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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)

INSIDE INFORMATION

This announcement is made by Modern Media Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company wishes to inform shareholders of the Company and potential investors that, after the Board’s preliminary review of the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2016 (“**FY2016**” “**Reporting Period**”) and information currently available to the Board, the profit attributable to owners of the Company for the Reporting Period is expected to be in the range of about 10% to 20% of that for the year ended 31 December 2015 (“**FY2015**”) (FY2015: approximately RMB20.6 million), primarily due to the reduction in the Group’s advertising revenue attributable to the continuous weakening local consumption in the luxury and retail segments in the PRC, to which most of the Group’s principal advertising clients belong.

The Group formulated a series of cost control measures for implementation in the second half of FY2016 including the reduction of headcount to rationalize human resource structure, consolidating distribution networks and the removal of offices, optimizing the number of print copies of our magazines and tightening the budget control on production costs and expenses. In addition, the Group procured businesses and orders from new customers. As a result, the financial performance for the second half of FY2016 improved to a significant extent as compared to that of the six months ended 30 June 2016 (the “**2016 Interim Period**”).

Reference is made to the Company's announcement dated 26 August 2016 in relation to the interim financial performance of the Group for the 2016 Interim Period and the interim report of the Company for the 2016 Interim Period, in which it was disclosed that the Group's unaudited consolidated loss for the 2016 Interim Period was approximately RMB68.9 million, as compared to a net profit of approximately RMB5.8 million for the six months ended 30 June 2015.

As the Company is still in the process of finalising its financial results for FY2016, the information contained in this announcement is only based on preliminary assessment and review by the Board with reference to the unaudited consolidated management accounts of the Group and other information currently available, which have not been reviewed or audited by the Company's auditors. The financial results of the Group for FY2016 shall be subject to further adjustments and finalization, which is currently expected to be published in March 2017.

Shareholders and potential investors should exercise caution when dealing in shares of the Company.

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

Hong Kong, 15 February 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 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.