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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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**

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A notice convening the Annual General Meeting to be held at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 15 May 2013 at 3p.m. is set out on pages 16 to 20 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 or any adjournment thereof to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, 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.

10 April 2013

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## DEFINITIONS

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

|                                 |                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Annual General Meeting”</b> | the annual general meeting of the Company to be convened and held at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 15 May 2013 at 3p.m., the notice of which is set out on pages 16 to 20 of this circular, and any adjournment thereof                                                   |
| <b>“Articles”</b>               | the articles of association of the Company, as amended from time to time                                                                                                                                                                                                                                                                                   |
| <b>“associates”</b>             | has the same meaning as defined under the Listing Rules                                                                                                                                                                                                                                                                                                    |
| <b>“Board”</b>                  | the board of Directors of the Company                                                                                                                                                                                                                                                                                                                      |
| <b>“Companies Law”</b>          | the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands                                                                                                                                                                                                                                                               |
| <b>“Company”</b>                | 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                                                                                                                                                    |
| <b>“Director(s)”</b>            | director(s) of the Company                                                                                                                                                                                                                                                                                                                                 |
| <b>“Extension Mandate”</b>      | 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                                 |
| <b>“Group”</b>                  | the Company and its subsidiaries                                                                                                                                                                                                                                                                                                                           |
| <b>“HK\$”</b>                   | Hong Kong dollars, the lawful currency of Hong Kong                                                                                                                                                                                                                                                                                                        |
| <b>“Hong Kong”</b>              | the Hong Kong Special Administrative Region of the PRC                                                                                                                                                                                                                                                                                                     |
| <b>“Issue Mandate”</b>          | 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 up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company as at the date of the Annual General Meeting |

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## DEFINITIONS

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|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Latest Practicable Date”</b> | 9 April 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein                                                                                                                                                                                                                      |
| <b>“Listing Rules”</b>           | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                                                                                                                                                                     |
| <b>“PRC”</b>                     | the People’s Republic of China                                                                                                                                                                                                                                                                                                                          |
| <b>“Repurchase Mandate”</b>      | 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, the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal amount of the share capital in issue as at the date of the Annual General Meeting |
| <b>“RMB”</b>                     | Reminbi, the lawful currency of PRC                                                                                                                                                                                                                                                                                                                     |
| <b>“SFO”</b>                     | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong                                                                                                                                                                                                                                                                              |
| <b>“Share(s)”</b>                | ordinary share(s) of HK\$0.10 each in the share capital of the Company                                                                                                                                                                                                                                                                                  |
| <b>“Shareholder(s)”</b>          | holder(s) of Share(s)                                                                                                                                                                                                                                                                                                                                   |
| <b>“Stock Exchange”</b>          | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                                                                                 |
| <b>“Takeovers Code”</b>          | The Hong Kong Code on Takeovers and Mergers                                                                                                                                                                                                                                                                                                             |
| <b>“%”</b>                       | per cent.                                                                                                                                                                                                                                                                                                                                               |

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

SHAO Zhong  
WONG Shing Fat  
MOK Chun Ho, Neil  
LI Jian  
CUI Jianfeng

*Registered office:*

Floor 4, Willow House  
Cricket Square, P O Box 2804  
Grand Cayman KY1-1112  
Cayman Islands

*Non-executive Director:*

CHENG Chi Kong

*Principal place of business in Hong Kong:*

Suite 1101-03, 11/F  
1063 King's Road  
Quarry Bay  
Hong Kong

*Independent non-executive Directors:*

JIANG Nanchun  
WANG Shi  
AU-YEUNG Kwong Wah  
MAO Xiaofeng

10 April 2013

*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.

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## LETTER FROM THE BOARD

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### 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 up to 20% of the aggregate nominal share capital of the Company in issue as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 437,850,000 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 87,570,000 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 up to a maximum of 10% of the nominal share capital of the Company 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 2012, the register of members of the Company will be closed from 22 May 2013 (Wednesday) to 24 May 2013 (Friday) (both days inclusive) during which period no transfer of Shares may be effected.

