THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, stockbroker, bank manager, solicitor, professional accountant or other professional advisor immediately.

If you have sold or transferred all your shares in Media Chinese International Limited, you should at once hand this circular to the purchaser(s) or the transferee(s), or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or the transferee(s).

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

MEDIA CHINESE INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Malaysia Company No. 995098-A)

(Hong Kong Stock Code: 685, Malaysia Stock Code: 5090)

CIRCULAR TO SHAREHOLDERS IN RELATION TO CONNECTED/RELATED PARTY TRANSACTION:

PROPOSED ACQUISITION OF THE SALE PROPERTY BY SIN CHEW MEDIA CORPORATION BERHAD, A WHOLLY-OWNED SUBSIDIARY OF MEDIA CHINESE INTERNATIONAL LIMITED, FROM RIMBUNAN HIJAU ESTATE SDN BHD FOR A CASH CONSIDERATION OF RM37,000,000 AND THE REIMBURSEMENT OF THE COST OF CONSTRUCTING THE NEW OFFICE BUILDING OF APPROXIMATELY RM5,000,000

Independent Financial Advisors to the Independent Board Committee and the Independent Shareholders

In Malaysia

OSK

OSK Investment Bank Berhad (14152-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

In Hong Kong

OSK Asia Capital Limited

Notice of the special general meeting of Media Chinese International Limited (the "Company") to be held at (i) Sin Chew Media Corporation Berhad, Meeting Hall, Basement 2, Editorial Block, No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia and (ii) 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong on Thursday, 13 November 2008 at 10:00 a.m. together with a proxy form are enclosed in this circular.

The shareholders are requested to complete the proxy form and deposit the original proxy form at (i) the Malaysia share registrar office of the Company at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia or (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, not less than 48 hours before the time stipulated for holding the meeting or any adjournment thereof.

Last date and time for lodging the proxy form	:	11 November 2008 at 10:00 a.m.
Date and time of the special general meeting	:	13 November 2008 at 10:00 a.m.

This circular is dated 20 October 2008

CONTENTS

CONTENTS

Except where the context otherwise requires, the following definitions shall apply throughout this circular.

"Act"	the Malaysian Companies Act, 1965, as amended from time to time and any re-enactment thereof
"Additional Building Cost"	the cost payable by the Vendor (and to be reimbursed by the Purchaser) for the construction of the New Office Building, estimated at RM5,000,000 (equivalent to HK$11,105,000)
"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors of the Company
"Bursa Securities"	Bursa Malaysia Securities Berhad (Malaysia Company No. 635998-W)
"Bye-Law(s)"	the bye-laws(s) of the Company as may be amended from time to time
"MCIL" or "the Company"	Media Chinese International Limited (Malaysia Company No. 995098-A) (formerly known as Ming Pao Enterprise Corporation Limited), a company incorporated in Bermuda with limited liability and the Shares of which are dual listed on Bursa Securities and the HKEx
"Conch"	Conch Company Limited
"Connected/Related Party Transaction"	Connected Transaction under Listing Rules or Related Party Transaction under Listing Requirements
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company; or in relation to companies incorporated in Malaysia, "Director(s)" shall have the meaning given in Section 4 of the Act and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the Company or any other company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company
"Ezywood"	Ezywood Options Sdn Bhd (Malaysia Company No. 604068-X)
"Group"	the Company and its subsidiaries
"HKEx"	The Stock Exchange of Hong Kong Limited

"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	an independent board committee, comprising all the independent non-executive Directors, namely Mr David YU Hon To, Mr Victor YANG, Tan Sri Dato' LAU Yin Pin, and Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH, established to advise the Independent Shareholders on the terms of the Supplemental Land Acquisition Agreement and the transactions contemplated thereunder
"Independent Financial Advisors"	OSK Investment Bank Berhad in Malaysia and OSK Asia Capital Limited in Hong Kong (the latter being a corporation licensed to carry out type 1 (securities dealing) and type 6 (advising on corporate finance) regulated activities under the SFO), being the independent financial advisors appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Supplemental Land Acquisition Agreement and the transactions contemplated thereunder
"Independent Shareholder(s)"	any Shareholder(s) other than TSTHK, TIONG Kiu King, TIONG Ik King, Progresif, Conch and their associates or persons connected and any Shareholder and its associates which has a material interest in the acquisition of the Sale Property and the construction of the New Office Building
"Land"	the leasehold land measuring approximately 16,271.53 square metres together with the buildings thereon held under leasehold title known as PN 3694, Lot No. 50, Section 13, Town of Petaling Jaya, District of Petaling, State of Selangor Darul Ehsan, Malaysia. It has a leasehold tenure of 99 years commencing on 25 November 1960 and expiring on 24 November 2059
"Land Acquisition Agreement"	the agreement for sale and purchase of the Land dated 14 July 2008 entered into between the Purchaser and the Vendor
"Land Valuation Certificate"	the valuation certificate issued by the Land Valuer on 21 August 2008 in respect of the Sale Property
"Land Valuer"	Knight Frank (Ooi & Zaharin Sdn Bhd) (Malaysia Company No. 585479-A), an independent firm registered with the Malaysian Board of Valuers, Appraisers & Estate Agents, appointed to conduct an independent valuation of the Sale Property proposed to be acquired under the Supplemental Land Acquisition Agreement

"Latest Practicable Date"	9 October 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"Listing Requirements"	Listing Requirements of Bursa Malaysia Securities Berhad
"Listing Rules"	The Rules Governing the Listing of Securities in The Stock Exchange of Hong Kong Limited
"Madigreen"	Madigreen Sdn Bhd (Malaysia Company No. 305806-M)
"Major Shareholder"	as defined under the Listing Requirements, a person who has (which includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon) an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is: (a) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in the Company; or (b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company. For the purposes of this definition, "interest in shares" shall have the meaning given in Section 6A of the Act
"NBV"	net book value
"New Office Building"	the new two-storey office building within the Sale Property under construction by the Vendor at the request of the Purchaser in accordance with the terms of the Supplemental Land Acquisition Agreement
"PAA"	Pertumbuhan Abadi Asia Sdn Bhd (Malaysia Company No. 67069-X)
"person connected"	as defined under the Listing Requirements, in relation to a Director or a Major Shareholder means such person who falls under any one of the following categories: (a) a member of the Director's or Major Shareholder's family;

	(b) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the Director, Major Shareholder or a member of the Director's or Major Shareholder's family is the sole beneficiary;
	(c) a partner of the Director, Major Shareholder or a partner of a person connected with that Director or Major Shareholder;
	(d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
	(e) a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;
	(f) a body corporate or its Directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
	(g) a body corporate or its Directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;
	(h) a body corporate in which the Director, Major Shareholder and/or persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
	(i) a body corporate which is a related corporation.
"Progresif"	Progresif Growth Sdn Bhd (Malaysia Company No. 575150-P), a wholly-owned subsidiary of TTSH
"Related Party(ies)"	as defined under the Listing Requirements, Director(s), Major Shareholder(s) or person connected with such Director(s) or Major Shareholder(s)
"RHE" or "Vendor"	Rimbunan Hijau Estate Sdn Bhd (Malaysia Company No. 153596-K)
"RHS"	Rimbunan Hijau (Sarawak) Sdn Bhd (Malaysia Company No. 487227-D)

"RHSA"	Rimbunan Hijau Southeast Asia Sdn Bhd (Malaysia Company No. 487223-W)
"SCMCB" or "Purchaser"	Sin Chew Media Corporation Berhad (Malaysia Company No. 98702-V), the wholly owned subsidiary of the Company
"SCMCB Group"	SCMCB and its subsidiary companies
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting (equivalent to extraordinary general meeting in Malaysia) of the Company to be held at (i) Sin Chew Media Corporation Berhad, Meeting Hall, Basement 2, Editorial Block, No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia and (ii) 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong on Thursday, 13 November 2008 at 10:00 a.m., notice of which is enclosed in this circular
"Sale Property"	all that parcel of the leasehold land together with building(s) thereon more particularly delineated in **red** in the plan annexed to the Supplemental Land Acquisition Agreement measuring approximately 11,907.09 square metres held under master title PN 3694, Lot No. 50, Section 13, Town of Petaling Jaya, District of Petaling, State of Selangor Darul Ehsan, Malaysia
"Shareholder(s)"	shareholder(s) of the Company
"Supplemental Land Acquisition Agreement"	the supplemental sale and purchase agreement dated 11 September 2008 entered into between the Purchaser and the Vendor in relation to the acquisition of the Sale Property and the construction of the New Office Building
"substantial shareholder"	as defined under the Listing Rules, in relation to a company, means a person who is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company
"TSL"	Teck Sing Lik Enterprise Sdn Bhd (Malaysia Company No. 057850-M)
"TSTHK"	Tan Sri Datuk DIONG Hiew King @ TIONG Hiew King
"TTSE"	Tiong Toh Siong Enterprises Sdn Bhd (Malaysia Company No. 178305-K)

"TTSH"	Tiong Toh Siong Holdings Sdn Bhd (Malaysia Company No. 105159-U)
"%"	per cent

Currencies:

"HKD" or "HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"RM" and "sen"	Ringgit Malaysia and sen respectively, the lawful currency of Malaysia

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders, vice versa.

Notes:

In this circular, unless otherwise stated, certain amounts denominated in RM have been converted (for information only) into HK$ using an exchange rate of HK$1.00 = RM0.450262 (or vice versa). Such conversion(s) shall not be construed as a representation that amounts of RM were or may have been converted into HK$, or vice versa (as the case may be) using such exchange rate or any other.

Some numbers in this circular have been rounded. As a result, totals may not add up to exactly 100%.

MEDIA CHINESE INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Malaysia Company No. 995098-A)

(Hong Kong Stock Code: 685, Malaysia Stock Code: 5090)

Board of Directors:

EXECUTIVE DIRECTORS
Tan Sri Datuk TIONG Hiew King *(Executive Chairman)*
Mr TIONG Kiu King
Dr TIONG Ik King
Dato' LEONG Khee Seong
Mr TIONG Kiew Chiong *(Group Chief Executive Officer)*
Ms SIEW Nyoke Chow
Ms SIM Sai Hoon

NON-EXECUTIVE DIRECTOR
Mr LEONG Chew Meng

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr David YU Hon To
Mr Victor YANG
Tan Sri Dato' LAU Yin Pin
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH

Registered Office
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Registered Office in Malaysia
10th Floor, Wisma Havela Thakardas
No. 1, Jalan Tiong Nam
Off Jalan Raja Laut
50350 Kuala Lumpur
Malaysia

Head Office and Principal Place of Business
No. 19, Jalan Semangat
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

15th Floor, Block A
Ming Pao Industrial Centre
18 Ka Yip Street
Chai Wan
Hong Kong

20 October 2008

To: The Shareholders

Dear Sir/Madam,

CONNECTED/RELATED PARTY TRANSACTION:

PROPOSED ACQUISITION OF THE SALE PROPERTY BY SIN CHEW MEDIA CORPORATION BERHAD, A WHOLLY-OWNED SUBSIDIARY OF MEDIA CHINESE INTERNATIONAL LIMITED, FROM RIMBUNAN HIJAU ESTATE SDN BHD FOR A CASH CONSIDERATION OF RM37,000,000 AND THE REIMBURSEMENT OF THE COST OF CONSTRUCTING THE NEW OFFICE BUILDING OF APPROXIMATELY RM5,000,000

1 INTRODUCTION

On 14 July 2008 the Company announced that the Purchaser had entered into the Land Acquisition Agreement with the Vendor pursuant to which the Purchaser conditionally agreed to acquire the Land for a cash consideration of RM46,000,000 (equivalent to HK$102,163,000).

