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**SEEC MEDIA GROUP LIMITED**

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

**(Stock Code: 205)**

- (I) PROPOSED OPEN OFFER ON THE BASIS OF  
THREE (3) OFFER SHARES FOR  
EVERY ONE (1) EXISTING SHARE HELD  
ON THE RECORD DATE  
AT THE SUBSCRIPTION PRICE OF  
HK\$0.10 PER OFFER SHARE;  
(II) CHANGE IN BOARD LOT SIZE;  
(III) PROPOSED INCREASE IN AUTHORISED  
SHARE CAPITAL; AND  
(IV) APPOINTMENT OF INDEPENDENT  
FINANCIAL ADVISER**

**Financial adviser to the Company**



**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**

***Hercules***

**Hercules Capital Limited**

**Underwriter of the Open Offer**



**BLACK MARBLE**

**Black Marble Securities Limited**

## **THE OPEN OFFER**

Subject to the Increase in Authorised Share Capital becoming effective, the Company proposes to raise not less than approximately HK\$637.35 million to not more than approximately HK\$638.49 million, before expenses, by issuing not less than 6,373,545,516 and not more than 6,384,945,516 Offer Shares at the Subscription Price of HK\$0.10 per Offer Share on the basis of three (3) Offer Shares for every one (1) existing Share held on the Record Date and payable in full upon application. No excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

Assuming no Share Options will be exercised and no Shares being repurchased by the Company on or before the Record Date, the 6,373,545,516 Offer Shares proposed to be allotted and issued represents approximately 300% of the Company's issued share capital as at the date of this announcement and approximately 75% of the Company's issued share capital of 8,498,060,688 Shares as enlarged by the allotment and issue of 6,373,545,516 Offer Shares immediately after completion of the Open Offer.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, all transfers documents of Shares (accompanied by the relevant share certificates) must be lodged for registration with the Registrar by 4:30 p.m. on Thursday, 17 September 2015.

The register of members of the Company will be closed from Friday, 18 September 2015 to Thursday, 24 September 2015, both days inclusive, to determine the eligibility of the Open Offer.

The Record Date is Thursday, 24 September 2015. The last day of dealings in the Shares on cum-entitlement basis is on Tuesday, 15 September 2015. The Shares will be dealt in on ex-entitlement basis from Wednesday, 16 September 2015. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company on the Record Date and not being an Excluded Shareholder.

The Board is pleased to announce that on 19 August 2015 (after trading hours of the Stock Exchange), the Company entered into the Underwriting Agreement with the Underwriter in relation to the underwriting and the relevant arrangements in respect of the Open Offer. The Open Offer will be fully underwritten by the Underwriter, subject to the terms and conditions of the Underwriting Agreement.

## **POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS**

As a result of the Open Offer, it is expected that the exercise prices, and/or the number of Shares, of the outstanding Share Options will be adjusted in accordance with the terms and conditions of the Share Option Scheme of the Company. The Company will engage the Company's auditors to review and determine the relevant adjustments and make further announcements on the appropriate adjustments and the date they are expected to take effect in due course.

## **GENERAL**

As the Open Offer will increase the issued share capital of the Company by more than 50%, the Open Offer is subject to, among other things, the approval by the Independent Shareholders at the EGM. An Independent Board Committee of the Company comprising all the independent non-executive Directors has been established to make recommendation to the Independent Shareholders in respect of the Open Offer. An Independent Financial Adviser has been appointed to advise the Independent Board Committee of the Company and the Independent Shareholders in this regard. The Circular containing, among other things, further details of the Open Offer, the recommendation from the Independent Board Committee of the Company, the advice from the Independent Financial Adviser to the Independent Board Committee of the Company and the Independent Shareholders in respect of the Open Offer and a notice convening the EGM will be despatched to the Shareholders on or before Thursday, 27 August 2015.

Since the Open Offer will increase the issued share capital of the Company by more than 50%, in accordance with Rule 7.24(5) of the Listing Rules, The Open Offer must be made conditional on, amongst other things, the approval by the independent shareholders at which any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting on the resolution(s) relating to the Open Offer and transactions contemplated thereunder. As at the date of this announcement, the Company does not have any controlling Shareholders as defined under the Listing Rules. Therefore, Mr. Wang Boming, Mr. Zhang Zhifang, Mr. Dai Xiaojing, Mr. Suen Man Simon, Mr. Zhou Hongtao and Mr. Li Leong (being the executive Directors) and their respective associates shall abstain from voting on the resolution(s) in relation to the Open Offer and the transactions contemplated thereunder at the EGM.

## **WARNING OF THE RISK OF DEALINGS IN THE SHARES**

**Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.**

**Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## **CHANGE IN BOARD LOT SIZE**

The Board announces that the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Monday, 26 October 2015. The Company will arrange odd lot matching services in order to facilitate the trading of odd lots (if any).

## **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

As at the date of this announcement, the authorised share capital of the Company is HK\$300,000,000 divided into 3,000,000,000 Shares, of which 2,124,515,172 Shares have been allotted and issued as fully-paid or credited as fully-paid. In order to facilitate the proposed Open Offer, to accommodate the future expansion and growth of the Group and to provide the Company with greater flexibility for future expansion in the share capital of the Company, the Directors propose that the authorised share capital of the Company will be increased from HK\$300,000,000 divided into 3,000,000,000 Shares to HK\$1,000,000,000 divided into 10,000,000,000 Shares by the creation of 7,000,000,000 additional Shares, which will, upon issue and being fully-paid, rank *pari passu* in all respects with the Shares in issue.

