Lease Agreement III, respectively with Shanghai SEEC, as lessor, the particulars of which are set out below:

### **Particulars of Existing Lease Agreement I**

Date:	21 December 2015
Parties:	Lessor: Shanghai SEEC Lessee: Beijing Caixun
Premises I:	Room 617 of 6th Floor, Units C, D, G, H, I, J and K of 10th Floor, Room 1516 of 15th Floor and Rooms 1616-1617 of 16th Floor, Prime Tower, 22 Chaoyangmenwai Daijie, Chaoyang District, Beijing, Postal No. 100020, the PRC
Gross Floor Area:	1,756.85 square metres
Term:	12 months commencing from 1 January 2016 and expiring on 31 December 2016 (both dates inclusive), provided that either party may terminate the Existing Lease Agreement I with a month prior notice in writing
Rental:	RMB213,457.28 per month payable monthly

### **Particulars of Existing Lease Agreement II**

Date:	21 December 2015
Parties:	Lessor: Shanghai SEEC Lessee: Shenzhen Caixun
Premises II:	Room 807 of 8th Floor and Room 1516 of 15th Floor, Prime Tower, 22 Chaoyangmenwai Daijie, Chaoyang District, Beijing, Postal No. 100020, the PRC
Gross Floor Area:	287.70 square metres
Term:	12 months commencing from 1 January 2016 and expiring on 31 December 2016 (both dates inclusive), provided that either party may terminate the Existing Lease Agreement II with a month prior notice in writing
Rental:	RMB34,955.55 per month payable monthly

### **Particulars of Existing Lease Agreement III**

Date:	21 December 2015
Parties:	Lessor: Shanghai SEEC Lessee: Jinzheng Ronglian Advertising
Premises III:	Section E of 10th Floor and Room 1516 of 15th Floor, Prime Tower, 22 Chaoyangmenwai Daijie, Chaoyang District, Beijing, Postal No. 100020, the PRC
Gross Floor Area:	401.57 square metres
Term:	12 months commencing from 1 January 2016 and expiring on 31 December 2016 (both dates inclusive), provided that either party may terminate the Existing Lease Agreement III with a month prior notice in writing
Rental:	RMB48,790.76 per month payable monthly

The annual rental expected to be paid by the Group to Shanghai SEEC in respect of the leasing of the Premises for the financial year ending 31 December 2016 will be RMB3,566,443.08.

### **Annual Cap**

Based on the monthly rental of RMB213,457.28, RMB34,955.55 and RMB48,790.76 payable under the Existing Lease Agreement I, Existing Lease agreement II and Existing Lease Agreement III respectively, which amount to an aggregate monthly rental of RMB297,203.59 payable under the Existing Lease Agreements, the maximum aggregate amount payable under the Past Continuing Connected Transaction for the 12 months ending 31 December 2016 will not exceed RMB3,566,443.08 (approximately HK\$4,245,766).

## **2. THE NEW LEASE AGREEMENTS AND FUTURE CONTINUING CONNECTED TRANSACTION**

The Board further announces that on 18 October 2016, Beijing Caixun, Shenzhen Caixun and Jinzheng Ronglian Advertising, all as lessees, entered into the New Lease Agreement I, New Lease Agreement II and New Lease Agreement III, respectively with Shanghai SEEC, as lessor, the particulars of which are set out below:

### **Particulars of New Lease Agreement I**

Date:	18 October 2016
Parties:	Lessor: Shanghai SEEC Lessee: Beijing Caixun
Premises I:	Room 617 of 6th Floor, Units C, D, G, H, I, J and K of 10th Floor, Room 1516 of 15th Floor and Rooms 1616-1617 of 16th Floor, Prime Tower, 22 Chaoyangmenwai Daijie, Chaoyang District, Beijing, Postal No. 100020, the PRC
Gross Floor Area:	1,756.85 square metres
Term:	24 months commencing from 1 January 2017 and expiring on 31 December 2018 (both dates inclusive), provided that either party may terminate the New Lease Agreement I with a month prior notice in writing
Rental:	RMB223,998.38 per month payable monthly

