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

If you have sold or transferred all your shares in **Modern Media Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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MODERN MEDIA HOLDINGS LIMITED

現代傳播控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 72)

- 1. PROPOSED GRANT OF GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES**
- 2. PROPOSED RE-ELECTION OF DIRECTORS
AND**
- 3. NOTICE OF ANNUAL GENERAL MEETING**

Capitalised terms used in the lower portion of the front and inside cover pages shall have the same respective meanings as those defined in the section headed “Definitions” of this circular.

A notice convening the Annual General Meeting to be held at 7/F, Global Trade Square, 21 Wong Chuk Hang Road, Aberdeen, Hong Kong on Tuesday, 9 May 2017 at 3:00 p.m. is set out on pages 17 to 21 of this circular.

Whether or not you intend to attend the Annual General Meeting, you are requested to read the notice and complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time appointed for holding of the Annual General Meeting (i.e. no later than 3:00 p.m. (Hong Kong time) on Sunday, 7 May 2017) or any adjournment thereof to the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish.

31 March 2017

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This circular is prepared in both English and Chinese. In the event of inconsistency, the English text of this circular will prevail.

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be convened and held at 7/F, Global Trade Square, 21 Wong Chuk Hang Road, Aberdeen, Hong Kong on Tuesday, 9 May 2017 at 3:00 p.m., the notice of which is set out on pages 17 to 21 of this circular, and any adjournment thereof
“Articles”	the articles of association of the Company, as amended from time to time
“associates”	has the same meaning as defined under the Listing Rules
“Board”	the board of Directors of the Company
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Modern Media Holdings Limited 現代傳播控股有限公司, a company incorporated under the laws of the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 72)
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the total number of Shares which may be allotted and issued under the Issue Mandate may be increased by an additional number representing such number of Shares actually repurchased under the refreshed Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting for the Directors to exercise the power of the Company to allot, issue or otherwise deal with new Shares not exceeding 20% of the total number of Shares in issue as at the date of the passing of the relevant resolution for approving such mandate

DEFINITIONS

“Latest Practicable Date”	27 March 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to enable the Directors to repurchase the Shares on the Stock Exchange not exceeding 10% of total number of Shares in issue as at the date of the passing the relevant resolution granting such mandate
“RMB”	Renminbi, the lawful currency of PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers as amended from time to time and administered by the Securities and Futures Commission of Hong Kong
“%”	per cent.



MODERN MEDIA HOLDINGS LIMITED

現代傳播控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 72)

Executive Directors:

SHAO Zhong
WONG Shing Fat
MOK Chun Ho, Neil
YANG Ying
LI Jian
DEROCHE Alain, Jean-Marie, Jacques

Non-executive Director:

CHENG Chi Kong

Independent non-executive Directors:

JIANG Nanchun
WANG Shi
AU-YEUNG Kwong Wah
GAO Hao

Registered office:

P.O. Box 10008
Willow House, Cricket Square
Grand Cayman KY1-1001
Cayman Islands

*Principal place of business
in Hong Kong:*

7/F, Global Trade Square
21 Wong Chuk Hang Road
Aberdeen
Hong Kong

31 March 2017

To the Shareholders

Dear Sir/Madam

**1. PROPOSED GRANT OF GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES
2. PROPOSED RE-ELECTION OF DIRECTORS
AND
3. NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include ordinary resolutions on the proposed grant of each of the Issue Mandate, the Repurchase Mandate and the Extension Mandate and the proposed re-election of Directors.

LETTER FROM THE BOARD

ISSUE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed that the Issue Mandate be granted for the Directors to allot, issue and deal with new Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 438,352,659 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 87,670,532 Shares.

REPURCHASE MANDATE AND EXTENSION MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed that the Repurchase Mandate be granted for the Directors to exercise all powers of the Company to repurchase, on the Stock Exchange, or on any other stock exchange on which the Shares may be listed, Shares not exceeding 10% of the total number of Shares in issue as at the date of passing of the relevant resolution.

In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the Annual General Meeting to authorise the increase in the total number of new Shares which may be allotted and issued under the Issue Mandate (if the grant of which is approved by the Shareholders at the Annual General Meeting) by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate (if the grant of which is approved by the Shareholders at the Annual General Meeting).

