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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)

CONNECTED TRANSACTIONS: LOAN AGREEMENT

The Board announces that on 4 October 2017 (after trading hours), the Company entered into the Loan Agreement with Mr. Shao, pursuant to which the Company provided a term loan of HK\$9.38 million (equivalent to RMB8 million), i.e. the Loan, to Mr. Shao. As Mr. Shao is a Controlling Shareholder and an executive Director of the Company, hence he is a connected person of the Company. Accordingly, the provision of the Loan to Mr. Shao under the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

THE LOAN AGREEMENT

On 4 October 2017 (after trading hours), the Company entered into the Loan Agreement with Mr. Shao, in order to finance Mr. Shao's investments. The Company shall use the Group's available internal resources to provide the Loan of HK\$9.38 million (equivalent to RMB8 million) to Mr. Shao, which is unsecured. The salient terms of the Loan Agreement are summarised below.

Date	:	4 October 2017
Borrower	:	the Company
Lender	:	Mr. Shao
Principal amount	:	HK\$9.38 million (equivalent to RMB8 million)
Term	:	From 6 October 2017 to 31 March 2018
Interest rate	:	3% per annum
Payment and repayment	:	The borrower shall repay the principal amount of the Loan together with all payable interest on 31 March 2018.

The borrower is entitled to apply for early repayment, subject to the requirement that every early repayment shall not be less than RMB2 million.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

The terms and conditions of the Loan Agreement (including the interest rate) are negotiated on an arm's length basis among the Company and Mr. Shao with reference to the normal prevailing commercial practice and the principal amount of the Loan. The Directors (including the independent non-executive Directors) consider that the Loan Agreement is on normal commercial terms entered into based on the Group's credit assessment towards Mr. Shao. Taking into account the satisfactory assets backing of the Borrower, and the expected return to be generated from the Loan, the Directors consider that the terms of the transaction under the Loan Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

For the reason that Mr. Shao, an executive Director and a Controlling Shareholder of the Company, is the lender of the Loan, Mr. Shao is considered to have a material interest in the Loan Agreement and the transactions contemplated therein and has abstained from voting on the relevant resolutions of the Board approving the transaction.

GENERAL

Information relating to the Company

The Company is an investment holding company. The Group is principally engaged in publication of magazines in Hong Kong and the PRC, the provision of advertising agency services, digital publishing business, artwork trading and television production business.

LISTING RULES IMPLICATIONS

As the lender, Mr. Shao is a Controlling Shareholder and an executive Director of the Company, and hence, Mr. Shao is a connected person of the Company. Accordingly, the provision of the Loan to Mr. Shao under the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable Percentage Ratios in respect of the provision of the Loan are more than 0.1% but less than 5%, the provision of the Loan is subject to the reporting and announcement requirements and exempt from the circular and independent Shareholders' approval requirements pursuant to Rule 14A.76(2)(b) of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following means in this announcement:

“Board”	the board of Directors
“Company”	Modern Media Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose ordinary shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a term loan of HK\$9.38 million (equivalent to RMB8 million) provided by the Company to Mr. Shao under the Loan Agreement
“Loan Agreement”	the loan agreement dated 4 October 2017 entered into between the Company and Mr. Shao in relation to the Loan of HK\$9.38 million (equivalent to RMB8 million) from the Company to Mr. Shao
“Mr. Shao”	Mr. Shao Zhong, an executive Director and chairman of the Board, Mr. Shao is also one of the Controlling Shareholders of the Company
“Percentage Ratios”	the percentage ratios under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Modern Media Holdings Limited
Shao Zhong
Chairman

Hong Kong, 4 October 2017

As at the date of this announcement, 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 independent non-executive directors, Mr. JIANG Nanchun, Mr. WANG Shi and Mr. AU-YEUNG Kwong Wah and Dr. GAO Hao.