### **Particulars of New Lease Agreement II**

Date:	18 October 2016
Parties:	Lessor: Shanghai SEEC Lessee: Shenzhen Caixun
Premises II:	Room 807 of 8th Floor and Room 1516 of 15th Floor, Prime Tower, 22 Chaoyangmenwai Daijie, Chaoyang District, Beijing, Postal No. 100020, the PRC
Gross Floor Area:	287.70 square metres
Term:	24 months commencing from 1 January 2017 and expiring on 31 December 2018 (both dates inclusive), provided that either party may terminate the New Lease Agreement II with a month prior notice in writing
Rental:	RMB36,681.75 per month payable monthly

### **Particulars of New Lease Agreement III**

Date:	18 October 2016
Parties:	Lessor: Shanghai SEEC Lessee: Jinzheng Ronglian Advertising
Premises III:	Section E of 10th Floor and Room 1516 of 15th Floor, Prime Tower, 22 Chaoyangmenwai Daijie, Chaoyang District, Beijing, Postal No. 100020, the PRC
Gross Floor Area:	401.57 square metres
Term:	24 months commencing from 1 January 2017 and expiring on 31 December 2018 (both dates inclusive), provided that either party may terminate the New Lease Agreement III with a month prior notice in writing
Rental:	RMB51,200.18 per month payable monthly

The annual rental expected to be paid by the Group to Shanghai SEEC in respect of the leasing of the Premises for the financial years ending 31 December 2017 and 31 December 2018 will be RMB3,742,563.72 and RMB3,742,563.72 respectively.

#### **Annual Cap**

Based on the monthly rental of RMB223,998.38, RMB36,681.75 and RMB51,200.18 payable under the New Lease Agreement I, New Lease agreement II and New Lease Agreement III respectively, which amount to an aggregate monthly rental of RMB311,880.31 payable under the New Lease Agreements, the maximum aggregate amount payable under the Future Continuing Connected Transaction for the 12 months ending 31 December 2017 and, 12 months ending 31 December 2018 will not exceed RMB3,742,563.72 (approximately HK\$4,455,433) and RMB3,742,563.72 (approximately HK\$4,455,433) respectively.

## **2. REASONS FOR AND BENEFITS OF ENTERING INTO OF THE EXISTING LEASE AGREEMENTS AND THE NEW LEASE AGREEMENTS**

Shanghai SEEC is principally engaged in the business of investment consulting. The principal activity of the Company is investment holding and the Group is principally engaged in the provision of advertising agency services, distribution of books and magazines in the PRC and securities brokerage business in Hong Kong. The Premises are being used by the Group for office purpose in the PRC. As (a) the Group has been leasing some of the Premises from Shanghai SEEC since November 2002; and (b) due to the recent proposed disposal of certain PRC properties in Prime Tower by the Group as announced by the Company on 19 and 27 September 2016, the Directors consider that there will be considerable time and cost saving (in terms of relocation and renovation) for the Group and in the interests of the Group to continue to lease the Premises from Shanghai SEEC. Further, the Directors consider that having their offices in the central business district of Beijing will enhance the corporate image of the Group.

The terms of the each of the Existing Lease Agreements and New Lease Agreements were/are arrived at after arm's length negotiations between the Group and Shanghai SEEC with reference to the market rents of similar properties in the Chaoyang District of Beijing, the PRC.

The Directors (except Mr. Wang Boming and Mr. Zhang Zhifang who abstained from participating in the ratification and approval of each of the Existing Lease Agreements and the New Lease Agreements due to their respective interests therein), including the independent non-executive Directors, consider that each of the Past Continuing Connected Transaction and the Future Continuing Connected Transaction was/is in the ordinary and usual course of business of the Company; and the terms of each of the Existing Lease Agreements and the New Lease Agreements were/are based on normal commercial terms and were/are fair and reasonable and in the interest of the Company and its shareholders as a whole.

### **3. IMPLICATIONS UNDER THE LISTING RULES**

Prior to the restructuring of Shanghai SEEC, it was considered to be a connected person by virtue of the interest of Mr. Wang Boming in Shanghai SEEC. Hence, the entering into of any lease agreement between the Group and Shanghai SEEC would have constituted continuing connected transaction for the Company under the then Rule 14A.14 of the Listing Rules.

