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SEEC MEDIA GROUP LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 205)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Reference is made to the annual report of SEEC Media Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2022 (the “**2022 Annual Report**”) published on 28 April 2023. Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the 2022 Annual Report.

In addition to the information disclosed in the Annual Report, the Company wishes to provide the Shareholders and the public with additional information in relation to the 2022 Annual Report as follows.

USE OF PROCEEDS

The Company would like to provide information on the use of proceeds as follow:

On 15 August 2022, the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 120,000,000 new Shares at the Subscription Price of HK\$0.4 per Subscriptions Share (the “**Subscriptions**”). The Subscription was completed on 1 September 2022, whereby 120,000,000 subscription shares were allotted and issued to the subscribers. The net proceeds (after deducting the other expenses) from the Subscriptions amounted to approximately HK\$47.8 million. The Company intended to use such net proceeds to expand advertising business, especially the digital media marketing services and multi-channel network services of the Group. As at the date of this announcement, HK\$10 million of net proceeds was utilised. The expected timeline for utilization of the unused net proceeds will be on or before 31 December 2023.

Nature	Original intended use of proceeds <i>HK\$'million</i>	Actual use of proceeds as at the date of this announcement <i>HK\$'million</i>	Remaining balance <i>HK\$'million</i>	Expected timeline for fully utilising the remaining proceeds
Subscription of New Shares Expand advertising business	47.8	10.0	37.8	31 December 2023

MONEY LENDING

In respect of the money lending business, the Group targeted on conducting money lending business by providing secured or unsecured loans to a variety of customers, including individuals and corporations. The source of customers is mainly past customers, referral from business network or connections of the management. Loans are mainly large amounts of secured loans. Based on the creditability of customers, the Group will assess whether collateral are needed and the coverage of collateral on a case by case basis in a loan application, it is assessed on a case-by-case basis. Normally a collateral is requested unless the loan has other guarantors or supporting documents of financial ability of borrower and/or guarantors could be provided for satisfactory assessment. The source of funds for the lending business is funded by the internal resources of the Group.

Before the loans were granted, an independent credit assessment has been performed. The independent credit assessment will individually access the potential borrowers' credit quality included but was not limited to assessment on the credit history and financial background of the potential borrowers, the responsible officer will obtain their identity proof such as identity card or passport for individuals and business registration certificate, latest annual return and the constitutional documents for corporate, income or asset proof of the potential borrower and their guarantor such as share certificates or bank statements, the evaluation of the value of the collateral and the verification of the authenticity of the information provided, to ensure the recovery ability of the loan. If necessary, the Group will also engage a valuation company to assist in assessing the value of the collateral. The independent credit assessment will defines the credit limits granted to the potential borrowers. The credit limit of loans successfully granted to the borrowers will be subject to regular credit review by the management as part of the ongoing loan monitoring process. Therefore, after the loan is granted, the Group will still conduct checks on the value of the collateral on a monthly basis and when the Group perceives that there is a huge fluctuation in the relevant market of the collateral so as to ensure that there is no material deterioration in value.

In order to minimise the Group's exposure to credit risk and follow up closely with its customers as to the deadlines in payment of interest and principal of the loans, an aging analysis of the borrowers are prepared on a monthly basis and is closely monitored to minimise any credit risk associated with these borrowers. The responsible officer will report the status of the Group's loan portfolio to the Directors on a monthly basis, the Director can closely monitor the loan portfolio and evaluate the collectability to continue to adopt risk control and management strategies. The Group has standard procedures in dealing with default in payment, if the debt is overdue for 3 months, responsible officer will send reminder and/or demand letters to its customers. If the debt is overdue for 6 months, the management will consider to engage lawyers in advising on the loan and its recovery and enforcement action.

For the loan portfolio as at 31 December 2022, the principal amount of the loans ranged from approximately HK\$0.2 million to HK\$20.9 million. The amount of secured loans was approximately HK\$85.9 million and the amount of unsecured loans was approximately HK\$60.4 million. The secured loans were secured by Hong Kong listed companies shares. Both of the secured and unsecured loans with interest rates ranging from 8.0% to 10.0% per annum. The tenure of the secured loans are one year and all the loan granted are non-revolving and the tenure of the unsecured loans ranged from one to three years and all the loan granted are non-revolving. As at 31 December 2022, the loan receivables included forty individual customers and one corporate customers, of which the largest and the five largest borrowers had loan receivables of approximately HK\$20,850,000 and HK\$91,871,000, respectively, being approximately 13% and 48% to the total loan receivables from the Group. The corporate customer is an investment holding company and all individual customers were third parties independent of the Company and its connected persons (as defined in the Listing Rules). The customer in investing business engaged in investing Hong Kong listed securities including, but not limited to, trading and retail of handbags, provision of scaffolding, fitting out and other auxiliary services for construction and buildings work. The five largest borrowers were individuals and all their loan are secured with collateral. Further details of the loan and interest receivables are set out in note 22 to the consolidated financial statements in the Annual Report.

Due to the continuation of economic impacts of COVID-19, the economic downturn has affected the repayment ability of the borrower, there was a recognition of net impairment losses arising from expected credit losses and written off on loan and interest receivables in the amount of approximately HK\$35.3 million (2021: approximately HK\$23.9 million) and approximately HK\$42.8 million (2021: approximately HK\$18.1 million) respectively for the year ended 31 December 2022. The Group writes off the loan and interest receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor are bankrupt, liquidation or any probably events which indicate the occurrence on the default of payments. Despite the difficulties ahead, the Group will closely monitor the loan portfolio to adopt risk control and management strategies. The Group engaged an independent professional valuer for impairment assessment on the loans and interest receivable. To calculate the loan impairment for the year ended 31 December 2022, independent professional valuer has taken into consideration of various factors including but not limited to probability of default, loss given default and forward looking factor. The responsible officer will conduct regular review and carry out follow up actions on a monthly and continuing basis regarding to the overdue amounts.

The above supplemental information does not affect other information contained in the Annual Report and saves as disclosed above, all other information in the Annual Report remains unchanged.

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

Hong Kong, 13 October 2023

As at the date of this announcement, the Board comprises Mr. Li Leong, Mr. Li Xi, Mr. Li Wei, Mr. Li Zhen 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 directors.