Subsequently, on 4 August 2008, the Company announced that both the Vendor and the Purchaser mutually agreed to re-negotiate the terms of the Land Acquisition Agreement due to the change in commercial circumstances.

On 11 September 2008, the Company announced that on even date the Purchaser and the Vendor had entered into the Supplemental Land Acquisition Agreement which would supersede the Land Acquisition Agreement, pursuant to which the Purchaser conditionally agreed to acquire from the Vendor the Sale Property at a price of RM37,000,000 (equivalent to HK$82,174,000) and pay the Additional Building Cost in cash.

The purpose of this circular is to provide you with (i) information on the acquisition of the Sale Property and the construction of the New Office Building and the Board's recommendation; (ii) the recommendation of the Independent Board Committee; and (iii) the letters of advice from the Independent Financial Advisors. Your approval will be sought by way of an ordinary resolution to be tabled at the forthcoming SGM. The notice of the SGM together with the proxy form are enclosed in this circular.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR AND INDEPENDENT ADVICE LETTERS BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION OF THE SALE PROPERTY AND THE CONSTRUCTION OF THE NEW OFFICE BUILDING TO BE TABLED AT THE FORTHCOMING SGM.

2 DETAILS OF THE ACQUISITION OF THE SALE PROPERTY AND THE CONSTRUCTION OF THE NEW OFFICE BUILDING

2.1 Particulars of the Sale Property and the construction of the New Office Building

Pursuant to the Supplemental Land Acquisition Agreement, both the Vendor and the Purchaser have agreed that the Land will be subdivided into two parcels of land to be held under two different issue document of titles and the Purchaser will only purchase the Sale Property, being a portion of the Land instead of the entire piece of the Land.

The Sale Property measures approximately 11,907.09 square metres and is part of the Land. On the Sale Property, there is a double storey office building, a six-storey office building with three basement levels and ancillary buildings.

The Vendor has begun the construction of the New Office Building within the Sale Property in accordance with the Purchaser's requirements, and the Purchaser will reimburse the Vendor for the cost for construction.

The details of the said construction are as follows:–

(a)	Date of commencement:	16 July 2008
(b)	Expected date of completion:	First Quarter 2009
(c)	Percentage of completion to date:	30%

(d) Dates of approvals obtained from the City Council of Petaling Jaya (or Majlis Bandaraya Petaling Jaya) and other relevant authorities:–

(i)	Demolition & hoarding	28 January 2008
(ii)	Earthworks	27 March 2008
(iii)	Building plan	12 June 2008
(iv)	Development order	12 August 2008
(v)	Bomba approval plan	9 September 2008

(e) Approximate area: 16,800 square feet x 2 floors

There is currently a tenancy on the Sale Property, namely:

the Purchaser's tenancy agreement with the Vendor dated 13 August 2007 (the "SCMCB Tenancy Agreement") to lease the Sale Property for an annual rental of RM3,600,000 (equivalent to HK$7,995,000) for a period of three (3) years commencing on 2 March 2007 and expiring on 1 March 2010.

The details of the Sale Property are set out below:

(a) Identification — The Sale Property is held under master title known as:

- Lot number : Lot No. 50 Section 13
- Title number : PN 3694
- Relevant mukim, district and state : Town of Petaling Jaya, District of Petaling, State of Selangor Darul Ehsan
- Postal address : No. 19, Jalan Semangat,
46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
- Registered/ beneficial owner : RHE
- Land use : No land use stated but there is an express condition which states "Industrial"

(b) Description : Part of the Land with a double storey office building, a six-storey office building with three basement levels and ancillary buildings

(c) Existing use : Industrial and Offices

(d)	Age of buildings	:	(a) a double-storey office building (approximately 18 years); and (b) a six-storey office building with three basement levels and ancillary buildings (approximately 10 years)
(e)	Tenure/expiry date	:	Leasehold interest for a term of 99 years, expiring on 24 November 2059
(f)	Independent registered valuer and quantification of the market value of the Sale Property	:	The market value of the Sale Property, as appraised by the Land Valuer, on 21 August 2008, being the valuation date, was RM37,000,000. The market valuation was carried out primarily based on the comparison, investment and cost methods. The Land Valuation Certificate is set out in Appendix II of this circular
(g)	NBV based on the latest audited accounts (31 August 2007)	:	The NBV of the Sale Property is RM19 million
(h)	Encumbrances	:	The Sale Property is presently charged to RHB Bank Berhad (formerly known as United Malayan Banking Corporation Berhad)
(i)	Gross floor area	:	The Sale Property has a gross floor area of 12,337.15 square metres
(j)	Area to be self-occupied and let out	:	100% of the buildings including the New Office Building on the Sale Property is and will be occupied by the SCMCB Group, the current rental income from the gross floor area is RM3,600,000 per annum
(k)	Percentage of occupancy	:	100% occupied
(l)	Details of the terms of tenancies	:	There is currently a tenancy on the Sale Property namely SCMCB had entered into a tenancy agreement with the Vendor dated 13 August 2007 to lease the Sale Property for an annual rental of RM3,600,000 only for a period of three (3) years commencing from 2 March 2007 and expiring on 1 March 2010

2.2 Original Date and Cost of Investment to the Vendor

The Vendor originally purchased the Land under a sale and purchase agreement dated 6 April 1988 between Sin Poh (Star News) Amalgamated (M) Sdn Bhd (in Receivership) and the Vendor for the consideration of RM4,747,000 (equivalent to HK$10,543,000).

2.3 The Parties

Information on the Vendor

The Vendor is a company with limited liability incorporated in Malaysia on 29 May 1986 under the Act. The authorised share capital of the Vendor is RM25,000,000 comprising 25,000,000 ordinary shares of RM1.00 each and the issued and fully paid-up share capital is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each. The principal activities of the Vendor are letting of properties and equipment, and provision of property management and services to tenants.

The Vendor is directly held as to 5.7% by TSTHK, 20% by TTSH, 20% by PAA, 43% by RHSA and 2% by RHS. TSTHK, a substantial shareholder (under the Listing Rules) and a Major Shareholder (under the Listing Requirements) of the Company, together with his family interests, taken together are directly and indirectly interested so as to control the exercise of 30% or more of the voting power at the general meetings of TTSH, PAA, RHSA and RHS. Further, the remaining 9.3% of the issued share capital of the Vendor is held directly and indirectly by TSTHK's family members. As such, TSTHK, together with his family interests, is interested in 100% of the issued share capital of the Vendor. The Vendor, being an associate of TSTHK, is therefore a connected person of the Company. The directors of the Vendor are Dato' Sri TIONG Chiong Hoo and Ms WONG Yiing Ngiik.

Information on the Purchaser

The Purchaser is a wholly-owned subsidiary of the Company, and is a company with limited liability incorporated in Malaysia under the Act under its former name of Pemandangan Sinar Sdn Bhd. On 8 March 2004, it was converted into a public limited company and on 7 May 2004, it changed its name to Sin Chew Media Corporation Berhad. The Purchaser was listed on the Main Board of Bursa Securities on 18 October 2004, and was delisted from the Official List of Bursa Securities on 30 April 2008.

The authorised share capital of the Purchaser is RM250,000,000 comprising 500,000,000 ordinary shares of RM0.50 each and the issued and fully paid-up share capital is RM151,000,000 comprising 302,000,000 ordinary shares of RM0.50 each. The principal activities of the Purchaser are investment holding, publishing, printing and distribution of the newspaper "Sin Chew Daily", printing of newspapers for other publishers and distribution of magazines.

There were no prior transactions between the Group and the Vendor which requires aggregation under Rule 14A.25 of the Listing Rules.

2.4 Mode of settlement of the Consideration

The total consideration (the "Consideration") comprises the aggregate of:

(a) RM37,000,000 (equivalent to HK$82,174,000) as consideration for the acquisition of the Sale Property; and

(b) the Additional Building Cost.

RM4,600,000 (equivalent to HK$10,216,000) (the "Deposit") had been paid prior to the signing of the Supplemental Land Acquisition Agreement. The remaining balance of the Consideration, is payable in cash by bank draft or cashier's order not later than three months from the date on which the Supplemental Land Acquisition Agreement becomes unconditional, with an automatic extension of 30 days from such date, subject to payment of interest at the rate of 8% per annum on the amount representing the unpaid portion of the remaining balance of the Consideration which is the common practice in conveyancing transactions in Malaysia.

2.5 Basis of arriving at the Consideration

The Consideration was arrived at after arm's length negotiations, on a "willing buyer willing seller" basis, between the Vendor and the Purchaser with reference to the valuation on the Sale Property of RM37,000,000 (equivalent to HK$82,174,000) as of 21 August 2008 conducted by the Land Valuer. The market value of the Sale Property was arrived at using the comparison, investment and cost methods of valuation. A copy of the Land Valuation Certificate dated 21 August 2008 is provided at Appendix II of this circular.

3 SALIENT FEATURES OF THE SUPPLEMENTAL LAND ACQUISITION AGREEMENT

3.1 The Supplemental Land Acquisition Agreement is supplemental to the Land Acquisition Agreement, and unless otherwise provided, the Supplemental Land Acquisition Agreement shall supersede all the provisions and clauses of the Land Acquisition Agreement.

3.2 The Sale Property shall be acquired free from all encumbrances on an "as is where is" basis subject to the conditions and restrictions in interest as imposed in the issue document of title of the Land.

3.3 The Sale Property forms part of the Land. The Vendor is required to submit an application to the relevant authorities to sub-divide the Land such that the Sale Property is issued with an individual issue document of title.

3.4 The Vendor will be responsible for removing the existing encumbrance of the Sale Property prior to the submission to the authorities for sub-division of the master title. The Vendor will at its best endeavour and at its own cost and expense procure that the discharge of charge in respect of the existing encumbrance be presented at the relevant land office within sixty (60) days from the date of the Supplemental Land Acquisition Agreement or any extension thereof to be agreed by the parties.