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## LETTER FROM THE BOARD

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### PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 105(A) of the Articles, Messrs Shao Zong, Wong Shing Fat and Cui Jianfeng 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 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. Mr. Cheng Chi Kong was appointed by the Board as a non-executive Director with effect from 1 April 2013, and he will offer himself for re-election as a Director at the Annual General Meeting.

Brief biographical details of Messrs Shao Zong, Wong Shing Fat, Cui Jianfeng and Cheng Chi Kong 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 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.

### RECOMMENDATION

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate 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.

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## LETTER FROM THE BOARD

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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 2012, 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 at the Annual General Meeting.

### 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:

**Mr. SHAO Zhong (邵忠)**, aged 52, the founder of our Group. Mr. Shao was initially appointed as a Director in March 2007, and was subsequently designated as chairman of the Board and executive Director in July 2009. Mr. Shao is responsible for the overall corporate strategies, policy-formulating and instilling corporate philosophy of our Group. Prior to founding our Group, Mr. Shao was formerly a PRC government official before 1989. Then, he also undertook senior positions in other publishing and media enterprises including a listed printing company in Hong Kong until 1999. Mr. Shao holds an EMBA degree from Tsinghua University of Beijing. His in-depth experience in the media and publication industries in the PRC earned him the nomination as one of Top 10 Media Leading Icon at China Media Forum in 2010.

As at the Latest Practicable Date, Mr. Shao was a director of all subsidiaries of the Company other than 現代移動數碼有限公司 (Modern Mobile Digital Media Company Limited).

Save as disclosed above, Mr. Shao did not hold any position in the Group as at the Latest Practicable Date. In the three years immediately preceding the Latest Practicable Date, Mr. Shao has not been a director of any other publicly listed company.

Save as disclosed above, Mr. Shao does not have other major appointments and professional qualifications. Save as his being an executive Director, Mr. Shao does not have any relationships with any other Directors, substantial Shareholders, controlling Shareholders or senior management of the Company.

As at the Latest Practicable Date, Mr. Shao was interested in 268,068,000 Shares and was a controlling Shareholder. Save as disclosed as aforesaid, Mr. Shao 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. Shao has entered into a service contract with the Company for an initial term of three years with effect from 1 September 2009. The parties also entered into a 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 the same terms and conditions, except that (i) the remuneration of Mr. Shao 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. Shao or the Company. Mr. Shao's current annual salary is approximately HK\$3,104,000. The Company's policy for determining remuneration is explained on p.41 of the Company's 2012 annual report. Under the service contract, Mr. Shao 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.

**Mr. WONG Shing Fat (黃承發)**, aged 54, the chief executive officer of our Group responsible for the corporate and business planning and development as well as the overall management and

operation of our Group. Mr. Wong was appointed as the executive Director of our Group in July 2009. He joined our Group in January 2003 as a chief consultant and also assumed the role as the chief operation officer and was subsequently promoted as the chief executive officer of our Group in September 2006. Prior to joining our Group, Mr. Wong undertook senior positions in several international reputable advertising companies and was responsible for the media planning, overall operational management and business development in the greater China region. Mr. Wong has over 28 years of experience in media operation and management of the advertising and media industries. Mr. Wong was granted the “SALUTE” Media Award by the Association of Accredited Advertising Agencies of Hong Kong in 1996 in recognition of his professional and significant contribution to the advertising industry in Hong Kong.

As at the Latest Practicable Date, Mr. Wong was a director of Modern TV Investment Limited, being a subsidiary of the Company.

Save as disclosed above, Mr. Wong did not hold any position in the Group as at the Latest Practicable Date. In the three years immediately preceding the Latest Practicable Date, Mr. Wong has not been a director of any other publicly listed company.

