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DHA GROUP
大賀傳媒股份有限公司
DAHE MEDIA CO., LTD.*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 8243)

CONTINUING CONNECTED TRANSACTIONS

A. Master Performance Agreement

On 9 February 2018, Nanjing Hesong, a subsidiary of the Company, entered into the Master Performance Agreement with Sujiu Trading pursuant to which Sujiu Trading has agreed to engage Nanjing Hesong to undertake various cultural and artistic performances and organize various cultural and art exchange activities, for a term commencing from 9 February 2018 to 31 December 2020.

B. Master Advertisement Dissemination Agreement

On 9 February 2018, the Company and Sujiu Trading entered into the Master Advertisement Dissemination Agreement pursuant to which Sujiu Trading has agreed to engage the Group to provide various advertising services, for a term commencing from 9 February 2018 to 31 December 2020.

Implications under the GEM Listing Rules

Nanjing Hesong is owned as to 51%, 34% and 15% by the Company, Sujiu Wealth and Nanjing Xinghui Lingxiu, respectively. It is therefore a subsidiary of the Company. And, Sujiu Wealth is a connected person of the Company at subsidiary level. As Sujiu Wealth is a wholly-owned subsidiary of Jiangsu Yanghe which in turn holds 85% equity interest of Sujiu Trading. Sujiu Trading, as a fellow subsidiary of Sujiu Wealth, is an Associate of Sujiu Wealth by virtue of Rule 20.11(1) of the GEM Listing Rules and a connected person of the Company at

subsidiary level by virtue of Rule 20.07(4) of the GEM Listing Rules. Accordingly, the services under the Master Performance Agreement and the Master Advertisement Dissemination Agreement constitute continuing connected transactions under Chapter 20 of the GEM Listing Rules.

As both of the Master Performance Agreement and the Master Advertisement Dissemination Agreement were executed among companies of the Group and Sujiu Trading, the continuing connected transactions under the Master Performance Agreement and the Master Advertisement Dissemination Agreement may be required to be aggregated under Rule 20.81 of the GEM Listing Rules. The aggregated applicable percentage ratios (other than the profits ratio) exceed 5% but are less than 25%.

However, as Sujiu Trading is solely a connected person of the Company at subsidiary level and considering that: (1) the Directors have approved the Master Performance Agreement and the Master Advertisement Dissemination Agreement (and the annual caps of the Continuing Connected Transactions thereunder); and (2) the independent non-executive Directors have confirmed that the terms of the Master Performance Agreement and the Master Advertisement Dissemination Agreement (and the Continuing Connected Transactions thereunder) are fair and reasonable and conducted on normal or better commercial terms and are in the interest of the Company and the Shareholders as a whole, the Continuing Connected Transactions thereunder are subject to the reporting and announcement requirements, and are exempt from the circular, independent financial advice and shareholders' approval requirement under Rule 20.99 of the GEM Listing Rules.

The Company entered into the Master Performance Agreement and the Master Advertisement Dissemination Agreement.

A. Master Performance Agreement

Date: 9 February 2018

Parties: (i) Nanjing Hesong; and
(ii) Sujiu Trading.

Subject matter: Pursuant to the Master Performance Agreement, Sujiu Trading has agreed to engage Nanjing Hesong to undertake various cultural and artistic performances and organize various cultural and art exchange activities, for a term commencing from 9 February 2018 to 31 December 2020.

Pricing policy: The performing service fees shall be determined on a case by case basis and on such terms of agreements to be entered into between Nanjing Hesong and Sujiu Trading after arm's length negotiations, provided that the transactions contemplated under the Master Performance Agreement shall be conducted at fair market prices and on normal commercial terms and the service fees to be charged by Nanjing Hesong shall not be significantly different from quotations which Nanjing Hesong provides to independent clients.

The service fees to be charged by Nanjing Hesong for each project shall be determined with reference to (i) the complexity of the project, (ii) the urgency of the project, (iii) the amount of resources required to complete the project, (iv) the time required to complete the project and (v) the number/seniority and experience of staff involved in the project.

In determining whether the service fees to be paid by Sujiu Trading are fair and reasonable and on normal commercial terms, Nanjing Hesong will adopt the following measures:

- (i) maintain regular contacts once every month with independent clients in the market to keep abreast of market development and price trend of the industry;
- (ii) regularly review once every three months the service fees to be paid by Sujiu Trading and compare such service fees with the quotations obtained from at least three independent clients in the market, taking into account the price, other major terms and conditions of the agreement and the quality of service.

Payment term: The payment term for the fees to be charged by Nanjing Hesong from Sujiu Trading in respect of the services provided to Sujiu Trading will vary from case to case depending on the terms of the agreements to be entered into between Nanjing Hesong and Sujiu Trading for each performance.

Condition: The Master Performance Agreement shall become effective upon the passing of a resolution by the Board.

B. Master Advertisement Dissemination Agreement

Date: 9 February 2018

Parties: (i) the Company; and
(ii) Sujiu Trading.