3.5 The Purchaser and the Vendor expressly agree and the Purchaser's solicitor is expressly authorised by the parties to utilise and deal with the Balance Purchase Price upon receipt of the same in the following manner and priority:

(a) firstly, subject to the terms in the Supplemental Land Acquisition Agreement, to settle for and on behalf of the Vendor all sums payable for the purposes of discharging all encumbrances and caveats (if any) over the Sale Property;

(b) secondly, towards payment of all fees, charges, expenses and other payments, if any, payable by the Vendor by virtue of the Supplemental Land Acquisition Agreement; and

(c) lastly, and subject to the terms in the Supplemental Land Acquisition Agreement, to release the remaining balance to the Vendor fourteen (14) business days after the instrument of transfer in favour of the Purchaser and all other relevant documents have been presented for registration at the appropriate land office/registry.

3.6 The Vendor will deliver legal possession of the Sale Property to the Purchaser on the date of full payment of the Balance Purchase Price and interest (if applicable) (the "Completion Date").

3.7 In the event that the Purchaser:

(a) fails to pay the Balance Purchase Price in accordance with the provisions of the Supplemental Land Acquisition Agreement; or

(b) fails to observe or perform or otherwise be in breach of any of the material provisions of the Supplemental Land Acquisition Agreement or the material warranties and representations or the instrument of transfer is not accepted or is rejected for registration or is not registered for any reason whatsoever due to the default, willful neglect, omission or blameworthy conduct on the part of the Purchaser, and such failure or breach or reason for non-registration is not remedied by the Purchaser within fourteen (14) days after the Vendor has given written notice to it to remedy such failure or breach;

and provided that the Vendor is not in breach of any of the provisions of the Supplemental Land Acquisition Agreement, the Vendor will be entitled, at the cost and expense of the Purchaser, and at the Vendor's sole discretion to terminate the Supplemental Land Acquisition Agreement at any time by giving a written notice to the Purchaser.

3.8 Upon termination, the Vendor is entitled to forfeit the sum of RM3,600,000 as agreed liquidated damages whereupon the Purchaser must, at its own cost and expense, within fourteen (14) days from the date of receiving the termination notice from the Vendor:

(a) immediately remove all encumbrances and caveats, if any, on the Sale Property attributable to the Purchaser; and

(b) return to the Vendor all documents delivered by the Vendor to the Purchaser and/or the Purchaser's solicitors under the provisions of the Supplemental Land Acquisition Agreement with the Vendor's interest in the Sale Property remaining intact;

in exchange for the refund by the Vendor to the Purchaser of all moneys (save and except for the sum of RM3,600,000) paid towards account of the Consideration without any interest being payable whereupon the Supplemental Land Acquisition Agreement will terminate and cease to be of any further effect.

3.9 In the event that:

(a) the Vendor fails to observe or perform or otherwise is in breach of any of the material provision of the Supplemental Land Acquisition Agreement; or

(b) any of the material representations or warranties of the Vendor is incorrect or inaccurate or misleading in any respect; or

(c) the instrument of transfer is not accepted or is rejected for registration or is not registered for any reason whatsoever due to the default, willful neglect, omission or blameworthy conduct on the part of the Vendor,

and such failure or breach or reason for non-registration is not remedied by the Vendor within fourteen (14) days after the Purchaser has given written notice to the Vendor to remedy such failure or breach, provided always that the Purchaser is not in breach of any provision of the Supplemental Land Acquisition Agreement, the Purchaser will be entitled, at the cost and expense of the Vendor, and at the Purchaser's sole discretion to the following remedies:

(i) to the remedy of specific performance of the Supplemental Land Acquisition Agreement against the Vendor; or

(ii) to terminate the Supplemental Land Acquisition Agreement at any time by giving a written notice to the Vendor and upon such termination, the Vendor must within fourteen (14) days from the date of receiving the termination notice refund or be caused to refund the Purchaser all moneys including the Deposit paid towards account of the Consideration without any interest being payable together with a further sum of RM3,600,000 as agreed liquidated damages in exchange for:

(aa) the immediate removal of all encumbrances and caveats, if any, on the Sale Property attributable to the Purchaser; and

(bb) the return to the Vendor of all documents delivered by the Vendor to the Purchaser and/or the Purchaser's solicitors under the provisions of the Supplemental Land Acquisition Agreement with the Vendor's interest in the Sale Property remaining intact;

whereupon the Supplemental Land Acquisition Agreement will terminate and cease to be of any further effect.

3.10 In the event that the instrument of transfer is not accepted or is rejected for registration or is not registered for any reason whatsoever, save and except where there is any default, willful neglect, omission or blameworthy conduct on the part of any party, each party will use its best endeavours:

(a) to ascertain the cause or reason for such non-acceptance or rejection or non-registration, as the case may be;

(b) to rectify, remedy and/or overcome such cause or reason; and

(c) to cause the instrument of transfer to be accepted for registration and/or registered;

and in the event that such cause or reason cannot be or is not rectified, remedied and/or overcome within a period of two (2) weeks from the date of such non-acceptance or rejection or non-registration is made known to the Purchaser, or such other extended period as may be agreed by the Purchaser, a termination event will occur where the Purchaser may elect to terminate the Supplemental Land Acquisition Agreement in accordance with the terms of the Supplemental Land Acquisition Agreement.

3.11 Upon the Purchaser electing to terminate the Supplemental Land Acquisition Agreement, the Purchaser will at its own cost and expense:

(a) remove all encumbrances and/or caveats, if any, on the Sale Property attributable to the Purchaser; and

(b) return to the Vendor all documents delivered by the Vendor to the Purchaser and/or the Purchaser's solicitors under the provisions of the Supplemental Land Acquisition Agreement with the Vendor's interest in the Sale Property remaining intact;

in exchange for the refund by the Vendor to the Purchaser of all moneys paid towards account of the Consideration (including the Deposit) without interest, which refund must in any event be made within fourteen (14) days from the date of the Purchaser electing to terminate the Supplemental Land Acquisition Agreement whereupon the Supplemental Land Acquisition Agreement shall terminate and cease to be of any further effect.

3.12 It is mutually agreed by the parties that risk to the Sale Property will only pass to the Purchaser on the date of delivery of legal possession of the Sale Property by the Vendor in accordance with the terms of the Supplemental Land Acquisition Agreement.

3.13 In the event that the Sale Property or any part of it is at any time before the Completion Date damaged or destroyed by fire or any other causes and has not been repaired or is not under repair by the Vendor so that it is reinstated to its previous state and condition, then the Purchaser will be entitled to terminate the Supplemental Land Acquisition Agreement by giving notice in writing to that effect to the Vendor.

3.14 All quit rent, rates, assessments, service charges and other outgoings payable in respect of the Sale Property will be apportioned between the parties as at the Completion Date provided always that the Vendor indemnifies the Purchaser against any non-payment, loss or penalty which may be imposed by the relevant authority in respect of any late or non-payment of such payments for the period prior to the Completion Date.

3.15 The Vendor has begun construction of the New Office Building within the Sale Property in accordance with the Purchaser's requirements. The Vendor will be responsible for the cost and expenses incurred in the construction of the New Office Building.

4 SOURCE OF FINANCING

The Consideration will be satisfied in cash via internally generated funds.

The Board does not expect to incur any additional financial consideration in putting the assets acquired on-stream.

5 FINANCIAL EFFECTS OF THE ACQUISITION OF THE SALE PROPERTY AND THE CONSTRUCTION OF THE NEW OFFICE BUILDING

5.1 Share capital and Shareholders' shareholdings

The acquisition of the Sale Property and the construction of the New Office Building will not have any effect on the Company's issued and paid-up share capital nor on any Shareholders' shareholdings in the Company as the acquisition of the Sale Property and the construction of the New Office Building does not involve any issuance of Shares.

5.2 Net assets and earnings per share

The acquisition of the Sale Property and the construction of the New Office Building will not have any material effect on the consolidated net assets or earnings per Share for the financial year ending 31 March 2009. The acquisition of the Sale Property and the construction of the New Office Building may contribute to the long term profitability of the Group.

5.3 Gearing

The acquisition of the Sale Property and the construction of the New Office Building is not expected to have any material effect on the gearing of the Group for the financial year ending 31 March 2009 as the acquisition of the Sale Property and the construction of the New Office Building will be funded by internally generated funds.

6 THE PROSPECT AND RISK FACTORS OF THE ACQUISITION OF THE SALE PROPERTY AND THE CONSTRUCTION OF THE NEW OFFICE BUILDING

One of the Company's strategies is to create synergy by consolidating the resources and to unlock the intrinsic value of the Group's assets. As such, the Board is of the opinion that the acquisition of the Sale Property and the construction of the New Office Building is in line with the Company's business strategies and is expected to enhance the business operations of the Company. The Sale Property is adjacent to the piece of land currently owned by the Purchaser and there is a possibility for the Company to unlock the value of this asset through re-development of the combined land in the future.

The valuation of the Sale Property and the New Office Building (when it is completed) is subject to certain factors, for instance, development within the vicinity, adverse local and global market conditions, increase in the rate of inflation and acts of God. As such, the value of the Sale Property and the New Office Building will reflect such factors and as a result may fluctuate upwards or downwards. The value of the assets of the Group therefore may be enhanced or diminished as a result of the occurrence of any of the above factors.

Save as disclosed above, the Board is not aware of and does not foresee any material risk associated directly with the acquisition of the Sale Property and the construction of the New Office Building other than the general risks associated with the global economy, inflation and interest rate which may affect the financial and operating conditions of the Group.

7 LIABILITIES ARISING FROM THE ACQUISITION OF THE SALE PROPERTY AND THE CONSTRUCTION OF THE NEW OFFICE BUILDING

The Company will not assume any liability including, contingent liabilities and guarantees arising from the acquisition of the Sale Property and the construction of the New Office Building.

8 RATIONALE OF THE ACQUISITION OF THE SALE PROPERTY AND THE CONSTRUCTION OF THE NEW OFFICE BUILDING

Presently, the Purchaser has a tenancy agreement with the Vendor within the Sale Property. The monthly rental is RM300,000 for a term of three years commencing on 2 March 2007, with an option to extend for a further three years. After the completion of the proposed acquisition of the Sale Property, the Board believes that the Company will have a saving in rental expenses of RM3,600,000 (equivalent to HK$7,995,000) per year.

The Purchaser has been operating from the Sale Property since 1966 and has also built its printing plant on land adjoining the Sale Property. The Sale Property is easily accessible and is centrally located in the prime area of Petaling Jaya in the state of Selangor Darul Ehsan, Malaysia and as such functions as an effective distribution centre for the Purchaser's publications. In the newspaper industry where the speed of delivering products is crucial, securing property located in the vicinity of market centres would then be an asset to the Purchaser's business as it facilitates expedient delivery of its products to customers.

Further, with the development of the New Office Building, the Group will be able to fully consolidate some of its back office and administrative functions into a single location, enabling the Group to operate in a more efficient and effective manner.