Save as disclosed above, Mr. Wong does not have other major appointments and professional qualifications. Save as his being an executive Director, Mr. Wong does not have any relationship with any other Directors, substantial Shareholders, controlling Shareholders or senior management of the Company.

Save for interested in 2,066,000 Shares, Mr. Wong 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. Wong has entered into a service contract with the Company for an initial term of three years with effect from 1 September 2009. The parties also entered into a 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 the same terms and conditions, except that (i) the remuneration of Mr. Wong 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. Wong or the Company. Mr. Wong’s current annual salary is approximately HKD2,966,000. The Company’s policy for determining remuneration is explained on p.41 of the Company’s 2012 annual report. Under the service contract, Mr. Wong 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.

**Mr. CUI Jianfeng (崔劍鋒)**, aged 40, was appointed as the chief investment officer and executive Director of our Group in July 2009. Mr. Cui joined our Group in May 2008 and is responsible for the investment strategies and business management of our Group. Prior to joining our Group, he took up various senior positions in two reputable multinational companies. Mr. Cui’s past working experience in multinational companies helps our Group in developing constructive

investment and business finance systems. He obtained an MBA degree from the Deakin University in Australia in September 2003 and another MBA degree from the University of Western Ontario in Canada in October 2004 respectively and also the bachelor's degree of commerce (major in accountancy) from the University of Wollongong in Australia in October 1995. Mr. Cui is a member of CPA Australia. Mr. Cui has over 13 years of experience in finance and business management.

Save as disclosed above, Mr. Cui did not hold any position in the Group as at the Latest Practicable Date. In the three years immediately preceding the Latest Practicable Date, Mr. Cui has not been a director of any other publicly listed company.

Save as disclosed above, Mr. Cui does not have other major appointments and professional qualifications. Save as his being an executive Director, Mr. Cui does not have any relationships with any other Directors, substantial Shareholders, controlling Shareholders or senior management of the Company.

Save for interested in 2,066,000 Shares, Mr. Cui 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. Cui has entered into a service contract with the Company for an initial term of three years with effect from 1 September 2009. The parties also entered into a 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 the same terms and conditions, except that (i) the remuneration of Mr. Cui 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. Cui or the Company. Mr. Cui's current annual salary is approximately HK\$1,158,000. The Company's policy for determining remuneration is explained on p.41 of the Company's 2012 annual report. Under the service contract, Mr. Cui 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.

**Mr. CHENG Chi Kong (鄭志剛)**, aged 33, was appointed as the non-executive Director in April 2013. Mr. Cheng obtained a Bachelor of Arts degree (cum laude) from Harvard University. He worked in a major international bank and has substantial experience in corporate finance. Mr. 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, a consultant of the Beijing Municipal Committee of The Chinese People's Political Consultative Conference, chairman of China Young Leaders Foundation, chairman of New World Group Charity Foundation and the honorary chairman of Fundraising Committee of the Wu Zhi Qiao (Bridge to China) Charitable Foundation.

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**APPENDIX I****BRIEF PARTICULARS OF RETIRING DIRECTORS  
PROPOSED TO BE RE-ELECTED**

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As at the Latest Practicable Date, Mr. Cheng serves as director of the following companies, which are listed on the Main Board of the Stock Exchange:

| <b>Name of company</b>                   | <b>Stock code</b> | <b>Position</b>                              |
|------------------------------------------|-------------------|----------------------------------------------|
| New World Development Co. Ltd.           | 17                | Executive director and joint general manager |
| New World China Land Limited             | 917               | Executive director                           |
| New World Department Store China Limited | 825               | Executive director                           |
| Chow Tai Fook Jewellery Group Limited    | 1929              | Executive director                           |
| International Entertainment Corporation  | 1009              | Executive director                           |
| Giordano International Limited           | 709               | Non-executive director                       |

Mr. Cheng is also a director of each of Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited.

