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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)

SUPPLEMENTAL ANNOUNCEMENT

DISCLOSEABLE TRANSACTION — DEEMED DISPOSAL OF EQUITY INTEREST IN MODERN DIGITAL HOLDINGS LIMITED

Reference is made to the announcement of Modern Media Holdings Limited (the “**Company**”) dated 10 March 2017 (the “**Announcement**”) in relation to the deemed disposal of equity interest in Modern Digital Holdings Limited. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

In addition to the information disclosed in the Announcement, the Company wishes to provide the Shareholders and the public with the following additional information in relation to the Subscriptions to be made by Septwolves Invest and the Company respectively pursuant to the Investment Agreement:

FINANCIAL INFORMATION OF THE MDHL GROUP

According to the MDHL Group’s unaudited financial statements, its revenue and net profits (both before and after taxation) for each of the three financial years ended 31 December 2016 are as follows:

	Year ended 31 December 2016 (“FY2016”)	Year ended 31 December 2015 (“FY2015”)	Year ended 31 December 2014 (“FY2014”)
<i>(RMB million)</i>			
Revenue	95.17	87.23	95.05
Profit before taxation	3.70	2.78	11.13
Profit after taxation	2.76	0.95	11.34

As at 31 December 2016, the net asset value (“NAV”) of MDHL Group is approximately RMB78.97 million. The NAV is larger than the aggregate investment costs of the Company (excluding the subscription price payable under the Company Subscription) in the MDHL Group up to the date of the Investment Agreement.

SHAREHOLDINGS IN MDHL, TIMING OF ALLOTMENT OF THE SUBSCRIPTION SHARES, AND THE SUBSCRIPTION PRICES

As disclosed in the Announcement, it is the common consensus of the parties to the Investment Agreement that after completion of both the Septwolves Invest Subscription and the Company Subscription, the shareholdings of the Company and Septwolves Invest in MDHL will be 70% and 30% respectively.

The existing number of issued shares in MDHL is 1 million. It is expected that completion of the Septwolves Invest Subscription will take place before the completion of the Company Subscription. To maintain the above shareholdings of 70% and 30%, 428,570 Subscription Shares will be issued to Septwolves Invest, and only one (1) Subscription Share will be issued to the Company. The Company’s shareholding in MDHL will be 70%, both (i) immediately after completion of the Septwolves Invest Subscription, and (ii) immediately after completion of the Company Subscription.

As indicated above, the NAV of the MDHL Group as at 31 December 2016 is about RMB78.97 million. The aggregate of such NAV and the subscription price payable under the Company Subscription (i.e. RMB36.6 million) is about RMB115.57 million; and the average cost of the Company’s investment in each MDHL Share is approximately RMB115.57. The subscription price of each MDHL Share under the Septwolves Invest Subscription is approximately RMB100.45. The average subscription price of Septwolves Invest in each MDHL Share therefore represents a discount of about 13% of average investment cost of the Company in MDHL.

The above information is supplied to supplement the Announcement, and all information in the Announcement remains unchanged.

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

Hong Kong, 22 March 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 and Mr. AU-YEUNG Kwong Wah and Dr. GAO Hao.