In view of the fact that the Vendor is owner of the Sale Property and hence is required in law to apply for any approvals necessary for construction of any buildings, the construction of the New Office Building was carried out by the Vendor.

9 ESTIMATED TIME FRAME FOR COMPLETION

Subject to fulfilment of all the condition precedents as set out in the Supplemental Land Acquisition Agreement, the acquisition of the Sale Property and the construction of the New Office Building is expected to be completed by the first quarter of 2012.

10 APPROVALS REQUIRED

Completion is conditional upon:

(a) the approval of the Malaysian Foreign Investment Committee to be obtained by the Purchaser for the acquisition of the Sale Property;

(b) the approval of the shareholders of the Purchaser being obtained for the acquisition of the Sale Property and the construction of the New Office Building from the Vendor;

(c) the approval of the relevant authorities, including but not limited to the fire department, the land office, the local council and all such other regulatory authorities, in respect of:

(i) the issuance of a separate individual issue document of title to the Sale Property; and

(ii) classification of the category of land use as "Industrial" by the relevant authorities;

and the receipt of the original separate individual issue document of title to the Sale Property by the Purchaser's solicitors; and

(d) the approval of the Independent Shareholders at a general meeting in accordance with Chapter 14A of the Listing Rules and Paragraph 10.08 of the Listing Requirements.

The above-mentioned conditions (a) to (d) must be satisfied within forty two (42) months from the date of the Supplemental Land Acquisition Agreement.

11 THE CONNECTED RELATIONSHIP AND DIRECTORS' AND SHAREHOLDERS' INTERESTS

Save as disclosed below, none of the Directors and Major Shareholders and the Vendor and/or persons connected/associates with them has any interest in the acquisition of the Sale Property and the construction of the New Office Building:

(a) TSTHK is a Major Shareholder, with direct and indirect shareholding in the Company and the Vendor. He is also a Director. As such, he is deemed interested in the acquisition of the Sale Property and the construction of the New Office Building. His shareholdings in the Company and the Vendor as at the Latest Practicable Date are as follows:

Name	**Direct in the Company**		**Indirect in the Company (as calculated under the Listing Requirements)**		**Direct in the Vendor**		**Indirect in the Vendor (as calculated under the Listing Requirements)**	
	No. of Shares held	*%*	*No. of Shares held*	*%*	*No. of Shares held*	*%*	*No. of Shares held*	*%*
TSTHK	86,509,058	5.13	798,678,690[1]	47.40	570,000	5.70	8,500,000[3]	85.00
			11,864,747[2]	0.70				

[1] Deemed interested by virtue of his interests in Conch, TSL, Progresif, TTSH, RHS, RHSA, TTSE, PAA, Ezywood and Madigreen.

[2] Deemed interested by virtue of his family's interest.

[3] Deemed interested by virtue of his interests in TTSH, RHS, PAA and RHSA.

(b) Progresif, TTSH and TSL are Major Shareholders of the Company and TTSH is Major Shareholder of the Vendor. They are deemed interested in the acquisition of the Sale Property and the construction of the New Office Building. Their respective shareholdings in the Company and the Vendor as at the Latest Practicable Date are as follows:

Name	Direct in the Company		Indirect in the Company (as calculated under the Listing Requirements)		Direct in the Vendor		Indirect in the Vendor (as calculated under the Listing Requirements)	
	No. of Shares held	*%*	*No. of Shares held*	*%*	*No. of Shares held*	*%*	*No. of Shares held*	*%*
Progresif	326,663,556	19.39	–	–	–	–	–	–
TTSH	–	–	326,663,556[(4)]	19.39	2,000,000	20.00	–	–
TSL	65,319,186	3.88	403,351,877[(5)]	23.94	–	–	6,500,000[(6)]	65.00

(4) Deemed interested by virtue of its interest in Progresif. TTSH is therefore not required to vote at the forthcoming SGM.

(5) Deemed interested by virtue of its interests in Progresif, TTSH, RHSA, RHS, TTSE and Madigreen.

(6) Deemed interested by virtue of its interest in TTSH, RHSA and RHS.

(c) Conch, RHS, RHSA, PAA, TTSE, Ezywood, Madigreen and Seaview Global Company Limited are Shareholders and also persons connected/associates to interested Directors and Major Shareholders ("Interested Persons Connected"). They are deemed interested in the acquisition of the Sale Property and the construction of the New Office Building. Their respective shareholdings in the Company and the Vendor as at the Latest Practicable Date are as follows:

Name	Direct in the Company		Indirect in the Company (as calculated under the Listing Requirements)		Direct in the Vendor		Indirect in the Vendor (as calculated under the Listing Requirements)	
	No. of Shares held	*%*	*No. of Shares held*	*%*	*No. of Shares held*	*%*	*No. of Shares held*	*%*
Conch	252,487,700	14.98	–	–	–	–	–	–
RHS	15,536,696	0.92	–	–	200,000	2.00	–	–
RHSA	6,532,188	0.39	–	–	4,300,000	43.00	–	–
PAA	1,902,432	0.11	74,944,004[(7)]	4.45	2,000,000	20.00	4,500,000[(8)]	45.00
TTSE	1,744,317	0.10	22,068,884[(8)]	1.31	–	–	4,500,000[(8)]	45.00
Ezywood	75,617,495	4.49	–	–	–	–	–	–
Madigreen	52,875,120	3.14	–	–	–	–	–	–
Seaview Global Company Limited	–	–	252,487,700[(9)]	14.98	–	–	–	–

(7) Deemed interested by virtue of its interests in RHSA, RHS and Madigreen.

(8) Deemed interested by virtue of its interests in RHSA and RHS.

(9) Deemed interested by virtue of its interests in Conch. Seaview Global Company Limited is therefore not required to vote at the forthcoming SGM.

(d) Dr TIONG Ik King is a Director and Major Shareholder and a shareholder of the Vendor. He is deemed interested in the acquisition of the Sale Property and the construction of the New Office Building. His shareholdings in the Company and the Vendor as at the Latest Practicable Date are as follows:

Name	Direct in the Company		Indirect in the Company (as calculated under the Listing Requirements)		Direct in the Vendor		Indirect in the Vendor (as calculated under the Listing Requirements)	
	No. of Shares held	*%*	*No. of Shares held*	*%*	*No. of Shares held*	*%*	*No. of Shares held*	*%*
Dr TIONG Ik King	9,406,189	0.56	252,487,700[10]	14.98	300,000	3.00	–	–

(10) Deemed interested by virtue of his interest in Conch.

The interested Directors, namely, TSTHK and Dr TIONG Ik King, have abstained and will continue to abstain from board deliberations and voting on the acquisition of the Sale Property and the construction of the New Office Building in respect of their direct and/or indirect shareholdings at the forthcoming SGM.

The interested Major Shareholders, namely, TSTHK, Progresif and TSL, will abstain from voting on the acquisition of the Sale Property and the construction of the New Office Building in respect of their direct and/or indirect shareholdings at the forthcoming SGM.

The Interested Persons Connected, namely, Conch, RHS, RHSA, PAA, TTSE, Ezywood and Madigreen will abstain from voting on the acquisition of the Sale Property and the construction of the New Office Building in the Company in respect of their direct and/or indirect shareholdings at the forthcoming SGM.

In addition, the aforesaid interested Directors and interested Major Shareholders have also undertaken to ensure that persons connected with them/their associates will abstain from voting on the acquisition of the Sale Property and the construction of the New Office Building at the forthcoming SGM.

Save as aforesaid, none of the other Directors or Major Shareholders or persons connected with them has any interest in the acquisition of the Sale Property and the construction of the New Office Building.

12 IMPLICATIONS UNDER THE LISTING RULES AND LISTING REQUIREMENTS

As the Vendor is a connected person of the Company and since the relevant percentage ratios calculated under Chapter 14A of the Listing Rules in respect of the acquisition of the Sale Property and the construction of the New Office Building are more than 2.5% and the consideration exceeds HK$10 million, the acquisition of the Sale Property and the construction of the New Office Building constitute non-exempt connected transactions and are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Paragraph 10.08 of the Listing Requirements and in view of the interest of certain Directors and Major Shareholders (under the Listing Requirements) of the Company, the acquisition of the Sale Property and the construction of the New Office Building constitute a related party transactions under the Listing Requirements.

The Company has established an Independent Board Committee, comprising all of the independent non-executive Directors, to advise the Independent Shareholders as to whether the terms of the Supplemental Land Acquisition Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Board on 3 July 2008 has also appointed the Independent Financial Advisors to make recommendations to the Independent Board Committee and Independent Shareholders as to whether the terms of the Supplemental Land Acquisition Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole and are on normal commercial terms.

OSK Investment Bank Berhad had on 16 July 2008, confirmed to Bursa Securities on their eligibility to act as the Independent Financial Advisor for the acquisition of the Sale Property and construction of the New Office Building.

A letter containing the recommendation of the Independent Board Committee on the acquisition of the Sale Property and the construction of the New Office Building is set out on page 23 of this circular.

The text of the advice letters of the Independent Financial Advisors is set out on pages 24 to 65 of this circular. You should read the independent advice letters together with this circular carefully before voting on the resolution pertaining to the acquisition of the Sale Property and the construction of the New Office Building to be tabled at the forthcoming SGM.

Upon completion of the acquisition of the Sale Property and the construction of the New Office Building, the existing tenancy agreement between the Vendor as landlord and the Purchaser as tenant will be terminated, and hence it will no longer constitute a continuing connected transaction (which is only subject to reporting and announcement requirements under Chapter 14A of the Listing Rules) or recurrent related party transactions of the Company.

13 GENERAL

Saved for the acquisition of the Sale Property and the construction of the New Office Building, the Company does not have any outstanding proposal announced but pending implementation prior to the printing of the circular.

14 DIRECTORS' RECOMMENDATION

The Independent Board Committee, having considered the advice letters of the Independent Financial Advisors, considers that the Supplemental Land Acquisition Agreement was entered into on normal commercial terms following arm's length negotiations between the parties thereto and that the terms are fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

Save for the Interested Directors, the Board (including the independent non-executive Directors), having taken into consideration of all aspects of the acquisition of the Sale Property and the construction of the New Office Building, is of the opinion that the acquisition of the Sale Property and the construction of the New Office Building is on normal commercial terms which are fair and reasonable and in the best interest of the Company and the Shareholders as a whole. Accordingly save for the Interested Directors, the Board recommends that you vote in favour of the ordinary resolution pertaining to the acquisition of the Sale Property and the construction of the New Office Building at the SGM.

15 SGM

The notice convening the SGM to vote on the ordinary resolution and the form of proxy are enclosed in this circular. The SGM will be held at (i) Sin Chew Media Corporation Berhad, Meeting Hall, Basement 2, Editorial Block, No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia and (ii) 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong on Thursday, 13 November 2008 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, inter alia, the ordinary resolution pertaining to the acquisition of the Sale Property and the construction of the New Office Building as set out in this circular.