Save as disclosed above, Mr. Cheng did not hold any position in the Group as at the Latest Practicable Date. Save as disclosed, in the three years immediately preceding the Latest Practicable Date, Mr. Cheng has not been a director of any other publicly listed company.

Save as disclosed above, Mr. Cheng does not have other major appointments and professional qualifications. Save as his being a non-executive Director, Mr. Cheng does not have any relationships with any other Directors, substantial Shareholders, controlling Shareholders or senior management of the Company.

As at the Latest Practicable Date, Mr. Cheng did not have any interests in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Cheng signed an appointment letter with the Company for an initial term of three years with effect from 1 April 2013. Pursuant to the appointment letter, Mr. Cheng is entitled to an annual director fee of HK\$228,000, which was determined by the Board in accordance with the emolument policy as recommended by the Remuneration Committee of the Board.

**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 Shao Zong, Wong Shing Fat, Cui Jianfeng and Cheng Chi Kong.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information as to 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 437,850,000 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 43,785,000 Shares.

### **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.

### **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 2012, 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<br>HK\$ | Lowest<br>HK\$ |
|----------------------------------------|-----------------|----------------|
| <b>2012</b>                            |                 |                |
| March                                  | 2.75            | 2.50           |
| April                                  | 2.80            | 2.50           |
| May                                    | 2.80            | 2.50           |
| June                                   | 2.63            | 2.55           |
| July                                   | 2.57            | 2.40           |
| August                                 | 2.57            | 2.38           |
| September                              | 2.45            | 2.38           |
| October                                | 2.42            | 2.38           |
| November                               | 2.46            | 2.37           |
| December                               | 2.55            | 2.40           |
| <b>2013</b>                            |                 |                |
| January                                | 2.59            | 2.42           |
| February                               | 2.60            | 2.35           |
| March                                  | 2.50            | 2.35           |
| 1 April to the Latest Practicable Date | 2.40            | 2.32           |

## 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".

## APPENDIX II

## EXPLANATORY STATEMENT

|                                                | Capacity                                                          | (Note 1)          |                  |
|------------------------------------------------|-------------------------------------------------------------------|-------------------|------------------|
|                                                |                                                                   | Before repurchase | After repurchase |
| Mr. Shao Zhong                                 | Beneficial owner                                                  | 61.22%(L)         | 68.03%(L)        |
| Zhou Shao-min (Note 2)                         | Interest of spouse                                                | 61.22%(L)         | 68.03%(L)        |
| FIL Limited                                    | Beneficial owner                                                  | 7.00%(L)          | 7.78%(L)         |
| Value Partners Group Limited (Note 3)          | Interest of corporation controlled by the substantial shareholder | 5.86%(L)          | 6.51%(L)         |
| Value Partners Hong Kong Limited (Note 3)      | Interest of corporation controlled by the substantial shareholder | 5.81%(L)          | 6.47 % (L)       |
| Cheah Capital Management Limited (Note 3)      | Interest of corporation controlled by the substantial shareholder | 5.81%(L)          | 6.47%(L)         |
| Cheah Cheng Hye (Note 3)                       | Founder of a discretionary trust                                  | 5.81%(L)          | 6.47%(L)         |
| Cheah Company Limited (Note 3)                 | Interest of corporation controlled by the substantial shareholder | 5.81%(L)          | 6.47%(L)         |
| Hang Seng Bank Trustee International Limited   | Trustee (other than a bare trustee)                               | 5.81%(L)          | 6.47%(L)         |
| To Hau Yin (Note 4)                            | Interest of a substantial shareholder's child under 18 or spouse  | 5.81%(L)          | 6.47%(L)         |
| Value Partners Limited (Note 3)                | Investment manager                                                | 5.81%(L)          | 6.47%(L)         |
| United Achievement Limited (Note 5)            | Beneficial owner                                                  | 5.71%(L)          | 6.35%(L)         |
| Warburg Pincus & Co. (Note 5)                  | Interest of corporation controlled by the substantial shareholder | 5.71%(L)          | 6.35%(L)         |
| Warburg Pincus Partners LLC (Note 5)           | Interest of corporation controlled by the substantial shareholder | 5.71%(L)          | 6.35%(L)         |
| Warburg Pincus Private Equity X, L.P. (Note 5) | Interest of corporation controlled by the substantial shareholder | 5.71%(L)          | 6.35%(L)         |
| Warburg Pincus X, L.P. (Note 5)                | Interest of corporation controlled by the substantial shareholder | 5.71%(L)          | 6.35%(L)         |
| Warburg Pincus X, LLC (Note 5)                 | Interest of corporation controlled by the substantial shareholder | 5.71%(L)          | 6.35%(L)         |
| Harmony Master Fund                            | Beneficial owner                                                  | 5.08%(L)          | 5.64%(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 Value Partners Limited on 23 May 2011, Cheah Cheng Hye, Value Partners Group Limited, Cheah Capital Management Limited and Cheah Company Limited are Value Partners Limited’s director, immediate holding company, intermediate holding company and intermediate holding company. According to the DI Notice filed by Value Partners Group Limited on 8 December 2011, Value Partners Limited is wholly owned by Value Partners Hong Kong Limited, which is ultimately wholly owned by Value Partners Group Limited. For the purpose of SFO, each of Value Partners Group Limited, Value Partners Hong Kong Limited is deemed to be interested in the Shares beneficially owned by Value Partners Limited.
4. The relationship between To Hau Yin and Cheah Cheng Hye is parent and child under 18 years of age.
5. According to 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.
6. 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 2012.
7. Based on 437,850,000 shares of the Company 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.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

