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SEEC MEDIA GROUP LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 205)

SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

SUBSCRIPTIONS

On 15 August 2022 (after trading hours), the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 120,000,000 new Shares at the Subscription Price of HK\$0.4 per Subscriptions Share. The Subscriptions Shares represent 19.48% of the existing issued share capital of the Company and approximately 16.30% of the total issued share capital of the Company as enlarged by the Subscriptions Shares.

The Subscription Price of HK\$0.4 represents (i) a discount of approximately 13.04% to the closing price of HK\$0.46 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and (ii) a discount of approximately 19.52% to the average of the closing price of HK\$0.497 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Subscription Agreements.

The Subscriptions Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 30 June 2022. The Subscriptions are conditional upon, among other things, the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscriptions Shares on the Stock Exchange.

The maximum gross and net proceeds (after deduction of other expenses of the Subscriptions) from the Subscriptions will be approximately HK\$48.0 million and approximately HK\$47.8 million respectively. It is expected that the entire net proceeds from the Subscriptions will be expand on its advertising business, especially the digital media marketing services and multi-channel network services.

Completion of the Subscriptions are subject to the satisfaction of the conditions precedent in the Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE SUBSCRIPTIONS

On 15 August 2022 (after trading hours), the Company and the Subscribers entered into the Subscription Agreements, the principal terms of which are set out below:

The Subscription Agreement A

Date: 15 August 2022 (after trading hours)

Parties: (1) The Company, as issuer; and (2) The Subscriber A, as subscribers.

Number of Subscriptions Shares: 60,000,000 Subscriptions Shares

Pursuant to the terms of the Subscription Agreement A, the Subscriber A will subscribe for 60,000,000 Subscriptions Shares at the Subscription Price.

Subscriber A is an exempted company incorporated in the Cayman Islands on 4 January 2012, and its sole management shareholder is Prime Profit Capital Limited (“PPC”, an investment company incorporated in the British Virgin Islands wholly owned by Ms. KONG Rong (孔蓉)). Subscriber A is a hedge fund registered with the Cayman Islands Monetary Authority, with an investment focus on stock markets of the United States, mainland China and Hong Kong. The investment manager of Subscriber A is Yong Rong (HK) Asset Management Limited (“Yong Rong HK”), which is wholly owned by Mr. HUANG Yong (黄勇). Yong Rong HK is licensed to carry out type 9 (asset management) regulated activities under the SFO.

The Subscription Agreement B

Date: 15 August 2022 (after trading hours)

Parties: (1) The Company, as issuer; and (2) The Subscriber B, as subscribers.

Number of Subscriptions Shares: 60,000,000 Subscriptions Shares

Pursuant to the terms of the Subscription Agreement B, the Subscriber B will subscribe for 60,000,000 Subscriptions Shares at the Subscription Price.

Subscriber B is an exempted company incorporated in the Cayman Islands on 24 October 2017, whose sole management shareholder is PPC while investment manager is Yong Rong HK. Subscriber B is a hedge fund registered with the Cayman Islands Monetary Authority and primarily invests in stock markets of the United States, Mainland China and Hong Kong.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Subscribers and its ultimate beneficial owner are third parties independent of, and not connected with the Company and its connected persons.

Subscriptions

The Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 120,000,000 new Shares at the Subscription Price of HK\$0.4 per Subscriptions Share to the Subscribers, at an aggregate consideration of approximately HK\$48.0 million. Such consideration shall be paid by the Subscribers to the Company on Completion by way of telegraphic transfer to the designed account of the Company.

Subscriptions Shares

The Subscriptions Shares represent:

- (i) 19.48% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 16.30% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscriptions Shares only (assuming there will be no change in the issued share capital of the Company between the date of this announcement and the date of Subscriptions Completion, save for the allotment and issue of the Subscriptions Shares).

The Subscriptions Shares, when allotted and issued, will rank pari passu in all respects among themselves free from all liens, charges, guarantee, adverse interests and adverse claims, and with the Shares in issue on the date of allotment and issue of the Subscriptions Shares including all dividends declared or payable or distributions made or proposed on or after the date of execution of the Subscription Agreements.

Subscription Price

The Subscription Price is HK\$0.4 per Subscriptions Share, which represents:

- (a) a discount of approximately 13.04% to the closing price of HK\$0.46 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (b) a discount of approximately 19.52% to the average closing price of HK\$0.497 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the Last Trading Day.
- (c) a premium of approximately 42.86% to the average closing price of HK\$0.28 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days prior to the Last Trading Day.

The Subscription price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Subscribers. The Directors consider that the Subscription Price, and the terms and conditions of the Subscription Agreements, are fair and reasonable, and are in the interest of the Company and the Shareholders as a whole.

Conditions precedent to the Subscriptions Completion

Completion of the Subscriptions are conditional upon:

- (a) the listing of, and permission to deal in, all the Subscriptions Shares being granted by the Listing Committee of the Stock Exchange and such listing and permission not subsequently being revoked prior to the Completion Date; and
- (b) if necessary, all relevant approvals and consents from governmental or other competent authority or in accordance with applicable laws having been obtained.

The above conditions should not be waived by any of the parties to the Subscription Agreements. In the event that the conditions are not fulfilled on or before 5:00 p.m. on 5 September 2022, or such later date as may be agreed between the Company and the Subscribers, all rights, obligations and liabilities of the parties in respect of or under the Subscription Agreements shall cease and terminate, and no party shall have any claims against the other party in respect of any matter arising out of the Subscription Agreements except for any antecedent breach of any obligations under the Subscription Agreements and liabilities in respect of certain payment obligations of the Company and certain covenants made by the Company.

