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## **SEEC MEDIA GROUP LIMITED**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 205)**

### **DISCLOSEABLE TRANSACTION**

#### **ACQUISITION OF PROPERTY**

The Board announces that on 11 October 2007, Shenzhen Caixun entered into the Sale and Purchase Contracts with the Vendor pursuant to which Shenzhen Caixun agreed to purchase, and the Vendor agreed to sell, the Property for a total cash consideration of RMB31,057,020.00 (approximately HK\$31,678,160).

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules. Accordingly, the Acquisition is subject to disclosure requirements as set out in Chapter 14 of the Listing Rules. The Company will send a circular in relation to the Acquisition to the Shareholders in accordance with the requirements of the Listing Rules as soon as practicable.

### **THE SALE AND PURCHASE CONTRACTS**

#### **Date**

11 October 2007

#### **Parties**

1. Shenzhen Caixun as the purchaser. Shenzhen Caixun is an indirect wholly-owned subsidiary of the Company and is principally engaged in the advertising business in the PRC.
2. Sentex (China) Limited (誠德(中國)有限公司), as the Vendor. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its Connected Persons.

#### **Sale and Purchase**

Pursuant to the Sale and Purchase Contracts, the Vendor agreed to sell, and the Company agreed to purchase, the Property subject to the terms contained therein.

## **Property**

The Property consists of 16 office units with a total gross floor area of approximately 2,300.52 square meters, and a gross usable area of 1,610 square meters. Certain units of the Property are presently leased to independent third parties by the Vendor. The Vendor undertakes that after the date of the Sale and Purchase Contracts, the Vendor will consult with Shenzhen Caixun to resolve the relevant issues regarding those leases including terminating the relevant leases with the lessees. In the event any of such leases shall subsist on the Completion Date, all the rental receivable under such lease(s) will belong to Shenzhen Caixun. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, such lessees and their ultimate beneficial owners are third parties independent of the Company and its Connected Persons; and independent of the Vendor.

## **Consideration**

The Consideration shall be paid in the following manner:

1. RMB19,497,300.00 (approximately HK\$19,887,246), representing approximately 62.78% of the Consideration, is payable upon execution of the Sale and Purchase Contracts to the Escrow Agent in escrow as the First Escrow Amount pursuant to the Escrow Account Agreement I;
2. RMB9,839,720.00 (approximately HK\$10,036,514), representing approximately 31.68% of the Consideration, is payable within 20 days of obtaining the receipt from the building ownership registration regulatory body in the PRC (for the application of the transfer of the building ownership of the Property) to the Escrow Agent in escrow as the Second Escrow Amount pursuant to the Escrow Account Agreement II; and
3. the remaining balance of RMB1,720,000.00 (approximately HK\$1,754,400), representing approximately 5% of the Consideration shall be temporarily retained by Shenzhen Caixun for payment of (a) taxes in respect of sale and purchase of the Property and other fees and charges such as property management fee, water and electricity charges, and telephone charges payable in respect of the Property; and (b) compensation payable to the lessees of the Property as a result of the termination of the relevant leases, to be made by Shenzhen Caixun for and on behalf of the Vendor. If such retained amount is insufficient to discharge the said fees and charges, the Vendor shall make up the difference. On the other hand, if there is any surplus amount after payment of all relevant fees and charges, Shenzhen Caixun shall, within 10 days of the Vendor transferring the Property to Shenzhen Caixun and Shenzhen Caixun obtaining the building ownership certificate and the State-owned land use right certificate in respect of the Property in its name, remit such surplus amount to a bank account designated by the Vendor.

The First Escrow Amount shall be released by the Escrow Agent to the Vendor upon Shenzhen Caixun obtaining the building ownership certificate of the Property in its name and Shenzhen Caixun and the Vendor obtaining a receipt from the State-owned land use right registration regulatory body in the PRC for the application of the transfer of the land use right of the Property.

The Second Escrow Amount shall be released by the Escrow Agent to the Vendor upon Shenzhen Caixun obtaining the State-owned land use right certificate in respect of the Property in its name.

