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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)

INSIDE INFORMATION
UPDATES ON PROPOSED DISPOSAL
AND
PROPOSED SPECIAL DIVIDEND TO BE DISTRIBUTED BY ONE MEDIA

Financial Advisers to Media Chinese International Limited

In Malaysia

RHB InvestmentBank

RHB Investment Bank Berhad
(Company Registration Number: 19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

In Hong Kong

RHB Capital Hong Kong Limited

CP AGREEMENTS

Reference is made to the announcement of the Company dated 1 August 2016 (the "**Previous Announcement**") in relation to, among others, the Share Transfer Agreement entered into between Comwell (as vendor), the Company (as guarantor) and the Purchaser (as purchaser), regarding the possible disposal by Comwell of the Sale Shares, representing approximately 73.01% of the issued share capital of One Media, which constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Company is pleased to announce that on 28 February 2017, all of the terms of the CP Agreements, which include (i) the Connected Disposal Agreement; (ii) the Sub-contracting Agreement; (iii) the MS Agreement; (iv) the Service Contracts; and (v) the CCT Agreements, have been finalised. The completion, execution or the commencement (as the case may be) of the CP Agreements are conditions precedent to the Share Transfer Agreement. The CP Agreements are contemplated to be executed prior to the Share Transfer Closing. The Board wishes to provide Shareholders with further information regarding the CP Agreements, in so far as the Shareholders are concerned.

Under the terms of the Connected Disposal Agreement, One Media conditionally agrees to sell and the Company conditionally agrees to purchase (through Comwell) the Disposal Group for HK$49,165,000 (equivalent to approximately US$6,335,000) in cash. Currently, the businesses under the Disposal Group comprise: (i) the Disposal Magazines, which are indirectly wholly-owned by One Media; (ii) ST Productions, which is 70% indirectly owned by One Media; (iii) the NCIs, in which One Media has indirect interests ranging from 10% to 40%; and (iv) the Agency and Advertising Representative Businesses, which are indirectly wholly-owned by One Media.

Under the terms of the Sub-contracting Agreement, Comwell, as contractor, appoints MPM, as sub-contractor, to manage and operate the Disposal Businesses, which shall take effect upon the Connected Disposal Completion.

The terms of the MS Agreement stipulate, among others, the duties, rights, powers, authority and limitations of the Managers in managing the Remaining Businesses. The Service Contracts stipulate the respective employment terms of each Manager. The MS Agreement and the Service Contracts shall take effect upon the Share Transfer Closing.

The CCT Agreements are a group of agreements between certain members of the Group and MPM, a member of the Remaining Subsidiaries, in relation to certain business transactions and operational support between the two (2) groups, which shall take effect upon the Share Transfer Closing.

It is expected that the Share Transfer Closing, the Connected Disposal Completion, the Sub-contracting Commencement, the MS Commencement, the SC Commencement and the CCT Commencement shall all take place on the same day, with the Connected Disposal Completion and the Sub-contracting Commencement taking place immediately before the Share Transfer Closing, and the MS Commencement, the SC Commencement and the CCT Commencement taking place simultaneously with the Share Transfer Closing.

IMPLICATIONS UNDER LISTING RULES AND LISTING REQUIREMENTS

The (i) Connected Disposal Agreement; (ii) Sub-contracting Agreement; (iii) MS Agreement; (iv) Service Contracts; and (v) CCT Agreements, each of which, when executed, does not constitute a notifiable transaction, nor connected transaction, for the Company under Chapters 14 and 14A of the Listing Rules.

The aggregate percentage ratio applicable to the Proposed Disposal and the Connected Disposal is approximately 33.12%. Pursuant to Paragraph 10.12 of the Listing Requirements, the Proposed Disposal and the Connected Disposal are aggregated for the purposes of computing the percentage ratios as it involves the acquisition or disposal of securities or interests in one particular corporation/asset within a period of 12 months.

PROPOSED SPECIAL DIVIDEND

One Media proposes a Special Dividend of HK$0.03991 (equivalent to approximately US$0.00514) per share of One Media to be distributed and settled in cash to One Media's Registered Shareholders, subject to the approval of the One Media's Independent Shareholders having been obtained and the Connected Disposal Completion having taken place.

Based on 400,900,000 shares of One Media in issue as at the date of this announcement, the Special Dividend payable to One Media's Registered Shareholders shall be an amount not exceeding HK$16.00 million (equivalent to approximately US$2.06 million), out of which, Comwell, an indirect wholly-owned subsidiary of the Company and the beneficial owner of the Sale Shares, representing approximately 73.01% of the issued share capital of One Media as at the date of this announcement and assuming no change to its shareholding from the date of this announcement to the Special Dividend Record Date, is entitled to receive a special dividend of approximately HK$11.68 million (equivalent to approximately US$1.51 million).

The Special Dividend Record Date would fall on a date prior to the Share Transfer Closing and the commencement of the Offer, and the Special Dividend is expected to be paid after the Share Transfer Closing Date.

GENERAL

Further announcement(s) will be made by the Company in respect of the details of the Special Dividend Record Date, the Special Dividend payout date, and closure of the register of members of One Media for determining the entitlement of the shareholders of One Media to the Special Dividend in accordance with Rule 13.66 of the Listing Rules.

Unless otherwise stated, capitalised terms used herein are defined in the "Definitions" section of this announcement.

1.0 INTRODUCTION

This announcement is made by the Company pursuant to Inside Information Provisions under Part XIVA of the SFO, Rule 13.09 of the Listing Rules and Paragraph 10.07 of the Listing Requirements.

Reference is made to the Previous Announcement in relation to, among others, the Share Transfer Agreement entered into between Comwell (as vendor), the Company (as guarantor) and the Purchaser (as purchaser), regarding the possible disposal by Comwell of the Sale Shares, representing approximately 73.01% of the issued share capital of One Media, which constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as defined in the Previous Announcement.

The Company is pleased to announce that on 28 February 2017, all of the terms of the CP Agreements, which include (i) the Connected Disposal Agreement; (ii) the Sub-contracting Agreement; (iii) the MS Agreement; (iv) the Service Contracts; and (v) the CCT Agreements, have been finalised. The completion, execution or the commencement (as the case may be) of the CP Agreements are conditions precedent to the Share Transfer Agreement. The CP Agreements are contemplated to be executed prior to the Share Transfer Closing. The Board wishes to provide Shareholders with further information regarding the CP Agreements, in so far as the Shareholders are concerned.

Salient terms of the CP Agreements are disclosed below.

2.0 CONNECTED DISPOSAL AGREEMENT

2.1 Parties:

(a) Vendor: One Media

(b) Purchaser: the Company

2.2 Subject matter of the Connected Disposal Agreement:

Subject to the terms and conditions in the Connected Disposal Agreement, One Media conditionally agrees to sell and the Company conditionally agrees to purchase the Disposal Share, representing the entire issued share capital of Enston as at the date of this announcement for the consideration of HK$49,165,000 (equivalent to approximately US$6,335,000).

2.3 Background of the Disposal Group:

Companies under the Disposal Group are principally engaged in the business of the Disposal Magazines (which comprise the TopGear Magazines, the Automobile Publications, the Ming Watch Magazines and Hihoku), ST Productions, the NCIs and the Agency and Advertising Representative Businesses.

As at the date of this announcement, the One Media Group wholly owns the companies operating the businesses of the Disposal Magazines and the Agency and Advertising Representative Businesses. In addition, the One Media Group indirectly owns a 70% attributable interest in ST Productions and approximately 10% to 40% attributable interests in the NCIs.

A. *The TopGear Magazines:*

TopGear Magazine is a globally published automobile magazine, the UK publishing rights of which are owned by BBCW, which is the main commercial arm and a wholly-owned subsidiary of BBC. BBCW has appointed Immediate Media as its exclusive agent in issuing licences to publish the regional editions of the TopGear Magazines. By licence agreements made with BBCW and Immediate Media, the One Media Group has obtained the requisite licences for the operation of regional editions of the TopGear Magazines in Hong Kong, the PRC and Taiwan, as well as the requisite licences from BBC to use the trade marks of "BBC" and "TopGear". The TopGear Magazine has around 12 to 13 issues annually in each of the regions of Hong Kong, the PRC and Taiwan. The One Media Group operates these regional editions through a joint editorial operation model among Hong Kong, the PRC and Taiwan.

B. *The Automobile Publications:*

The One Media Group is also involved in contract publications in printed and electronic form for several automobile companies operating in Hong Kong, which publications are mainly distributed to the respective clients and identified groups of potential clients of the automobile companies. At the moment, all these titles are principally produced by the editorial team of the TopGear Magazines.

C. *The Ming Watch Magazines:*

Ming Watch Magazine is a magazine that focuses on luxury watches, with Hong Kong and PRC editions. The Hong Kong edition of Ming Watch Magazine is issued bi-monthly with an additional edition published in November while the PRC edition of Ming Watch Magazine is issued quarterly. The two (2) editions of Ming Watch Magazine are operated under a joint editorial model in Hong Kong and the PRC. The One Media Group also operates their relevant digital businesses.

D. *Hihoku:*

The One Media Group (through 北京萬華共創廣告有限公司 (Beijing OMG M2U Advertising Company Limited*), 北京萬華廣告有限責任公司 (Beijing OMG Advertising Company Limited*) and 北京新時代潤誠科技諮詢有限公司 (Beijing Times Resource Technology Consulting Limited*)) operates a digital media business in the name of "Hihoku hi!好酷", providing entertainment and lifestyle news to users in the PRC and Hong Kong.

E. ST Productions:

The One Media Group is beneficially interested in 70% of the issued share capital of ST Productions, which engages in the artiste management, event management, music production and distribution, and movie production businesses. The remaining 30% of the equity interest in ST Productions is held by a company controlled by a senior executive of ST Productions. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the minority shareholder of ST Productions is independent of and not connected with the Company.

F. NCIs

One Media has the following NCIs in media-related businesses:

Name of the NCIs of One Media	**Description of its principal business(es)**	**Effective equity interest held by the One Media Group**
BP Group	Publishing mainly "100 Most"(100毛), a weekly title, operating digital business, namely "TV Most" (毛記電視), and publishing books.	10%
ByRead Group	Operating a digital reading platform through portable electronic devices, e.g. mobile phones for individuals and related solutions to enterprises in the PRC.	24.97%
CKCM Group	A partnership with Chu Kong Shipping Enterprises (Group) Co., Ltd. ("**Chu Kong**", Hong Kong stock code: 560), in respect of the all-rounded media and advertising business available on the platforms of the ferries and terminals operated by Chu Kong, under a current cooperation model of sub-contracting the full operations of the media and advertising business to a subsidiary of Chu Kong.	40%

G. Agency and Advertising Representative Businesses:

Leveraging the presence of its sales teams mainly in the PRC and Hong Kong at the moment, the One Media Group is developing the following businesses:

(i) Advertising Representative Business: providing, through 北京萬華廣告有限責任公司 (Beijing OMG Advertising Company Limited*) (an indirect wholly-owned subsidiary of the One Media Group), advertising sales services to independent third parties, including without limitation, acting as their advertising sales representative in the PRC and, through sub-agent(s) such as MPM, in Hong Kong; and

(ii) Agency Business: providing, through 北京萬華共創廣告有限公司 (Beijing OMG M2U Advertising Company Limited*) (an indirect wholly-owned subsidiary of the One Media Group), agency services to independent third parties, including without limitation, placing advertisements, managing events and forums, procuring membership sales, and procuring circulation and sales services in the PRC and, through sub-agent(s) such as MPM, in Hong Kong.