Subject matter: Pursuant to the Master Advertisement Dissemination Agreement, Sujiu Trading has agreed to engage the Group to provide advertisement dissemination services, for a term commencing from 9 February 2018 to 31 December 2020.

Pricing policy: The service fees to be charged by the Group shall be determined on a case by case basis and on such terms of agreements to be entered into between the Group and Sujiu Trading after arm's length negotiations, provided that the transactions contemplated under the Master Advertisement Dissemination Agreement shall be conducted at fair market prices and on normal commercial terms and the service fees to be charged by the Group from Sujiu Trading shall not be significantly different from which the Group can charge from other independent clients.

The service fees to be charged by the Group for each project shall be determined with reference to (i) the complexity of the project, (ii) the urgency of the project, (iii) the amount of resources required to complete the project, (iv) the amount of time required to complete the project and (v) the number/seniority and experience of staff involved in the project.

In determining whether the service fees to be charged by the Group are fair and reasonable and on normal commercial terms, the Group will adopt the following measures:

- (i) maintain regular contacts once every month with independent clients in the market to keep abreast of market development and price trend of the industry;
- (ii) regularly review once every three months the service fees to be charged by the Group and compare such service fees with the quotations obtained from at least three independent clients in the market, taking into account the price, other major terms and conditions of the agreement and the quality of service.

Payment term: The payment term for the fees to be charged by the Group from Sujiu Trading in respect of the services provided to Sujiu Trading will vary from case to case depending on the terms of the agreements to be entered into between the Group and Sujiu Trading for each dissemination of advertisement.

Condition: The Master Advertisement Dissemination Agreement shall become effective upon the passing of a resolution by the Board.

Historical annual caps and transaction amounts

As the Master Performance Agreement and the Master Advertisement Dissemination Agreement are brand-new agreements entered into with new connected persons, there are no historical annual caps and transaction amounts which can be referred to.

Annual caps

The Directors propose the annual caps of the Continuing Connected Transactions for the three financial years ending 31 December 2018, 2019 and 2020 to be as follows:

	Proposed annual caps for the financial years ending 31 December		
	2018	2019	2020
(a) Transactions contemplated under the Master Performance Agreement	RMB43,000,000 (equivalent to approximately HK\$53,086,420)	RMB43,000,000 (equivalent to approximately HK\$53,086,420)	RMB43,000,000 (equivalent to approximately HK\$53,086,420)
(b) Transactions contemplated under the Master Advertisement Dissemination Agreement	RMB20,000,000 (equivalent to approximately HK\$24,691,358)	RMB20,000,000 (equivalent to approximately HK\$24,691,358)	RMB20,000,000 (equivalent to approximately HK\$24,691,358)

Basis of the annual caps

A. Master Performance Agreement

In determining the annual caps of the Master Performance Agreement for the three financial years ending 31 December 2018, 2019 and 2020, the Board has taken into account the following factors:

- (i) the business plan of Nanjing Hesong on various cultural and artistic performances in the three financial years ending 31 December 2018, 2019 and 2020;
- (ii) the business volume expected to be generated from Sujiu Trading in the three financial years ending 31 December 2018, 2019 and 2020;
- (iii) the market price that the Group learns regularly from suppliers in the market;
- (iv) the historical business volume of performance and future projected business volume that the Group learns from Sujiu Trading.

The Directors (including the independent non-executive Directors) consider that the annual caps of the Master Performance Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

B. Master Advertisement Dissemination Agreement

In determining the annual caps of the Master Advertisement Dissemination Agreement for the three financial years ending 31 December 2018, 2019 and 2020, the Board has taken into account the following factors:

- (i) the business plan of the Group on advertisement dissemination in the three financial years ending 31 December 2018, 2019 and 2020;
- (ii) the business volume expected to be generated from Sujiu Trading in the three financial years ending 31 December 2018, 2019 and 2020;
- (iii) the market price that the Group learns regularly from suppliers in the market;
- (iv) the historical business volume of advertisement dissemination and future projected business volume that the Group learns from Sujiu Trading.

The Directors (including the independent non-executive Directors) consider that the annual caps of the Master Advertisement Dissemination Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Reasons for entering into the Continuing Connected Transactions

A. Master Performance Agreement

Sujiu Trading is principally engaged in the sale of pre-packaged food (including refrigerated or frozen food) and gifts, house rental and hotel entrusted management.

Nanjing Hesong is principally engaged in organizing various cultural and art exchange activities, and undertaking various cultural and artistic performances, exhibition and presentation.

Sujiu Trading does not possess equipment and capacities for undertaking cultural and artistic performances. To better cater for the needs of its customers, Sujiu Trading entrusts Nanjing Hesong to provide performance related services. Moreover, Nanjing Hesong has high quality performing equipment and service personnel and are highly competitive in terms of undertaking performances. On the other hand, the Directors consider that business from Sujiu Trading will expand the Group's revenue sources and is in the best interest of the Company and all Shareholders.