Subject to the approval of the above proposals by the Shareholders at the Annual General Meeting, the Issue Mandate and the Repurchase Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the end of the period within which the Company is required by the Companies Law, the Articles or applicable Cayman Islands law to hold its next annual general meeting; or (c) when revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to give to its Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix II to this circular.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlement to, among others, the final dividend for the year ended 31 December 2016, the register of members of the Company will be closed from 4 May 2017 (Thursday) to 9 May 2017 (Tuesday) (both days inclusive) during which period no transfer of Shares may be effected.

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 105(A) of the Articles, Messrs Mok Chun Ho, Neil, Cheng Chi Kong, Au-Yeung Kwong Wah and Jiang Nanchun will retire as Directors by rotation and, being eligible, will offer themselves for re-election as Directors at the Annual General Meeting. In accordance with Article 109 of the Articles, any Director appointed either to fill a casual vacancy or as an additional Director shall hold office until the next following general meeting of the Company and shall then be eligible for re-election as Director at the meeting. Each of Messrs. Deroche Alain and Gao Hao was appointed by the Company, respectively, as executive Director with effect from 1 June 2016 and as independent non-executive Director with effect from 18 August 2016, and being eligible, will offer themselves for re-election at the Annual General Meeting.

Brief biographical details of Messrs Mok Chun Ho, Neil, Cheng Chi Kong, Au-Yeung Kwong Wah, Jiang Nanchun, Deroche Alain and Gao Hao are set out in Appendix I to this circular.

VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the Annual General Meeting must be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

ACTIONS TO BE TAKEN

At the Annual General Meeting, ordinary resolutions will be proposed to approve, among other matters, the grant of the Issue Mandate, Repurchase Mandate and the Extension Mandate and the re-election of Directors.

Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time of the Annual General Meeting (i.e. no later than 3:00 p.m. (Hong Kong time) on Sunday, 7 May 2017) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules 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 circular 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 circular misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate and the re-election of Directors are beneficial to the Company and the Shareholders as a whole.

The Directors believe that an exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company. The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be exercised when the Directors believe that such repurchase of Shares will benefit the Company and the Shareholders.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and/or gearing position of the Company compared with that as at 31 December 2016, being the date of its latest audited consolidated financial statements were made up. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing of the Company.

Accordingly, the Directors recommend the Shareholders to vote in favour of (i) ordinary resolutions on the proposed grant of each of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; and (ii) ordinary resolutions relating to the proposed re-election of the Directors.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully
By order of the Board
MODERN MEDIA HOLDINGS LIMITED
Shao Zhong
Chairman

The brief biographical details of the Directors eligible for re-election at the Annual General Meeting are set out below:

MOK Chun Ho, Neil (莫峻皓)

Mr. MOK Chun Ho, Neil, aged 51, the chief financial officer of our Group responsible for the general financial planning and management of our Group. Mr. Mok joined our Group in March 2003 and was appointed as an executive Director of our Group in July 2009. He obtained his MBA degree from Charles Sturt University in Australia in November 2002 and the Diploma in Accountancy from the Lingnan College of Hong Kong (currently known as Lingnan University) in November 1989. Mr. Mok was admitted as a fellow member of the Hong Kong Institute of Certified Public Accountants and the associate member of the Taxation Institute of Hong Kong and The Hong Kong Institute of Chartered Secretaries in February 2010, April 1999 and May 2011, respectively. Mr. Mok has over 22 years of experience in finance and accounting management through his previous financial positions with several listed and private companies in Hong Kong. As at the Latest Practicable Date, Mr. Mok was also a director of each of Modern Capital (HK) Limited, Novel Idea Investments Limited, Modern Film & Entertainments Holdings Company Limited, Modern Art Holdings Limited, Modern Art International Trading Limited, Modern Art Exhibition Limited, Modern Art Auction Company Limited, Modern Group Holdings Limited and Modern Media Company Limited Taiwan Branch Company, all being subsidiaries of the Company. As at the Latest Practicable Date, Mr. Mok was interested in 2,304,000 Shares.