## **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Hercules Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee of the Company and the Independent Shareholders in respect of the Open Offer.

## **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

As at the date of this announcement, the authorised share capital of the Company is HK\$300,000,000 divided into 3,000,000,000 Shares, of which 2,124,515,172 Shares have been allotted and issued as fully-paid or credited as fully-paid. In order to facilitate the proposed Open Offer, to accommodate the future expansion and growth of the Group and to provide the Company with greater flexibility for future expansion in the share capital of the Company, the Directors propose that the authorised share capital of the Company will be increased from HK\$300,000,000 divided into 3,000,000,000 Shares to HK\$1,000,000,000 divided into 10,000,000,000 Shares by the creation of 7,000,000,000 additional Shares, which will, upon issue and being fully-paid, rank *pari passu* in all respects with the Shares in issue.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM.

## **THE OPEN OFFER**

The Company proposes to raise not less than HK\$637.35 million and not more than HK\$638.49 million, before expenses, by way of Open Offer and details are set out as follows:

### **Issue statistics**

Basis of the Open Offer	:	Three (3) Offer Shares for every one (1) existing Share held on the Record Date
Subscription Price	:	HK\$0.10 per Offer Share
Number of Shares in issue as at the date of this announcement	:	2,124,515,172 Shares

Number of Offer Shares : 6,373,545,516 Offer Shares (assuming no outstanding Share Options being exercised and no Shares being repurchased by the Company on or before the Record Date)

6,384,945,516 Offer Shares (assuming the outstanding Share Options being exercised in full on or before the Record Date)

Number of Offer Shares : Not less than 6,373,545,516 Offer Shares (assuming underwritten by the Underwriter no outstanding Share Options being exercised and no Shares being repurchased by the Company on or before the Record Date) and not more than 6,384,945,516 Offer Shares (assuming the outstanding Share Options being exercised in full on or before the Record Date) by the Underwriter

Number of enlarged Shares in : Not less than 8,498,060,688 Shares and not more than issue upon completion of 8,513,260,688 Shares the Open Offer

As at the date of this announcement, there are outstanding Share Options to subscribe for an aggregate of 3,800,000 new Shares. Assuming full exercise of the subscription rights attaching to the outstanding Share Options on or before the Record Date, an additional 11,400,000 Offer Shares will be issued.

Save as disclosed, the Company has no other derivatives, outstanding convertible securities, options and warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

The Open Offer is fully underwritten by the Underwriter which shall ensure that the Company will maintain the minimum public float requirement in compliance with Rule 8.08 of the Listing Rules.

## **The Offer Shares**

Assuming no outstanding Share Options being exercised and no Shares being repurchased by the Company on or before the Record Date, the 6,373,545,516 Offer Shares proposed to be allotted and issued represents approximately 300% of the Company's issued share capital as at the date of this announcement and approximately 75% of the Company's issued share capital of 8,498,060,688 Shares as enlarged by the allotment and issue of 6,373,545,516 Offer Shares immediately after completion of the Open Offer. The aggregate nominal value of the Offer Shares will be HK\$637,354,551.60.

The audited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 31 December 2014 before the completion of the Open Offer was approximately HK\$0.124. Assuming no Share Options being exercised and no Shares being repurchased by the Company on or before the Record Date, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 31 December 2014 immediately after the completion of the Open Offer was approximately HK\$0.104, representing the possible maximum dilution effect to the net tangible assets of the Group attributable to the owners of the Company per Share of approximately 16.13%

Assuming all outstanding Share Options being exercised in full on or before the Record Date, the 6,384,945,516 Offer Shares proposed to be allotted and issued represents approximately 300.54% of the Company's issued share capital as at the date of this announcement and approximately 75% of the Company's issued share capital of 8,513,260,688 Shares as enlarged by the allotment and issue of 6,384,945,516 Offer Shares immediately after completion of the Open Offer. The aggregate nominal value of the Offer Shares will be HK\$638,494,551.60.

## **Subscription Price**

The Subscription Price is HK\$0.10 per Offer Share, which will be payable in full upon application.

The Subscription Price represents:

- (1) a discount of approximately 62.96% to the closing price of HK\$0.27 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a discount of approximately 30.07% to the theoretical ex-entitlement price of HK\$0.143 based on the closing price of HK\$0.27 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (3) a discount of approximately 65.03% to the average closing price of approximately HK\$0.286 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the Last Trading Day; and
- (4) a discount of approximately 66.44% to the average closing price of approximately HK\$0.298 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to and including the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to, among others, (i) the prevailing market price of the Shares prior to the Last Trading Day and the theoretical ex-entitlement price; (ii) the net loss position of the Company for the financial year ended 31 December 2014. It has been indicated to the Company that the relatively deep discount of the Subscription Price to the closing price is necessary to induce the Underwriter to participate in the underwriting of the Underwritten Shares, which is an essential part of the Open Offer. The Directors are of the view that in the event that the Subscription Price is increased and the allotment ratio is lowered, the attractiveness of the Qualifying Shareholders to subscribe for the Offer Shares will likely decrease. The Directors also consider that each Qualifying Shareholder will be entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date and the terms of the Open Offer, including the Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to share in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.



Given that a deep discount of the Subscription Price and the basis of three Offer Shares for every one existing Share: (i) can provide an incentive for the Qualifying Shareholders to subscribe for the Offer Shares as the Company has funding needs; and (ii) can induce the Underwriter to participate in the underwriting of the Underwritten Shares, the Directors are of the view that the current structure of the Open Offer is fair and reasonable. After deducting all relevant expenses relating to the Open Offer, the net price per Offer Share will be approximately HK\$0.098.

