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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**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**

### **ACQUISITION OF PROPERTY**

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## DEFINITIONS

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

“Acquisition”	the acquisition of the Property pursuant to the Sale and Purchase Contracts
“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
“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 Persons”	has the meaning ascribed 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
“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

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## DEFINITIONS

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“Escrow Account Agreement II”	二手樓交易資金監管協議 (the Second-hand Building Consideration Money Escrow Account Agreement*) to be 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”	招商銀行股份有限公司北京東三環支行 (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 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”	16 October 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
“Model Code”	Model Code for Securities Transactions by Directors of Listed Companies
“PRC”	The People’s Republic of China which excludes Hong Kong for the purpose of this circular
“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

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## DEFINITIONS

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“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
“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
“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
“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
“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 circular, 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.*

\* for identification purpose only

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## LETTER FROM THE BOARD

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### 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

18 October 2007

*To the Shareholders*

Dear Sir/Madam,

### **DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY**

#### **1. INTRODUCTION**

The Board announced on 11 October 2007 that 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 purpose of this circular is to provide you with further information in respect of the Sale and Purchase Contracts and other information as required under the Listing Rules.

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## LETTER FROM THE BOARD

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### 2. SALE AND PURCHASE CONTRACTS

#### Date

11 October 2007

#### Parties

- (a) 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.
- (b) 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:

- (a) 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;

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## LETTER FROM THE BOARD

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- (b) 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
- (c) 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 (i) 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 (ii) 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.



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## LETTER FROM THE BOARD

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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 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.

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## LETTER FROM THE BOARD

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### 3. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group intends to acquire the Property for self-use as offices to cope with its expanding advertising business in the PRC. The Board believes that the Acquisition will (a) reduce operating costs and thereby help maintain a long-term competitive position in the market; and (b) facilitate the Group's expansion in the PRC.

### 4. FINANCIAL EFFECT OF THE ACQUISITION

The Acquisition will be funded by internal resources. The Property will be included in the Company's consolidated balance sheet and classified under property, plant and equipment. Although the Acquisition will broaden the asset base of the Group, the Directors believe that the Acquisition will not have any significant effect on the earnings and assets and liabilities of the Group.

### 5. GENERAL

The entering into of the Sale and Purchase Contracts constitutes a discloseable transaction for the Company under the Listing Rules.

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.

### 6. 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>	161,706,000	9.39%
Arisaig Partners (Mauritius) Limited <i>(Notes 3&amp;4)</i>	161,706,000	9.39%
Arisaig Partners (Holdings) Limited <i>(Note 4)</i>	161,706,000	9.39%
Arisaig Partners (BVI) Limited <i>(Note 4)</i>	161,706,000	9.39%
Cooper Lindsay William Ernest <i>(Note 5)</i>	161,706,000	9.39%
Madeleine Ltd. <i>(Note 5)</i>	161,706,000	9.39%
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 39.07% 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 161,706,000 Shares was the fund manager of Arisaig Greater China Fund Limited.

4. The 161,706,000 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.
5. This refers to the same number of 161,706,000 Shares as mentioned in note 4 above through 33.33% interests in Arisaig Partners (Holdings) Limited held by 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.