Save as disclosed above, Mr. Mok (i) did not hold any position in the Group as at the Latest Practicable Date; (ii) has not been a director of any other publicly listed company in the three years immediately preceding the Latest Practicable Date; (iii) does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company as defined in the Listing Rules; and (iv) had no other interests in the Shares or underlying Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Mok has entered into a service contract with the Company for an initial term of three years with effect from 1 September 2009. The parties entered into a renewal agreement (i.e. the first renewal agreement), pursuant to which the above service contract has been agreed to be renewed for a further term of three years from 1 September 2012. On 1 September 2015, the parties further entered into another renewal agreement (i.e. the second renewal agreement), pursuant to which the above service contracts have been agreed to be renewed for a further term of three years from 1 September 2015 on the same terms and conditions, except that (i) the remuneration of Mr. Mok would be determined in the manner as mentioned below, and (ii) the contract may be terminated by not less than six months' notice in writing served by either Mr. Mok or the Company. Mr. Mok's current annual salary is approximately RMB1,353,000. The Company's policy for determining remuneration is explained in the Company's 2016 annual report. Under the service contract, Mr. Mok is also entitled to a discretionary management bonus provided that the aggregate amount of bonuses payable to all the executive Directors for any financial year of the Company shall not exceed 10% of all the audited

combined, or as the case may be, consolidated net profit of the Group (after taxation and minority interests and payment of such bonuses but before extraordinary or exceptional items) in respect of that financial year of the Company.

CHENG Chi Kong (鄭志剛), JP

Dr. CHENG Chi Kong, aged 37, was appointed as the non-executive Director in April 2013 and was further appointed as non-executive vice chairman of the Board with effect from December 2016. Dr. Cheng obtained a Bachelor of Arts degree (cum laude) from Harvard University, and was conferred the Honorary Doctorate of Humanities by the Savannah College of Art and Design. He worked in a major international bank and has substantial experience in corporate finance. Dr. Cheng serves as executive director of a number of companies which are listed on the Main Board of the Stock Exchange, including New World Development Company Limited (Stock code: 17), New World Department Store China Limited (Stock code: 825), Chow Tai Fook Jewellery Group Limited (Stock code: 1929), International Entertainment Corporation (Stock code: 1009) and a non-executive director of Giordano International Limited (Stock code: 709). From March 2007 to August 2016, Dr. Cheng also served as an executive director of New World China Land Limited (Stock code: 917).

Dr. Cheng is the vice-chairman of the All-China Youth Federation, the vice chairman of the Youth Federation of the Central State-owned Enterprises, a member of the Tianjin Municipal Committee of The Chinese People's Political Consultative Conference, the chairman of China Young Leaders Foundation, the chairman of New World Group Charity Foundation Limited, the founder of K11 Art Foundation and a member of Board of the West Kowloon Cultural District Authority.

Save as disclosed above, Dr. Cheng (i) did not hold any position in the Group as at the Latest Practicable Date; (ii) has not been a director of any other publicly listed company in the three years immediately preceding the Latest Practicable Date; (iii) does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company as defined in the Listing Rules; and (iv) had no other interests in the Shares or underlying Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Dr. Cheng has been appointed for a term of three years commencing from 1 April 2016. Dr. Cheng's current annual director's fee is RMB195,000. The Company's policy for determining remuneration is explained in the Company's 2016 annual report.

AU-YEUNG Kwong Wah (歐陽廣華)

Mr. AU-YEUNG Kwong Wah, aged 52, was appointed as the independent non-executive Director in August 2009. Mr. Au-Yeung obtained a bachelor's degree in commerce from The Bond University in Australia in September 1996, a master's degree in accountancy from The Chinese University of Hong Kong in December 2000, a postgraduate diploma in corporate administration from The Hong Kong Polytechnic University in December 2005 and an EMBA degree from The Chinese University of Hong Kong in December 2008. Mr. Au-Yeung is a member of CPA Australia and the Hong Kong Institute of Certified Public Accountants. He has

over 18 years of experience in auditing and financial control through his prior employments with accounting firms and listed companies in Hong Kong. From September 2014 to April 2015, Mr. Au-Yeung served as the executive director of China Lumena New Materials Corp. (Stock code: 67).

Save as disclosed above, Mr. Au-Yeung (i) did not hold any position in the Group as at the Latest Practicable Date; (ii) has not been a director of any other publicly listed company in the three years immediately preceding the Latest Practicable Date; (iii) does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company as defined in the Listing Rules; and (iv) had no other interests in the Shares or underlying Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Au-Yeung has been appointed for a term of two years commencing from 1 September 2015. Mr. Au-Yeung's current annual director's fee is RMB330,000. The Company's policy for determining remuneration is explained in the Company's 2016 annual report.