The business operations of the Agency and Advertising Representative Businesses commenced in 2016, and have yet to generate substantial revenue. Both 北京萬華廣告有限責任公司 (Beijing OMG Advertising Company Limited*) and 北京萬華共創廣告有限公司 (Beijing OMG M2U Advertising Company Limited*) shall, upon the completion of the Restructuring, form part of the Disposal Group.

2.4 Unaudited Aggregated Financial Information of the Disposal Group:

The unaudited aggregated revenue, unaudited aggregated loss before tax and unaudited aggregated loss after tax of the Disposal Group for the three (3) years ended 31 March 2016 are as follows:

	For the year ended 31 March 2016		**For the year ended 31 March 2015**		**For the year ended 31 March 2014**	
	HK$'000	*Equivalent to approximately US$'000*	*HK$'000*	*Equivalent to approximately US$'000*	*HK$'000*	*Equivalent to approximately US$'000*
Unaudited aggregated revenue	29,739	3,832	37,653	4,852	42,891	5,527
Unaudited aggregated (loss) before tax	(10,687)	(1,377)	(34,612)	(4,460)	(8,216)	(1,059)
Unaudited aggregated (loss) after tax	(13,551)	(1,746)	(35,216)	(4,538)	(9,216)	(1,188)

Notes:

1. The Disposal Group recognised an allowance for impairment of approximately HK$23,467,000 (equivalent to approximately US$3,024,000) in relation to its interest in ByRead and an impairment loss of goodwill of approximately HK$2,725,000 (equivalent to approximately US$351,000) in relation to its interest in PRC subsidiaries during the year ended 31 March 2015.

2. The above unaudited aggregated revenue, unaudited aggregated loss before tax and unaudited aggregated loss after tax of the Disposal Group have been prepared by aggregating their respective revenue, loss before tax and loss after tax of the members of the Disposal Group for the relevant periods. No Intergroup Borrowings (as defined below) were adjusted for those amounts. In compiling these amounts for aggregation, the Disposal Group had extracted the figures from the audited financial statements of several entities which were prepared in accordance with Hong Kong Financial Reporting Standards (which are equivalent to International Financial Reporting Standards) and were audited as required by their local jurisdiction, and from unaudited management accounts of several entities and businesses which were prepared in accordance with International Financial Reporting Standards and were not audited as it is not required by their local jurisdiction, and consolidated the results of their respective subsidiaries and/or equity accounted for the results of their respective jointly controlled entities or associated companies, where appropriate.

3. The respective unaudited aggregated revenue, unaudited aggregated loss before tax and unaudited aggregated loss after tax of the Disposal Group have been prepared on a basis consistent with the accounting policies normally adopted by the One Media Group as set out in the One Media Group's audited consolidated financial statements for the year ended 31 March 2016, which is approved by the board of directors of One Media on 30 June 2016. Such financial information is prepared based on the unaudited management accounts of the companies and the businesses now comprising the Disposal Group, in accordance with the International Financial Reporting Standards.

Year ended 31 March 2016

For the year ended 31 March 2016, the Disposal Group's unaudited aggregated revenue amounted to approximately HK$29,739,000 (equivalent to approximately US$3,832,000), reflecting a decline of 21.0% compared to that for the year ended 31 March 2015. The decrease was largely due to weak consumer demand in Hong Kong and continued slow economy growth in the PRC which led to a decrease in the Disposal Group's advertising revenue. Unaudited aggregated loss before tax reduced to approximately HK$10,687,000 (equivalent to approximately US$1,377,000) for the year ended 31 March 2016 from approximately HK$34,612,000 (equivalent to approximately US$4,460,000) for the year ended 31 March 2015, mainly because of the recognition of allowances for impairment of interest in ByRead and goodwill in relation to its interest in the PRC subsidiaries of approximately HK$26,192,000 (equivalent to approximately US$3,375,000) during the year ended 31 March 2015.

Year ended 31 March 2015

For the year ended 31 March 2015, the Disposal Group's unaudited aggregated revenue decreased by 12.2% to approximately HK$37,653,000 (equivalent to approximately US$4,852,000) from approximately HK$42,891,000 (equivalent to approximately US$5,527,000) for the year ended 31 March 2014. The decrease was mainly due to the slow economy growth in the PRC and the discontinuation of the magazine, *Popular Science* "科技新時代". Unaudited aggregated loss before tax increased to approximately HK$34,612,000 (equivalent to approximately US$4,460,000) for the year ended 31 March 2015 from approximately HK$8,216,000 (equivalent to approximately US$1,059,000) for the year ended 31 March 2014, mainly attributable to the recognition of allowances for impairment of interest in ByRead and goodwill in relation to its interest in the PRC subsidiaries of approximately HK$26,192,000 (equivalent to approximately US$3,375,000). Excluding the abovementioned impairment losses, the unaudited aggregated loss before tax for the year ended 31 March 2015 would have been approximately HK$8,420,000 (equivalent to approximately US$1,085,000).

Year ended 31 March 2014

For the year ended 31 March 2014, the Disposal Group's unaudited aggregated revenue decreased by 2.5% to approximately HK$42,891,000 (equivalent to approximately US$5,527,000) from approximately HK$43,977,000 (equivalent to approximately US$5,667,000) for the year ended 31 March 2013. The decrease was mainly due to unfavourable advertising market conditions. Unaudited aggregated loss before tax was approximately HK$8,216,000 (equivalent to approximately US$1,059,000) for the year ended 31 March 2014, which was relatively stable as compared to that for the year ended 31 March 2013.

As at 31 March 2016, the intergroup borrowings between members of the Disposal Group and the members of the Remaining Subsidiaries were approximately HK$177.50 million (equivalent to approximately US$22.87 million) (the "**Intergroup Borrowings**"). The Intergroup Borrowings is a shareholder's loan for the purpose of investing in or developing the Disposal Group. As at 31 March 2016, the Disposal Group had accumulated losses of approximately HK$160.30 million (equivalent to approximately US$20.66 million) and net liabilities of approximately HK$154.03 million (equivalent to approximately US$19.85 million). Pursuant to the current financial resources of the Disposal Group, the Disposal Group is unable to repay the Intergroup Borrowings to the Remaining Group in full at the moment.

As the Intergroup Borrowings continue to finance the operations of the Disposal Group, the amount thereof cannot be finalised as at the date of this announcement. The Company and One Media will agree on the amount of the Intergroup Borrowings in writing shortly before the latest practicable date of the circular to be published by One Media (the "**Circular**"). Such agreed amount of the Intergroup Borrowings will be set out in the Circular. The Remaining Group will unconditionally and irrevocably waive all its rights to the Intergroup Borrowings immediately before the Connected Disposal Completion.

The unaudited aggregated adjusted net asset value of the Disposal Group as at 31 March 2016, which was prepared on the basis set out in the notes below, are as follows:

	As at 31 March 2016	
		Equivalent to approximately
	HK$'000	*US$'000*
Unaudited aggregated adjusted net asset value	23,476	3,025

Notes:

1. The unaudited aggregated adjusted net asset value of the Disposal Group has been prepared by aggregating their respective net asset/liability values of the Disposal Group as at 31 March 2016 and adjusted by adding back the carrying value of the Intergroup Borrowings due to the Remaining Group as at 31 March 2016. The adjustment is for illustrative purpose. As part of the Restructuring, the Remaining Group will unconditionally and irrevocably waive all its rights to the Intergroup Borrowings immediately before the Connected Disposal Completion. If the Intergroup Borrowings were not adjusted, the unaudited aggregated adjusted net asset value of the Disposal Group as at 31 March 2016 would decrease by approximately HK$177.50 million (equivalent to approximately US$22.87 million). In compiling these balances for aggregation, the Disposal Group had extracted the figures from the audited financial statements of several entities which were prepared in accordance with Hong Kong Financial Reporting Standards (which are equivalent to International Financial Reporting Standards) and were audited as required by their local jurisdiction, and from unaudited management accounts of several entities and businesses which were prepared in accordance with International Financial Reporting Standards and were not audited as it is not required by their local jurisdictions and consolidated the asset/liability of their respective subsidiaries and/or equity accounted for the net assets of their respective jointly controlled entities or associated companies, where appropriate.

2. The unaudited aggregated adjusted net asset value of the Disposal Group has been prepared on a basis consistent with the accounting policies normally adopted by the One Media Group as set out in the One Media Group's audited consolidated financial statements for the year ended 31 March 2016, which is approved by the board of directors of One Media on 30 June 2016. Such financial information has been prepared based on the unaudited management accounts of the companies and the businesses now comprising the Disposal Group, in accordance with the International Financial Reporting Standards.

2.5 Consideration:

The Connected Disposal Consideration is HK$49,165,000 (equivalent to approximately US$6,335,000), and is constituted as follows:

Items	Consideration	Basis
Disposal Magazines *(note 1)*	HK$15,749,000 (equivalent to approximately US$2,029,000)	unaudited adjusted net asset value as at 30 September 2016, subject to a marketability discount *(note 2)*
ST Productions and NCIs	HK$33,416,000 (equivalent to approximately US$4,306,000)	unaudited adjusted net asset value as at 30 September 2016, or replacement cost method or Market-Based Approach, subject to a marketability discount and/or a minority discount, where applicable *(note 2)*
TOTAL	**HK$49,165,000 (equivalent to approximately US$6,335,000)**	

Notes:

1. The Agency and Advertising Representative Businesses are operated by companies related to the Disposal Magazines and the values thereof are deemed to be insignificant.

2. According to the indication from Roma Appraisals Limited, an independent professional adviser ("**Roma**"), the marketability discount is the percentage difference between the private placement price per share and the market trading price per share. Compared to similar interest in public companies, ownership interest is not readily marketable for closely held companies. Therefore, the value of a share in a privately held company is usually less than an otherwise comparable share in a publicly held company. Roma has made reference to the 2016 edition of the FMV Restricted Stock Study Companion Guide (the "**Guide**") by FMV Opinions, Inc., a firm offering a broad range of financial advisory services to private and public companies. According to the Guide, a total of 736 private placement transactions of unregistered common stock issued by publicly traded companies from July 1980 through September 2015 were examined. With reference to the Guide, Roma has adopted the median marketability discount for the 736 transactions of 16.11% in arriving at the market value of the Disposal Magazines, the CKCM Group and the BP Group as at 30 September 2016. This median figure was concluded in the Guide and Roma has not adjusted the median figure reported in the Guide.

The Connected Disposal Consideration is principally based on the valuation of the Disposal Group as at 30 September 2016 prepared by Roma.