In addition, the Board considered and noted that the discount structure of the Open Offer is a commercial decision of the Company which is required to be approved, as part of the terms of the Open Offer, by the Independent Shareholders at the EGM. The Shareholders' interests are safeguarded by the fact that the Independent Shareholders, before exercising their respective voting rights, will be advised by the Independent Board Committee (comprising all independent non-executive Directors) and the Independent Financial Adviser. The Independent Shareholders can then make an informed decision as to whether to vote in favour of the Open Offer on the terms proposed. If the Open Offer is approved at the EGM, it is unlikely that those Independent Shareholders voting in favour of the Open Offer would subsequently choose not to subscribe for their provisional entitlements of the Open Offer.

The Directors have approached three other underwriters regarding a proposed open offer for the Company to raise the required funds, however no positive feedback was received by the other three underwriters. The Directors have considered, among other factors: (i) the terms of the open offer proposed by the underwriters; and (ii) the terms of the underwriting agreement including but not limited to the underwriting commission, in selecting the underwriters.

### **Basis of entitlement**

The basis of the entitlement shall be three (3) Offer Shares for every one (1) existing Share held on the Record Date, being not less than 6,373,545,516 Offer Shares and not more than 6,384,945,516 Offer Shares. Acceptance for all or any part entitlement of a Qualifying Shareholder should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being accepted for.

### **Qualifying Shareholders**

The Open Offer is only available to the Qualifying Shareholders.

To qualify for the Open Offer, the Shareholders must at the close of business on the Record Date: (a) be registered on the register of members of the Company; and (b) not being the Excluded Shareholders.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date, Shareholders must lodge any transfers documents of Shares (together with the relevant share certificates) for registration with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Thursday, 17 September 2015.

#### **Odd lots arrangement and matching services**

In order to facilitate the trading of odd lots (if any), the Company will arrange odd lot matching services during Monday, 26 October 2015 to Monday, 16 November 2015 (both dates inclusive). Shareholders should note that matching of the sale and purchase of odd lots of the Shares is on a best effort basis and successful matching of the sale and purchase of such odd lots is not guaranteed. Further details in respect of the odd lots arrangement will be set out in the Circular.

#### **Closure of register of members for the Open Offer**

The Company's register of members will be closed from Friday, 18 September 2015 to Thursday, 24 September 2015, both days inclusive, to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during the book closure period.

## **Rights of Overseas Shareholders**

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Offer Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Open Offer will not be available to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Excluded Shareholders.

Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Open Offer, to be despatched to the Qualifying Shareholders on Tuesday, 29 September 2015. The Company will send copies of the Prospectus to the Excluded Shareholders for their information only, but no Application Form will be sent to them.

**Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Excluded Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.**

## **Ranking of the Offer Shares**

The Offer Shares, when allotted, issued and fully-paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares in their fully-paid form.

## **Share certificates refund cheques for the Offer Shares**

Subject to the fulfilment of the conditions of the Open Offer, certificates for all fully-paid Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Friday, 23 October 2015. If the Open Offer is terminated, refund cheques will be despatched on or before Friday, 23 October 2015 by ordinary post at the respective Shareholders' own risk.

### **No application for excess Offer Shares**

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

### **Fractions of the Offer Shares**

On the basis of three (3) Offer Shares for every one (1) existing Share held on the Record Date, no fractional entitlements to the Offer Shares will arise under the Open Offer.

### **Application for the Offer Shares**

The Application Form in respect of the entitlement of the Offer Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Offer Shares as shown therein by completing such form and lodging the same with a remittance for the Offer Shares being taken up with the Registrar by the Latest Time for Acceptance.

### **Application for listing**

The Company will apply to the Listing Committee for the listing of and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

## **UNDERWRITING AGREEMENT**

Underwriting Agreement Date : 19 August 2015 (after trading hours)

Underwriter : Black Marble Securities Limited

Number of Offer Shares to be underwritten : Not less than 6,373,545,516 Offer Shares (assuming no Share Options being issued and no Shares being repurchased by the Company on or before the Record Date) and not more than 6,384,945,516 Offer Shares (assuming the outstanding Share Options being exercised in full on or before the Record Date). The Open Offer is fully underwritten.

Under the Underwriting Agreement, the Open Offer is fully underwritten by the Underwriter and the Underwriter shall procure that any subscribers procured by them shall be Independent Third Parties and shall not become Substantial Shareholders holding 10% or more shareholding in the Company immediately after completion of the Open Offer.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Underwriter and their ultimate beneficial owners are Independent Third Parties. As at the date of the Underwriting Agreement, the Underwriter is not interested in any Shares.

## **Underwriting commission**

The Company will pay the Underwriter an underwriting commission of 2.0% of the aggregate Subscription Price in respect of the maximum number of the underwritten Offer Shares agreed to be underwritten by the Underwriters as determined on the Record Date. The commission rate was determined after arm's length negotiation between the Company and the Underwriter by reference to the market rate, the size of the Open Offer and the current and expected market condition. The Directors (including the independent non-executive Directors) are of the view that the terms of the Underwriting Agreement, including the commission, accord with the market practice, and are fair and reasonable so far as the Company and the Shareholders are concerned.