At the time of the entering into of the Existing Lease Agreements, Shanghai SEEC had undergone a restructuring whereby the ownership of Shanghai SEEC became 59% owned by Beijing Lianzheng I&T and 41% owned by Beijing Liancheng I&C. The registered capital of Beijing Lianzheng I&T is owned, as to 10.23% by Mr. Wang Boming (a Director), 9.44% by Mr. Zhang Zhifang (a Director), 7.08% by Mr. Dai Xiaojing (who was a Director), 3.0% by Mr. Wangwei (a PRC national and an Independent Third Party), 3.15% by Ms. Liu Hong (a PRC national and an Independent Third Party), 8.66 % by Mr. Zhu Kai (a PRC national and an Independent Third Party) and 58.44% by Beijing Liancheng I&C. The board of directors of Beijing Lianzheng I&T comprises Mr. Wang Boming (a Director), Mr. Zhang Zhifang (a Director), Ms. Wang Li (a PRC national and an Independent Third Party) and Mr. Dai Xiaojing (who was a Director). None of them individually controls the board of directors of Beijing Lianzheng I&T.

The registered capital of Beijing Liancheng I&C is owned, as to 25% each by Mr. Wang Boming and Mr. Zhang Zhifang who are Directors, Mr. Dai Xiaojing who was a Director, and Ms. Wang Li, a PRC national and an Independent Third Party. The board of directors of Beijing Liancheng I&C comprises Mr. Wang Boming (a Director), Mr. Zhang Zhifang (a Director) and Ms. Wang Li (a PRC national and an Independent Third Party). None of them individually controls the board of directors of Beijing Liancheng I&C.

In light of the change in the shareholding structure of Shanghai SEEC, the Board then considered that the entering into of the Existing Lease Agreements would not have constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. However, the Board has recently reconsidered the whole arrangement and, as a matter of prudence, concluded that as (a) the Three Directors collectively may exercise effective control over the board of directors of Beijing Lianzheng I&T; and (b) Mr. Wang Boming and Mr. Zhang Zhifang, collectively may also have control of the board of directors of Beijing Liancheng I&C which in turn has a 58.44% shareholding interest (i.e. a controlling interest) in Beijing Lianzheng I&T which in turn has a 59% shareholding interest (i.e. a controlling interest) in Shanghai SEEC, Shanghai SEEC may, under the circumstances, constitute an associate of the Three Directors. Therefore, the entering into of the Existing Lease Agreements might have constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the Past Continuing Connected Transaction were less than 5%, the entering into of the Existing Lease Agreements would have been subject to the announcement, annual review and reporting requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Due to the above-mentioned reasons, the announcement of the Existing Lease Agreements is only made today, which is more than 10 months after the Existing Lease Agreements were entered into. In the circumstances, the Company might have been in breach of Rule 14A.35 of the Listing Rules.

Moving forward, the Directors (including the independent non-executive Directors) will take the following immediate remedial measures to prevent the re-occurrence of similar incident and to ensure timely compliance of the relevant provisions of Chapter 14A of the Listing Rules:

1. circulate a current list of connected persons to all Directors, senior management and relevant accounting staff of the Group; and
2. in the event of any doubt as to whether a proposed transaction will constitute a connected or continuing connected transaction in the future, the Stock Exchange would be consulted on a timely manner prior to entering into any such transaction.

The Directors confirm that as far as they are aware and save for the above, there is no other connected transaction that the Company ought to disclose under the relevant requirements of the Listing Rules as at the date of this announcement.

As regards the New Lease Agreements, for the same reasoning above-mentioned, the entering into of the New Lease Agreements constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the Future Continuing Connected Transaction are less than 5%, the transactions contemplated under the Future Continuing Connected Transaction are subject to the announcement, annual review and reporting requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the Past Continuing Connected Transaction and the Future Continuing Connected Transaction will be included in the published annual report of the Company for the year ending 31 December 2016.



#### 4. DEFINITIONS

“2012 Announcement”	the announcement of the Company dated 20 December 2012 in respect of, among other things, certain lease agreements regarding certain of the Premises
“associates”	has the meaning ascribed to it under the Listing Rules
“Beijing Caixun”	北京財訊文化傳媒有限公司 (Beijing Caixun Culture and Media Co., Ltd.*) previously known as 北京財訊廣告有限公司 (Beijing Caixun Advertising Co., Ltd.*), a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Beijing Liancheng I&C”	北京聯誠投資諮詢有限公司 (Beijing Liancheng Investment Consultancy Co., Ltd.*), a limited liability company established under the laws of the PRC which is owned as to 25% each by the Three Directors and Ms. Wang Li, a PRC national and an Independent Third Party
“Beijing Lianzheng I&T”	北京聯證信息科技有限公司 (Beijing Lianzheng Information & Technology Company Ltd*), a limited liability company incorporated under the laws of the PRC which is owned as to 10.23% by Mr. Wang Boming (a Director), 9.44% by Mr. Zhang Zhifang (a Director), 7.08% by Mr. Dai Xiaojing (a past Director), 3.0% by Mr. Wangwei, 3.15% by Ms. Liu Hong and 8.66 % by Mr. Zhu Kai and 58.44% by Beijing Liancheng I&C
“Board”	the board of Directors
“Company”	SEEC Media Group Limited, a company incorporated under the laws of the Cayman Islands and continued in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Lease Agreements”	the Existing Lease Agreement I, Existing Lease Agreement II and Existing Agreement III