16 ACTION TO BE TAKEN

If you are unable to attend and vote in person, you are requested to complete the proxy form enclosed in this circular and deposit it at (i) the Malaysia share registrar office of the Company at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia or (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, not less than 48 hours before the time stipulated for holding the meeting or any adjournment thereof. The lodging of the proxy form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

17 FURTHER INFORMATION

Shareholders are requested to refer to the attached appendices for further information.

Yours faithfully,
On behalf of the Board of
MEDIA CHINESE INTERNATIONAL LIMITED
TIONG Kiew Chiong
Director

MEDIA CHINESE INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)
(Malaysia Company No. 995098-A)
(Hong Kong Stock Code: 685, Malaysia Stock Code: 5090)

20 October 2008

To: The Shareholders

Dear Sir/Madam,

CONNECTED/RELATED PARTY TRANSACTION:

PROPOSED ACQUISITION OF THE SALE PROPERTY BY SIN CHEW MEDIA CORPORATION BERHAD, A WHOLLY-OWNED SUBSIDIARY OF MEDIA CHINESE INTERNATIONAL LIMITED, FROM RIMBUNAN HIJAU ESTATE SDN BHD FOR A CASH CONSIDERATION OF RM37,000,000 AND THE REIMBURSEMENT OF THE COST OF CONSTRUCTING THE NEW OFFICE BUILDING OF APPROXIMATELY RM5,000,000

INTRODUCTION

We refer to the circular of the Company dated 20 October 2008 (the "Circular"), of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the circular.

We have been appointed by the Board to advise you on the terms of the Supplemental Land Acquisition Agreement and the transactions contemplated thereunder. OSK Investment Bank Berhad in Malaysia and OSK Asia Capital Limited in Hong Kong have been appointed as the Independent Financial Advisors to advise you and us in this regard. Details of their advice, together with the principal factors and reasons they have taken into consideration in giving such advice, are set out on pages 24 to 65 of the Circular. Your attention is also drawn to the letter from the Board in the Circular and the additional information set out in the appendices thereto.

RECOMMENDATION

Having considered the terms of the Supplemental Land Acquisition Agreement and the transactions contemplated thereunder and taking into account the independent advice of the Independent Financial Advisors, in particular the principal factors, reasons and recommendation as set out in their letter on pages 24 to 65 of the Circular, we consider that (i) the terms of the Supplemental Land Acquisition Agreement and the transactions contemplated thereunder are normal commercial terms and are fair and reasonable in so far as the Independent Shareholders are concerned; and (ii) the entering into of the Supplemental Land Acquisition Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that you vote in favour of the ordinary resolution to be tabled at the SGM to approve the Supplemental Land Acquisition Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr David YU Hon To
Tan Sri Dato' LAU Yin Pin

Mr Victor YANG
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH

The following is the full text of a letter from OSK Investment Bank Berhad in Malaysia, one of the Independent Financial Advisors to the Independent Board Committee and the Independent Shareholders in connection with the Supplemental Land Acquisition Agreement, which has been prepared for the purpose of incorporation into this circular.

OSK

OSK Investment Bank Berhad (14152-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

20 October 2008

To: The Independent Shareholders of Media Chinese International Limited

Dear Sir/Madam,

CONNECTED/RELATED PARTY TRANSACTION: ACQUISITION BY SIN CHEW MEDIA CORPORATION BERHAD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, OF A PORTION OF A LEASEHOLD LAND HELD UNDER MASTER TITLE NO. PN 3694, LOT NO. 50, SECTION 13, TOWN OF PETALING JAYA, DISTRICT OF PETALING, STATE OF SELANGOR DARUL EHSAN MEASURING APPROXIMATELY 11,907.09 SQUARE METRES IN AREA TOGETHER WITH THE BUILDINGS ERECTED AND TO BE ERECTED THEREON AND BEARING THE POSTAL ADDRESS NO. 19, JALAN SEMANGAT, 46200 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA FROM RIMBUNAN HIJAU ESTATE SDN BHD, FOR A TOTAL PURCHASE CONSIDERATION OF RM37,000,000 AND THE ADDITIONAL BUILDING COST ("TRANSACTIONS")

1. INTRODUCTION

On 14 July 2008, the Company announced that the Purchaser had entered into the Land Acquisition Agreement with the Vendor pursuant to which the Purchaser conditionally agreed to acquire the Land for a cash consideration of RM46,000,000.

Subsequently on 11 September 2008, the Company announced that on even date, the Vendor and the Purchaser had entered into the Supplemental Land Acquisition Agreement pursuant to which the Purchaser conditionally agreed to acquire from the Vendor the Sale Property for a cash consideration of RM37,000,000 together with an undertaking to reimburse the Vendor for the cost of the construction of the New Office Building which is estimated to be RM5,000,000. Unless otherwise stated, the Land Acquisition Agreement has been superseded by the Supplemental Land Acquisition Agreement in entirety.

In view of the interests of certain Directors and/or major shareholders and/or persons connected to the certain Directors and/or major shareholders of the Group in connection with the Transactions as disclosed in Section 11 of the letter from the Board in the circular to Shareholders dated 20 October 2008 ("Circular"), the Transactions would be regarded as a related party transaction under paragraph 10.08 of the Listing Requirements. Further details of the interested parties are set out in Section 11 of the letter from the Board.

Accordingly, pursuant to paragraph 10.08(3) of the Listing Requirements, OSK Investment Bank Berhad ("OSK") has been appointed by MCIL on 3 July 2008 to act as the Independent Adviser ("IA") to the independent shareholders of the Company. OSK had, on 16 July 2008 confirmed to Bursa Securities on its eligibility to act as the IA in relation to the Transactions.

The purpose of this IAL is to provide the independent shareholders of MCIL with information on the Transactions, our independent evaluation on the terms and conditions of the Transactions together with our recommendation thereon, subject to the scope of our role and evaluation specified herein.

INDEPENDENT SHAREHOLDERS OF MCIL ARE ADVISED TO READ BOTH THIS IAL AND THE CIRCULAR TOGETHER WITH THE APPENDICES AND TO CONSIDER CAREFULLY THE EVALUATION AND INFORMATION CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE TRANSACTIONS AT THE FORTHCOMING SGM.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. LIMITATIONS TO THE EVALUATION OF THE TRANSACTIONS

OSK was not involved in any of the negotiations or discussions on the terms and conditions of the Transactions. OSK's evaluation of the Transactions was based on the information contained in the Circular, information and documents furnished to us by the management and representatives of the Company including the Land Acquisition Agreement and the Supplemental Land Acquisition Agreement ("Land Acquisition Agreements") dated 14 July 2008 and 11 September 2008 respectively, the valuation report dated 21 August 2008 from the Land Valuer and other publicly available information as well as discussions with the Directors and management of the Company. We have not, however, independently verified such information.

Nonetheless, we have obtained confirmation from the Board that they individually and collectively accept full responsibility for the accuracy of the information herein and confirm that after making all reasonable enquiries, and to the best of their knowledge and belief, all information relevant to our evaluation of the Transactions has been disclosed to us and there is no omission of any material fact which would make any information disclosed to us false or misleading.

We have not undertaken any independent investigation into the business and affairs of the Group. In our review, analysis and in formulating our advice, we have relied on the reasonableness, accuracy and completeness of the financial and other information provided to us by the Company. In rendering our advice, we have taken note of pertinent issues which we believe are of general importance to an assessment of the implication of the Transactions and therefore of concern to the independent shareholders of MCIL.

We have not taken into consideration any specific investment objective, financial situation or particular needs of any individual shareholder or any specific group of shareholders. We recommend that any individual shareholder or group of shareholders who may require advice in relation to the Transactions in the context of their individual objectives, financial situation and particular situation, to consult their stockbroker, bank manager, accountant or other professional adviser. We shall not be liable for any damage or loss of any kind sustained or suffered by any individual shareholder or group of shareholders in reliance on the opinions and/or information stated herein for any purpose whatsoever which is particular to any individual shareholder or group of shareholders.

OSK, as the IA, has evaluated the Transactions and has considered various factors which we believe are critical in forming an opinion on the fairness and reasonableness of the Transactions.

3. DETAILS OF THE TRANSACTIONS

Details of the Transactions are set out in Section 2 of the letter from the Board, which should be read in its entirety.

4. EVALUATION OF THE TRANSACTIONS

We have taken into consideration the following factors in our evaluation of the Transactions:

(i) rationale for the Transactions;

(ii) evaluation of the Purchase Price and the Additional Building Cost;

(iii) principal terms of the Supplemental Land Acquisition Agreement;

(iv) financial effects of the Transactions;

(v) risk factors; and

(vi) economic and industry outlook, and the prospects of MCIL.

We set out in the following sections, the details of our evaluation of the Transactions.

4.1 Rationale for the Transactions

We take note of the disclosures made under Section 8 of the letter from the Board on the rationale for the Transactions.

As set out in the letter from the Board, the Purchaser has been leasing the Sale Property from the Vendor pursuant to a tenancy agreement for a term of three years from 2 March 2007 to 1 March 2010 at a monthly rental of RM300,000. The Group has based some of its operations at the Sale Property since 1966 and has also built its printing plant on the piece of land adjoining the Sale Property. The Company considers that the Sale Property is easily accessible and is centrally located in the prime area of Petaling Jaya, Selangor Darul Ehsan, Malaysia and as such is functioning as an effective distribution centre for the Purchaser's publications. The Company also considers that speed of product delivery is crucial to the newspaper industry, and thus securing a property in the vicinity of the market centre would be an asset to the Purchaser's business as it facilitates expedient delivery of its products to customers.

We understand that the Company is expected to enjoy annual gross rental savings of RM3,600,000, based on the present annual rental rate payable under the existing tenancy agreement in respect of the lease from the Vendor for the use of the premises currently erected on the Sale Property.

The Purchase Price and the Additional Building Cost is payable in cash from the Company's internally generated funds. For illustrative purposes only, we set out the calculation of the indicative interest income that can be derived from placing an equivalent amount of cash as the Purchase Price and the Additional Building Cost (which is estimated by the Company to be RM5,000,000) into a fixed deposit which is generally considered to be a safe income generating source:

	RM
Placing the Purchase Price of RM37,000,000 and the Additional Building Cost (which is estimated by the Company to be RM5,000,000) into twelve (12) months fixed deposit to earn interest income at 3.7%* per annum	1,554,000

Note:–

* Based on the twelve (12) months fixed deposit rate as quoted by Malayan Banking Berhad (www.maybank2u.com.my) with effect from 30 March 2007.

Based on the above, we conclude that the annual rental savings which may be enjoyed by the Group under the Transactions are higher than the interest income, which the Group may earn if it places the amount of the Purchase Price and the Additional Building Cost into a fixed deposit account at the current interest rates. As such, the Group would be in a better financial position if it acquired the Sale Property rather than placing an equivalent amount of funds into an income generating fixed deposit account.