## **Termination of the Underwriting Agreement**

The Underwriter, may, terminate the Underwriting Agreement by giving written notice to the Company prior to 4:00 p.m. on the Latest Time for Termination if:–

- (1) the success of the Open Offer would be materially and adversely affected by the development, occurrence or enforcement of:
  - (a) any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other place in which any member of the Group conducts or carries on business; or
  - (b) any local, national or international event or change of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets; or
  - (c) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic or threatened epidemic, terrorism, strike or lock-out; or
  - (d) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances; or

## **Conditions of the Open Offer**

The Open Offer is conditional upon:

- (1) the passing by the Independent Shareholders at the EGM of the resolution to approve the Open Offer;
- (2) the delivery to the Stock Exchange for authorisation and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly certified by all Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the board of Directors (and with all other documents required to be attached thereto under the Companies Ordinance) not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (3) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and the Overseas Letter to the Excluded Shareholders, if any, for “Information Purpose Only” explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;
- (4) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked, the listing of, and permission to deal in, the Offer Shares, before 9:00 a.m. on Monday, 26 October 2015, being the expected date of commencement of dealings in the Offer Shares (or such other date as may be agreed between the Company and the Underwriter), and such listing and permission not being revoked prior to the Latest Time for Termination;
- (5) compliance by the Company with all of its undertakings and obligations under the Underwriting Agreement; and
- (6) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms of the Underwriting Agreement;

The Company shall use all reasonable endeavours to procure the fulfilment of the abovementioned conditions (except for condition (6) above) and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the terms of the Underwriting Agreement.

If the conditions are not satisfied on or before the Latest Time for Termination, the Underwriting Agreement shall terminate and no party will have any claim against any other party for costs, damages, compensation or otherwise save for any rights or obligations under any provisions of the Underwriting Agreement prior to such termination.

## SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company before and after the completion of the Open Offer:

### Scenario 1:

Assuming no outstanding Share Options being exercised on or before the Record Date:

	As at the date of this announcement		Immediately after completion of the Open Offer			
			Assuming all the Offer Shares are subscribed for by the Qualifying Shareholders		Assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Directors	5,500,000	0.26	22,000,000	0.26	5,500,000	0.06
Public Shareholders	2,119,015,172	99.74	8,476,060,688	99.74	2,119,015,172	24.94
Underwriter	–	–	–	–	6,373,545,516	75.00
	<u>2,124,515,172</u>	<u>100.00</u>	<u>8,498,060,688</u>	<u>100.00</u>	<u>8,498,060,688</u>	<u>100.00</u>



## Scenario 2:

Assuming the outstanding Share Options being exercised in full on or before the Record Date:

	As at the date of this announcement		Immediately after all the outstanding Share Options are exercised but before the completion of the Open Offer		Immediately after completion of the Open Offer			
					Assuming all the Offer Shares are subscribed for by the Qualifying Shareholders		Assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Directors	5,500,000	0.26	5,500,000	0.26	22,000,000	0.26	5,500,000	0.06
Public Shareholders	2,119,015,172	99.74	2,122,815,172	99.74	8,491,260,688	99.74	2,122,815,172	24.94
Underwriter	-	-	-	-	-	-	6,384,945,516	75.00
	<u>2,124,515,172</u>	<u>100.00</u>	<u>2,128,315,172</u>	<u>100.00</u>	<u>8,513,260,688</u>	<u>100.00</u>	<u>8,513,260,688</u>	<u>100.00</u>

As at the date of this announcement, the existing public Shareholders hold as to approximately 99.74% of the entire issued share capital of the Company. Upon completion of the Open Offer (assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders), the existing public Shareholders hold as to 24.94% of the entire enlarged issued share capital of the Company.

Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Excluded Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer. The possible maximum dilution to shareholdings of those Qualifying Shareholders who do not subscribe to the Open Offer is approximately 74.99%.

As discussed with the Underwriter, in the event that there is insufficient public float of the Company within the meaning of the Listing Rules immediately upon completion of the Open Offer solely because of the Underwriter's performance of its obligations pursuant to the Underwriting Agreement, the Underwriter agrees to take such appropriate steps as may be reasonably required to maintain the minimum public float for the Shares in compliance with Rule 8.08 of the Listing Rules. The Underwriter will use its best endeavours to ensure that the subscribers and/or sub-underwriters are: (i) Independent Third Parties, and (ii) will not hold 10% or more of the equity interest and voting rights in the Company upon completion of the Open Offer. The Underwriter will also ensure that at least 25% of the total issued capital of the Company is held by the public at all times such that the public float requirements under Rules 8.08 of the Listing Rules will be complied with by the Company.

## **REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS**

The principal activity of the Company is investment holding and the Group is principally engaged in the provision of advertising agency services, distribution of books and magazines in the PRC and securities trading in Hong Kong.

It is the corporate strategy of the Group to strengthen its existing businesses while concurrently identifying and capitalising on new opportunities to achieve financial growth for the Group and to maximise Shareholders' value.

The gross proceeds of the Open Offer will be approximately HK\$637.35 million before expenses, assuming no outstanding Share Options being exercised before the Open Offer. The estimated net proceeds of the Open Offer will be approximately HK\$623.85 million. The net price per Offer Share after deducting the relating expenses of Open Offer will be approximately HK\$0.098.

The Company intends to apply:

- (i) approximately HK\$365 million for the set-up and operation of a company licensed under the SFO to conduct Type 1 (dealing in securities) regulated activities under the SFO;
- (ii) approximately HK\$30 million for the set-up and operation of companies licensed under the SFO to conduct Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO;
- (iii) approximately HK\$125 million for the operation and development of the e-commerce platform;
- (iv) approximately HK\$100 million for the possible acquisition of a company engaged in the development and operation of e-commerce platform pursuant to a signed memorandum of understanding as stated in the announcement dated 10 August 2015; and
- (v) the remaining balance of the net proceeds of HK\$3.85 million for the working capital of the Group's existing businesses.