“Existing Lease Agreement I”	the existing lease agreement dated 21 December 2015 entered into between Beijing Caixun and Shanghai SEEC in respect of the Premises I
“Existing Lease Agreement II”	the existing lease agreement dated 21 December 2015 entered into between Shenzhen Caixun and Shanghai SEEC in respect of the Premises II
“Existing Lease Agreement III”	the existing lease agreement dated 21 December 2015 entered into between Jinzheng Ronglian Advertising and Shanghai SEEC in respect of the Premises III
“Future Continuing Connected Transaction”	the continuing connected transactions contemplated under the New Lease Agreements
“Group”	the Company and its subsidiaries
“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
“Independent Third Party”	an independent third party who is not connected with any directors, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates; and “Independent Third Parties” shall be construed accordingly
“Jinzheng Ronglian Advertising”	北京金証榮聯廣告有限公司 (Beijing Jinzheng Ronglian Advertising Co., Ltd.*), a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“New Lease Agreements”	the New Lease Agreement I, New Lease Agreement II and New Lease Agreement III
“New Lease Agreement I”	the new lease agreement dated 18 October 2016 entered into between Shanghai SEEC as lessor and Beijing Caixun as lessee in respect of the Premises I
“New Lease Agreement II”	the new lease agreement dated 18 October 2016 entered into between Shanghai SEEC as lessor and Shenzhen Caixun as lessee in respect of the Premises II

“New Lease Agreement III”	the new lease agreement dated 18 October 2016 entered into between Shanghai SEEC as lessor and Jinzheng Ronglian Advertising as lessee in respect of the Premises III
“Past Continuing Connected Transaction”	the continuing connected transactions contemplated under the Existing Lease Agreements
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“PRC”	The People’s Republic of China which excludes Hong Kong for the purposes of this announcement
“Premises”	Premises I to Premises III
“Premises I”	Room 617 of 6th Floor, Units C, D, G, H, I, J and K of 10th Floor, Room 1516 of 15th Floor and Rooms 1616-1617 of 16th Floor, Prime Tower, 22 Chaoyangmenwai Daijie, Chaoyang District, Beijing, Postal No. 100020, the PRC
“Premises II”	Room 807 of 8th Floor and Room 1516 of 15th Floor, Prime Tower, 22 Chaoyangmenwai Daijie, Chaoyang District, Beijing, Postal No. 100020, the PRC
“Premises III”	Section E of 10th Floor and Room 1516 of 15th Floor, Prime Tower, 22 Chaoyangmenwai Daijie, Chaoyang District, Beijing, Postal No. 100020, the PRC
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Shanghai SEEC”	上海聯辦投資發展有限公司 (Shanghai SEEC Investment and Development Corporation*), a limited liability company established under the laws of the PRC
“Shenzhen Caixun”	深圳財訊廣告有限公司 (Shenzhen Caixun Advertising Co., Ltd.*), a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Three Directors”	two of the existing Directors, namely Mr. Wang Boming and Mr. Zhang Zhifang, and a past Director Mr Dai Xiaojing, who are all connected persons
“%”	per cent

*For the purposes of this announcement, unless otherwise indicated, the exchange rate of HK\$1.00 = RMB0.84 has been used. This exchange rate is used for the purpose of illustration only and do not constitute a representation that any amount have been, could have been or may be exchanged.*

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

Hong Kong, 18 October 2016

*As at the date of this announcement, the executive Directors are Mr. Wang Boming (Chairman), Mr. Zhang Zhifang, Mr. Zhou Hongtao, Mr. Li Leong and Mr. Li Xi; and the independent non-executive Directors are Mr. Law Chi Hung, Ms. Wensy Ip and Mr. Wong Ching Cheung.*

*\* for identification purposes only*