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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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 205)

DISCLOSEABLE TRANSACTION

FORMATION OF A JOINT VENTURE

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DEFINITIONS

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

“Advertising WFOE”	the wholly-foreign-owned enterprise to be incorporated under the laws of the PRC with limited liability under the Shareholders’ Agreement
“AME”	Arnoldo Mondadori Editore S.p.A., a company incorporated under the laws of Italy with limited liability
“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
“Director(s)”	the director(s) of the Company
“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”	17 September 2007, 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
“Mondadori Group”	AME and its subsidiaries, including MP

DEFINITIONS

“MP”	Mondadori Pubblicita S.p.A., a company incorporated under the laws of Italy with limited liability
“PRC”	The People’s Republic of China which excludes Hong Kong for the purposes of this circular
“Project”	the project jointly undertaken by the Company and MP in the field of upscale women’s glossy magazines consisting in the full realization of any and all the activities contemplated under the Shareholders’ Agreement and the agreements to be entered into between AME, the Advertising WFOE and/or the Group
“RMB”	Renminbi yuan, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	share(s) of HK\$0.10 (each) in the capital of the Company
“Shareholder(s)”	the holder(s) of Shares
“Shareholders’ Agreement”	the shareholders’ agreement dated 12 September 2007 entered into between the Company and MP
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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
“%”	per cent
“€”	Euro, the lawful currency of certain European Union countries

For the purposes of this circular, unless otherwise indicated, the exchange rates at HK\$1.00 = €0.092 and RMB1.00 = HK\$1.02 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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 205)

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. DING Yu Cheng
Mr. ZHANG Ke

*Principal place of business
in Hong Kong:*

Room 2502
Alexandra House
18 Chater Road
Central
Hong Kong

19 September 2007

To the Shareholders

Dear Sir/Madam,

**DISCLOSEABLE TRANSACTION
FORMATION OF A JOINT VENTURE**

1. INTRODUCTION

The Directors announced on 12 September 2007 that the Company entered into the Shareholders' Agreement with MP whereby the Company and MP conditionally agreed to establish the Advertising WFOE with a total registered capital of RMB20,000,000 (HK\$20,400,000), as to RMB10,000,000 (HK\$10,200,000) owned by the Company and as to RMB10,000,000 (HK\$10,200,000) owned by MP in order to undertake the Project including, but without limitation, selling advertising spaces and pages in glossy magazines and the promotion of glossy magazines. The total investment of the Advertising WFOE will be RMB40,000,000 (HK\$40,800,000).

Under the Shareholders' Agreement, the Company will contribute RMB10,000,000 (HK\$10,200,000) in cash for 50% equity interest in the Advertising WFOE, whereas MP will contribute RMB10,000,000 (HK\$10,200,000) in cash for 50% equity interest in the Advertising WFOE.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further information in respect of the Shareholders' Agreement and other information as required under the Listing Rules.

2. SHAREHOLDERS' AGREEMENT

Date

12 September 2007

Parties

- (a) the Company; and
- (b) MP.

Purpose

To govern (a) the respective rights and obligations of the Company and MP as shareholders; and (b) the affairs, in the Advertising WFOE.

Business

To undertake the Project including, but without limitation, selling advertising spaces and pages in glossy magazines and promotion of the glossy magazines.

Establishment of the Advertising WFOE

The Advertising WFOE will be jointly established by the Company and MP after the execution of the Shareholders' Agreement.

Constitution of the Board

The board of the Advertising WFOE shall consist of 6 directors. Each of the Company and MP shall have the right to appoint 3 directors.

Pre-emption Rights

If either the Company or MP wishes to transfer its equity interest to a third party, MP or the Company will have a pre-emption right to purchase such equity interest at the same terms and conditions being offered to such third party.

LETTER FROM THE BOARD

The Registered Capital and Total Investment

The registered capital and the total investment of the Advertising WFOE are RMB20,000,000 (HK\$20,400,000) and RMB40,000,000 (HK\$40,800,000) respectively. A total of 20% of the registered capital shall be contributed, as to RMB2,000,000 (HK\$2,040,000) each by the Company and MP within 90 days of the date of issuance of the business licence of the Advertising WFOE. The remaining balance of the total of 80% of the registered capital shall be contributed, as to RMB8,000,000 (HK\$8,160,000) each by the Company and MP within 24 months of the issuance of the business licence of the Advertising WFOE. The registered capital contribution to be made by the Company will be funded from its internal resources. The difference between the total investment amount and the registered capital of the Advertising WFOE shall be provided on a 50:50 basis by the Company and MP by means of loan financing or other means to be determined by the board of the Advertising WFOE. Such future funding to be made by the Company will also be funded from its internal resources. It is also provided in the Shareholders' Agreement that if the sum of the profit or loss after tax of the Advertising WFOE be negative for an amount exceeding the equivalent of €5,000,000 (approximately HK\$54,347,830), either the Company or MP may immediately terminate the Shareholders' Agreement and the Project.

