



## 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)

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To: Business Editor

【For Immediate Release】

### MEDIA CHINESE PROPOSES A SPECIAL DIVIDEND OF USD219.78 MILLION

(16 July 2012) **Media Chinese International Limited** (“**Media Chinese**” or the “**Company**” which together with its subsidiaries the “**Group**”, HKSE Stock Code: 685, KUL Stock Code: 5090) today announced that it is proposing to undertake a distribution via a proposed special dividend to the shareholders of approximately USD219.78 million (equivalent to approximately RM700.00 million or HKD1,704.41 million) or USD0.13 (equivalent to RM0.41 or HKD1.01) per ordinary share of Media Chinese (“**Share(s)**”) (“**Proposed Dividend**”).

To facilitate the Proposed Dividend, Media Chinese proposes to undertake a capital reduction which involves a reduction of an amount of approximately USD219.78 million (equivalent to approximately RM700.00 million or HKD1,704.41 million) standing to the credit of the share premium account of Media Chinese and such reduced amount will be transferred to the contributed surplus account of Media Chinese (“**Proposed Capital Reduction**”).

The Proposed Capital Reduction and Proposed Dividend shall collectively be referred to as the “**Proposals**”.

The credit arising from the Proposed Capital Reduction and thereafter the credit standing in the contributed surplus account of Media Chinese will be applied towards the Proposed Dividend.

The Proposed Dividend will be part financed by internal funds amounting to approximately USD62.795 million (equivalent to RM200.00 million or HKD486.98 million) and part financed by new bank borrowings of approximately USD156.985 million (equivalent to approximately RM500.00 million or HKD1,217.43 million).

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For illustrative purposes, assuming a shareholder holds 1,000 Shares in Media Chinese at the entitlement date to be determined by the Board of Directors of Media Chinese (“**Board**”), the shareholder will receive approximately USD130 (equivalent to approximately RM410 or HKD1,010) cash pursuant to the Proposed Dividend.

**Media Chinese’s Group Chief Executive Officer, Mr Francis TIONG**, said in regard of the Proposals, “In line with the Group’s initiative to actively manage its capital effectively and efficiently, the Company seeks to reward its shareholders for their continued support and loyalty to the Group over the years with the Proposed Dividend, after taking into consideration the existing cash level, business prospects and the capital commitments of the Group. The Board believes that the Proposed Dividend would enhance the investment value as well as improve the long-term return to the shareholders.”

The Board believes that by part financing the Proposed Dividend via new bank borrowings, the Company would be able to enhance its capital structure and mix without unduly burdening the Group in terms of its cashflow and earnings capability. Moreover, with the Company’s track record of having a strong EBITDA, the Company should be able to support a net debt of USD124.85 million resulting from the new borrowings.

The increase in gearing is not expected to impede the Company’s ability to embark on new business opportunities that is synergistic and earnings-accretive as and when such opportunity arises, given that as a public listed company, the Company is able to tap on the capital (equity and/or debt) markets to fund its expansion plans, in addition to conventional borrowings. Moreover, the Company will still maintain a reasonable cash balance to embark on any new business opportunities and to meet its capital commitments after the Proposals.

The Group will continue to explore possible opportunities to enhance its corporate and expansion strategy of becoming a global Chinese media corporation serving Chinese communities all over the world. The process of identifying and selecting suitable targets will be pursued, so as to ensure potential opportunities will be synergistic with our existing operations and be earnings accretive. The Company’s major shareholder Tan Sri Datuk Sir TIONG Hiew King has pledged his unreserved support to help realise the abovementioned potential expansion plans.

A circular containing further details concerning the Proposals and a notice convening a special general meeting of the Company will be despatched to the shareholders in due course. Barring any unforeseen circumstances, the Proposals are expected to be completed by the fourth (4<sup>th</sup>) quarter of 2012 calendar year.

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*For illustration purposes, the exchange rates of USD1.00 = RM3.1850 and HKD1.00 = RM0.4107, being the middle rates as published by Bank Negara Malaysia at 12.00 noon on 12 July 2012 and USD1.00=HKD7.7551 have been used throughout this Press Release.*

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### **About Media Chinese International Limited**

Media Chinese International Limited is a leading global Chinese language media group dual-listed on The Stock Exchange of Hong Kong Limited (stock code: 685) and Bursa Malaysia Securities Berhad (stock code: 5090). Media Chinese's product portfolio in Southeast Asia, Greater China and North America comprises 5 daily newspapers in 13 editions and 3 free newspapers with a total daily circulation of about 1 million copies, as well as about 30 magazines. The Group has also expanded its business into digital media. Media Chinese is the proprietor of Life Magazines, the largest Chinese language magazine publisher in Malaysia, and is the major shareholder of One Media Group Limited (listed on The Stock Exchange of Hong Kong Limited; stock code: 426).

For more information, please visit: [www.mediachinesegroup.com](http://www.mediachinesegroup.com)

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