The unlisted warrants issued by the Company in September 2014 were exercised in May 2015. The net proceeds of approximately HK\$238.75 million were received by the Company and will be used to finance the operation and development of the Group as stated in the Company's announcement dated 26 September 2014.

The Directors note that the number of companies listed on the Stock Exchange is increasing and the total equity funds raised by companies listed on the Stock Exchange is showing an increasing trend. Set out below is the total number of companies listed on the Stock Exchange for 2012 to 2014:

**Table 1: Total number of companies listed on the Stock Exchange**

<b>Year</b>	<b>Total Number of Listed Companies</b>
2012	1,548
2013	1,644
2014	1,753

*Source: Stock Exchange*

As shown in the table above, the total number of companies listed on the Stock Exchange has increased from 1,547 in 2012 to 1,752 in 2014, representing a compound annual growth rate ("CAGR") of approximately 6.42 %. Set out below is the total equity funds raised as stated in the HKEx Fact Book 2014:

**Table 2: Total equity funds raised**

<b>Year</b>	<b>Equity funds raised (HK\$ billion)</b>
2012	305.36
2013	378.86
2014	942.72

*Source: Stock Exchange*

As shown in the table above, the total equity funds raised has increased from approximately HK\$305.36 billion in 2012 to approximately HK\$942.72 billion in 2014, representing a CAGR of approximately 75.71%.

In view of the above, the Board is of the view that licensed corporations with Type 1, Type 4, Type 6 and Type 9 licenses are expected to benefit from the positive financial market outlook. Accordingly, the Company has engaged the Consultant, to assist in its application for Type 1, Type 4, Type 6 and Type 9 license applications. On 17 July 2015, the Company announced that the Group was in the process of applying to the SFC for a license to carry out Type 1 regulated activity. Subject to the approval by the SFC, it is the Group's intention to be involved in share placements and underwriting activities of its clients. The Directors have therefore intended to apply approximately HK\$365 million for the set-up and operation of a company licensed under the SFO to conduct Type 1 (dealing in securities) regulated activities. The Group intends to apply:

- (i) approximately HK\$15 million for the set-up of a Type 1 licensed company, of which HK\$13 million will be used as share capital and HK\$2 million will be used for the new company set-up, including but not limited to new office rental and office renovation;
- (ii) approximately HK\$335 million will be used as liquidity capital of the Type 1 licensed company;
- (iii) approximately HK\$15 million will be used for the development and operation of the Type 1 licensed company, including but not limited to rental expense, staff salaries and administrative expenses.

The Group expects to manage its liquidity position for its Type 1 licensed company in a prudent manner that complies strictly with the relevant statutory requirements. This is expected to be achieved by the management and monitoring of the liquidity position of Type 1 licensed company on a daily basis to ensure sufficient liquid funds to comply with the statutory requirements such as the Securities and Futures (Financial Resources) Rules of the SFC ("**FRR Rules**"). According to the FRR Rules, corporations licensed under the SFC to carry out Type 1 regulated activities are required to maintain liquidity capital of approximately 1%-15% of the net underwriting commitment. Therefore, the liquidity capital of HK\$335 million implies a maximum underwriting commitment of approximately HK\$2.2 billion, which represents only approximately 0.23% of the total equity funds raised by

companies listed on the Stock Exchange during 2014. As such, the Directors consider that it is prudent and reasonable for the Group to allocate approximately HK\$335 million to maintain the liquidity capital of its Type 1 licensed Company.

Once the approval of the SFC is obtained, the Company will set up the Type 1 licensed company and hire at least two responsible officers as required by the SFC to operate a licensed corporation. The Directors are of the view that with the appointment of at least two experienced responsible officers, who are experienced in the supervision of licensed activities and have in-depth industry knowledge, they are able to supervise and develop the business of Type 1 regulated activities, as well as assist the Company in evaluating potential investments in other companies if suitable investment opportunities arise. The Directors of the Company have extensive experience in the financial and investment industry. However, as the operation of the SFC's regulated activities requires personnel with specific qualification to be responsible officers, the Company will hire experienced personnel in accordance with its business plan to undertake the day-to-day operations of the licensed companies. The Board, on the other hand, will provide strategic business directions to the overall operations.

According to the FRR Rules, the minimum capital requirement for Type 4, Type 6 and Type 9 licensed companies are HK\$3 million for each license. For each of the Type 4, Type 6 and Type 9 licensed companies: (i) HK\$3 million will be required as minimum capital; (ii) HK\$2 million will be used for the new company set-up, including but not limited to new office rental and salaries for employees; and (iii) HK\$5 million will be used for the business development of the respective businesses. Therefore, the total required funding for the set-up and operation of Type 4, Type 6 and Type 9 licensed companies will be HK\$30 million.

In the event that the applications for Type 1, Type 4, Type 6 and Type 9 licensed companies are unsuccessful, the Company will apply the relevant proceeds to other potential investment opportunities in the financial industry.

The Company has submitted the application for Type 1 license to the SFC on 11 August 2015. As discussed with the Consultant, subject to the SFC approval, the expected application process shall take three to five months. Taking into consideration of the time needed for the Open Offer to complete, the Directors are of the view that it is necessary to raise the required funding for the Type 1 license as it is important and necessary for the Type 1 licensed company to have the required funding to set up and maintain the liquidity capital once the application for the Type 1 license is approved.