JIANG Nanchun (江南春)

Mr. JIANG Nanchun, aged 44, was appointed as the independent non-executive Director on in August 2009. Mr. Jiang has over 20 years of experience in the media and advertising industries in the PRC. He held the office of chief executive officer of Everease Advertising Corporation, which is one of the top 50 advertising agencies in China, from 1994 to 2003. In May 2003, Mr. Jiang became the general manager of Focus Media Advertisement. He also founded Focus Media Holding Limited (a company which is listed on the Shenzhen Stock Exchange) and served as its chairman of the board of directors. Mr. Jiang obtained his bachelor's degree in Chinese language and literature from East China Normal University in China in 1995.

Save as disclosed above, Mr. Jiang (i) did not hold any position in the Group as at the Latest Practicable Date; (ii) has not been a director of any other publicly listed company in the three years immediately preceding the Latest Practicable Date; (iii) does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company as defined in the Listing Rules; and (iv) had no other interests in the Shares or underlying Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Jiang has been appointed for a term of two years commencing from 1 September 2015. Mr. Jiang's current annual director's fee is RMB132,000. The Company's policy for determining remuneration is explained in the Company's 2016 annual report.

DEROCHE Alain, Jean-Marie, Jacques

Mr. DEROCHE Alain, aged 55, was appointed as an executive Director with effect from June 2016. Mr. Deroche was awarded a bachelor's degree in public service from Institut d'Etudes Politiques de PARIS (English translation: Paris Institutes of Political Studies) of France, in July 1982. He was further awarded a bachelor's degree in law and a master degree in commercial law in September 1984 and September 1985, respectively, from Paris West Université Nanterre La Défense (formerly known as Université Paris X Nanterre) of France. In October 1986, Mr. Deroche obtained his postgraduate degree in international business administration from Université de Paris-Dauphine (English translation: Paris Dauphine University) of France. Immediately before his appointment as an ED, Mr. Deroche was the publishing director of the Group, serving as the publisher of two of our Group's international titles, namely "Numero" and "The Good Life", and was also the co-publisher of "IDEAT".

Mr. Deroche joined our Group in June 2008 as vice president and publishing director of the Group and has since been responsible for the management of our Group's international copyright business and the planning and content innovation for our Group's printed publications. Mr. Deroche has extensive experience in international media management of the international media industry. Prior to joining our Group, Mr. Deroche was employed by Hachette Filipacchi Associates, a publishing house in France from September 1989 to June 2008. Immediately before he left the said entity, Mr. Deroche served as the general manager in charge of the publication in the PRC. He was also the publishing director for ELLE's international edition from 1999 to 2005. As at the Latest Practicable Date, Mr. Deroche was interested in 94,000 Shares of the Company.

Save as disclosed above, Mr. Deroche (i) did not hold any position in the Group as at the Latest Practicable Date; (ii) has not been a director of any other publicly listed company in the three years immediately preceding the Latest Practicable Date; (iii) does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company as defined in the Listing Rules; and (iv) had no other interests in the Shares or underlying Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Deroche has entered into a service contract with the Company for an initial term of three years with effect from 1 June 2016. Mr. Deroche's current annual salary is approximately RMB2,520,000. The Company's policy for determining remuneration is explained in the Company's 2016 annual report. Under the service contract, Mr. Deroche is also entitled to a discretionary management bonus provided that the aggregate amount of bonuses payable to all the executive Directors for any financial year of the Company shall not exceed 10% of all the audited combined, or as the case may be, consolidated net profit of the Group (after taxation and minority interests and payment of such bonuses but before extraordinary or exceptional items) in respect of that financial year of the Company.