### 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 Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 15 May 2013 at 3p.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 2012;
2. to declare a final dividend for the year ended 31 December 2012;
3. to re-elect the retiring directors (namely, Messrs Shao Zong, Wong Shing Fat, Cui Jianfeng and Cheng Chi Kong) (each as a separate resolution) and to authorise the board of the Directors (“**Board**”) 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;
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 of all the powers of the Company

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## NOTICE OF ANNUAL GENERAL MEETING

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to allot, issue and deal with the unissued shares (each, a “**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 nominal amount of share capital 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; 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 nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
  - (bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company 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

- (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

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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 of the Company 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 of the Company 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 of the Company during the Relevant Period of all powers of the Company to purchase Shares (each, a Share) of HK\$0.01 each in the capital of the Company 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 nominal amount 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 aggregate nominal amount of the issued share capital of the Company 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

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## NOTICE OF ANNUAL GENERAL MEETING

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(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 to the aggregate nominal amount of the Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with such Issue Mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased or agreed to be purchased 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, 10 April 2013

*Registered office:*

Scotia Centre  
4th Floor,  
Willow House,  
Cricket Square,  
P.O. Box 2804  
Grand Cayman KY1-1112  
Cayman Islands

*Principal place of business in Hong Kong:*

Suite 1101-03, 11/F  
1063 King's Road  
Quarry Bay  
Hong Kong

**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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time of the above meeting or any adjourned meeting.
- 3 The Register of Members of the Company will be closed from 13 May 2012 to 15 May 2012, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify

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## NOTICE OF ANNUAL GENERAL MEETING

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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 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 10 May 2013.

- 4 In relation to proposed resolution numbered 3, each of Messrs Shao Zong, Wong Shing Fat, Cui Jianfeng and Cheng Chi Kong 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 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.
- 6 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 10 April 2013 of which this notice of the Annual General Meeting forms part.
- 7 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.
- 8 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, Mr. Li Jian and Mr. Cui Jianfeng; (b) as non-executive director Mr. Cheng Chi Kong; (c) as independent non-executive directors, Mr. Jiang Nanchun, Mr. Wang Shi, Mr. Au-Yeung Kwong Wah and Mr. Mao Xiaofeng*