In arriving at the valuation of the Disposal Group, Roma has considered, among others, the following factors:

(i) the nature and prospect of the Disposal Group;

(ii) the financial condition of the Disposal Group;

(iii) the economic outlook in general and the specific economic environment and market elements affecting the business, industry and market in which the Disposal Group operates in;

(iv) the relevant licences and agreements held or entered into by the Disposal Group;

(v) the business risks of the Disposal Group such as the ability to maintaining competent technical and professional personnel;

(vi) assuming the Intergroup Borrowings have been waived for valuation purposes; and

(vii) investment returns and market transactions of entities engaged in similar lines of business.

The Connected Disposal Consideration shall be paid by the Company to the One Media Group or its nominee in cash upon the Connected Disposal Completion (subject to any of the Other Counterparty Shareholders exercising their rights of first refusal, further details of which are set out in the sub-section headed "2.6. Right of first refusal" of this announcement).

The Connected Disposal Consideration will be funded by the Group through its internal financial resources.

2.6 Right of first refusal:

Pursuant to the respective shareholders' agreements and joint venture agreements (as the case may be) in respect of ST Productions and the NCIs entered into between members of the One Media Group and the relevant Counterparty Shareholders, in the event of any proposed disposal or change in the ownership of the One Media Group's interests in ST Productions and the NCIs (the "**Relevant Interests**"), the relevant Counterparty Shareholders shall have a first right to acquire the Relevant Interests at the price proposed by the One Media Group, which, in the present case, is the sum of HK$33,416,000 (equivalent to approximately US$4,306,000) for all the Relevant Interests (based on the same valuation of the Disposal Group as at 30 September 2016 prepared by Roma, which includes the valuation of the Relevant Interests).

On 20 February 2017, One Media received a written confirmation from a subsidiary of Chu Kong that, among other things, it waives its right to acquire the Relevant Interests in CKCM arising from the Connected Disposal. The Relevant Interests in CKCM are therefore not subject to the right of first refusal as stated herein. As a result, Chu Kong is not interested in the Connected Disposal.

One Media shall notify the Other Counterparty Shareholders after the release of the Joint Announcement to seek their respective indications as to whether they would exercise or waive their first right to acquire the Relevant Interests described above. The Other Counterparty Shareholders shall then have around 14 to 30 Business Days after receiving such notice to give a written response to the One Media Group stating whether they intend to purchase the Relevant Interests.

In the event that any or all of the Other Counterparty Shareholders exercise(s) its/their rights of first refusal and acquire(s) the Relevant Interests, the Connected Disposal Consideration to be paid by the Company shall be adjusted accordingly. Further updates in respect of the acquisition of ST Productions and the NCIs by the Group will be announced by the Company, when and where appropriate.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Other Counterparty Shareholders and their ultimate beneficial owners are connected persons or associates of connected persons of the Company under the Listing Rules and are independent of the connected persons of the Company.

2.7 The Non-competition Undertaking:

On 27 September 2005, the Company (formerly known as Ming Pao Enterprise Corporation Limited) entered into a non-competition undertaking (the "**Non-competition Undertaking**") in favour of One Media, pursuant to which, the Company undertook that it would not and would procure that its respective members would not, for as long as any member of the Group was entitled to exercise or control 30% or more of the voting power at the general meetings of One Media, or was in a position to control the composition of a majority of the board of directors of One Media, directly or indirectly carry on or otherwise be concerned with or interested in any business (including in electronic form) competitive with the business of any member of the One Media Group in any country where any such member of the One Media Group carried on business (or anywhere in the world in the case of any business in electronic form), unless with the prior written consent of One Media. Upon the Share Transfer Closing, the Non-competition Undertaking shall lapse and cease to have effect.

2.8 Conditions precedent to the Connected Disposal Agreement:

The Connected Disposal Completion is conditional upon the following Connected Disposal Conditions being satisfied (or, where applicable, waived by the Company) on or before the Connected Disposal Long Stop Date:

(a) the passing by One Media's Independent Shareholders at the EGM of resolutions approving: (1) the Connected Disposal Agreement; (2) the MS Agreement; (3) the PL Service Contract; (4) the Sub-contracting Agreement; (5) the CCT Agreements, and their respective transactions contemplated thereunder; and (6) the payment of the Special Dividend, in accordance with the Listing Rules and the Takeovers Code;

(b) the (i) consent of the Executive for those transactions contemplated under the Share Transfer Agreement which constitute the "special deals" under Rule 25 of the Takeovers Code, which may include items (1) to (5) in (a) above; and (ii) where applicable, the consent or waiver of the Executive for the payment of the Special Dividend as a frustrating action under Rule 4 of the Takeovers Code, having been obtained and not revoked prior to the Connected Disposal Completion;

(c) the passing by the Shareholders at the special general meeting of the Company in accordance with the Listing Rules and the Listing Requirements of resolution(s) approving the Connected Disposal Agreement and the transactions contemplated thereunder (if required);

(d) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Connected Disposal Agreement and the transactions contemplated therein having been obtained and not revoked prior to the Connected Disposal Completion (where applicable);

(e) all other necessary consents and approvals required to be obtained on the part of One Media in respect of the Connected Disposal Agreement and the transactions contemplated therein having been obtained and not revoked prior to the Connected Disposal Completion (where applicable);

(f) the Share Transfer Agreement having become unconditional (save for the condition for the Connected Disposal Agreement to become unconditional) and not being terminated in accordance with its terms and conditions;

(g) the warranties stated within the Connected Disposal Agreement remaining true and accurate in all material respects;

(h) completion of the Restructuring;

(i) all consents, waivers and/or authorisations from any relevant third parties (where applicable) which are required to be obtained under the terms of contractual arrangements with such third parties (1) as a result of change of control or deemed change of control in any member of the Disposal Group, and (2) as a result of the transfer, assignment or novation of the contracts relating to the Disposed HK Business and the transactions contemplated thereunder and/or the Restructuring having been obtained and not revoked prior to the Connected Disposal Completion; and

(j) no material adverse change to the Disposal Group's assets or financial condition having occurred on or before the Connected Disposal Completion.

Save for condition (g) above, which the Company has the right to waive at any time by notice in writing to One Media, none of the other conditions is capable of being waived by either party. One Media has agreed to use all reasonable endeavours to procure the fulfilment of the conditions (a), (b), (e), (g), (h) and (i), and the Company has agreed to use all reasonable endeavours to procure the fulfilment of the conditions (c), (d) and (f).

The "necessary consents and approvals" mentioned in the conditions (d) and (e) above contemplated by the parties as at the date of this announcement, is the approval which may be required from the Investment Commission of the Ministry of Economic Affairs of Taiwan (臺灣經濟部投資審議委員會) in relation to the transfer of TG TW from the One Media Group to the Group (details of which please refer to the Joint Announcement). Save as aforesaid and those referred to under the conditions (a), (b), (c) and (i), the Company does not expect the Company or One Media or Comwell to require other consents, approvals or waivers.

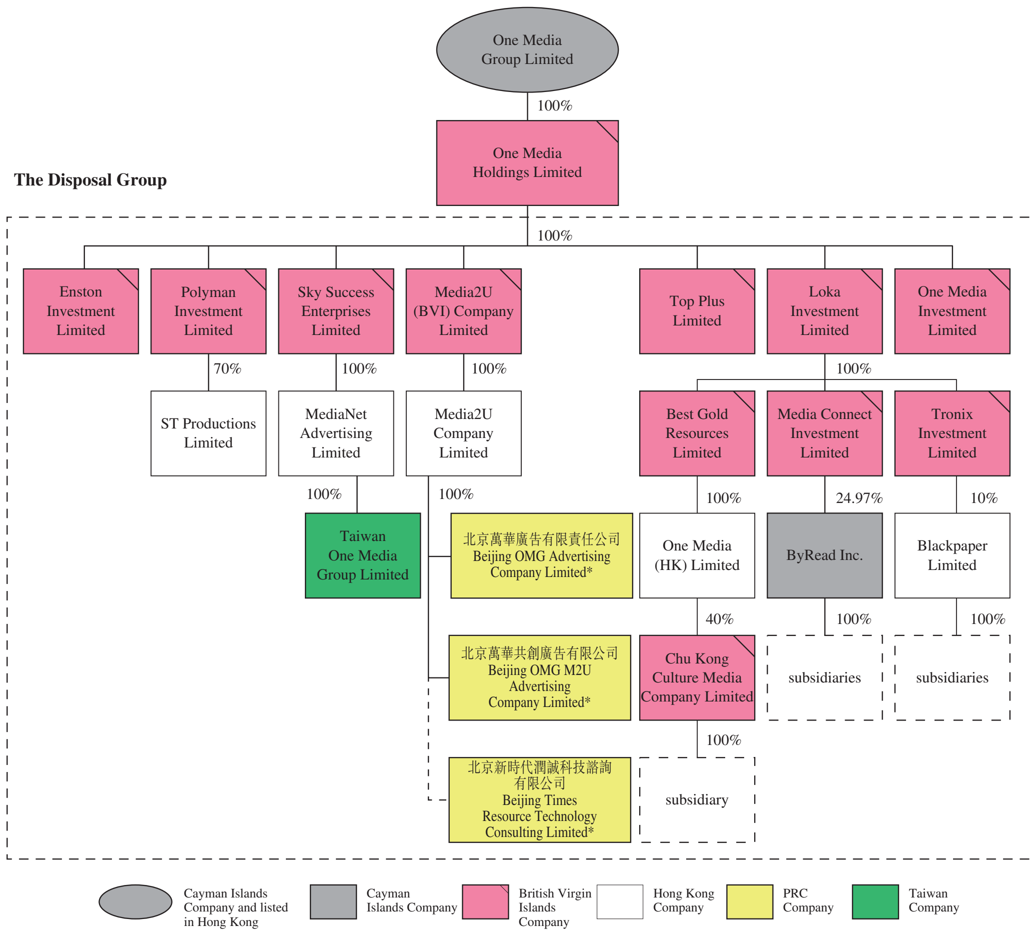
2.9 The Restructuring:

Pursuant to the Connected Disposal Agreement and in anticipation of the disposal of the Disposal Group to the Company, and subject to the decisions of the Other Counterparty Shareholders as to whether (and if so, how) they will acquire the Relevant Interests, the One Media Group shall, prior to the Connected Disposal Completion, carry out and complete the Restructuring with the objective of separating the businesses and companies comprising the Disposal Group and the Remaining Group, and shall involve, among others, (a) the novation, transfer or assignment of the Disposed HK Business by MPM to one of the Disposal Companies; (b) the transfer by OMH to Enston of all its entire interest in the Disposal Companies; and (c) the unconditional and irrevocable waiver by the Remaining Group of all its rights to the Intergroup Borrowings.

Under the Restructuring, the various businesses and shares mentioned above shall be transferred for nominal consideration.

