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SEEC MEDIA GROUP LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 205)

DISCLOSEABLE TRANSACTION IN RELATION TO THE LETTERS OF OFFER FOR LEASING OF OFFICE PREMISES

The Board is pleased to announce that (i) on 2 June 2020, China Asset, an indirect non wholly-owned subsidiary of the Company, as lessee and the Landlord as lessor entered into a legally-binding Letter of Offer A in respect of the lease of the Premises A for the period from 1 September 2020 to 31 August 2024 (both days inclusive); and (ii) on 2 June 2020, China Prospect, an indirect wholly-owned subsidiary of the Company, as lessee and the Landlord as lessor entered into a legally-binding Letter of Offer B in respect of the lease of Premises B for the period from 1 September 2020 to 31 August 2024 (both days inclusive).

Upon implementation of HKFRS 16 effective from 1 January 2019, if the Group enters into lease transaction as a lessee, it should recognise the right-of-use asset in the consolidated financial statements of the Company.

Accordingly, entering into lease transactions by the Group as lessee will be regarded as acquisition of assets under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules, and will constitute notifiable transactions for the Company under the Listing Rules depending on the size of the lease transactions.

As the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) for the transactions contemplated under the Letter of Offer A and Letter of Offer B in aggregate exceed 5% and below 25%, such transactions constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that (i) on 2 June 2020, China Asset, an indirect non wholly-owned subsidiary of the Company, as lessee and the Landlord as lessor entered into a legally-binding Letter of Offer A in respect of the lease of the Premises A for the period from 1 September 2020 to 31 August 2024 (both days inclusive); and (ii) on 2 June 2020, China Prospect, an indirect wholly-owned subsidiary of the Company, as lessee and the Landlord as lessor entered into a legally-binding Letter of Offer B in respect of the lease of Premises B for the period from 1 September 2020 to 31 August 2024 (both days inclusive).

THE LETTER OF OFFER A

Set out below is a summary of the principal terms of the Letter of Offer A:

Date	2 June 2020
Parties	(a) China Asset as lessee; and (b) the Landlord, as lessor To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.
Premises	Units 2301-02, 23/F, The Center, 99 Queen's Road Central, Hong Kong
Use of the Premises	For commercial offices use only.
Term	Four years commencing from 1 September 2020 and expiring on 31 August 2024 (both days inclusive).
Rental payment	The total rent payable over the lease term by China Asset to the Landlord under the Letter of Offer A shall be approximately HK\$9.0 million exclusive of government rates, management fee and air-conditioning charge.
Deposit	The deposit payable by China Asset is approximately HK\$760,000.
Option to renew	The tenant shall have an option to renew the tenancy for a further term of two years at the then prevailing open market rent.

The rent under the Letter of Offer A was determined after arm's length negotiations between the Landlord and China Asset, after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises A.

THE LETTER OF OFFER B

Set out below is a summary of the principal terms of the Letter of Offer B:

Date	2 June 2020
Parties	(a) China Prospect as lessee; and (b) the Landlord, as lessor To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.
Premises	Unit 2303, 23/F, The Center, 99 Queen's Road Central, Hong Kong
Use of the Premises	For commercial offices use only.
Term	Four years commencing from 1 September 2020 and expiring on 31 August 2024 (both days inclusive).
Rental payment	The total rent payable over the lease term by China Prospect to the Landlord under the Letter of Offer B shall be approximately HK\$6.0 million exclusive of government rates, management fee and air-conditioning charge.
Deposit	The deposit payable by China Prospect is approximately HK\$530,000.
Option to renew	The tenant shall have an option to renew the tenancy for a further term of two years at the then prevailing open market rent.

The rent under the Letter of Offer B was determined after arm's length negotiations between the Landlord and China Prospect, after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises B.

China Asset, China Prospect and the Landlord will enter into formal tenancy agreements which will reflect all the above principal terms in the Letter of Offer A and Letter of Offer B respectively.

