

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**MEDIA CHINESE INTERNATIONAL LIMITED**

**世界華文媒體有限公司**

*(Incorporated in Bermuda with limited liability)*

(Malaysia Company No. 995098-A)

(Hong Kong Stock Code: 685)

(Malaysia Stock Code: 5090)

**OVERSEAS REGULATORY ANNOUNCEMENT**

*(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)*

Please refer to the attached announcement on the next page.

4 June 2010

*As at the date of this announcement, the Board comprises Tan Sri Datuk Sir Tiong Hiew King, Mr Tiong Kiu King, Dato' Sri Dr Tiong Ik King, Mr Tiong Kiew Chiong, Ms Siew Nyoke Chow and Ms Sim Sai Hoon, being executive Directors; Mr Leong Chew Meng, being non-executive Director; and Mr David Yu Hon To, Tan Sri Dato' Lau Yin Pin and Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh, being independent non-executive Directors.*

**General Announcement**  
Reference No **MC-100604-36676**

Company Name : **MEDIA CHINESE INTERNATIONAL LIMITED**  
Stock Name : **MEDIAC**  
Date Announced : **04/06/2010**

Type : **Announcement**

Subject : **MEDIA CHINESE INTERNATIONAL LIMITED (the "Company") – Related Party Transaction in relation to Acquisition of Shares in One Media Group Limited ("OMG")**

Contents : **The Board of Directors wishes to announce that on 4 June 2010, Comwell Investment Limited (the "Purchaser"), a wholly-owned subsidiary of the Company, has today accepted the Offer from Redgate Media Group, a major shareholder of OMG, to acquire 44,260,188 ordinary shares of HK\$0.001 each in OMG (the "Sale Shares") at HK\$0.30 per ordinary share of OMG for a total cash consideration of HK\$13.28 million (or approximately equivalent to RM5.57 million) (the "Transaction").**

Prior to the Transaction, the Company is a substantial shareholder of OMG with an indirect shareholdings of 251,339,812 shares (representing 62.83%) via the Purchaser of the entire issued and paid up capital in OMG.

Upon the completion of the Transaction, the Company will hold 295,600,000 shares in OMG, representing 73.9% equity interest in OMG.

Details of the announcement on Related Party Transaction in relation to the Acquisition of Shares in OMG is attached herewith.

This announcement is dated 4 June 2010.

Attachments :  **RPT Announcement - OMG Shares.pdf**

## **ANNOUNCEMENT IN RELATION TO RELATED PARTY TRANSACTION – ACQUISITION OF SHARES IN ONE MEDIA GROUP LIMITED (“OMG”)**

### **BACKGROUND INFORMATION**

Reference is made to the joint announcement of the Company and OMG dated 18 March 2008 in respect of an internal restructuring of the shareholding structure of OMG, in which the Company, Starsome Limited, Redgate Media Group (formerly known as Redgate Media Inc.), Redgate Media (HK) Limited, RGM Ventures Limited, Mr. Peter Bush Brack, Mr. Robert William Hong-san Yung and Ms. Zhu Ying had entered into an agreement (the “Agreement”) on the same date to reflect the revised structure and shareholders of OMG.

Pursuant to the Agreement, Redgate Media Group, a major shareholder of OMG, has made an offer (the “Offer”) on 3 June 2010 to the Company to acquire 44,260,188 ordinary shares of HK\$0.001 each in OMG (the “Sale Shares”) which are held by RGM Ventures Limited (the “Seller”), a wholly-owned subsidiary of Redgate Media Group, and represent the Seller’s entire interest in OMG being approximately 11.07% of the issued and paid-up share capital of OMG.

### **INTRODUCTION**

The Board of Directors (the “Board”) is pleased to announce that on 4 June 2010, Comwell Investment Limited (the “Purchaser”), a wholly-owned subsidiary of the Company, has today accepted the Offer from Redgate Media Group, a major shareholder of OMG, to acquire the Sale Shares at HK\$0.30 per ordinary share of OMG for a total cash consideration of HK\$13.28 million (or approximately equivalent to RM5.57 million) (the “Transaction”).

Prior to the Transaction, the Company is a substantial shareholder of OMG with an indirect shareholdings of 251,339,812 shares (representing 62.83%) via the Purchaser of the entire issued and paid up capital in OMG.

Upon the completion of the Transaction, the Company will hold 295,600,000 shares in OMG, representing 73.9% equity interest in OMG.

### **SALIENT TERMS OF THE TRANSACTION**

#### **Date**

4 June 2010

#### **Parties**

Seller : RGM Ventures Limited

Purchaser : Comwell Investment Limited

### **Assets to be acquired**

44,260,188 ordinary shares of HK\$0.001 each in the issued and paid-up share capital of OMG, representing 11.07% of and the Seller's entire interest in OMG.

### **Consideration and source of fund**

The consideration of HK\$13.28 million (or approximately equivalent to RM5.57 million), representing the Sale Shares of 44,260,188 multiplied by HK\$0.30 per ordinary share of OMG, was based on "willing buyer willing seller" basis, which was arrived at after arm's length negotiations with reference to the market value of the Sale Shares.

The whole consideration will be paid by the Company upon completion of the Transaction which will be no later than seven business days after the acceptance of the Offer by way of cash from internal resources.

### **Conditions**

- (i) the Company shall pay the sum of consideration to the Seller or its holding companies, namely Redgate Media Group and Redgate Media (HK) Limited (collectively referred to as "RGM") which shall receive the same on behalf of the Seller;
- (ii) RGM shall execute or procure the execution of all documents required to transfer the Sale Shares to the Company (or as it may reasonably direct) and shall deliver up the share certificates for the Sale Shares to the Company;
- (iii) RGM shall warrant or procure the Seller to warrant to the Company:
  - (a) that it is the legal and beneficial owner of the Sale Shares;
  - (b) that the Sale Shares are free and clear of any liens, claims, options, charges, encumbrances or rights of third parties;
  - (c) that it has the full legal authority to sell, assign and transfer the Sale Shares;
- (iv) each of the Seller and Purchaser shall be responsible for one half of the stamp duty payable (if any) in connection with the sale and purchase of the Sale Shares.