(i) Existing Structure of the Disposal Group

The structure of the Disposal Group as at the date of this announcement, prior to the Restructuring, the Connected Disposal Completion and the Share Transfer Closing, is as follows:

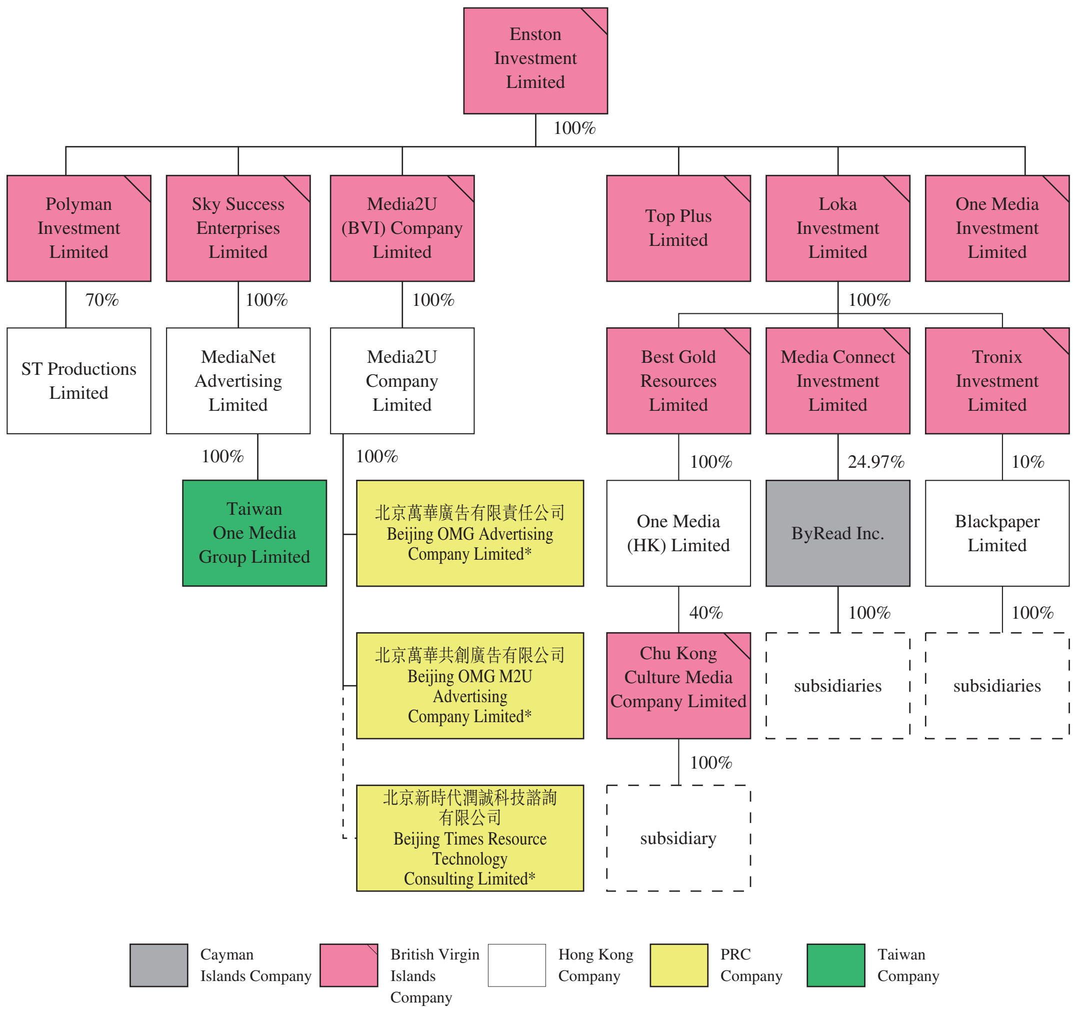


Note:

1. 北京新時代潤誠科技諮詢有限公司 (Beijing Times Resource Technology Consulting Limited*) ("**TRT**") is a domestic enterprise in the PRC which is legally owned by a PRC national. The One Media Group has entered into contractual arrangement with such legal owner so that the operating and financing activities of TRT are ultimately controlled by the One Media Group. Under this arrangement, the One Media Group is also entitled to substantially all of the profits of and residual interests in TRT which will be transferred to the One Media Group or the One Media Group's designee upon the One Media Group's request at a pre-agreed nominal consideration. Further, the One Media Group can receive cash flows derived from the operations of TRT through levying of the service and consultancy fees. The ownership interests in TRT have also been pledged by the legal owners of TRT to the One Media Group. On this basis, the directors of One Media regard TRT as an indirect wholly-owned subsidiary of One Media.

(ii) Structure of the Disposal Group after the Restructuring

Upon (i) the completion of the Restructuring (and assuming that none of the Other Counterparty Shareholders exercise their rights of first refusal and acquire the Relevant Interests); but (ii) prior to (a) the Connected Disposal Completion and (b) the Share Transfer Closing, the structure of the Disposal Group is as follows:



2.10 The Connected Disposal Completion:

Upon fulfilment (or as appropriate, waiver) of all the Connected Disposal Conditions, the Connected Disposal Completion shall take place on the Connected Disposal Completion Date.

Upon completion of the Connected Disposal, Enston will become an indirect wholly-owned subsidiary of the Company and the financial results of the Disposal Group will be consolidated into the Company's consolidated financial statements.

2.11 Reasons for and benefits of entering into the Connected Disposal Agreement:

The Company is an investment holding company. The principal activities of its subsidiaries are the publishing, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language, and the provision of travel and travel related services in Hong Kong, Taiwan, the PRC, North America, Malaysia and other Southeast Asian countries/regions.

The One Media Group is principally engaged in media businesses in the Greater China region, including, but not limited to magazine publishing and digital media.

Due to its status as an indirect wholly-owned subsidiary of a PRC state-owned enterprise and the restrictions imposed on the source of funds for the Proposed Disposal and the Offer, the Purchaser is not allowed to own certain businesses of the One Media Group. The Purchaser also contemplates that owning certain businesses of the Group and other investments would not be in its best interests. The Purchaser has therefore proposed a condition in the Share Transfer Agreement that these businesses and investments of the One Media Group, and their relevant operating companies, be transferred to the Group prior to the Share Transfer Closing pursuant to the Connected Disposal Agreement. For further details, please refer to the Joint Announcement.

The principal business activities of the Disposal Group are the business and operation of the Disposal Magazines, which include automobile magazines, luxury watch magazines and other lifestyle and entertainment related business with major markets in the Greater China region.

In recent years, the Group has been devoting resources in expanding and developing non-newspaper related media and increasing exposure in the Greater China region. Given that the Purchaser intends to focus on the magazines businesses of the Remaining Group, the Company considered the acquisition of the Disposal Group as an opportunity to maintain its current business strategy and to grow its business geographically in the Greater China region so as to increase Shareholders' wealth and mitigate business risk.

The Directors are of the view that the terms of the Connected Disposal Agreement have been negotiated on an arm's length basis and are in normal commercial terms which are fair and reasonable and the entering into of the Connected Disposal Agreement is in the interests of the Company and the Shareholders as a whole.

2.12 Source of funding:

The Connected Disposal will be funded by the Group through its internal financial resources.

2.13 Liabilities to be assumed by the Company:

There is no liability, including contingent liabilities and guarantees, to be assumed by the Company under the Connected Disposal Agreement.

2.14 Additional financial commitment required:

There is no additional financial commitment required by the Group to put the businesses of the Disposal Group on stream as the Disposal Group is an ongoing business entity.

2.15 Prospects of the Disposal Group:

The Proposed Disposal will result in the Remaining Group being disposed to the Purchaser through the Share Transfer. However, the Group would be retaining the Disposal Group pursuant to the Connected Disposal which would enable the Group to maintain its market position, coverage and presence in the Greater China region.

TopGear Magazines have been publishing local editions in Hong Kong, the PRC and Taiwan, respectively; and Ming Watch Magazines currently issue the Hong Kong and PRC editions. The Disposal Group is planning to launch a new magazine in Taiwan based on Ming Watch Magazines in the near future.

The management of the Company believes that the TopGear Magazines and Ming Watch Magazines are expected to continue receiving advertising and circulation revenue in Hong Kong, the PRC and Taiwan.

Through ST Productions, the Disposal Group could maintain its diversity in businesses and investments. ST Productions is a business principally engaged in artiste management and event management. The management believes that there are synergies to the existing businesses of the Disposal Group.

With the NCIs, Hihoku and the Agency and Advertising Representative Businesses, the Group is able to operate the following:

- BP Group — a creative multimedia platform which targets younger generations in Hong Kong;

- ByRead Group — a digital reading platform through portable electronic devices for individuals and related solutions to enterprises in the PRC;

- CKCM Group — a partnership with Chu Kong for media and advertising business available on the platforms of the ferries and terminals operated by Chu Kong targeting cross-border of Hong Kong and Guangdong province, the PRC;

- Hihoku — a digital media business providing entertainment and lifestyle news to users in the PRC and Hong Kong;

- Advertising Representative Business — providing advertising sales services such as acting as advertising sales representative of other business partners in the PRC and Hong Kong;

- Agency Business — providing agency services such as placing advertisements, managing events and forums, etc., for other business partners in the PRC and Hong Kong.

Barring any unforeseen circumstances, the Board is of the view that the Disposal Group would be able to contribute positively to the earnings of the Group in the future.

2.16 Risks in relation to the Connected Disposal:

(i) Investments risks

Currently, the Company indirectly holds equity interest in the Disposal Group via its 73.01% equity holdings in One Media. After the Connected Disposal Completion, the Group's exposure to the existing risks profile associated with the Disposal Group, such as business, operational and financial risks, remains unchanged as before the Share Transfer Closing, as the Company will retain its controlling interests in each of the Disposal Companies via its 100% equity holdings in Enston after the Connected Disposal Completion.

The Group anticipates that such risks can be contained or mitigated as the Group will enter into the Sub-contracting Agreement, as detailed in Section 3.0 below, to ensure the continuity and consistency in the management of the businesses and operations of the Disposal Group.

(ii) Non-completion of the Connected Disposal

The Connected Disposal Completion is conditional upon the respective conditions precedent of the Share Transfer Agreement and the Connected Disposal Agreement being fulfilled on or before the Connected Disposal Long Stop Date. However, there can be no assurance that all the conditions precedent for the Share Transfer Agreement and the Connected Disposal Agreement may be fulfilled or that the Proposed Disposal will be completed.

Nevertheless, the Company anticipates that such risks can be mitigated as the Group will, in so far as the matters are within its control, use its reasonable efforts to procure the fulfilment of the conditions precedent of the Share Transfer Agreement and Connected Disposal Agreement.

2.17 Estimated time frame for the Connected Disposal Completion:

The Connected Disposal shall be completed immediately before the Proposed Disposal. Barring unforeseen circumstances, the Proposed Disposal and the Connected Disposal are expected to be completed by the first half of 2017.

3.0 SUB-CONTRACTING AGREEMENT

3.1 Parties:

(a)	Contractor:	Comwell
(b)	Sub-contractor:	MPM, a wholly-owned subsidiary of One Media

3.2 Subject matter of the Sub-contracting Agreement:

Subject to the terms and conditions in the Sub-contracting Agreement, Comwell, as contractor, will appoint MPM, as sub-contractor, to manage and operate the Sub-contracted Businesses. The Sub-contracting Agreement shall take effect upon the Connected Disposal Completion.