The Transactions provide an opportunity to the Company to own its property, thus helping to remove the risk of possible future upward rental revisions and non-renewal of tenancy upon expiry. We understand from the Land Valuer that the industrial area, where the Sale Property located, has been proposed for re-zoning into a limited commercial area. Under such circumstances, the rental rates of the Sale Property may increase in future. Whilst, under the terms of the present tenancy agreement, the rental rates for the Sale Property is only subject to re-negotiation after 1 March 2010, any possible upward revisions of rental rates and/or non-renewal of the tenancy can adversely affect the profitability and operating efficiency of the Group. By acquiring the Sale Property, the Group is able to exercise better control of its outlays.

The present business of the Group is the result of the merger of SCMCB, Nanyang Press Holdings Berhad and Ming Pao Enterprise Corporation Limited to form the Group. As stated in the letter from the Board, the Group will be able to fully consolidate some of its back office and administrative functions into a single location by developing the New Office Building, thus enabling the Group to operate in a more efficient and effective manner.

The Directors also consider that the Transactions would also allow the Company to benefit from possible future capital appreciation in the value of the Sale Property in the long term as the Sale Property is located in a prime area in Petaling Jaya, Selangor Darul Ehsan, Malaysia. Based on the valuation report issued by the Land Valuer dated 21 August 2008, the Sale Property is located in an industrial area, which is currently under study for change of zoning to limited commercial use, comprising a combination of office, warehouse and showroom.

Under the circumstances mentioned above, there is a possibility that the value of the Sale Property may appreciate further if the designated use of the Sale Property can be changed from industrial to limited commercial.

As set out in the letter from the Board, one of the Company's strategies is to create synergy by consolidating the resources and to unlock the intrinsic value of the Group's assets. As such, the Board is of the opinion that the acquisition of the Sale Property and the construction of the New Office Building is in line with the Company's business strategies and is expected to enhance the business operations of the Company. The Sale Property is adjacent to the piece of land currently owned by the Purchaser and there is a possibility for the Company to unlock the value of this asset through re-development of the combined land in the future.

Premised on our evaluation above, we are of the view that the rationale for the Transactions is fair and reasonable and is in the best interests of the Company and its shareholders as a whole.

4.2 Evaluation of the Purchase Price and the Additional Building Cost

We note from Section 2.5 of the letter from the Board, the Purchase Price for the Transactions was arrived at after arm's length negotiations, on a "willing buyer willing seller" basis, between the Vendor and the Purchaser with reference to the valuation on the Sale Property (not including the New Office Building currently under construction) (the "Existing Properties") of RM37,000,000 dated 21 August 2008 as carried out by an independent property valuer, the Land Valuer, based on the appraisal undertaken by the said valuer using the following methods:–

(i) Comparison Method

The comparison method approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by adjustments made for differences in factors that affect value. In general, a property being valued is compared with sales of similar properties that have been transacted in the open market. Listings and offers may also be considered.

(ii) Investment Method

The investment method considers income and expense data relating to the subject property being valued and estimates value through a capitalisation process. Capitalisation relates income (usually a net income figure) and a defined value type by converting and income amount into an estimated value. This process may consider direct relationships (known as capitalisation rates), yield or discount rates (reflecting measures of return on investment), or both. In general, the principle of substitution holds that the income stream which produces the highest return commensurate with a given level of risk leads to the most probable value figure.

(iii) Cost Method

The cost method considers the possibility that, as a substitute for the purchase of a given property, one could construct another property that is either a replica of the original or one that could furnish equal utility. In a real estate context, one would normally not be justified in paying more for a given property than the cost of acquiring equivalent land and constructing an alternative structure, unless undue time, inconvenience, and risk are involved. In practice, the approach also involves an estimate of depreciation for older and/or less functional properties where an estimate of cost of new properties unreasonably exceeds the likely price that would be paid for the appraised property. The value of the land component of the Existing Properties was arrived at using the comparison method and the value of the building component of the Existing Properties was arrived at using the cost method.

In determining the market value of the Existing Properties, the Land Valuer had taken into consideration, amongst other factors, the following comparable sales in the immediate vicinity of the Existing Properties:–

No.	Address	Land Area (m^2)	Transfer price (RM)	Date of transfer	Unit value RM/m^2
1.	No. 110, Jalan Semangat 46300 Petaling Jaya Selangor Darul Ehsan	4,035.58	12,430,000	28 February 2008	3,080.10
2.	No. 9, Jalan Bersatu 13/4 Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan	8,951.94	15,000,000	30 October 2007	1,675.61
3.	No. 76, Jalan Universiti Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan	21,050.03	43,034,620	19 October 2007	2,044.40
4.	No. 7, Jalan Semangat Seksyen 13 Petaling Jaya Selangor Darul Ehsan	3,017.86	8,600,000	27 April 2007	2,849.70
				Average	2,412.45

(Source: Valuation report prepared by the Land Valuer dated 21 August 2008)

For the purposes of evaluating the fairness and reasonableness of the Purchase Price, we compared the market value per m^2 of the Existing Properties with the average transfer price per m^2 of the comparable sales within the same vicinity as appraised by the Land Valuer. Our findings are as follows:

	Market value per m^2 (RM)	**Premium over the average transfer price per m^2 of the comparable transactions**	**Premium over the average transfer price per m^2 of the most recent comparable transaction**
Existing Properties	3,107.39	28.81%	0.89%

Based on our evaluation above, we note that the market value per m^2 of the Existing Properties is very close to that of the most recent comparable transaction.

Whilst we note that the Existing Properties is being transacted at a premium to the average transfer price per m^2, we also note that in the valuation report with regards to the location and neighbourhood of the Existing Properties:-

"The subject property (the Existing Properties) is a corner lot with dual frontages, fronting onto Jalan Universiti and Jalan Semangat. It is easily accessible from the Kuala Lumpur city centre via Jalan Syed Putra, Federal Highway, exiting onto Jalan Universiti and Jalan Semangat. Alternatively, it is also accessible via the Sprint Highway, Jalan Dato Abu Bakar and the above-mentioned roads, all being well maintained metalled roads."

We understand that the Company is of the view that the Transactions will allow the Company to benefit from possible future capital appreciation in the value of the Sale Property in the long term, as the Sale Property is located in a prime area with good access.

The Company has confirmed that the Existing Properties are being entirely leased and utilised by the Purchaser and the Sale Property has more built-up area than the comparable properties have.

In addition, the Sale Property is located in an industrial area, which is currently under study for change of zoning to limited commercial use, comprising a combination of office, warehouse and showroom. The Land Valuer is of the view that there is a possibility that the value of the Sale Property may appreciate if the use of the Sale Property can be changed from industrial to limited commercial.

Based on the valuation of the Existing Properties, the above factors, including the location of the Sale Property and the utilisation of the built-up area of the Sale Property, as well as the transfer price per square metre of the most recent comparable transaction, we are of the view that the Purchase Price, which is equivalent to the valuation of the

Existing Properties (the applicable per square metre of which represents (i) a small premium of 0.89% over the transfer price per square metre of the most recent comparable transaction, and (ii) a premium of 28.81% over the average transfer price per square metre of the comparable transactions), is fair and reasonable.

We understand from the Company that the Purchaser requested the Vendor to construct the New Office Building and agreed to reimburse the Vendor the Additional Building Cost which the Company has estimated to be approximately RM5,000,000. We also understand from the Company that the Vendor has contracted an independent third party to carry out the construction work of the New Office Building. The Additional Building Cost payable in respect of the construction of the New Office Building is firstly to be borne by the Vendor, and will subsequently be reimbursed by the Purchaser upon completion of the Transactions. The exact amount of the Additional Building Cost equals the actual cost paid or payable by the Vendor for erecting the New Office Building as supported by documentary evidence. Given that the New Office Building is being constructed at the request of the Purchaser, the valuation of the Existing Properties does not include any value which may be attributable to the New Office Building and that the ownership of the New Office Building will be passed to the Purchaser under the Transactions. We consider the reimbursement of the Additional Building Cost by the Group to the Vendor on an actual cost basis fair and reasonable.

4.3 Principal Terms of the Supplemental Land Acquisition Agreement

4.3.1 Conditions Precedent to the Supplemental Land Acquisition Agreement

Completion of the Supplemental Land Acquisition Agreement is conditional upon the fulfillment or waiver of the following conditions and shall take place within three months or such other date as the parties may agree in writing after all the conditions below are fulfilled and the Balance Purchase Price, together with any applicable interest, has been paid to the Purchaser's solicitors:

a) the approval of the Malaysian Foreign Investment Committee to be obtained by the Purchaser for the acquisition of the Sale Property;

b) the approval of the shareholders of the Purchaser being obtained for the acquisition of the Sale Property and the construction of the New Office Building from the Vendor;

c) the approval of the relevant authorities, including but not limited to the fire department, the land office, the local council and all such other regulatory authorities, in respect of:

    (i) the issuance of a separate individual issue document of title to the Sale Property;

(ii) classification of the category of land use as "Industrial" by the relevant authorities;

and the receipt of the original separate individual issue document of title to the Sale Property by the Purchaser's solicitors; and

d) the approval of the Independent Shareholders being obtained in a general meeting in accordance with Chapter 14A of the Listing Rules.

In the event that any or all of the conditions stated above are not fulfilled or waived, within forty two (42) months from the date of the Supplemental Land Acquisition Agreement, the Supplemental Land Acquisition Agreement shall lapse and cease to have effect.

4.3.2 Salient Terms of the Supplemental Land Acquisition Agreement

We consider the following salient terms of the Supplemental Land Acquisition Agreement as a whole fair and reasonable with our comments stated next to each of the salient terms as extracted from Section 3 of the letter from the Board headed "Salient Features of the Supplemental Land Acquisition Agreement".

	Provisions in the Supplemental Land Acquisition Agreement	**Our Comments**
1.	The Sale Property shall be acquired free from all encumbrances on an "as is where is" basis subject to the conditions and restrictions in interest as imposed in the issue document of title of the Land.	This term sets out that the Vendor must remove any existing encumbrances at its own cost and expense. The Purchaser's solicitors are also authorised by the Vendor to utilise the Balance Purchase Price to remove the said encumbrance for and on behalf of the Vendor as set out in 3 below.
2.	The Sale Property forms part of the Land. The Vendor is required to submit an application to the relevant authorities to sub-divide the Land such that the Sale Property is issued with an individual issue document of title.	We note that the Sale Property forms part of the Land. This term sets out that it is the responsibility of the Vendor to subdivide the Land into two parcels at its own cost and expense, which is essential for the Transactions to complete.