Subscriptions Completion

Completion of the Subscriptions will take place within seven Business Days after the date upon which the last of the conditions has been satisfied, or at such other time and/or date as may be agreed between the Company and the Subscribers in writing.

REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS

The Company is an investment holding company. The Group is principally engaged in the provision of advertising agency services, distribution of books and magazines, securities brokerage business, money lending business and e-commerce business in the PRC and in Hong Kong.

For the two years ended 31 December 2021, the Group recorded (i) revenue of approximately HK\$68.4 million and HK\$80.2 million respectively; and (ii) loss for the year of approximately HK\$44.6 million and HK\$143.4 million respectively for the corresponding years. As mentioned in the annual report of the Company for the year ended 31 December 2021 (the “**2021 Annual Report**”), the Group will maintain its cautiously optimistic outlook and explore other suitable investment opportunities which are able to bring satisfactory and sustainable returns to the Group and maximize the shareholders’ value.

The gross proceeds from the Subscriptions will be approximately HK\$48.0 million. It is estimated that the net proceeds from the Subscriptions, after the deduction of relevant expenses, will be approximately HK\$47.8 million. In line with the aforesaid business objectives, the Company intends to utilize the net proceeds from the Subscriptions to expand its advertising business, especially the digital media marketing services and multi-channel network services.

The Board is of the view that by inviting strategic partners will further expands its advertising business, especially the digital media marketing services and multi-channel network services, which is in line with the Group's business development strategies and plans. The further development will benefits to the Group and it represents an excellent opportunity for the Group to broaden its revenue base and enhance shareholders' value. The Directors are of the view that the Subscriptions can strengthen the financial position of the Group and provide working capital to the Group to meet such development and obligations. The Subscriptions also represents good opportunities to broaden the shareholders' base and the capital base of the Company. The Directors consider that the Subscriptions is in the interests of the Company and the Shareholders as a whole

FUNDRAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activities in the 12 months immediately preceding the date of this announcement.

EFFECT OF THE SUBSCRIPTIONS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company before and after completion of the Subscriptions will be as follows:

	Immediately before the Subscriptions		Immediately after completion of the Subscriptions	
	<i>Number of Shares</i>	<i>Approx. % (note)</i>	<i>Number of Shares</i>	<i>Approx. % (note)</i>
Substantial Shareholder:				
Chen Hui	170,000,000	27.59	170,000,000	23.10
Subscriber A	–	–	60,000,000	8.15
Subscriber B	–	–	60,000,000	8.15
Public Shareholders:				
Other public Shareholders	446,142,730	72.41	446,142,730	60.60
Total	<u>616,142,730</u>	<u>100.00</u>	<u>736,142,730</u>	<u>100.00</u>

Note:

The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.

LISTING RULES IMPLICATIONS

The Subscriptions Shares will be issued under the General Mandate and therefore the Subscriptions will not be subject to the Shareholders' approval.

GENERAL

General Mandate

The Subscriptions Shares will be allotted and issued under the General Mandate to allot, issue and deal with the Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 30 June 2022, on which date the total number of Shares in issue was 616,142,730. As at the date of this announcement, the Board has not utilised the aforesaid General Mandate and the available number of Shares that can be issued under the General Mandate is 123,228,546 Shares. The 120,000,000 Subscriptions Shares to be allotted and issued will utilise 120,000,000 of the aforesaid General Mandate.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscriptions Shares.

As the Subscription Agreements may or may not complete, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 30 June 2022 at which, among other things, the General Mandate was granted to the Directors
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (other than Saturdays and Sundays and public holidays) on which banks are open for business in Hong Kong
“Company”	SEEC Media Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 205)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules

“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate obtained from shareholders of the Company at the annual general meeting held on 30 June 2022 authorising the directors of the Company to allot and issue up to 20% of the issued and outstanding shares of the Company as at the date of the annual general meeting
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Share(s)”	the ordinary share(s) of HK\$0.1 in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscriber A”	Yong Rong Global Excellence Fund, an exempted company incorporated in Cayman Islands
“Subscriber B”	EverFund , an exempted company incorporated in Cayman Islands
“Subscribers”	the Subscriber A and the Subscriber B
“Subscriptions”	the Subscriptions of the Subscriptions Shares by the Subscribers pursuant to the Subscription Agreements
“Subscription Agreement A”	the subscription agreements entered into between the Company and the Subscriber A dated 15 August 2022 in respect of the Subscriptions
“Subscription Agreement B”	the subscription agreements entered into between the Company and the Subscriber B dated 15 August 2022 in respect of the Subscriptions
“Subscription Agreements”	Subscription Agreement A and Subscription Agreement B
“Subscription Price”	HK\$0.4 per Subscriptions Share

“Subscriptions Share(s)” 120,000,000 new Shares to be allotted and issued by the Company to the Subscribers under the Subscription Agreements

“substantial shareholder(s)” has the meaning ascribed thereto under the Listing Rules

“%” per cent

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

Hong Kong, 15 August 2022

As at the date of this announcement, the Board comprises Mr. Li Leong, Mr. Li Xi, Mr. Li Zhen, Mr. Zhang Zhifang and Mr. Zhou Hongtao as the executive directors and Mr. Law Chi Hung, Mr. Leung Tat Yin and Mr. Wong Ching Cheung as the independent non-executive directors.