As disclosed in the annual report of the Company for the financial year ended 31 December 2014, the Group intends to explore the e-commerce sector when there are suitable opportunities and to develop diversified e-commerce services through leveraging on loyal customer base that has accumulated over the years. The Group may provide diversified and multi-dimensional customised services (including the customisation of news content, financial information, electronic goods, marketing conference and event promotion) to existing and potential customers, acting not only as a content provider but also a service provider. The Company intends to either acquire companies which are involved in relevant e-commerce platform or to explore establishing a subsidiary to develop an e-commerce platform in the second half of 2015.

The Company is currently in preliminary negotiation with not more than 2 parties on possible acquisition targets. As at the date of this announcement, no concrete terms have been established nor any definitive agreements been reached. It is the intention of the Group to acquire a controlling stake in those companies which the Company is having preliminary discussion with. The Company will update its Shareholders and, where appropriate, make announcement(s) in accordance with the Listing Rules, should such acquisition materialises.

Set out in the chart below is the business-to-consumer (“B2C”) e-commerce sales worldwide from 2012 to 2017.

**Chart 2: B2C e-commerce sales worldwide 2012-2017**

<b>Year</b>	<b>2012</b>	<b>2013</b>	<b>2014E</b>	<b>2015E</b>	<b>2016E</b>	<b>2017E</b>	<b>2018E</b>
B2C e-commerce sales (US\$ billion)	1,058	1,233	1,471	1,700	1,922	2,143	2,356

Source: <http://ecommercenews.eu/key-e-commerce-trends-in-2015>

As shown in the chart above, worldwide B2C e-commerce sales increased from approximately US\$1.06 trillion in 2012 to approximately US\$1.47 trillion in 2014, representing a CAGR of approximately 17.91%. It is expected to continue growing in the future years, reaching a revenue of approximately US\$2.36 trillion by 2018, reflecting an estimated CAGR of approximately 14.27% from 2012. In view of the positive data on e-commerce sales as stated above, the Board is of the view that the outlook of the e-commerce industry appears positive and encouraging. Accordingly, the Board intended to apply approximately HK\$100 million for the acquisition or establishment of e-commerce platform to supplement the existing business of the Group.

The Company is intended to develop the e-commerce platform for the acquisition and circulation of electronic books. The e-commerce platform shall offer a variety of innovative and flexible ways for users to choose, purchase and read the electronic books. The development of the e-commerce platform including but not limited to the purchase of the books and the development and maintenance of software systems. The Company intends to allocate approximately HK\$75 million for the purchase of books and approximately HK\$50 million for the development of software systems.

### **Other fund raising alternatives**

The Board has considered other fund raising alternatives before resolving to the Open Offer, including but not limited to debt financing, placing of new Shares and rights issue. Debt financing or bank loans would result in additional interest burden to and higher gearing ratio of the Group. Placing of new Shares would only be available to certain places who were not necessarily the existing Shareholders and would dilute the shareholding of the existing Shareholders in the Company.

Although rights issue, as compared to an Open Offer, can provide an additional option to those Shareholders who do not wish to take up the entitlements by selling their entitled nil-paid rights, rights issue would involve extra administrative work and cost for the preparation, printing, posting and processing of trading arrangements in relation to the nil-paid rights. The Company will also involve additional time and incur resources to administer the trading of the nil-paid rights including communication between the Company and other parties such as the registrar or financial printer.

The objective of the Open Offer is to enable the Shareholders to maintain their proportionate interests in the Company should they wish to do so, ensuring stability in the Company's Shareholders' base, and to participate in the Company's future growth and development. The Board therefore considers, since the Open Offer will already give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro-rata shareholding interests in the Company, even without the right to trade their nil-paid rights as in a rights issue, on balance, to conduct an Open Offer instead of a rights issue will be more beneficial to the Company and the Shareholders in the current circumstances.

Having considered other fund raising alternatives for the Group as disclosed above, and taking into account the benefits and cost of each of the alternatives, the Directors (including the independent non-executive Directors) are of the view that the Open Offer is in the interest of the Company and the Shareholders as a whole since it offers the Qualifying Shareholders the opportunity to maintain their pro-rata shareholding interests in the Company.

## **FUND RAISING EXERCISES OF THE COMPANY IN THE PAST 12 MONTHS**

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
26 September 2014	Issue of unlisted warrants pursuant to consultancy agreement under general mandate	Approximately HK\$238.73 million	Finance the operation and development of the Group	Will be used as intended

The abovementioned warrants were exercised and settled by cash in May 2015. The net proceeds of approximately HK\$238.73 million were received by the Company and will be used to finance the operation and development of the Group as stated in the Company's announcement dated 26 September 2014. As stated in the annual report of the Company for the year ended 31 December 2014, the selling & distribution costs and administrative expenses for the year ended 31 December 2014 was approximately HK\$309.54 million. Therefore, the Directors are of the view that applying the net proceeds of approximately HK\$238.73 million to finance the operation and development of the Group is fair and reasonable. As the net proceeds from the abovementioned warrants will be used to finance the operation and development of the existing businesses of the Group, the Board considers that it is necessary for the Company to raise additional funds through the Open Offer for the new investment opportunities and the development of new business as disclosed in the above section headed "Reasons for the Open Offer and use of proceeds" in this announcement.