Provisions in the Supplemental Land Acquisition Agreement	Our Comments
3. The terms of payment for the Consideration are as follows: (a) RM4,600,000, being 10% of the consideration of the Land Acquisition Agreement ("the Deposit"), was paid to the Vendor on the execution the Land Acquisition Agreement on 14 July 2008; and (b) The Balance Purchase Price will be paid to the Purchaser's solicitor as stakeholder on or before the completion date of the Supplemental Land Acquisition Agreement to be dealt with in accordance with items below whereupon the Purchaser shall be deemed to have discharged in full the Purchaser's obligations to pay the Balance Purchase Price to the Vendor.	We note that the Deposit has already been paid to the Vendor pursuant to the terms of the Land Acquisition Agreement, being the predecessor of the Supplemental Land Acquisition Agreement. Purchaser is entitled to a refund from the Vendor if completion of the Supplemental Land Acquisition Agreement does not take place subject to the terms summarised in 5 below where the Purchaser breaches the Supplemental Land Acquisition Agreement and in 6 below where the Vendor breaches the Supplemental Land Acquisition Agreement.
The Vendor will be responsible for removing the existing encumbrance of the Property prior to the submission to the authorities for sub-division of the master title. The Vendor will at its best endeavour and at its own cost and expense procure that the discharge of charge in respect of the existing encumbrance be presented at the relevant land office within sixty (60) days from the date of the Supplemental Land Acquisition Agreement or any extension thereof to be agreed by the parties. The Purchaser and the Vendor expressly agree and the Purchaser's solicitor is expressly authorised by the parties to utilise and deal with the Balance Purchase Price upon receipt of the same in the following manner and priority: (a) firstly, subject to the terms in the Supplemental Land Acquisition Agreement, to settle for and on behalf of the Vendor all sums payable for the purposes of discharging all encumbrances and caveats (if any) over the Sale Property; (b) secondly, towards payment of all fees, charges, expenses and other payments, if any, payable by the Vendor by virtue of the Supplemental Land Acquisition Agreement; and (c) lastly, and subject to the terms in the Supplemental Land Acquisition Agreement, to release the remaining balance to the Vendor fourteen (14) business days after the instrument of transfer in favour of the Purchaser and all other relevant documents have been presented for registration at the appropriate land office/registry.	These terms help facilitate that encumbrances in relation to the Sale Property will be removed before completion of the Supplemental Land Acquisition Agreement at the Vendor's cost and expense.

	Provisions in the Supplemental Land Acquisition Agreement	Our Comments
4.	The Vendor will deliver legal possession of the Sale Property to the Purchaser on the date of full payment of the Balance Purchase Price and interest (if applicable) (the "Completion Date").	We note that interest is payable at the rate of 8% per annum calculated daily from the first day of the fourth month after the date that when the Supplemental Land Acquisition Agreement has become unconditional up to the date that legal possession of the Sale Property is delivered to the Purchaser. We understand from the Company that it intends to pay the remaining consideration within the first three months after the Supplemental Land Acquisition Agreement has become unconditional and the Transactions will be settled by the internal resources of the Group. Accordingly, no additional interest expense shall incurred by the Group in relation to the Transactions.
5.	In the event that the Purchaser: (a) fails to pay the Balance Purchase Price in accordance with the provisions of the Supplemental Land Acquisition Agreement; or	These terms specify the Vendor's rights in the event that the Purchaser breaches the Supplemental Land Acquisition Agreement.
	(b) fails to observe or perform or otherwise be in breach of any of the material provisions of the Supplemental Land Acquisition Agreement or the material warranties and representations or the instrument of transfer is not accepted or is rejected for registration or is not registered for any reason whatsoever due to the default, wilful neglect, omission or blameworthy conduct on the part of the Purchaser, and such failure or breach or reason for non-registration is not remedied by the Purchaser within fourteen (14) days after the Vendor has given written notice to it to remedy such failure or breach;	Part of the Deposit amounting to RM3,600,000 will be forfeited by the Vendor as in the case of breaches by the Purchaser.

Provisions in the Supplemental Land Acquisition Agreement	Our Comments
and provided that the Vendor is not in breach of any of the provisions of the Supplemental Land Acquisition Agreement, the Vendor will be entitled, at the cost and expense of the Purchaser, and at the Vendor's sole discretion to terminate the Supplemental Land Acquisition Agreement at any time by giving a written notice to the Purchaser. Upon termination of the Supplemental Land Acquisition Agreement, the Vendor is entitled to forfeit the sum of RM3,600,000 as agreed liquidated damages whereupon the Purchaser must, at its own cost and expense, within fourteen (14) days from the date of receiving the termination notice from the Vendor: (a) immediately remove all encumbrances and caveats, if any, on the Sale Property attributable to the Purchaser; and (b) return to the Vendor all documents delivered by the Vendor to the Purchaser and/or the Purchaser's solicitors under the provisions of the Supplemental Land Acquisition Agreement with the Vendor's interest in the Sale Property remaining intact; in exchange for the refund by the Vendor to the Purchaser of all moneys (save and except for the sum of RM3,600,000) paid towards account of the Consideration without any interest being payable whereupon the Supplemental Land Acquisition Agreement will terminate and cease to be of any further effect.	
6. In the event that: (a) the Vendor fails to observe or perform or otherwise is in breach of any of the material provision of the Supplemental Land Acquisition Agreement; or (b) any of the material representations or warranties of the Vendor is incorrect or inaccurate or misleading in any respect; or (c) the instrument of transfer is not accepted or is rejected for registration or is not registered for any reason whatsoever due to the default, wilful neglect, omission or blameworthy conduct on the part of the Vendor,	These terms meant to protect the Purchaser's rights in the event that the Vendor breaches the Supplemental Land Acquisition Agreement. Similar to the right of the Vendor, the Purchaser is entitled to liquidated damages of RM3,600,000 in the case where the Vendor breaches the Supplemental Land Acquisition Agreement.

Provisions in the Supplemental Land Acquisition Agreement	Our Comments
and such failure or breach or reason for non-registration is not remedied by the Vendor within fourteen (14) days after the Purchaser has given written notice to the Vendor to remedy such failure or breach, provided always that the Purchaser is not in breach of any provision of the Supplemental Land Acquisition Agreement, the Purchaser will be entitled, at the cost and expense of the Vendor, and at the Purchaser's sole discretion to the following remedies: (i) to the remedy of specific performance of the Supplemental Land Acquisition Agreement against the Vendor; or (ii) to terminate the Supplemental Land Acquisition Agreement at any time by giving a written notice to the Vendor and upon such termination, the Vendor must within fourteen (14) days from the date of receiving the termination notice refund or caused to be refunded to the Purchaser all moneys including the Deposit paid towards account of the Consideration without any interest being payable together with a further sum equivalent to the sum of RM3,600,000 as agreed liquidated damages in exchange for: (aa) the immediate removal of all encumbrances and caveats, if any, on the Sale Property attributable to the Purchaser; and (bb) the return to the Vendor of all documents delivered by the Vendor to the Purchaser and/or the Purchaser's solicitors under the provisions of the Supplemental Land Acquisition Agreement with the Vendor's interest in the Sale Property remaining intact; whereupon the Supplemental Land Acquisition Agreement will terminate and cease to be of any further effect.	

	Provisions in the Supplemental Land Acquisition Agreement	Our Comments
7.	In the event that the instrument of transfer is not accepted or is rejected for registration or is not registered for any reason whatsoever, save and except where there is any default, wilful neglect, omission or blameworthy conduct on the part of any party, each party will use its best endeavours: (a) to ascertain the cause or reason for such non-acceptance or rejection or non-registration, as the case may be; (b) to rectify, remedy and/or overcome such cause or reason; and (c) to cause the instrument of transfer to be accepted for registration and/or registered; and in the event that such cause or reason cannot be or is not rectified, remedied and/or overcome within a period of two (2) weeks from the date of such non-acceptance or rejection or non-registration is made known to the Purchaser, or such other extended period as may be agreed by the Purchaser, a termination event will occur where the Purchaser may elect to terminate the Supplemental Land Acquisition Agreement in accordance with the terms of the Supplemental Land Acquisition Agreement below: Upon the Purchaser electing to terminate the Supplemental Land Acquisition Agreement, the Purchaser will at the Purchaser's own cost and expense: (a) remove all encumbrances and/or caveat, if any, on the Sale Property attributable to the Purchaser; and (b) return to the Vendor all documents delivered by the Vendor to the Purchaser and/or the Purchaser's solicitors under the provisions of the Supplemental Land Acquisition Agreement with the Vendor's interest in the Sale Property remaining intact; in exchange for the refund by the Vendor to the Purchaser of all moneys paid towards account of the Consideration (including the Deposit) without interest, which refund must in any event be made within fourteen (14) days from the date of the Purchaser electing to terminate the Supplemental Land Acquisition Agreement whereupon the Supplemental Land Acquisition Agreement shall terminate and cease to be of any further effect.	These terms set out that both parties to the Supplemental Land Acquisition Agreement will endeavour to complete the Transactions in the event of non-registration of the instrument of transfer. These terms also provide a right and flexibility to the Purchaser to terminate the Supplemental Land Acquisition Agreement under the circumstances that any issues in respect of the non-registration of the instrument of transfer could not be resolved within an agreed period of time.

	Provisions in the Supplemental Land Acquisition Agreement	Our Comments
8.	It is mutually agreed by the parties that risk to the Sale Property will only pass to the Purchaser on the date of delivery of legal possession of the Sale Property by the Vendor in accordance with the terms of the Supplemental Land Acquisition Agreement.	We consider it reasonable for the Purchaser to accept full responsibility of any risks associated with holding the Sale Property after legal title of the Sale Property has been passed to it.
	In the event that the Sale Property or any part of it is at any time before the Completion Date damaged or destroyed by fire or any other causes and has not been repaired or is not under repair by the Vendor so that it is reinstated to its previous state and condition, then the Purchaser will be entitled to terminate the Supplemental Land Acquisition Agreement by giving notice in writing to that effect to the Vendor.	These terms provide the Purchaser's rights to terminate the Supplemental Land Acquisition Agreement if the Sale Property is destroyed prior to the Completion Date where the Purchaser will not be able to make use of the Sale Property.
9.	All quit rent, rates, assessments, service charges and other outgoings payable in respect of the Sale Property will be apportioned between the parties as at the Completion Date provided always that the Vendor indemnifies the Purchaser against any non-payment, loss or penalty which may be imposed by the relevant authority in respect of any late or non-payment of such payments for the period prior to the Completion Date.	This term helps define that it is the responsibility of the Vendor for any unpaid quit rent, assessment and rate taxes and other outgoings in respect of the Sale Property, which is accrued prior to the Completion Date.
10.	The Vendor has begun construction of the New Office Building within the Sale Property in accordance with the Purchaser's requirements. The Vendor will be responsible for the cost and expenses incurred in the construction of the New Office Building.	This term meant to define the responsibilities relating to the construction of the New Office Building. This term reflects that the construction of the New Office Building is in accordance with the Purchaser's instruction and requirements, whilst the cost and expenses incurred in the construction of the same are to be firstly borne by the Vendor. The Vendor has begun the construction work and contracted an independent third party for the construction of the New Office Building. We consider this term fair and reasonable, as it will help ensure smooth continuing construction of the New Office Building.