B. Master Advertisement Dissemination Agreement

Sujiu Trading entrusts the Group to provide outdoor advertisement dissemination services to expand its market share and enhance its brand image. And, design, printing and production of outdoor advertising products and the dissemination of outdoor advertisements by letting outdoor advertising space are the Group's principal businesses.

Furthermore, the Group is highly competitive in terms of outdoor advertisement dissemination resources and quality.

On the other hand, the Directors are of the view that business volume from Sujiu Trading will enable the Group to expand its revenue sources and is in the best interest of the Company and all Shareholders.

Directors' view on the Continuing Connected Transactions

The Directors (including independent non-executive Directors) consider that the Master Performance Agreement and the Master Advertisement Dissemination Agreement and their respective annual caps are entered into in the ordinary and usual course of business of the Group, on normal commercial terms. And, their terms are fair and reasonable and in the best interests of the Company and all Shareholders.

None of the Directors has a material interest in the Master Performance Agreement and the Master Advertisement Dissemination Agreement or is required to abstain from voting on relevant Board resolutions.

Implications under the GEM Listing Rules

Nanjing Hesong is owned as to 51%, 34% and 15% by the Company, Sujiu Wealth and Nanjing Xinghui Lingxiu, respectively. It is therefore a subsidiary of the Company. And, Sujiu Wealth is a connected person of the Company at subsidiary level. As Sujiu Wealth is a wholly-owned subsidiary of Jiangsu Yanghe which in turn holds 85% equity interest of Sujiu Trading. Sujiu Trading, as a fellow subsidiary of Sujiu Wealth, is an Associate of Sujiu Wealth by virtue of Rule 20.11(1) of the GEM Listing Rules and a connected person of the Company at subsidiary level by virtue of Rule 20.07(4) of the GEM Listing Rules. Accordingly, the services under the Master Performance Agreement and the Master Advertisement Dissemination Agreement constitute continuing connected transactions under Chapter 20 of the GEM Listing Rules.

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DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“Associate”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Company”	大賀傳媒股份有限公司 (Dahe Media Co., Ltd.*), a joint stock limited company incorporated in the PRC
“Continuing Connected Transactions”	collectively referred to the transactions contemplated under the Master Performance Agreement and the Master Advertisement Dissemination Agreement
“Director(s)”	director(s) of the Company (including executive directors, non-executive directors and independent non-executive directors)

“Domestic Shares”	the domestic Shares of nominal value of RMB0.10 each in the share capital of the Company which are subscribed for or credited as fully paid up in RMB and issued to domestic investors in the PRC
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars
“H Shares”	the overseas listed foreign Share(s) of nominal value of RMB0.10 each in the share capital of the Company
“Jiangsu Yanghe”	江蘇洋河酒廠股份有限公司(Jiangsu Yanghe Brewery Joint Stock Co., Ltd.*), a joint stock limited company incorporated in the PRC
“Master Advertisement Dissemination Agreement”	a master advertisement dissemination agreement entered into between the Company and Sujiu Trading dated 9 February 2018
“Master Performance Agreement”	a master performance agreement entered into between Nanjing Hesong and Sujiu Trading dated 9 February 2018
“Nanjing Hesong”	南京合頌文化科技有限公司 (Nanjing Hesong Culture and Technology Co., Ltd.*), a limited liability company incorporated in the PRC
“Nanjing Xinghui Lingxiu”	南京星輝領秀文化產業投資合夥企業(有限合夥) (Nanjing Xinghui Lingxiu Cultural Industry Investment Partnership (Limited Partnership)*), a limited partnership established in the PRC
“PRC”	The People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong the Macau Special Administrative Region and Taiwan
“RMB”	renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Shares

“Shares”	H Shares and Domestic Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Sujiu Wealth”	蘇酒集團江蘇財富管理有限公司 (Sujiu Group Jiangsu Wealth Management Co., Ltd.*), a limited liability company incorporated in the PRC
“Sujiu Trading”	蘇酒集團貿易股份有限公司 (Sujiu Group Trading Joint Stock Co., Ltd.*), a joint stock limited company incorporated in the PRC
“%”	percentage

Note: The RMB amounts shown in this announcement have been converted into HKD based on the exchange rate of HK\$1.00 to RMB0.81.

By Order of the Board
大賀傳媒股份有限公司
Dahe Media Co., Ltd.*
He Chaobing
Chairman

Nanjing, the PRC
9 February 2018

As at the date of this announcement, the Board comprises Mr. He Chaobing and Mr. Huang Hongxing, being the executive Directors, Mr. Xu Haoran, Mr. Ge Jianya and Ms. Ye Jianmei, being the independent non-executive Directors, and Mr. He Lianyi, Mr. He Pengjun, Mr. Geng Qiang and Mr. Zhang Ge, being the non-executive Directors.

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

This announcement will remain on the GEM website (<http://www.hkgem.com>) on the “Latest Company Announcements” page for at least 7 days from the date of publication.

* For identification purpose only