If Shenzhen Caixun fails to pay any of the Consideration under the Sale and Purchase Contracts, Shenzhen Caixun shall pay a daily liquidated damages calculated as 0.02% on the relevant amount of the Consideration due from the Completion Date to the date of actual Completion. If the delay in payment is over 30 days, the Vendor is entitled to terminate the Sale and Purchase Contracts and Shenzhen Caixun is obliged to pay a lump sum liquidated damages calculated as 10% on the relevant amount of the Consideration due to the Vendor. Any amount of the Consideration retained by the Vendor after deduction of the above-mentioned liquidated damages, if any, shall be refunded to Shenzhen Caixun. If the economic loss suffered by the Vendor as a result of any breach by Shenzhen Caixun of the Sale and Purchase Contracts are proven to exceed the above-mentioned liquidated damages, Shenzhen Caixun shall compensate the Vendor for such difference.

The terms of the Sale and Purchase Contracts (including the Consideration) are on normal commercial terms which were determined after arm's length negotiations between the Company and the Vendor by reference to the market value of similar properties in the Chaoyang District of Beijing. The Acquisition will be funded by internal resources. The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Contracts are fair and reasonable and in the interests of the Shareholders as a whole.

### **Completion**

It is expected that Completion will take place within 90 days of the date of the Sale and Purchase Contracts. If the Vendor fails to complete the sale and purchase of the Property under the Sale and Purchase Contracts not due to the default of Shenzhen Caixun or the changes in the relevant laws and regulations in the PRC, the Vendor shall pay a daily liquidated damages calculated as 0.02% on the relevant amount of the Consideration then paid by Shenzhen Caixun from the Completion Date to the date of actual Completion. If the delay is over 30 days from the Completion Date, Shenzhen Caixun is entitled to terminate the Sale and Purchase Contracts; and the Vendor is obliged to refund all the Consideration then paid by Shenzhen Caixun, and pay a lump sum payment as liquidated damages calculated as 10% on the Consideration, to Shenzhen Caixun. If the economic loss suffered by Shenzhen Caixun as a result of any breach by the Vendor of the Sale and Purchase Contracts are proven to exceed the above-mentioned liquidated damages, the Vendor shall compensate Shenzhen Caixun for such difference.

### **The Building Ownership Certificate and State-owned Land Use Right Certificate of the Property**

Under the Sale and Purchase Contracts and after the date thereof, the Vendor and Shenzhen Caixun shall jointly apply to the relevant regulatory bodies in charge in the PRC for obtaining the building ownership certificate and the State-owned land use right certificate in respect of the Property. In the event that the building ownership certificate of the Property in the name of Shenzhen Caixun is not obtained by Shenzhen Caixun within 90 business days of the Completion Date and the delay is due to the default of the Vendor, Shenzhen Caixun is entitled to return the Property to the Vendor; and claim from the Vendor interest on the Consideration calculated at the then bank lending rate within 10 days of the receipt of the notice of returning the Property by the Vendor. If Shenzhen Caixun elects not to return the Property to the Vendor, the Vendor is obliged to pay a daily liquidated damages to Shenzhen Caixun calculated as 0.01% on the Consideration from the date following the date on which the building ownership certificate of the Property in the name of Shenzhen Caixun is due to be obtained by Shenzhen Caixun up to the actual date of obtaining such certificate by Shenzhen Caixun. The said liquidated damages shall be paid within 10 days of Shenzhen Caixun obtaining the said building ownership certificate.

## REASONS FOR THE ACQUISITION

The Group intends to acquire the Property for self-use as offices to cope with its expanding advertising business in the PRC.

### General Information

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

The Company will send a circular in relation to the Acquisition to the Shareholders in accordance with the requirements of the Listing Rules as soon as practicable.

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. The principal activity of the Vendor is property investment in the PRC.

As at the date of this announcement, the executive Directors are Mr. Wang Boming (Chairman), Mr. Zhang Zhifang, Mr. Dai Xiaojing, Mr. Li Shijie and Mr. Lau See Him, Louis. The independent non-executive Directors are Mr. Fu Fengxiang, Mr. Wang Xiangfei, Mr. Ding Yu Cheng and Mr. Zhang Ke.

