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SEEC MEDIA GROUP LIMITED

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

(Stock Code: 205)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



中國保盛證券有限公司
CHINA PROSPECT SECURITIES LIMITED

On 22 June 2020 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, up to 63,730,000 Placing Shares at the Placing Price of HK\$0.110 per Placing Share to not less than six Placees who are professional, institutional, or other investors that are third parties independent of the Company and its connected persons. The Placing Shares will be allotted and issued pursuant to the General Mandate.

Assuming the Placing Shares are fully placed, the maximum number of 63,730,000 Placing Shares under the Placing represents approximately 20.00% of the issued share capital of the Company as at the date of this announcement, and approximately 16.67% of the issued share capital as enlarged by the issue of the Placing Shares.

The Board considers that the Placing represents a good opportunity for the Company to raise additional funds and to widen the Company's shareholder base. The terms of the Placing Agreement (including the Placing Price and the placing commission) were determined after arm's length negotiations between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to approximately HK\$7.01 million and approximately HK\$6.84 million, respectively. The Company intends to use such net proceeds for the general working capital of the Group and improve the cash position of the Group which then can help establishing and strengthening the existing and future business of the Group.

Given that completion of the Placing may or may not take place, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

THE PLACING AGREEMENT

Date

22 June 2020 (after trading hours)

Parties

Issuer: The Company

Placing Agent: China Prospect Securities Limited

The Placing Agent is an indirect wholly-owned subsidiary of the Company.

Placing

The Placing Agent has conditionally agreed to place, or procure the placing of, up to 63,730,000 Placing Shares at the Placing Price of HK\$0.110 per Placing Share on a best effort basis and will receive a placing commission of 2.5% of the Placing Price multiplied by the actual number of Placing Shares placed by the Placing Agent (i.e. the gross proceeds from the Placing).

The placing commission payable to the Placing Agent under the Placing Agreement is arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market commission rate for similar transactions. The Directors are of the view that the placing commission is fair and reasonable.

Placees

The Placing Agent will place the Placing Shares to professional, institutional, or other investors that are third parties independent of the Company and its connected persons. It is expected that the Placing Shares will be placed to not less than six Placees.

Number of Placing Shares

Assuming the Placing Shares are fully placed, the maximum number of 63,730,000 Placing Shares under the Placing represents approximately 20.00% of the issued share capital of the Company as at the date of this announcement, and approximately 16.67% of the issued share capital as enlarged by the issue of the Placing Shares. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$637,300.

Placing Price

The Placing Price is HK\$0.110 per Placing Share which represents:

- (a) a discount of approximately 9.8% to the closing price of HK\$0.122 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) a discount of approximately 10.3% to the average closing price of HK\$0.1226 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined on an arm's length basis between the Company and the Placing Agent and with reference to the prevailing market price of the Shares. The Directors consider that the Placing Price is fair and reasonable based on the current market conditions.

Placing Shares

The Placing Shares will be allotted and issued under the General Mandate granted to the Board at the AGM held on 10 June 2019 pursuant to which the Board is authorised to allot, issue and deal with up to 63,735,455 Shares (the number is adjusted to reflect the effect of the share consolidation involving every 20 issued and unissued shares of the Company consolidated into 1 consolidated shares of the Company with effective on 4 May 2020). As at the date of this announcement, the Company had not utilised the General Mandate and the maximum of 63,730,000 Placing Shares under the Placing represents approximately 99.99% of the entire General Mandate.

The allotment and issue of the Placing Shares is not subject to any additional Shareholders' approval.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Conditions precedent

Completion of the Placing Agreement is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in the Placing Shares.

If the above condition is not satisfied and on or before 15 July 2020, being fifteenth Business Day after the date of the Placing Agreement, or such later date to be agreed between the Company and the Placing Agent in writing, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties under the Placing Agreement will forthwith cease and determine and no party will have any claim against the other (save for any antecedent breaches).

Completion

Completion of the Placing will take place within four Business Days after the fulfilment of the conditions as set out above or such other date to be agreed between the Company and the Placing Agent in writing (the “**Completion Date**”).

Rescission of the Placing Agreement

If any of the following events occur at any time prior to 10:00 a.m. on the Completion Date, the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the Completion Date provided that such notice is received prior to 6:00 p.m. on the day immediately preceding the Completion Date, rescind the Placing Agreement without liability to the other party, and the Placing Agreement shall thereupon cease to have effect and none of the parties shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:

- (i) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (ii) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (iii) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the representations and warranties contained in the Placing Agreement untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (iv) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances; or
- (v) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the provision of advertising agency services, distribution of books and magazines, securities brokerage business, money lending business and e-commerce business in the People's Republic of China and in Hong Kong.

The Board considers that the Placing represents a good opportunity for the Company to raise additional funds and to widen the Company's shareholder base. The terms of the Placing Agreement (including the Placing Price and the placing commission) were determined after arm's length negotiations between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to approximately HK\$7.01 million and approximately HK\$6.84 million, respectively. The Company intends to use such net proceeds for the general working capital of the Group and improve the cash position of the Group which then can help establishing and strengthening the existing and future business of the Group. The net placing price per Placing Share will be HK\$0.1067.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months from the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY UPON COMPLETION OF THE PLACING

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Placing (assuming the maximum number of Placing Shares are placed and there is no change in the share capital of the Company from the date of this announcement up to the completion of the Placing) are set out as follows:

Name of Shareholders	(i) As at date of this announcement		(ii) Immediately upon completion of the Placing	
	<i>Number of Shares held</i>	<i>Approximate % of total Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of total Shares in issue</i>
Substantial Shareholder:				
Ni Songhua	28,815,000	9.04	28,815,000	7.53
Public Shareholders:				
The Placees	–	–	63,730,000	16.67
Other public Shareholders	289,862,275	90.96	289,862,275	75.80
Total	<u>318,677,275</u>	<u>100.00</u>	<u>382,407,275</u>	<u>100.00</u>

Given that completion of the Placing may or may not take place, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meaning set out below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company held on 10 June 2019
“Board”	the board of Directors
“Business Day(s)”	a day other than a Saturday, Sunday or public holiday or a day on which typhoon signal no. 8 or above or a “black” rainstorm warning is hoisted in Hong Kong, on which banks are open for commercial business in Hong Kong

“Company”	SEEC Media Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 205)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, corporate, institutional or other investor(s) procured by the Placing Agent or its agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 63,730,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	China Prospect Securities Limited, an indirect wholly-owned subsidiary of the Company and is a licensed corporation to carry on business in Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 22 June 2020 in relation to the Placing
“Placing Price”	HK\$0.110 per Placing Share

“Placing Shares”	up to 63,730,000 new Shares to be placed pursuant to the Placing Agreement
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
SEEC Media Group Limited
Li Leong
Executive Director

Hong Kong, 22 June 2020

As at the date of this announcement, the Board comprises Mr. Li Leong, Mr. Li Xi, Mr. Li Zhen, Mr. Zhang Zhifang and Mr. Zhou Hongtao as the executive directors and Mr. Law Chi Hung, Mr. Leung Tat Yin and Mr. Wong Ching Cheung as the independent non-executive director.