Save for the above, the Company had not conducted any other fund raising exercise in the past 12 months immediately preceding the date of this announcement.



As at the date of this announcement and to the best of the Directors' knowledge, information and belief, the Company is not considering any equity fund raising exercise during the next 12 months from the date of this announcement. To the best of the Directors' knowledge, information and belief, the proceeds from Open Offer and the internal funding of the Company can satisfy the Company's expected funding needs for the next 12 months from the date of this announcement.

## **CHANGE IN BOARD LOT SIZE**

The Board announces that the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Monday, 26 October 2015.

The change in board lot size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the change in board lot size is in the interests of the Company and its Shareholders as a whole.

Based on the theoretical ex-entitlement price of approximately HK\$0.175 per Share (calculated based on the closing price of HK\$0.40 per Share as quoted on the Stock Exchange on the Last Trading Day), the market value of each existing board lot is HK\$350 and the estimated market value of each proposed new board lot is HK\$3,500. As the Change in Board Lot Size is required to maintain a minimum board lot size of 2,000 Shares as required by the Stock Exchange, therefore the Directors are of the view that the Change in Board Lot Size is in the interest of the Shareholders. Although the Directors note that there will be odd lots for Shareholders who fully subscribe for the Offer Shares, the Company has arranged a matching agent in assisting the Shareholders in the trading of odd lots.

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares, the Company will arrange odd lot matching services during Monday, 26 October 2015 to Monday, 16 November 2015 (both dates inclusive). Shareholders should note that matching of the sale and purchase of odd lots of the Shares is on a best effort basis and successful matching of the sale and purchase of such odd lots is not guaranteed. Further details in respect of the odd lots arrangement will be set out in the Circular.

## EXPECTED TIMETABLE

The expected timetable for the Open Offer is set out below:

<b>Event</b>	<b>(Hong Kong time)</b>
Expected date of despatch of the Circular and the notice of the EGM. . . . .	Thursday, 27 August 2015
Latest time for lodging proxy form for the EGM . . . . .	9:00 a.m. on Saturday, 12 September 2015
Date and time of the EGM . . . . .	9:00 a.m. on Monday, 14 September 2015
Announcement of results of the EGM. . . . .	Monday, 14 September 2015
Last day of dealing in Shares on a cum-entitlement basis. . . . .	Tuesday, 15 September 2015
First day of dealing in Shares on an ex-entitlement basis. . . . .	Wednesday, 16 September 2015
Latest time for lodging transfer documents of Shares in order to be qualified for the Open Offer . . . . .	4:30 p.m. on Thursday, 17 September 2015
Register of members closes. . . . .	Friday, 18 September 2015 to Thursday, 24 September 2015 (both dates inclusive)
Record Date . . . . .	Thursday, 24 September 2015
Register of members re-opens. . . . .	Friday, 25 September 2015
Despatch of the Prospectus Documents. . . . .	Tuesday, 29 September 2015

**Event** **(Hong Kong time)**

Latest time for acceptance of and payment  
for the Offer Shares . . . . . 4:00 p.m. on Wednesday,  
14 October 2015

Latest time for termination of the Underwriting Agreement . . . . . 4:00 p.m. on Thursday,  
15 October 2015

Announcement of the results of the Open Offer . . . . . Thursday, 22 October 2015

Despatch of certificates for the Offer Shares . . . . . Friday, 23 October 2015

Despatch of refund cheques if the Open Offer  
is terminated . . . . . Friday, 23 October 2015

Last day of trading of the Shares with old board  
lot size of 2,000 Shares . . . . . Friday, 23 October 2015

Effective date of new board lot size of 20,000 Shares . . . . . 9:00 a.m. on Monday,  
26 October 2015

Expected first day of dealings in the Offer Shares . . . . . 9:00 a.m. on Monday,  
26 October 2015

Designated broker starts to stand in the market  
to provide matching services for odd lots of Shares . . . . . Monday, 26 October 2015

Last day for the designated broker to provide  
matching services for odd lots of Shares . . . . . Monday, 16 November 2015

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

## **Effect of bad weather on the Latest Time for Acceptance**

The Latest Time for Acceptance will not take place at 4:00 p.m. on Wednesday, 14 October 2015 if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning, if such circumstances is:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place at 4:00 p.m. on the date of the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same day instead;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place on the date of the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on Wednesday, 14 October 2015, the dates mentioned in the above section headed “Expected timetable” in this announcement may be affected. An announcement will be made by the Company in such event.

## **POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS**

As a result of the Open Offer, it is expected that the exercise prices, and/or the number of Shares, of the outstanding Share Options will be adjusted in accordance with the terms and conditions of the Share Option Scheme of the Company. The Company will engage the Company’s auditors to review and determine the relevant adjustments and make further announcements on the appropriate adjustments and the date they are expected to take effect in due course.

## **GENERAL**

An Independent Board Committee of the Company comprising all the independent non-executive Directors has been established to make recommendation to the Independent Shareholders in respect of the Open Offer. An Independent Financial Adviser has been appointed to advise the Independent Board Committee of the Company and the Independent Shareholders in this regard. A Circular containing, among other things, further details of the Open Offer, the recommendation from the Independent Board Committee of the Company, the advice from the Independent Financial Adviser to the Independent Board Committee of the Company and the Independent Shareholders in respect of the Open Offer and a notice convening the EGM will be despatched to the Shareholders on or before Thursday, 27 August 2015 so as to allow sufficient time for the preparation of the relevant information for inclusion in the Circular.