## DEFINITIONS

In this announcement unless the context otherwise requires, the following terms have the following meanings:

|                    |  |
|--------------------|--|
| “Acquisition”      | the acquisition of the Property pursuant to the Sale and Purchase Contracts  |
| “Board”            | the board of Directors   |
| “Company”          | SEEC Media Group Limited, a company incorporated under the laws of the Cayman Islands with limited liability   |
| “Completion”       | completion of the sale and purchase of the Property under the Sale and Purchase Contracts whereupon, among other things, the Property will be delivered by the Vendor to Shenzhen Caixun |
| “Completion Date”  | the date on which completion of the sale and purchase of the Property is scheduled to take place which is expected to be within 90 days of the date of the Sale and Purchase Contracts   |
| “Connected Person” | has the meaning given to it under the Listing Rules  |
| “Consideration”    | RMB31,057,020.00 (approximately HK\$31,678,160), being the total consideration payable by Shenzhen Caixun to the Vendor under the Sale and Purchase Contracts                            |
| “Director(s)”      | the director(s) of the Company   |

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|-------------------------------|--|
| “Escrow Account Agreement I”  | 二手樓交易資金監管協議 (the Second-hand Building Consideration Money Escrow Account Agreement*) dated 11 October 2007 entered into among the Vendor, Shenzhen Caixun and the Escrow Agent in respect of the holding of the First Escrow Amount in escrow pending Completion and registration by the relevant PRC regulatory bodies  |
| “Escrow Account Agreement II” | 二手樓交易資金監管協議 (the Second-hand Building Consideration Money Escrow Account Agreement*) dated 11 October 2007 entered into among the Vendor, Shenzhen Caixun and the Escrow Agent in respect of the holding of the Second Escrow Amount in escrow pending Completion and registration by the relevant PRC regulatory bodies |
| “Escrow Agent”                | China Merchants Bank, Dongsanhuan Branch, Beijing  |
| “First Escrow Amount”         | RMB19,497,300.00 (approximately HK\$19,887,246), representing approximately 62.78% of the Consideration, payable upon execution of the Sale and Purchase Contracts by Shenzhen Caixun to the Escrow Agent in escrow  |
| “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  |
| “Listing Rules”               | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited   |
| “PRC”                         | the People’s Republic of China which excludes Hong Kong for the purposes of this announcement  |
| “Property”                    | the whole of 19th Floor, 泛利大廈 (Prime Tower), No. 22 Chaoyangmenwai Dajie, Beijing, the PRC   |
| “RMB”                         | Renminbi yuan, the lawful currency of the PRC  |
| “Sale and Purchase Contracts” | the Standard Contract and the Supplemental Contract  |
| “Second Escrow Amount”        | RMB9,839,720.40 (approximately HK\$10,036,514), representing approximately 31.68% of the Consideration, payable upon execution of the Sale and Purchase Contracts by Shenzhen Caixun to the Escrow Agent in escrow   |
| “Share(s)”                    | ordinary share(s) of HK\$0.10 in the capital of the Company  |
| “Shareholders”                | holders of Shares  |

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|-------------------------|--|
| “Shenzhen Caixun”       | 深圳財訊廣告有限公司 (Shenzhen Caixun Advertising Co., Ltd.*), a domestic limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company                       |
| “Standard Contract”     | 北京市存量房屋買賣合同 (Beijing Second-hand Building Standard Sale and Purchase Contract) dated 11 October 2007 entered into between the Vendor and Shenzhen Caixun in respect of the sale and purchase of the Property |
| “Supplemental Contract” | 房屋買賣合同 (Building Sale and Purchase Contract*) dated 11 October 2007 entered into between the Vendor and Shenzhen Caixun supplementing the Standard Contract  |
| “Vendor”                | Sentex (China) Limited (誠德(中國)有限公司), a company incorporated under the Companies Ordinance, Chapter 32 of the laws of Hong Kong   |
| “%”                     | per cent   |

*For the purposes of this announcement, unless otherwise indicated, the exchange rate at 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.*

By Order of the Board  
**Wang Boming**  
*Chairman*

Hong Kong, 11 October 2007

\* *for identification purposes only*