GAO Hao (高皓)

Dr. GAO Hao, aged 34, was appointed as an independent non-executive Director with effect from August 2016. Mr. Gao was awarded a bachelor's degree in engineering from Tsinghua University, the PRC, in July 2005 specialising in automation, and also a bachelor's degree in economics from Peking University, the PRC, in July 2007, respectively. Dr. Gao was further awarded a Ph.D. degree in management from Tsinghua University, the PRC, in June 2012 specialising in management science and engineering. Dr. Gao was the chief editor of 《家族企業治理叢書》 and 《家族財富傳承叢書》 published by People's Oriental Publishing & Media Co., Ltd. (The Oriental Press) (人民東方出版傳媒有限公司(東方出版社)) since January 2011 to June 2016. Dr. Gao is currently the head of the Global Family Business Research Center of Tsinghua University PBC School of Finance (清華大學五道口金融學院).

Save as disclosed above, Dr. Gao (i) did not hold any position in the Group as at the Latest Practicable Date; (ii) has not been a director of any other publicly listed company in the three years immediately preceding the Latest Practicable Date; (iii) does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company as defined in the Listing Rules; and (iv) had no other interests in the Shares or underlying Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Dr. Gao has been appointed for a term of two years commencing from 18 August 2016. Dr. Gao's current annual director's fee is RMB132,000. The Company's policy for determining remuneration is explained in the Company's 2016 annual report.

General

Pursuant to Article 97 of the Articles, fees and remunerations payable to independent non-executive Directors are subject to the approval of the general meeting of the Company or the determination and approval by the Board as delegated by the general meeting.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to subparagraphs (h) to (v) therein) in relation to the proposed re-election of Messrs Mok Chun Ho, Neil, Cheng Chi Kong, Au-Yeung Kwong Wah, Jiang Nanchun, Deroche Alain and Gao Hao.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the proposed Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at Latest Practicable Date, there were a total of 438,352,659 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under Repurchase Mandate to repurchase a maximum of 87,670,532 Shares, representing 20% of the aggregate number of Shares in issue as at the Latest Practicable Date.

3. REASONS FOR THE REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Share repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

In repurchasing the Company's securities, the Company may only apply funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles, the Companies Law and other applicable laws of the Cayman Islands.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2016, being the date of its latest audited consolidated financial statements were made up. However, the Directors do not intend to make any

repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve calendar months immediately preceding (and including) the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2016		
April	1.43	1.35
May	1.42	1.30
June	1.35	1.22
July	1.35	1.25
August	1.30	1.20
September	1.28	1.17
October	1.25	1.03
November	1.24	1.09
December	1.18	0.94
2017		
January	1.15	0.94
February	1.12	1.04
March (up to and including the Latest Practicable Date)	1.11	0.89

6. TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company's exercising of its powers to repurchase Shares pursuant to the Repurchase Mandate (if approved to be granted by Shareholders at the Annual General Meeting), such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 or Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons were directly or indirectly interested in 5% or more of the issued capital of the Company. Their respective interest as at the Latest Practicable Date is shown under the column "Before repurchase" while their respective interest in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the ordinary resolutions in relation to the Repurchase Mandate to be proposed at the

Annual General Meeting (and assuming that the issued share capital of the Company remains unchanged up to the date of the Annual General Meeting) is shown under the column “After repurchase”.

		<i>(Note 1)</i>	
Capacity		Before repurchase	After repurchase
Mr. Shao Zhong	Beneficial owner	63.93%(L)	71.03%(L)
Zhou Shao-min <i>(Note 2)</i>	Interest of spouse	63.93%(L)	71.03%(L)
FIL Limited	Interest of corporation controlled by the substantial shareholder	7.89%(L)	8.76%(L)
Fidelity China Special Situations Plc	Beneficial owner	7.89%(L)	8.76%(L)
United Achievement Limited <i>(Note 3)</i>	Beneficial owner	5.71%(L)	6.34%(L)
Warburg Pincus & Co. <i>(Note 3)</i>	Interest of corporation controlled by the substantial shareholder	5.71%(L)	6.34%(L)
Warburg Pincus Partners LLC <i>(Note 3)</i>	Interest of corporation controlled by the substantial shareholder	5.71%(L)	6.34%(L)
Warburg Pincus Private Equity X, L.P. <i>(Note 3)</i>	Interest of corporation controlled by the substantial shareholder	5.71%(L)	6.34%(L)
Warburg Pincus X, L.P. <i>(Note 3)</i>	Interest of corporation controlled by the substantial shareholder	5.71%(L)	6.34%(L)
Warburg Pincus X, LLC <i>(Note 3)</i>	Interest of corporation controlled by the substantial shareholder	5.71%(L)	6.34%(L)
Harmony Master Fund <i>(Note 4)</i>	Beneficial owner	5.27%(L)	5.86%(L)

Notes:

1. (L) — Long position
2. Zhou Shao-min is the spouse of Mr. Shao Zhong, under the SFO and she is deemed to be interested in the Shares held by Mr. Shao Zhong under the SFO.

