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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)

VOLUNTARY ANNOUNCEMENT ENTERING INTO A LICENSE AGREEMENT

Reference is made to the annual report of Modern Media Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2016 (“**2016 Annual Report**”). On pages 29 and 35 of the 2016 Annual Report, it was mentioned that the Group was negotiating the cooperation with an international renowned female title for the re-branding of “Modern Lady Weekly”, one of the flagship printed publications of the Group.

The board (the “**Board**”) of directors (“**Directors**”) of the Company hereby announces that on 11 April 2017, Modern Media Company Limited (“**MMCL**”, a wholly-owned subsidiary of the Company), entered into a license agreement (“**License Agreement**”) with Time Inc., a Delaware corporation which is the publisher of InStyle magazine (a monthly women’s fashion magazine). By incorporating the proprietary features of the InStyle brand and editorial materials published in InStyle magazines licensed for the use of MMCL, we would re-brand “Modern Lady Weekly” as “INSTYLE優家畫報” and launch a digital application entitled “INSTYLE iLADY” in the mainland China. The Board believes that such license and re-branding will have an upgrade of the publication contents and bring in additional advertising revenue stream. The date of the first issue of “INSTYLE優家畫報” is tentatively scheduled on or around 13 May 2017.

The term (“**Term**”) of the License Agreement commences as from 1 May 2017 (the “**Effective Date**”) and continues through the end of the 6th calendar year (i.e. 31 December 2023). Pursuant to the License Agreement, during the Term, MMCL is granted with the exclusive right and license to use certain proprietary features of the InStyle brand (including trademarks and the design, layout, makeup and graphic composition of InStyle magazine) on and in connection with the publication and sale of “INSTYLE優家畫報” and “INSTYLE iLADY”. In addition, Time Inc. also grants an exclusive right and license to MMCL to use during the Term original editorial material and other editorial materials (including translations and adaptations) published in InStyle magazine for the publication of “INSTYLE優家畫報”.

Time Inc. is a leading content company based in New York, the United States, which owns over 100 magazine brands, including renowned titles such as People, Time, Fortune, Sports Illustrated, InStyle, Real Simple and Southern Living. To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, Time Inc. and its ultimate beneficial owners are third parties independent of the Company, its subsidiaries and their respective connected persons (as defined under the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

The transaction contemplated under the License Agreement is conducted in the ordinary and usual course of business of the Company and does not constitute a notifiable transaction or a connected transaction of the Company under Chapter 14 or Chapter 14A of the Listing Rules. The Board wishes to make a voluntary disclosure in relation to the License Agreement to inform the shareholders of the Company and potential investors of the latest business development of the Group.

Shareholders of the Company and public investors are urged to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 5 May 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.