3.3 Principal terms of the Sub-contracting Agreement:

Principal duties of Comwell:	1. Allowing MPM to use any and all of the Disposal Group Assets in the course of performing its obligations under the Sub-contracting Agreement. 2. Providing MPM with access to appropriate members of Comwell's staff, as such access is reasonably requested by MPM, in order for MPM to discharge its obligations as a sub-contractor under the Sub-contracting Agreement. 3. Responding to and providing such documentation, data and other information as MPM may reasonably request in order for MPM to perform its obligations under the Sub-contracting Agreement.
Principal duties of MPM:	1. Being responsible for the management, running, development, maintenance and operation of all day to day business activities of the Disposal Group. 2. Providing Logistical Support Services to the Disposal Group. 3. Being responsible for the general administration of any matters relating to the Disposal Businesses.

4. Subject to:

   (a) Comwell's right to appoint staff members and officers of Taiwan Business Unit, including, without limitation, its directors, and it is the intention of the Contractor (i.e. Comwell) to have the existing sole director of the Taiwan Business Unit, Mr. Patrick Lam, remain in office; and

   (b) MPM's undertaking not to, among other things, appoint or remove a director of a corporation of any of the Disposal Group that Enston has the power to appoint and remove without the prior approval of the board of directors of Enston,

   being responsible for the appointment of staff members and officers of the Disposal Businesses, including, without limitation, those directors of the companies of the Disposal Group who are to be appointed by Comwell.

5. Being responsible for providing the working capital of the Disposal Businesses subject to the use of the Disposal Group Assets as set out in the Sub-contracting Agreement.

6. Providing the board of Enston with financial reports and other information relating to the activities of the Disposal Businesses.

Power and limitations thereon:

Save in respect of those matters which require the decision of the board of directors of Enston (the members of which are nominated by Comwell), such as any acquisition of securities in other entities, sale of or creation of encumbrance on the assets of the Disposal Group, incurring capital expenditures of HK$10.00 million (equivalent to approximately US$1.29 million) or more in any year, financial assistance to any person, borrowing of HK$10.00 million (equivalent to approximately US$1.29 million) or more etc., MPM shall have all authority to make all such operational decisions as it may deem necessary or appropriate in relation to the Disposal Businesses.

Fees: In consideration of providing the Logistical Support Services, Comwell shall pay to MPM the following fees:

(1) for the Logistical Administrative Support Services, a fixed fee of HK$88,000 (equivalent to approximately US$11,000) per month, subject to a half-yearly review;

(2) for the Logistical Digital Support Services, a monthly variable fee charged according to the actual usage of the services which is based on the rate of HK$3,000 (equivalent to approximately US$387) per man-day, subject to a half-yearly review; and

(3) for each business opportunity for the Agency Business or the Advertising Representative Business which is introduced by staff member(s) of the Sub-contractor and which result in a binding contract (in whatever form) being entered into by the Contractor or any of its subsidiaries in respect of such opportunity, a commission equal to 10%–50% of the total contract value of such opportunity, to be paid within 60 days after the receipt of each payment under the said contract.

Profit and loss: Comwell will bear all liabilities and losses arising from the Disposal Businesses. Comwell will pay: (a) if the after-tax profit is equal to or less than HK$500,000 (equivalent to approximately US$64,000), the entire sum of the after-tax profit; or (b) if the after-tax profit is more than HK$500,000 (equivalent to approximately US$64,000), then the first HK$500,000 (equivalent to approximately US$64,000) of after-tax profit and share 50% of the remaining balance of after-tax profit (i.e. total after-tax profit less HK$500,000 (equivalent to approximately US$64,000)) of the Disposal Group with Comwell. Profit and loss are measured by the consolidated accounts of the Disposal Group for the 12 months ended 31 March in each year.

Indemnity: MPM will indemnify Comwell against all losses and liabilities suffered by Comwell as a result of MPM's negligence in performing its obligations under the Sub-contracting Agreement or any material breach of the Sub-contracting Agreement by MPM.

The total liability of MPM to Comwell under the Sub-contracting Agreement shall not exceed HK$500,000 (equivalent to approximately US$64,000).

3.4 Commencement and termination of the Sub-contracting Agreement:

The Sub-contracting Agreement shall commence on the date of the Connected Disposal Completion, and end on 31 March 2019 unless any of the parties requests an extension thereof (which shall not in any case be for a period of more than two (2) years), in which case the parties shall negotiate the terms of the extension in good faith, failing which there will be no extension of the term.

In respect of termination, either party may terminate the Sub-contracting Agreement by a written notice if the other party commits an event of default as stipulated in the Sub-contracting Agreement, and either, (a) the breach is not capable of being remedied; or (b) the defaulting party does not remedy the breach within 20 Business Days of receiving a written notice from the non-defaulting party.

Comwell may terminate the Sub-contracting Agreement forthwith by written notice without payment of any amount or penalty if there is a Change of Control of MPM, provided that the notice is served within three (3) days of MPM informing Comwell (by written notice) of the Change of Control, or when Comwell otherwise becomes aware of the Change of Control.

Notwithstanding the foregoing, either party may terminate the Sub-contracting Agreement at any time by giving the other party not less than two (2) months' notice in writing.

3.5 Reasons for and benefits of entering into the Sub-contracting Agreement:

The Disposal Group and the Disposal Businesses are currently operated and managed by the Managers, who will remain with the Remaining Group after the Connected Disposal Completion.

In order to maintain consistency in the general management and operation of those business units in the Disposal Group, and allay any concerns which the Disposal Group's business partners and advertisers may have regarding a possible change in leadership of those publications and/or the related digital businesses, and the Group currently has no relevant manpower and resources in managing the Disposal Businesses, the Company proposes that Comwell should sub-contract the operations of the Sub-contracted Businesses to MPM, whereby the business operations of the Sub-contracted Businesses would continue to be run under the current leadership and management style of the Managers, who knows the Disposal Businesses well, as from the Connected Disposal Completion and during the term of the Sub-contracting Agreement.

The Directors are of the view that the terms of the Sub-contracting Agreement (i) have been negotiated on an arm's length basis; and (ii) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4.0 MS AGREEMENT AND SERVICE CONTRACTS

The MS Agreement will be entered into between each company of the Remaining Group, (i.e. Ming Pao Finance Limited, MPM, OMH and One Media) and the Managers (i.e. Mr. Patrick Lam, Mr. Terry Chan and Mr. Richard Yeung), all of whom are the existing management personnel of the Remaining Group. Under the MS Agreement, the Managers will continue to be appointed as the managers, and are entrusted in managing the operations of the Remaining Business, even after the Share Transfer Closing. The MS Agreement sets out, among others, the principal duties, rights, powers, authority and limitations of the Managers in managing the Remaining Businesses and the termination provision.

The Service Contracts comprise (a) the existing employment contracts of the Managers, and (b) the supplemental employment letter which will be signed by each of the Managers (as employees) with MPM (as employer), stating the new employment terms of each Manager, which together govern the employment terms of the Managers as the full time employees of MPM, thereby assuring the Managers of their continued employment with the Remaining Subsidiaries.

The MS Agreement and the Service Contracts shall take effect upon the Share Transfer Closing.

As at the date of this announcement, Mr. Patrick Lam is a director and a shareholder of One Media holding 3,000,000 shares of One Media, representing approximately 0.75% of the issued share capital of One Media. He is not a director of the Company and is not interested in any securities of the Company. Neither Mr. Terry Chan nor Mr. Richard Yeung is a director or a chief executive of any companies in the One Media Group, and they are not interested in any securities of the Company and One Media.

The MS Agreement and the Service Contracts do not require approval by the Shareholders. Nevertheless, the Board wishes to point out that the execution of the MS Agreement and Service Contracts constitute part of the conditions precedent for both the Share Transfer Agreement and Connected Disposal Agreement. Therefore the approval from One Media's Independent Shareholders and consent from the Executive for the transactions contemplated under the MS Agreement and Service Contracts from One Media's perspective are necessary for the completion of the Connected Disposal and the Proposed Disposal.

For information purposes, the MS Agreement and the PL Service Contract constitute continuing connected transactions to One Media under Chapter 14A of the Listing Rules, but are fully exempt from reporting, announcement, annual review and independent shareholders' approval requirement under Rule 14A.95 of the Listing Rules. Furthermore, the transactions contemplated under the MS Agreement and the PL Service Contract represent favourable conditions that are not extended to all shareholders of One Media which would constitute special deals under Rule 25 of the Takeovers Code and the consent of the Executive is required.

For those Shareholders who would like to be acquainted with the essential terms of the MS Agreement and the Service Contracts (including the PL Service Contract), please refer to the relevant sections under the Joint Announcement.

5.0 CCT AGREEMENTS

5.1 Background of the CCT Agreements:

A. CSA:

The CSA is an agreement to be entered into between Ming Pao Newspapers Limited ("**MPN**"), a member of the Group, and MPM, under which MPN will provide to the Remaining Subsidiaries services regarding the circulation of the Remaining Subsidiaries' publications, including but not limited to, the distribution, subscription, monitoring, promotion service, fee collection services and any other circulation supporting services.

MPN will charge MPM (or the relevant members of the Remaining Subsidiaries) a monthly fee equal to the estimated prevailing costs incurred by MPN in providing such services plus a mark-up of approximately 7%. The costs of MPN to be taken into account in calculating the aforesaid monthly fee will include office equipment, computers, personnel, travelling, telephone and postage, printing and stationery, insurance and other expenses incurred by it in performing its obligations under the CSA.

The CSA will take effect upon the Share Transfer Closing and end on 31 March 2018.

B. ASA:

The ASA is an agreement to be entered into between Ming Pao Holdings Limited ("**MPH**"), a member of the Group, and MPM, pursuant to which, MPH and its subsidiaries (the "**MPH Group**") and the Remaining Subsidiaries agree to advertise in each other's publications, amounting to the reciprocal advertising transactions between the members of the MPH Group and the Remaining Subsidiaries. The fees to be charged to the members of the MPH Group and the Remaining Subsidiaries for placing their respective advertisements in the other group's publications are at prevailing rates at which the MPH Group and the Remaining Subsidiaries charge their respective clients.

The ASA will take effect upon the Share Transfer Closing and end on 31 March 2018.

C. Tenancy Agreement:

The Tenancy Agreement is an agreement to be entered into between Holgain Limited, a member of the Group, and MPM, for the leasing of certain premises by the Group to the Remaining Group at prevailing market comparable rental rates of similar commercial and/or industrial properties and car-parking spaces in the surrounding area in Chai Wan, exclusive of any rates, government rent, building management fees and other outgoings and expenses, which will take effect upon the Share Transfer Closing and end on 31 March 2018.

The premises under the Tenancy Agreement are owned by the Group and will be leased to the Remaining Group for its operations. It represents all that portion of the 16th Floor (with a floor area of 16,057 square feet) of Block A, Ming Pao Industrial Centre, the car-paking spaces numbers 2 and 13 on the 3rd Floor of Ming Pao Industrial Centre and the car parking spaces numbers 5, 6, 7 and 19 on the 1st Floor of Ming Pao Industrial Centre.