3. According to the disclosure of interest notice (the “**DI Notice**”) filed by Warburg Pincus & Co. on 23 May 2011, United Achievement Limited is 96.9% controlled by Warburg Pincus Private Equity X, L.P., which is ultimately wholly controlled by Warburg Pincus & Co. through Warburg Pincus Partners LLC, Warburg Pincus X, LLC and Warburg Pincus X, L.P., all being directly or indirectly wholly controlled by Warburg Pincus & Co.. For the purpose of the SFO, each of Warburg Pincus & Co., Warburg Pincus Partners LLC, Warburg Pincus X, LLC, Warburg Pincus X, L.P. and Warburg Pincus Private Equity X, L.P. is deemed to be interested in the shares beneficially owned by United Achievement Limited.
4. Harmony Master Fund (“**Harmony Fund**”) is a long-only equity fund registered in the Cayman Islands. Harmony Fund is managed by DM Fund Management Limited, a company registered in the Cayman Islands and a subsidiary of DM Capital Limited, a company incorporated in the British Virgin Islands. Harmony Fund primarily holds long equity positions in small capitalization stocks that derive a majority of their revenues within the Greater China region. The fund adopts a fundamentals-driven bottom-up approach to stock selection focusing on high growth, high quality and under-reported investment opportunities that are attractively valued. Upon building an investment position, the fund will exercise a “Friendly Activist” approach seeking to constructively engage portfolio companies and add value through guiding improvements in fundamental characteristics such as corporate governance and company strategy. According to a confirmation recently received from Harmony Fund, the number of Shares held by Harmony Fund as at the Latest Practicable Date was 23,088,000 subject to latest confirmation from share registrar and Harmony Fund (and according to the relevant DI Notice in connection with the Company available on www.hkex.com.hk as at the Latest Practicable Date, the number of Shares as reported in such notice to be held by the relevant shareholder was 22,244,000).
5. The information contained in the above table is extracted from the register kept by the Company pursuant to section 336 of the SFO and is set out in this circular for the purposes of illustration of the implications under the Takeovers Code only. The long positions in the associated corporations of the Company have been omitted as they are irrelevant for the purposes of illustration of the implications under the Takeovers Code. For the information on such long positions, please refer to the Company’s annual report for its financial results ended 31 December 2016.
6. Based on 438,352,659 Shares in issue as at the Latest Practicable Date.

On the basis of the shareholding held by the Shareholders named above and assuming that there is no change as the number of issued Shares nor in the said shareholding, an exercise of the Repurchase Mandate in full will not result in any of the Shareholders named above becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

Assuming that there is no issue of Shares between the date of this circular and the date of a repurchase and no disposal by any of the substantial Shareholders of their interests in the Shares, an exercise of the Repurchase Mandate whether in whole or in part may result in less than 25% of the Shares being held by the public. The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in a public shareholding of less than 25%.

7. SHARE REPURCHASE MADE BY THE COMPANY

In the six months immediately preceding the Latest Practicable Date, the Company had not repurchased its Shares.

8. GENERAL

None of the Director nor, to the best of their knowledge having made all reasonable enquiries, any of their associate have any present intention to sell any Shares to the Company or its subsidiaries if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will only exercise the power of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

No connected person of the Company has notified the Company that he has a present intention to sell any Share to the Company nor has any such connected person undertaken not to sell any Shares held by him to the Company in the event that the Repurchase Mandate is granted.