CONSIDERATION AND RIGHT-OF-USE ASSET OFFER

Pursuant to the HKFRS 16 “Leases”, the total consideration under the letters of offer represents the aggregate amount of rental payments to be made over the term of the letters of offer measured at present value basis. The considerations and right-of-use assets recognised under Letter of Offer A and Letter of Offer B were approximately HK\$7.9 million and approximately HK\$5.5 million respectively. The amounts of rental payments over the term will be settled by the internal financial resources of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LETTER OF OFFER A AND LETTER OF OFFER B

The existing office premises of China Asset and China Prospect is located in Sheung Wan and the term of the lease will be expired on 30 January 2021. Having consider (i) the location of the existing office premises; (ii) the poor condition of the renovation of the existing office premises; and (iii) the lower monthly rental per square feet of gross floor area of Premises A and Premises B as compared to the existing office premises, the Directors consider to move the place of businesses of China Asset and China Prospect to an office premises which located in the commercial zone in Central, an area which is easily accessible by various modes of transportation in Hong Kong and will facilitate the future expansion and growth of the businesses of the Group.

The terms of the Letter of Offer A and Letter of Offer B, including the rental charge, were determined after arm’s length negotiations between the parties. Entering into of the Letter of Offer A and Letter of Offer B are necessary and is in the ordinary and usual course of business of the Group. Therefore, the Board considers that the terms of the Letter of Offer A and Letter of Offer B are fair and reasonable and entering into the Letter of Offer A and Letter of Offer B are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

China Asset is a company incorporated under the laws of Hong Kong with limited liability. It is an indirect non wholly-owned subsidiary of the Company and is mainly engaged in the money lending business. China Asset is a licensed money lender under the Money Lenders Ordinance (Chapter 163, Laws of Hong Kong).

China Prospect is a company incorporated under the laws of Hong Kong with limited liability. It is an indirect wholly-owned subsidiary of the Company and is mainly engaged in the securities broking business. China Prospect was granted by the Securities and Futures Commission licenses to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Landlord is a company incorporated in Hong Kong with limited liability and is principally engaged in properties investment. The Landlord and its ultimate beneficial owners are Independent Third Parties.

IMPLICATIONS UNDER THE LISTING RULES

Upon implementation of HKFRS 16 effective from 1 January 2019, if the Group enters into lease transaction as a lessee, it should recognise the right-of-use asset in the consolidated financial statements of the Company.

Accordingly, entering into lease transactions by the Group as lessee will be regarded as acquisition of assets under the definition of transaction set out in Rule 14.04(1) (a) of the Listing Rules, and will constitute notifiable transactions for the Company under the Listing Rules depending on the size of the lease transactions.

As the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) for the transactions contemplated under the Letter of Offer A and Letter of Offer B in aggregate exceed 5% and below 25%, such transactions constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	SEEC Media Limited, a company incorporated under the laws of Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“China Asset”	China Asset Credit Limited, a company incorporated under the laws of Hong Kong with limited liability, which is an indirect non wholly-owned subsidiary of the Company
“China Prospect”	China Prospect Securities Limited, a company incorporated under the laws of Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards
“Independent Third Party(ies)”	to the best of the directors’ knowledge, information and belief having made all reasonable enquiry, the Landlord and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules)

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Landlord”	The Center (23) Limited, a company incorporated in Hong Kong with limited liability
“Letter of Offer A”	the legally-binding letter of offer for office premises dated 2 June 2020 entered into between the Landlord as lessor and China Asset as lessee in relation to the lease of the Premises A
“Letter of Offer B”	the legally-binding letter of offer for office premises dated 2 June 2020 entered into between the Landlord as lessor and China Prospect as lessee in relation to the lease of the Premises B
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises A”	Units 2301-02, 23/F, The Center, 99 Queen’s Road Central, Hong Kong
“Premises B”	Unit 2303, 23/F, The Center, 99 Queen’s Road Central, Hong Kong
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

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

Hong Kong, 2 June 2020

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.