D. *Premises License Agreement:*

The Premises License Agreement is an agreement to be entered into between Holgain Limited, a member of the Group, and MPM, for licensing the use of certain premises owned by the Group to the Remaining Group which will take effect upon the Share Transfer Closing and end on 31 March 2018. The license fee under the Premises License Agreement is determined based on the floor area to be occupied by the Remaining Group at the prevailing market comparable rental rates of similar commercial and/or industrial properties in the surrounding area in Chai Wan, and is exclusive of any rates, government rent, building management fees and all other outgoings and expenses.

The premises licensed to the Remaining Group is a portion of the 1st Floor of Ming Pao Industrial Centre with floor area of approximately 740 square feet and will be used by the Remaining Group under the Premises License Agreement.

E. *TPSA:*

The TPSA is an agreement to be entered into between Kin Ming Printing Company Limited ("**KMPCL**"), a member of the Group, and MPM, under which KMPCL will provide the Remaining Subsidiaries with the following services for a monthly fee based on usage and at the prevailing market comparable rates, namely:

(a) photo-scanning services; and

(b) pre-print proof services.

The TPSA will take effect upon the Share Transfer Closing and end on 31 March 2018.

F. *ATSA:*

The ATSA is an agreement to be entered into between Charming Holidays Limited ("**CHL**"), a member of the Group, and MPM, under which CHL will provide the Remaining Group with travel related services, including but not limited to air-tickets bookings and hotel reservations, at the prevailing rates at which CHL charges its clients.

The ATSA will take effect upon the Share Transfer Closing and end on 31 March 2018.

G. LSA:

The LSA is an agreement to be entered into between MPN and MPM, under which MPN will provide the Remaining Subsidiaries with library services including data classification, data indexing and filing, data storage management and retrieval, data provision and newspaper and magazine clipping.

MPN will charge MPM a monthly fee equal to the estimated prevailing costs to be incurred by MPN in providing such services plus a mark-up of approximately 8%. The costs of MPN to be taken into account in calculating the monthly fee will include office equipment, computers, personnel, travelling, telephone and postage, printing and stationery, insurance and other expenses incurred by it in performing its obligations under the LSA.

The LSA will take effect upon the Share Transfer Closing and end on 31 March 2018.

H. ISA:

The ISA is an agreement to be entered into between MCIL Digital Limited ("**MCIL Digital**"), a member of the Group, and MPM, under which MCIL Digital will provide the Remaining Subsidiaries with software programming services, technical coordination and provision of software systems and video production services, script-writing, and editing services, for a monthly fee based on usage and at the prevailing market comparable rates.

The ISA will take effect upon the Share Transfer Closing and end on 31 March 2018.

I. ISSA:

The ISSA is an agreement to be entered into between MCIL Digital and MPM, under which MCIL Digital will provide the Remaining Subsidiaries with information system supporting services for a monthly fee based on usage and at the prevailing market comparable rates.

The ISSA will take effect upon the Share Transfer Closing and end on 31 March 2018.

J. CLA:

The CLA is an agreement to be entered into between MPM and MPH, under which MPM (as licensor) grants a licence to MPH (as licensee), to use the contents of ''Ming Pao Weekly'' for:

(a) the publication of weekly magazine supplements in Vancouver and Toronto, Canada by Ming Pao Newspapers (Canada) Limited, a subsidiary of MPH, for a quarterly fee based on market comparable rates of (i) the net advertising revenue of the relevant supplements; and (ii) the net circulation revenue of the relevant supplements; and

(b) the digital media of Hihoku, 電信與信息服務業務經營許可證 (the Telecommunication and Information Services Operating Licence*) for which is held by 北京新時代潤誠科技諮詢有限公司 (Beijing Times Resource Technology Consulting Limited*), and the net advertising revenue is to be charged and received by 北京萬華廣告有限責任公司 (Beijing OMG Advertising Company Limited*) and 北京萬華共創廣告有限公司 (Beijing OMG M2U Advertising Company Limited*), respectively.

The CLA will take effect upon the Share Transfer Closing and end on 31 March 2018.

5.2 Reasons for and benefits of entering into the CCT Agreements:

The principal business activities of the Group consist of the publication, marketing and distribution of Chinese language newspapers. These publications include, among others, the Canadian editions of ''Ming Pao Daily News'' (which are distributed together with weekly supplements) in Vancouver and Toronto, Canada and the digital media, Hihoku. Under the CLA, the Group is entitled to publish the contents of ''Ming Pao Weekly'', which has all along been licensed to the Group which regard the same as important assets. Without these contents, the Group may not be able to attract the same category of advertisers even with contents of similar quality but from other sources. The CLA ensures that the Group will continue to use the content of Ming Pao Weekly in the publication of its weekly supplements in Vancouver and Toronto, Canada and for its digital media business operated by Hihoku. The entering into of the CLA accordingly underpins to the continuity of revenue generation for these business operations.

In respect of the CCT Agreements other than the CLA, notwithstanding the fact that the Group would no longer have any shareholding relationship with the One Media Group after the Share Transfer Closing, the Group shall continue to provide certain services as stated under the CSA, ASA, Tenancy Agreement, Premises License Agreement, TPSA, ATSA, LSA, ISA and ISSA to the members of the Remaining Group with a view to ensure minimal disruption to the operations of the One Media Group and the Sub-contracted Businesses.

By entering into the Tenancy Agreement and the Premises License Agreement, the Group can better utilise its properties and maximise the return on its properties which generate a stable income stream for the Group. The transactions under CSA, TPSA, LSA, ISA, ISSA and ATSA are in respect of services provided by the Group to the One Media Group. The services are an integral part of or directly related to the principal business activities of the Group. These transactions will increase the revenue of the Group, as well as optimise the Group's overall operational efficiency and capital usage.

The Directors confirmed that the terms of the CCT Agreements are arrived at after arm's length negotiations between the relevant parties on normal commercial terms and the transactions contemplated thereunder are (i) in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole in terms of revenue and operational stability.

6.0 FINANCIAL EFFECTS ON THE GROUP

6.1 Share capital and substantial shareholders' shareholdings:

The transactions contemplated under the CP Agreements will not have any effect on the issued and paid-up share capital of the Company nor the shareholdings of the substantial shareholders in the Company.

6.2 Earnings and earnings per Share:

The Connected Disposal shall be completed on the same day with the Proposed Disposal. The pro forma effects of the Connected Disposal together with the Proposed Disposal on the earnings and earnings per Share, based on the Group's audited consolidated financial statements for the year ended 31 March 2016 are set out as below:

	Audited consolidated income statement for the year ended 31 March 2016	**(Pro forma) After the Proposed Disposal and Connected Disposal**
Profit for the year attributable to owners of the Company *(US$'000)*	26,649	72,885
Weighted average number of Shares *('000)*	1,687,237	1,687,237
Basic earnings per Share *(US cents)*	1.58	4.32

It is estimated that as a result of the Proposed Disposal and the Connected Disposal, the Company will recognise a net gain of approximately HK$358.60 million (equivalent to approximately US$46.21 million), being the consideration of the Proposed Disposal less the net carrying value attributable to the Sale Shares as at 31 March 2016 and after taking into consideration the estimated expenses and relevant accounting adjustments related to the Proposed Disposal.

Following the Share Transfer Closing, the Remaining Group will cease to be subsidiaries of the Company. Their operating results, assets and liabilities will then no longer be consolidated into the Company's financial statements.

6.3 Net assets and gearing:

The pro forma effects of Connected Disposal together with the Proposed Disposal on the net assets and gearing of the Group, based on the audited consolidated statement of financial position of the Group as at 31 March 2016 are set out as below:

	Audited consolidated statement of financial position as at 31 March 2016 *(US$'000)*	**(Proforma) After the Proposed Disposal and Connected Disposal** *(US$'000)*
Share capital	21,715	21,715
Share premium	54,664	54,664
Other reserves	(107,715)	(109,536)
Retained earnings	244,360	291,523
Shareholders' equity	213,024	258,366
Non-controlling interests	5,703	742
Total equity	218,727	259,108
Number of Shares in issue *('000)*	1,687,236	1,687,236
Net assets per Share attributable to owners of the Company *(US cents)*	12.63	15.31
Cash and cash equivalents *(US$'000)*	140,950	201,631
Total borrowings *(US$'000)*	116,116	116,116
Gearing *(times)*	0.53	0.45

7.0 INTERESTS OF THE DIRECTORS AND MAJOR SHAREHOLDERS' INTERESTS AND PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors, major shareholders of the Company and/or persons connected with them have any interest, direct or indirect, in the transactions contemplated under the CP Agreements:

(i) Tan Sri Datuk Sir Tiong Hiew King, who is the Group Executive Chairman of the Company, an executive Director and a non-executive director of One Media;

(ii) Mr. Tiong Kiew Chiong, who is the Group Chief Executive Officer of the Company, an executive Director and an executive director of One Media; and

(iii) Mr. David Yu Hon To, who is an independent non-executive Director of the Company, an independent non-executive director of One Media.

Tan Sri Datuk Sir Tiong Hiew King, Mr. Tiong Kiew Chiong and Mr. David Yu Hon To are collectively known as the interested directors (the "**Interested Directors**"). Pursuant to Paragraph 10.08(11)(c) of the Listing Requirements, the Connected Disposal is not deemed as a related party transaction as the Interested Directors do not hold shareholdings of 5% or more in One Media other than via the Company and no other interest such as commission or other kinds of benefit received from the Company or One Media in relation to the Connected Disposal.

8.0 DIRECTORS' STATEMENT

After having taken into consideration all aspects of the transactions contemplated under the CP Agreements, including but not limited to the rationale and financial effects of these transactions, the Board is of the opinion that the entering into of the CP Agreements is in the best interests of the Group, and is indispensable for the consummation of the Share Transfer Agreement.

9.0 LISTING RULES IMPLICATIONS

The (i) Connected Disposal Agreement; (ii) Sub-contracting Agreement; (iii) MS Agreement; (iv) Service Contracts; and (v) CCT Agreements, each of which, when executed, does not constitute a notifiable transaction, nor connected transaction, under Chapters 14 or 14A of the Listing Rules so far as the Company is concerned.

10.0 PERCENTAGE RATIOS UNDER PARAGRAPH 10.02(G) OF LISTING REQUIREMENTS

The aggregate percentage ratio applicable to the Proposed Disposal and the Connected Disposal is approximately 33.12%. Pursuant to Paragraph 10.12 of the Listing Requirements, the Proposed Disposal and the Connected Disposal are aggregated for the purposes of computing the percentage ratios as it involves the acquisition or disposal of securities or interests in one particular corporation/asset within a period of 12 months.

11.0 DOCUMENTS AVAILABLE FOR INSPECTION

The preliminary valuation letter prepared by Roma as mentioned in **Section 2.5** of this announcement is available for inspection at (i) the registered office of the Company in Malaysia at Level 8, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia; and (ii) the Hong Kong head office and principal place of business at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong during normal business hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

After their respective executions, the Connected Disposal Agreement, the Sub-contracting Agreement, the MS Agreement, the Service Contracts and the CCT Agreements will be made available for inspection, just as the executed Share Transfer Agreement. The inspection will be provided at (i) the registered office of the Company in Malaysia at Level 8, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia; and (ii) the Hong Kong head office and principal place of business at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong during normal business hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of further announcement which shall inform the Shareholders of the respective executions of the CP Agreements.