An EGM will be convened and held for the Shareholders and the Independent Shareholders (as the case may be) to consider, and if thought fit, to approve, among other things, the Increase in Authorised Share Capital and the proposed Open Offer. The Circular containing, among other things, (i) further details about the Increase in Authorised Share Capital, the Change in Board Lot Size and the Open Offer; (ii) a letter of recommendation from the Independent Board Committee of the Company to the Independent Shareholders in respect of the Open Offer; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee of the Company and the Independent Shareholders on the Open Offer; and (iv) the notice convening the EGM, will be despatched to the Shareholders on or before Thursday, 27 August 2015.

Since the Open Offer will increase the issued share capital of the Company by more than 50%, in accordance with Rule 7.24(5) of the Listing Rules, The Open Offer must be made conditional on, amongst other things, the approval by the independent shareholders at which any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting on the resolution(s) relating to the Open Offer and transactions contemplated thereunder. As at the date of this announcement, the Company does not have any controlling Shareholders as defined under the Listing Rules. Therefore, Mr. Wang Boming, Mr. Zhang Zhifang, Mr. Dai Xiaojing, Mr. Suen Man Simon, Mr. Zhou Hongtao and Mr. Li Leong (being the executive Directors) and their respective associates shall abstain from voting on the resolution(s) in relation to the Open Offer and the transactions contemplated thereunder at the EGM.

## **WARNING OF THE RISK OF DEALINGS IN SHARES**

**Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.**

**Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

**Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Wednesday, 16 September 2015 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.**

**Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on 4:00 p.m. on Thursday, 15 October 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.**

## **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, has been established to advise the Independent Shareholders in respect of the Open Offer. Hercules Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard and such appointment has been approved by the Independent Board Committee of the Company. The advice of Hercules Capital Limited to the Independent Board Committee of the Company and the Independent Shareholders will be included in the Circular.

## **DEFINITIONS**

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

“Application Form”	the form of application to be used by the Qualifying Shareholders to apply for the Offer Shares in the form agreed by the Company and the Underwriter
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular containing, among other things, further details of the Open Offer and a notice convening the EGM to be despatched to the Shareholders

“Company”	SEEC Media Group Ltd., a company incorporated in Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“Companies Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Consultant”	a company incorporated in Hong Kong with limited liability in 2007, which is principally engaged in disseminating Hong Kong listed companies announcements through its website and providing consultancy services, including but not limited to, accounting advisory services; company secretarial services and application assistance for various regulated activities as defined by the SFO
“Director(s)”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and to approve the Increase in Authorised Share Capital, the Open Offer and the transactions contemplated hereunder
“Excluded Shareholder(s)”	the Overseas Shareholder(s) whose address is/are in a place(s) outside Hong Kong where, the Directors, based on legal opinions provided by legal advisers of the Company, consider it is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to such Overseas Shareholders
“Group”	the Company and its subsidiaries

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	comprising all independent non-executive Directors established to advise the Independent Shareholders in respect of the Open Offer
“Independent Financial Adviser”	Hercules Capital Limited, a corporation licensed under the SFO to conduct Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer
“Independent Shareholder(s)”	any Shareholder(s) other than the controlling Shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties not connected with or acting in concert with any Directors, chief executive or Substantial Shareholder(s) or its subsidiaries of the Company and their respective associates
“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$300,000,000 divided into 3,000,000,000 Shares to HK\$1,000,000,000 divided into 10,000,000,000 Shares by the creation of 7,000,000,000 additional Shares



“Last Trading Day”	18 August 2015, being the last trading day for the Shares immediately prior to the date of this announcement
“Latest Time for Acceptance”	the latest time for acceptance for the Offer Shares at 4:00 p.m., on 14 October 2015 or such other time as may be agreed between the Company and the Underwriter
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m., on 15, October 2015, being the next business day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Offer Shares”	not less than 6,373,545,516 new Shares and not more than 6,384,945,516 new Shares to be allotted and issued pursuant to the Open Offer
“Open Offer”	the proposed issue by way of open offer to the Qualifying Shareholders on the basis of three (3) Offer Shares for every one (1) existing Share held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Overseas Letter”	a letter from the Company to the Excluded Shareholders explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Open Offer

“Overseas Shareholder(s)”	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) are outside Hong Kong
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administration Region of the PRC and Taiwan
“Prospectus”	the document containing details of the Open Offer to be despatched to the Qualifying Shareholders
“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	29 September 2015 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders (or the Prospectus for information only to the Excluded Shareholder(s))
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	24 September 2015, or such other date as may be agreed between the Company and the Underwriter for determining entitlements to the Open Offer
“Registrar”	Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, being the Hong Kong branch share registrar of the Company
“SFC”	Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company

“Shareholder(s)”	the holder(s) of the Share(s)
“Share Options”	share options granted by the Company pursuant to the share option schemes adopted by the Company on 26 August 2002 which entitled the holders to subscribe for new Shares
“Share Options Scheme”	the share option scheme of the Company adopted on 26 August 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.10 per Offer Share
“Substantial Shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Underwriter”	Black Marble Securities Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 19 August 2015 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Open Offer
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent

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

Hong Kong, 19 August 2015

*As at the date of this announcement, the executive Directors are Mr. Wang Boming (Chairman), Mr. Zhang Zhifang, Mr. Dai Xiaojing, Mr. Suen Man Simon, Mr. Zhou Hongtao and Mr. Li Leong; and the independent non-executive Directors are Mr. Ding Yu Cheng, Mr. Law Chi Hung and Ms. Wensy Ip.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*