Equity Interest

The Company	:	50%
MP	:	50%

Condition precedent

The Shareholders' Agreement is conditional upon all the permissions, authorizations, clearances required by the provisions of the applicable law having been duly obtained from the competent authorities.

Term

30 years.

Pursuant to the Shareholders' Agreement, upon the incorporation of the Advertising WFOE, AME, the Advertising WFOE and/or the Group will enter into various agreements in respect of the provision of advertising services, consulting services, accounting, finance and administration services, personal training and trademark licensing.

3. REASONS FOR THE JOINT VENTURE

The formation of the Advertising WFOE is the continuation of the Group's principal activity in the provision of advertising agency services in the PRC and with a business partner; and for the purpose of capturing the potential growth of the advertising business in the consumer magazines circulated in the PRC.

LETTER FROM THE BOARD

4. INFORMATION ON MP

The principal business of MP is managing the advertising sales for all Mondadori Group titles, as well as for important third party publishers, and the national radio network in Italy. The Mondadori Group is the biggest publisher of consumer magazines in Italy and one of the leading players in the sector in Europe. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, MP and the ultimate beneficial owners of MP are third parties independent of the Company and Connected Persons of the Company.

5. FINANCIAL EFFECTS OF THE TRANSACTION

The Advertising WFOE will be recorded in the consolidated financial statements of the Group using the proportionate consolidation method of accounting in accordance with the Hong Kong Financial Reporting Standards.

The contributions to the registered capital and future funding of the Advertising WFOE by the Company will be funded from the internal resources of the Company. Since the Advertising WFOE has not yet been established or commenced operation as at the Latest Practicable Date, it is not expected to have any immediate financial impact on the Group. As at the Latest Practicable Date, no contribution by the Company has been made to the Advertising WFOE. The Directors believe that such contributions to the Advertising WFOE in the future will not have any significant effect on the earnings and assets and liabilities of the Group.

6. GENERAL

The entering into of the Shareholders' Agreement constitutes a discloseable transaction for the Company under the Listing Rules.

The Directors, including the independent non-executive Directors, consider that the terms of the Shareholders' Agreement are on normal commercial terms which were agreed after arm's length negotiations between the Company and MP; and are fair and reasonable and the entering into of the Shareholders' Agreement is in the interests of the Company and the Shareholders as a whole.

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.

7. 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
Wang Boming	7 February 2007	0.33	7 February 2010 to 6 February 2015	1,500,000
Zhang Zhifang	7 February 2007	0.33	7 February 2010 to 6 February 2015	1,500,000
Dai Xiaojing	7 February 2007	0.33	7 February 2010 to 6 February 2015	1,500,000
Li Shijie	7 February 2007	0.33	7 February 2010 to 6 February 2015	1,000,000
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 or interested	Percentage of shareholding
United Home Limited (<i>Note 1</i>)	845,843,824	49.10%
Carlet Investments Ltd. (<i>Note 1</i>)	172,644,210	10.02%
Finansa Public Company Limited (<i>Note 2</i>)	172,644,210	10.02%
Arisaig Greater China Fund Limited (<i>Note 4</i>)	155,406,000	9.02%
Arisaig Partners (Mauritius) Limited (<i>Notes 3 & 4</i>)	155,406,000	9.02%
Arisaig Partners (Holdings) Limited (<i>Note 4</i>)	155,406,000	9.02%
Arisaig Partners (BVI) Limited (<i>Note 4</i>)	155,406,000	9.02%
Cooper Lindsay William Ernest (<i>Note 5</i>)	155,406,000	9.02%
Madeleine Ltd. (<i>Note 5</i>)	155,406,000	9.02%
Templeton Asset Management Limited (<i>Note 6</i>)	79,947,009	4.64%

Notes:

- 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., 673,199,614 Shares which represent approximately 37.97% 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.
- Finansa Public Company Limited has a security interest in the 172,644,210 Shares pledged by Carlet Investments Ltd.
- The capacity of Arisaig Partners (Mauritius) Limited in holding the 155,406,000 Shares was the fund manager of Arisaig Greater China Fund Limited.
- The 155,406,000 Shares held by Arisaig Greater China Fund Limited were indirectly owned by Arisaig Partners (Holdings) Limited by virtue of its 100% ownership of Arisaig Partners (BVI) Limited. Arisaig Partners (Mauritius) Limited is a direct wholly-owned subsidiary of Arisaig Partners (BVI) Limited and the immediate holding company of Arisaig Greater China Fund Limited.
- This refers to the same number of 155,406,000 Shares as mentioned in note 4 above through 33.33% interests in Arisaig Partners (Holdings) Limited held by Madeleine Ltd. Madeleine Ltd. which in turn is beneficially owned by Cooper Lindsay William Ernest.

6. This refers to the nil-paid warrant issued to Templeton Strategic Emerging Markets Fund II, LDC, represented by its investment manager, Templeton Asset Management Limited, which warrant carries right to convert into 79,947,009 Shares.

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 and qualified accountant 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 in Hong Kong 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 Tricor 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.