12.0 APPROVALS REQUIRED

Pursuant to the conditions precedent to the Connected Disposal Agreement as set out in the section headed "2.8 Conditions precedent to the Connected Disposal Agreement" of this announcement, the Connected Disposal is subject to the following approvals/ consents being obtained on or before the Connected Disposal Long Stop Date:

(a) the passing by the One Media's Independent Shareholders at the EGM of resolutions approving: (1) the Connected Disposal Agreement; (2) the MS Agreement; (3) the PL Service Contract; (4) the Sub-contracting Agreement; (5) the CCT Agreements, and their respective transactions contemplated thereunder; and (6) the payment of the Special Dividend, in accordance with the Listing Rules and the Takeovers Code;

(b) the (i) consent of the Executive for those transactions contemplated under the Share Transfer Agreement which constitute the "special deals" under Rule 25 of the Takeovers Code, which may include items (1) to (5) in (a) above and (ii) where applicable, the consent or waiver of the Executive for the payment of the Special Dividend as a frustrating action under Rule 4 of the Takeovers Code;

(c) the passing by the shareholders at the special general meeting of the Company in accordance with the Listing Rules and the Listing Requirements of resolution(s) approving the Connected Disposal Agreement and the transactions contemplated thereunder (if required);

(d) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Connected Disposal Agreement and the transactions contemplated therein;

(e) all other necessary consents and approvals required to be obtained on the part of One Media in respect of the Connected Disposal Agreement and the transactions contemplated therein; and

(f) all consents, waivers and/or authorisations from any relevant third parties (where applicable) which are required to be obtained under the terms of contractual arrangements with such third parties (1) as a result of change of control or deemed change of control in any member of the Disposal Group, and (2) as a result of the transfer, assignment or novation of the contracts relating to the Disposed HK Business and the transactions contemplated thereunder and/or the Restructuring.

Save for those referred to under the conditions (a), (b), (c) and (f), and the approval which may be required from the Investment Commission of the Ministry of Economic Affairs of Taiwan (臺灣經濟部投資審議委員會) in relation to the transfer of TG TW from the One Media Group to the Group (details of which please refer to the Joint Announcement), the Company does not expect the Company or One Media or Comwell to require any other consents, approvals or waivers.

Barring any unforeseen circumstances, the application to seek (i) the consent of the Executive; and (ii) the executive and the approval from the Investment Commission of the Ministry of Economic Affairs of Taiwan (臺灣經濟部投資審議委員會) will be submitted after the EGM (if required). The circular to the shareholders of the Company in relation to the Proposed Disposal and the CP Agreements, will be submitted to Bursa Malaysia Securities Berhad within two (2) months from the date of this announcement, or the date the last approval and/or consent is obtained from the relevant authority, whichever is the later.

13.0 EXPECTED TIMEFRAME FOR THE CP AGREEMENTS AND THE PROPOSED DISPOSAL

It is expected that the Share Transfer Closing, the Connected Disposal Completion, the Sub-contracting Commencement, the MS Commencement, the SC Commencement and the CCT Commencement shall all take place on the same day, with the Connected Disposal Completion and the Sub-contracting Commencement taking place immediately before the Share Transfer Closing, and the MS Commencement, the SC Commencement and the CCT Commencement taking place simultaneously with the Share Transfer Closing.

14.0 PROPOSED SPECIAL DIVIDEND

One Media proposes a Special Dividend of HK$0.03991 (equivalent to approximately US$0.00514) per share of One Media to be distributed and settled in cash to One Media's Registered Shareholders, subject to the approval of the One Media's Independent Shareholders having been obtained and the Connected Disposal Completion having taken place. As the Special Dividend Record Date will be a date prior to the Share Transfer Closing, the Purchaser will not be entitled to the Special Dividend.

Based on 400,900,000 shares of One Media in issue as at the date of this announcement, the Special Dividend payable to One Media's Registered Shareholders shall be an amount not exceeding HK$16.00 million (equivalent to approximately US$2.06 million), out of which, Comwell, an indirect wholly-owned subsidiary of the Company and the beneficial owner of the Sale Shares, representing approximately 73.01% of the issued share capital of One Media as at the date of this announcement and assuming no change to its shareholding from the date of this announcement to the Special Dividend Record Date, is entitled to receive a special dividend of approximately HK$11.68 million (equivalent to approximately US$1.51 million).

Further announcement(s) will be made by the Company in respect of the details of the Special Dividend Record Date, the Special Dividend payout date and closure of register of members of One Media for determining the entitlement of the shareholders of One Media to the Special Dividend in accordance with Rule 13.66 of the Listing Rules. The Special Dividend Record Date would fall on a date prior to the Share Transfer Closing and the commencement of the Offer, and the Special Dividend is expected to be paid after the Share Transfer Closing Date.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set out below:

"acting in concert"	has the same meaning ascribed to it under the Takeovers Code
"Advertising Representative Business(es)"	providing advertising sales services to the independent third parties, including without limitation, acting as their advertising sales representative in the PRC and, through sub-agent(s), in Hong Kong
"Agency and Advertising Representative Businesses"	the Agency Business and the Advertising Representative Business
"Agency Business"	providing agency services to the independent third parties, including without limitation, placing advertisements, managing events and forums, procuring membership sales, and procuring circulation and sales services in the PRC and, through sub-agent(s), in Hong Kong

"ASA"	the advertising space and service barter agreement, being one of the CCT Agreements
"associate"	has the same meaning ascribed to it under the Listing Rules
"ATSA"	the air-ticket services agreement, being one of the CCT Agreements
"Automobile Publications"	the contract publications for automobile clients operating in Hong Kong
"BBC"	The British Broadcasting Corporation, a public corporation incorporated under the laws of England and Wales
"BBCW"	BBC Worldwide Limited, a company registered under the laws of England and Wales, and is a wholly-owned commercial subsidiary of BBC
"Board"	the board of Directors
"BP"	Blackpaper Limited, a company incorporated under the laws of Hong Kong with limited liability, of which the One Media Group owns a 10% attributable interest as at the date of this announcement
"BP Group"	BP and its subsidiaries
"Business Day(s)"	a day (other than a Saturday or Sunday, public holiday and days on which a tropical cyclone warning No. 8 or above or a "black" rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. to 5:00 p.m.) on which banks are open in Hong Kong and the PRC to the general public for normal banking business
"ByRead"	ByRead Inc, a company incorporated in the Cayman Islands with limited liability, of which the One Media Group owns an approximate 24.97% attributable interest as at the date of this announcement
"ByRead Group"	ByRead and its subsidiaries
"CCT Agreements"	collectively, the ASA, ATSA, CLA, CSA, ISA, ISSA, LSA, Premises License Agreement, Tenancy Agreement and TPSA
"CCT Commencement"	the commencement of the CCT Agreements, which shall take effect upon the Share Transfer Closing
"CCT Commencement Date"	the date of the Share Transfer Closing Date

"CCT Special Deals"	the transactions contemplated under the CCT Agreements which constitute special deals under Rule 25 of the Takeovers Code of One Media
"Change of Control"	a change in: (a) the voting rights attaching to 30% or more of the voting shares in MPM; or (b) the power to direct or cause the direction and management of the policies of MPM, whether as a result of the ownership of shares, control of the board of directors, contract or any powers conferred by the articles of association or other constitutional documents of MPM; or (c) a majority of the management, a majority of the senior personnel, or any board members of MPM as at the time of the Sub-contracting Commencement
"CKCM"	Chu Kong Culture Media Company Limited, a company incorporated in the British Virgin Islands with limited liability, of which the One Media Group owns 40% attributable interest as at the date of this announcement
"CKCM Group"	CKCM and its subsidiary
"CLA"	the content licensing (magazine) agreement, being one of the CCT Agreements
"Company"	Media Chinese International Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange with the stock code: 685 and on the Main Market of Bursa Malaysia Securities Berhad with the stock code: 5090
"Comwell"	Comwell Investment Limited, a company incorporated in the British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of the Company
"Connected Disposal"	the sale of the Disposal Share by One Media to the Company pursuant to the terms and provisions of the Connected Disposal Agreement
"Connected Disposal Agreement"	the conditional sale and purchase agreement to be entered into between One Media as vendor and the Company as purchaser in respect of the Connected Disposal

"Connected Disposal Completion"	the completion of the Connected Disposal pursuant to the terms and conditions of the Connected Disposal Agreement
"Connected Disposal Completion Date"	the date on which the Connected Disposal Completion shall take place, which shall be the same date as the Share Transfer Closing Date, the Sub-contracting Commencement Date, the MS Commencement Date, the Commencement Date and the CCT Commencement Date
"Connected Disposal Condition(s)"	the condition(s) precedent to the Connected Disposal Completion, further details of which are set out in section 2.8 of this announcement
"Connected Disposal Consideration"	the aggregate consideration of HK$49,165,000 (equivalent to approximately US$6,335,000) for the Disposal Share pursuant to the Connected Disposal Agreement
"Connected Disposal Long Stop Date"	29 March 2017 (or such other date as the Company and One Media may agree)
"Connected Disposal Special Deal"	the transaction contemplated under the Connected Disposal Agreement which constitutes a special deal under Rule 25 of the Takeovers Code for One Media
"connected person"	has the meaning ascribed to it in the Listing Rules
"Contractor"	the contractor defined in the Sub-contracting Agreement, namely Comwell
"controlling shareholder"	has the meaning ascribed to it in the Listing Rules
"Counterparty Shareholders"	the shareholders of ST Productions and the NCIs other than the One Media Group
"CP Agreements"	collectively, the Connected Disposal Agreement, the Sub-contracting Agreement, the MS Agreement, the Service Contracts, and the CCT Agreements
"CSA"	the circulation services agreement, being one of the CCT Agreements
"Director(s)"	the director(s) of the Company, from time to time

"Disposal Businesses"	the businesses owned by the various member companies of the Disposal Group, being those of: (i) the Disposal Magazines; (ii) the NCIs; (iii) ST Productions; and (iv) the Agency and Advertising Representative Businesses, whose operations have, up to the date of this announcement, been managed and run by the management of the One Media Group, ST Productions (in the case of ST Productions), and the Counterparty Shareholders (in the case of NCIs)
"Disposal Companies"	the companies of the One Media Group as at the date of this announcement other than Enston and the Remaining Group, which, upon the completion of the Restructuring, shall be held by Enston as shown in the "Disposal Group" chart under the section headed "2.9 The Restructuring" of this announcement
"Disposal Group"	Enston and the Disposal Companies
"Disposal Group Assets"	the assets of the Disposal Businesses, including but not limited to, the working capital of the Disposal Businesses of approximately HK$13.00 million (equivalent to approximately US$1.68 million) (as at 31 March 2016)
"Disposal Magazines"	collectively the TopGear Magazines, the Automobile Publications, the Ming Watch Magazines, and Hihoku (including the Disposed HK Business not owned by the Disposal Companies)
"Disposal Share"	the one share in Enston, representing the entire issued share capital of Enston, legally and beneficially owned by One Media as at the date of this announcement, and agreed to be sold to the Company subject to the terms and conditions of the Connected Disposal Agreement
"Disposed HK Business"	the businesses currently owned and operated by MPM in Hong Kong other than the Remaining Business, including without limitation of, the Hong Kong editions of (i) Ming Watch Magazines; (ii) TopGear Magazines; and (iii) the Automobile Publications, which upon the Restructuring, shall be novated, transferred, or assigned to the Disposal Group
"EGM"	an extraordinary general meeting of One Media to be convened for the purpose of considering and, if thought fit, approving by One Media's Independent Shareholders, among other things, the Connected Disposal Agreement, the Sub-contracting Agreement, the MS Agreement and the PL Service Contract, the CCT Agreements and the Special Dividend