### **INFORMATION ON OMG**

OMG was incorporated in the Cayman Islands on 11 March 2005. The shares of OMG are listed on the main board of The Stock Exchange of Hong Kong Limited since 18 October 2005. OMG and its subsidiaries are engaged in the publication, marketing and distribution of Chinese language lifestyle magazines.

The summary of the audited financial results for the financial year ended 31 March 2009 and unaudited financial results for the financial year ended 31 March 2010 of OMG are set out below:

	31 March 2009 (audited) (HK\$'000)	31 March 2010 (unaudited) (HK\$'000)
Revenue	207,941	181,374
Profit for the year	11,397	5,662
Net assets	166,362	167,058

### **RATIONALE OF THE TRANSACTION**

With reference to the Agreement dated 18 March 2008 entered into among the Company, Starsome Limited, Redgate Media Group, Redgate Media (HK) Limited, RGM Ventures Limited, Mr. Peter Bush Brack, Mr. Robert William Hong-san Yung and Ms. Zhu Ying (the "Covenantors") relating to the internal restructuring of shareholding structure of OMG, the Company was granted the right of first refusal. If any of the Covenantors wishes to sell, transfer or dispose of all or a portion of the Sale Shares to any purchaser, the Seller shall, on behalf of the relevant selling Covenantor, first offer them on the same terms to the Company. Upon exercise of the right of first refusal, the Company would increase the Group's investment in OMG and could maintain ownership.

In addition, the purchase price of HK\$0.30 is 28.22% below the unaudited net asset value of OMG, HK\$0.418, as at 31 March 2010. The Board of Directors therefore believes the exercise of the right of first refusal is in the best interest to the shareholders of the Company.

### **RISK FACTORS**

The Board does not envisage any specific risk to be associated with the Transaction.

### **EFFECT OF THE TRANSACTION**

The Transaction will not have any material adverse effects on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholding of the Company.

### **PARTICULARS OF ALL LIABILITIES, INCLUDING CONTINGENT LIABILITIES AND GUARANTEES TO BE ASSUMED BY THE COMPANY ARISING FROM THE TRANSACTION**

There is no liability, including contingent liability and guarantee to be assumed by the Company, arising from the Transaction.

## **ESTIMATED TIME FRAME FOR COMPLETION OF THE TRANSACTION**

Completion of the Transaction shall take place not later than seven business days after the acceptance of the Offer of the Sale Shares.

## **APPROVAL REQUIRED**

The Transaction is not subject to the approval of shareholders of the Company and authorities.

## **PERCENTAGE RATIO**

The highest percentage ratio applicable to the Transaction pursuant to paragraph 10.02(g) of the Main Marketing Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) is 0.70%.

## **THE NATURE AND EXTENT OF THE INTERESTS OF THE DIRECTORS AND/OR MAJOR SHAREHOLDERS**

To the best knowledge of the Board, none of the Directors and/or major shareholders of the Company and/or persons connected with them have any interest, direct or indirect, in the Transaction.

## **IMPLICATIONS UNDER THE LISTING REQUIREMENTS**

Pursuant to Paragraph 1.01 and 10.02 of the Listing Requirements, and in view of the interest of the Seller who is a major shareholder of the Company’s subsidiary, the Transaction will constitute a related party transaction under the Listing Requirements. However, the Transaction is not subject to the approval of the shareholders as the materiality of the Transaction is less than 5% of the percentage ratio threshold as stated in Paragraph 10.08(1) of the Listing Requirements, while an announcement shall be made as soon as possible after the terms of the Transaction have been agreed.

## **INFORMATION ON THE GROUP**

The Group is a leading global Chinese-language media group dually listed on the main boards of The Stock Exchange of Hong Kong Limited (Stock Code: 685) and Bursa Malaysia Securities Berhad (Stock Code: 5090). The Group is principally engaged in the businesses of publishing newspapers, magazines and books, providing electronic content on the web, and is providing travel and travel related services.

## **INFORMATION ON THE PURCHASER**

The Purchaser was incorporated in the British Virgin Islands on 30 August 2007 and is a wholly-owned subsidiary of the Company. The principal activity of the Purchaser is investment holding.

The authorised share capital of the Purchaser is 50,000 shares of no par value and the issued and fully paid up share capital is HK\$1 comprising 1 share at no par value.

## **INFORMATION ON THE SELLER**

The Seller was incorporated in the British Virgin Islands on 22 January 2004. It is an indirect wholly-owned subsidiary of Redgate Media Group which is engaged in media business.

The authorised share capital of the Seller is US\$250,000 comprising 250,000 shares of US\$1 each and the issued and fully paid-up share capital is US\$100,600 comprising 100,600 shares of US\$1 each. The principal activities of the Seller is investment holding. The sole director of the Seller is Mr. Peter Bush Brack.

## **STATEMENT BY DIRECTORS**

The Board (including the independent non-executive Directors), having taken consideration of all aspects of the Transaction, is of the opinion that the Transaction is in the best interest of the Company and its shareholders as a whole.

*Sums in this announcement expressed in RM have been translated into HK\$ at the rate of RM0.41917 = HK\$1.00 (representing the middle exchange rate at 5:00 p.m. on 3 June 2010 as quoted by Bank Negara Malaysia).*

*No representation is made that any amounts in RM could have been or could be converted at the above rates or at any other rates or at all.*