NOTICE OF THE ANNUAL GENERAL MEETING

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



MODERN MEDIA HOLDINGS LIMITED

現代傳播控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 72)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Modern Media Holdings Limited (“**Company**”) will be held at 7/F, Global Trade Square, 21 Wong Chuk Hang Road, Aberdeen, Hong Kong on Tuesday, 9 May 2017 at 3:00 p.m. to consider and, if thought fit, transact the following business:

1. to receive and approve the audited consolidated financial statements and the directors’ report and the independent auditors’ report of the Company for the year ended 31 December 2016;
2. to declare a final dividend for the year ended 31 December 2016;
3. to re-elect the retiring directors (namely, Messrs Mok Chun Ho, Neil, Cheng Chi Kong, Au-Yeung Kwong Wah, Jiang Nanchun, Deroche Alain, Jean-Marie, Jacques and Gao Hao) (each as a separate resolution) and to authorise the board (“**Board**”) of the directors (“**Director(s)**”) of the Company to fill vacancies on the Board and to fix (which authority may be further delegated to its duly authorised committee) the Directors’ remuneration;
4. to re-appoint the Company’s independent auditors and to authorise the Board to fix their remuneration;

NOTICE OF THE ANNUAL GENERAL MEETING

5. to consider and, if thought fit, pass with or without modification, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares (the “**Share**”) of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of associations of the Company (“**Articles**”) in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed the aggregate of:
 - (aa) 20% of the aggregate number of the Shares in issue on the date of the passing of this resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate number of Shares purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate number of Shares in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

NOTICE OF THE ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the applicable law of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

6. to consider and, if thought fit, pass with or without modification, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTION

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to purchase Shares on The Stock Exchange of the Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined in paragraph (c) below) shall not exceed 10% of the

NOTICE OF THE ANNUAL GENERAL MEETING

aggregate number of Shares in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the applicable law of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution.”
7. to consider and, if thought fit, pass with or without modification, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTION

“**THAT** conditional on the passing of resolutions numbered 5 and 6 above, the Issue Mandate granted to the Directors pursuant to paragraph (a) of resolution numbered 5 above be and it is hereby extended by the addition thereto of an amount representing the total number of Shares repurchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 6 above.”

By order of the Board
MODERN MEDIA HOLDINGS LIMITED
Shao Zhong
Chairman

Hong Kong, 31 March 2017

Registered office:
P.O. Box 10008
Willow House, Cricket Square
Grand Cayman KY1-1001
Cayman Islands

*Principal place of business
in Hong Kong:*
7/F, Global Trade Square
21 Wong Chuk Hang Road
Aberdeen
Hong Kong

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

- 1 A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the Articles, vote in his stead. A proxy need not be a member of the Company.
- 2 To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the Company's Hong Kong branch registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time of the above meeting (i.e. no later than 3:00 p.m. (Hong Kong time) on Sunday, 7 May 2017) or any adjourned meeting.
- 3 The Register of Members of the Company will be closed from 4 May 2017 to 9 May 2017, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for attending the forthcoming annual general meeting, all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 2 May 2017.
- 4 In relation to proposed resolution numbered 3, each of Messrs Mok Chun Ho, Neil, Cheng Chi Kong, Au-Yeung Kwong Wah, Jiang Nanchun, Deroche Alain, Jean-Marie, Jacques and Gao Hao will retire from their office of Directors at the above meeting pursuant to the Articles and, being eligible, offer themselves for re-election.
- 5 In relation to the proposed resolution no. 4 above, the Board concurs with the views of the audit committee of the Board and has recommended that Grant Thornton Hong Kong Limited be re-appointed independent auditor of the Company.
- 6 In relation to proposed resolution numbered 5 above, approval is being sought from the Shareholders for granting to the Directors of a general mandate to authorise the allotment and issue of Shares under the Listing Rules. The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by Shareholders.
- 7 In relation to proposed resolution numbered 6 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares in circumstances which they deem appropriate for the benefit of the Shareholders. An explanatory statement containing the information necessary to enable the Shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix II to the circular of the Company dated 31 March 2017 of which this notice of the Annual General Meeting forms part.
- 8 Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- 9 In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto. If more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

As at the date of this notice, the Board comprises the following members: (a) as executive directors, Mr. Shao Zhong, Mr. Wong Shing Fat, Mr. Mok Chun Ho, Neil, Ms. Yang Ying, Mr. Li Jian and Mr. Deroche Alain; (b) as non-executive director, Dr. Cheng Chi Kong; (c) as independent non-executive directors, Mr. Jiang Nanchun, Mr. Wang Shi, Mr. Au-Yeung Kwong Wah and Dr. Gao Hao.