"Enston"	Enston Investment Limited, a company incorporated in the British Virgin Islands with limited liability, is an indirect wholly-owned subsidiary of One Media, which will become the holding company of the Disposal Group following the completion of the Restructuring
"Executive"	Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"Greater China"	Hong Kong, the PRC, Taiwan and Macau Special Administrative Region of the PRC
"Group"	the Company and its subsidiaries
"Hihoku"	a digital media business in the name of "Hihoku hi!好酷", providing entertainment and lifestyle news to users in the PRC and Hong Kong
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Immediate Media"	Immediate Media Company London Limited, a company registered under the laws of England and Wales, and appointed by BBCW as its exclusive agent to issue licences to publish regional editions of the TopGear Magazine
"ISA"	the information system programming services agreement, being one of the CCT Agreements
"ISSA"	the information system services agreement, being one of the CCT Agreements
"Joint Announcement"	the joint announcement published by One Media and the Purchaser in relation to the the CP Agreements dated 1 March 2017
"Listing Requirements"	the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Logistical Administrative Support Services"	logistical support services provided by MPM to the Sub-contracted Businesses in respect of accounting and administrative services, marketing and events management services

"Logistical Digital Support Services"	the logistical support services provided by MPM to the Sub-contracted Businesses in respect of website, mobile applications and internet-related development services
"Logistical Support Services"	the Logistical Administrative Support Services and the Logistical Digital Support Services under the Sub-contracting Agreement
"LSA"	the library services agreement, being one of the CCT Agreements
"Managers"	each of Mr. Patrick Lam, Mr. Terry Chan and Mr. Richard Yeung
"Ming Watch Magazine(s)"	the publication for the Hong Kong and the PRC's editions of magazines titled "Ming Watch" and its related digital businesses
"MPM"	Ming Pao Magazines Limited, a company incorporated in Hong Kong and is an indirect wholly-owned subsidiary of One Media, and is a member company of the Remaining Group
"MS Agreement"	the conditional agreement to be entered into between member companies of the Remaining Group and the Managers in respect of the duties and rights of the Managers in managing the Remaining Businesses
"MS Commencement"	the commencement of the MS Agreement, which shall take effect upon the Share Transfer Closing
"MS Commencement Date"	the date of the Share Transfer Closing Date
"MS & SC Special Deal"	The transactions contemplated under the MS Agreement and the PL Service Contract which constitute special deals under Rule 25 of the Takeovers Code for One Media
"NCIs"	the investments by or of the One Media Group, in BP, ByRead and CKCM, respectively, in which the One Media Group does not have a controlling interest
"Offer"	the mandatory unconditional cash offer to acquire all the issued shares of One Media (other than those already owned or agreed to be acquired by the Purchaser and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code

"OMH"	One Media Holdings Limited, a company incorporated in the British Virgin Islands, an indirect wholly-owned subsidiary of One Media. It is a member company of the Remaining Group
"One Media"	One Media Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange with the stock code: 426
"One Media Group"	One Media and its subsidiaries
"One Media's Independent Shareholders"	for the purpose of approving the Special Deals under Rule 25 of the Takeovers Code and the Special Dividend, shareholders of One Media other than Comwell, Tan Sri Datuk Sir Tiong, Hiew King, Mr. Tiong Kiew Chiong, Mr. Yu Hon To, David, Mr. Patrick Lam, the Purchaser and its ultimate beneficial owners, their respective associates and parties acting in concert with any of them and those who are involved in or interested in the Connected Disposal Agreement, the Sub-contracting Agreement, the MS Agreement and the Service Contract, the CCT Agreements, the Share Transfer Agreement and the Special Dividend
"One Media's Registered Shareholders"	shareholders of One Media whose names are registered on the register of members of One Media on the Special Dividend Record Date
"Other Counterparty Shareholders"	Counterparty Shareholders other than Chu Kong
"Patrick Lam"	Mr. Lam Pak Cheong, a director and the Chief Executive Officer of One Media and head of finance and a member of the executive Hong Kong committee of the Company
"PL Service Contract"	Mr. Patrick Lam's Service Contract
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan
"Premises License Agreement"	the premises license agreement, being one of the CCT Agreements
"Previous Announcement"	the announcement published by the Company on 1 August 2016
"Proposed Disposal"	Proposed disposal of the Sale Shares

"Purchaser"	Qingdao West Coast Holdings (Internation) Limited 青島西海岸控股（國際）有限公司, a company incorporated in the British Virgin Islands, whose ultimate controlling shareholder is a PRC state-owned enterprise
"Remaining Businesses"	the businesses to be carried on by the Remaining Subsidiaries after the Connected Disposal Completion, which will be (a) the publication of the weekly magazine, "Ming Pao Weekly" （明周） in Hong Kong and its relevant digital business; and (b) the management and operation of the Disposal Businesses pursuant to the Sub-contracting Agreement
"Remaining Group"	the One Media Group (excluding the Disposal Group) immediately after the Connected Disposal Completion
"Remaining Subsidiaries"	OMH, Ming Pao Finance Limited, MPM and its subsidiaries from time to time
"Restructuring"	the transfer of the Disposal Group and Disposal HK Business to Enston prior to the Connected Disposal Completion
"Richard Yeung"	Mr. Yeung Ying Fat, the company secretary of One Media and financial controller of the One Media Group
"Sale Shares"	an aggregate of 292,700,000 shares of One Media, legally and beneficially owned by Comwell and agreed to be sold to the Purchaser subject to the terms and conditions of the Share Transfer Agreement
"SC Commencement"	the commencement of the Service Contracts, which shall take effect upon the Share Transfer Closing
"Service Contract(s)"	in relation to each Manager, his (a) existing employment contract with the One Media Group, and (b) supplemental employment letter stipulating his new employment terms with MPM
"SFC"	the Securities and Futures Commission
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
"Share Transfer"	the sale and purchase of the Sale Shares

"Share Transfer Agreement"	the conditional sale and purchase agreement dated 22 July 2016 (and as supplemented on 29 July 2016, 28 November 2016 and 24 January 2017) entered into between Comwell (as vendor), the Company (as guarantor) and the Purchaser (as purchaser) in respect of the Share Transfer
"Share Transfer Closing"	the completion of the sale and purchase of the Sale Shares
"Share Transfer Closing Date"	the date on which the Share Transfer Closing shall take place, which shall be on the seventh (7th) Business Day following the satisfaction or waiver of all conditions precedents under Clause 4.1 of the Share Transfer Conditions, or such other date as Comwell and the Purchaser may agree in writing
"Share Transfer Condition(s)"	the condition(s) precedent to the Share Transfer Closing as stipulated in the Share Transfer Agreement
"Shareholder(s)"	holder(s) of shares of the Company
"Shares"	ordinary share(s) in the share capital of the Company
"Special Deals"	collectively the Connected Disposal Special Deal, the Sub-contracting Special Deal, the MS & SC Special Deal and the CCT Special Deals
"Special Dividend"	the proposed cash dividend not exceeding HK$16.00 million (equivalent to approximately US$2.06 million) and HK$0.03991 (equivalent to approximately US$0.00514) per share of One Media, payable to the qualifying shareholders of One Media whose names appear in the register of members of One Media at the Special Dividend Record Date to be determined by the board of One Media, which shall fall before the Share Transfer Closing Date
"Special Dividend Record Date"	the date for determining the entitlements of the shareholders of One Media to the proposed Special Dividend which is to be fixed at a date prior to the Share Transfer Closing and the Connected Disposal Completion
"ST Productions"	ST Productions Limited, a company incorporated in Hong Kong with limited liability and a 70% indirectly owned subsidiary of One Media as at the date of this announcement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Sub-contracted Businesses"	the businesses of the members of the Disposal Group, whose operations have hitherto been managed and run by MPM

"Sub-contracting Agreement"	the conditional agreement to be entered into between Comwell and MPM regarding the sub-contracting of the management and operations of the Sub-contracted Businesses by Comwell (as the Contractor) and MPM (as the Sub-contractor)
"Sub-contracting Commencement"	the commencement of the Sub-contracting Agreement, which shall take effect upon the Connected Disposal Completion
"Sub-contracting Commencement Date"	the date of the Connected Disposal Completion
"Sub-contracting Special Deal"	the transaction contemplated under the Sub-contracting Agreement which constitutes a special deal under Note 4 of Rule 25 of the Takeovers Code for One Media
"Sub-contractor"	the sub-contractor defined in the Sub-contracting Agreement, namely MPM
"Substantial Shareholder"	has the same meaning ascribed to it in the Listing Rules
"Taiwan Business Unit"	the business of operating the Taiwanese local versions of publications forming part of the Sub-contracted Businesses including, without limitation, TG TW
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"Tenancy Agreement"	the tenancy agreement, being one of the CCT Agreements
"Terry Chan"	Mr. Chan Yiu On, the chief operating officer of the One Media Group
"TG TW"	the Taiwan edition of the TopGear Magazines
"TopGear Magazine(s)"	the Hong Kong, PRC and Taiwan editions of the automobile magazine titled "TopGear"
"TPSA"	the typeset and pre-press services agreement, being one of the CCT Agreements
"UK"	the United Kingdom of Great Britain and Northern Ireland
"US$" or "US cents"	United States dollars and cents, the lawful currency of the United States of America

"%"　　per cent.

On behalf of the Board
MEDIA CHINESE INTERNATIONAL LIMITED
Tiong Kiew Chiong
Director

1 March 2017

* *English names of the PRC companies/entities in this announcement are only translations of their official Chinese names and are for reference only*

As at the date of this announcement, the Board comprises Tan Sri Datuk Sir Tiong Hiew King, Dato' Sri Dr. Tiong Ik King, Mr. Tiong Kiew Chiong, Mr. Ng Chek Yong and Mr. Leong Chew Meng, being executive Directors; Ms. Tiong Choon, being non-executive Director; and Mr. David Yu Hon To, Datuk Chong Kee Yuon and Mr. Khoo Kar Khoon, being independent non-executive Directors.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.

Unless otherwise stated, the exchange rate between US$ and HK$ used in this announcement is US$1 = HK$7.7606 based on the exchange rate as at 24 February 2017. Such exchange rate should not be taken as that the relevant amount has been, ought to be or can be exchanged at such exchange rate.

* *For identification purposes only*