After evaluating the salient terms above, we are of the view that the terms are generally fair and reasonable as far as the MCIL Group's interests are concerned and the terms are not detrimental to the independent shareholders of the Company.

4.4 Financial Effects of the Transactions

In our evaluation, we have also considered the financial effects arising from the Transactions as disclosed in Section 5 of the letter from the Board as follows:–

4.4.1 Share capital and substantial shareholders' shareholdings

The Transactions will not have any effect on the Company's issued and paid-up share capital or shareholdings of the substantial shareholders as the Transactions do not involve any issuance of shares.

4.4.2 Net assets and Earnings Per Share

We understand from the Company that the Sale Property will be accounted for at cost in the Company's consolidated balance sheet as fixed assets after completion of the Supplemental Land Acquisition Agreement.

The Company states that (i) the Transactions will not have any material effect on the consolidated net assets or earnings per share of the Company for the financial year ending 31 March 2009; and (ii) the Transactions may contribute to the long term profitability of the Group.

4.4.3 Gearing

The Transactions are not expected to have any immediate material effect on the gearing of the Group as the consideration will be funded by the Group's internally available funds.

As set out earlier in this IAL, the Transactions will allow the Group to save the rental payment in respect of the use of the Sale Property. The Directors also believe that the Transactions will benefit the Group by giving the Group additional flexibility in its future expansion and further integration.

4.5 Risk factors

In evaluating the Transactions, the independent shareholders of MCIL should carefully consider the risk factors disclosed under Section 6 of the letter from the Board and the risk factor below:

4.5.1 Property investment risk

Upon completion of the Transactions, the MCIL Group will be exposed to certain risks inherent in property investment such as changes in rental rates, competition from other surrounding commercial properties, collection risks, increasing maintenance costs as well as undertaking renovations that necessitate capital outlay as the properties age.

4.6 Overview and Future Prospects

4.6.1 Overview and future prospects of the Malaysian economy

The Malaysian economy registered a growth of 6.3% (1Q 2008: 7.1%) in the second quarter of 2008. Growth was supported by strong external demand while domestic demand expanded at a more moderate pace. Growth in domestic demand moderated but remained strong at 7.8% in the second quarter (1Q 2008: 10%). Private consumption increased by 9% (1Q 2008: 11.7%) in an environment of higher consumer prices and softer consumer sentiment. Higher expenditure on emoluments, defence, supplies and services supported the growth in public spending at 7.1% (1Q 2008: 10.5%). Investment activity was sustained at 5.6% (1Q 2008: 6%), supported by continued inflow of foreign direct investment ("FDI"), mainly into the services and manufacturing sectors, and higher development expenditure by the government.

The services sector expanded by 7.6% (1Q 2008: 7.9%), led by strong growth in the wholesale and retail trade, and favourable performance in the communication, transport and storage; and finance and insurance sub-sectors. The manufacturing sector registered a 5.6% growth (1Q 2008: 7%), led by domestic-oriented industries, particularly transport equipment, food and construction-related industries. Export-oriented industries grew at a more moderate rate due mainly to lower output in the computers and parts and decline in production of petroleum and chemical industries. Meanwhile, selected resource-based industries such as off-estate processing and rubber products continued to lend support to export-oriented industries. Growth in the agriculture sector (5.9%, 1Q 2008: 6.3%) was underpinned by double-digit expansion in crude palm oil production. The construction sector grew at a moderate pace (3.9%, 1Q 2008: 5.3%) amidst the rising cost of building materials. Meanwhile, the mining sector contracted slightly due to lower output of natural gas.

The Consumer Price Index ("CPI"), rose to 4.8% in the second quarter (1Q 2008: 2.6%). The higher inflation during the quarter reflected the higher retail prices for petrol and diesel following the subsidy restructuring on 4 June 2008, as well as higher food prices. Headline inflation is expected to remain at elevated levels from June 2008, before beginning to moderate towards the middle of 2009.

On the external front, the trade balance registered a record surplus of RM40.8 billion (1Q 2008: RM26.8 billion) in the second quarter supported by strong commodities and resource-based manufacturing exports. Gross exports grew strongly by 20.8%, due mainly to continued strong growth in agriculture and mineral exports, benefiting mainly from higher commodity prices. Gross imports increased by 9.8% in the second quarter, reflecting stronger growth in all categories of imports. Strong growth of 21.1% in consumption imports reflected mainly continued consumption activities and high prices for processed food and beverages.

Gross inflows of FDI, increased to RM12.2 billion (1Q 2008: RM7.1 billion). The FDI inflows were mainly directed into the services, manufacturing, and oil and gas sectors. Overseas investment by Malaysian companies recorded a net outflow of RM3.5 billion (1Q 2008: -RM6.6 billion) reflecting sustained investments in the manufacturing and services sectors.

Going forward, the international economic and financial environment is expected to be more challenging. Global growth is projected to weaken further with a more protracted slowdown in a number of the developed economies and some moderation in growth in the emerging economies. While commodity and energy prices have experienced some correction in response to signs of slower global growth, prices remain elevated. Meanwhile, the international financial markets continue to remain fragile.

The domestic economy will be affected by these external developments. In addition, the impact of rising commodity and fuel prices and costs will continue to have a deflationary impact on domestic demand, as well as affecting consumer and business sentiments. Given these increased external uncertainties, growth is expected to moderate in the second half of the year.

(Source: Bank Negara quarterly bulletin for the second quarter of 2008)

4.6.2 Overview of the Hong Kong economy

After a prolonged period of strong economic expansion, the Hong Kong economy recorded a moderate growth in the second quarter of 2008, which was largely in line with the average annual growth pace over the past decade. The gross domestic product ("GDP") grew by 4.2% in the second quarter of 2008 over a year earlier. This followed the vibrant growth of 7.3% in the first quarter. The moderation in growth reflected the strong headwinds from the slowing growth in the advanced economies and lingering financial market turbulence, which had increasingly posed a drag on the economic growth of the region, including that of Hong Kong.

Total exports of goods grew by 4.4% in real terms in the second quarter, moderated from the growth of 8.3% in the first quarter. The demand from the Mainland and other emerging economies, which held firm during most of the second quarter, as well as the continued expansion in the European Union ("EU") economy, provided the major support. The earlier weakness of the US dollar, and hence the Hong Kong dollar, against other major currencies also helped to sustain the price competitiveness of Hong Kong's exports to such markets as the EU and some emerging market economies. Exports of services grew further by 7.1% in the second quarter, though less robust than the 10.2% growth in the first quarter. There was further expansion in offshore trade and inbound tourism, but the impact on financial service activities due to the ongoing turbulence in the global financial markets had become more evident.

Domestic demand also showed a slower growth in the second quarter. The growth of consumption spending moderated after a long period of exceptionally strong performance. While the firm labour market remained a supportive factor, the stock market correction, rising inflation and dimmer global economic prospects had probably dented consumer sentiments. Investment spending expanded further despite the high base in the same quarter last year.

Consumer price inflation, in terms of the Composite CPI, rose further to an average of 5.7% in the second quarter, up from 4.6% in the first quarter. The surge in food prices amidst the global food inflation contributed significantly to the recent pick-up in consumer price inflation. Pressure from the demand side after a prolonged period of economic expansion was also reflected in the faster increases in private housing rentals and, to a lesser extent, prices for other goods and services.

(Source: Half Yearly Economic Report 2008, Government of the Hong Kong Special Administrative Region)

4.6.3 Overview and future prospects of the print media and advertising industry

Revenue in the print media industry mainly comprises of advertising revenue and circulation revenue.

Advertisement Expenditure ("Adex")

The Malaysian advertising market enjoyed buoyant growth of 22% in the first half of 2008, hitting RM2.9 billion compared to the same period in 2007. The growth was mainly driven by terrestrial television (37%), point-of-sale (33%), radio (22%) and newspapers (16%).

Newspapers and terrestrial television continue to command the bulk of total advertising across the mediums measured, at 56% and 33% respectively, followed by radio (5%), magazines (2%), outdoor (2%), point-of-sale, internet and cinema (1% each).

Hitting RM1.6 billion in advertising revenues, the growth in newspapers advertising was mainly attributed to the increased spending by airlines, political parties, universities and television, while the growth of TV advertising (RM948 million) was the result of spending by mobile line and interactive services providers, political parties, local government institutions, production house and tonic and vitamins.

Radio grew 22% to RM135 million, in line with the total market. The increase was attributed to growth in spending by grocery retail, local government and fast food categories. While coming off a smaller base, point-of-sale saw the second biggest growth in advertising in the first half with beer, kids milk and phone cards the top growth categories.

(Source: Malaysia sees buoyant 22% Advertising Growth for First Half, 2008, www.acnielsen.com.my; 8 August 2008)

On a year-to-date ("YTD") comparison, the Adex up to July 2008 for the Malaysian newspaper industry has increased by 14.3% as compared to the corresponding period of the preceding year. However, the growth of Adex for the Malaysian Chinese newspaper up to July 2007 has only increased by 6.4%.

The following table sets out the total Adex for Malaysian newspapers for a seven (7)-month period for the years 2007 and 2008 respectively:

Newspaper Adex in Malaysia*	**January – July 2007**		**January – July 2008**		**Growth**
	RM'000	*%*	*RM'000*	*%*	*%*
English	812,578	48.40	918,145	47.83	13.00
Chinese	557,403	33.20	592,880	30.89	6.36
Malay	302,776	18.04	400,863	20.88	32.40
Tamil	6,044	0.36	7,691	0.40	27.25
Total	1,678,801	100.00	1,919,579	100.00	

Note:

* All newspaper Adex figures reported are based on official ratecards provided by the relevant media owners.

(Source: Nielsen Media Research's July 2008 Adex Report)

In Hong Kong, there was a double-digit year-on-year growth of 12% in advertising expenditure in the first half of 2008, reaching HK$27.3 billion. The advertising spend ("AdSpend") only increased by 4% in 2007 compared to that in 2006.

Compared to the same period last year, radio was the fastest growing medium recorded a growth of 37%. The Adspend on TV and print overall grew by 12% and 11%, while terrestrial TV and free newspapers were up by 10% and 56% respectively. The Adspend in free newspapers only increased by 38% year-on-year in 2007 versus 2006, so this medium is expected to gain momentum in 2008.

Medication/tonic remained the top most advertised category at HK$2 billion, a 13% growth compared to 2007. Finance/investment services, replacing loan/mortgage, was the only newcomer among the top 10 categories. The advertising expenditure reached HK$890 million (+77%), securing the 9th place in the top 10 category list.

The top 10 advertisers contributed a total of over HK$2 billion in advertising expenditure in the first half of 2008, HK$530 million more than the previous year. HSBC Bank remained the top spender for two consecutive years with a spend of HK$320 million. Three out of the top ten advertisers were from the banking industry, including the top spender HSBC Bank, the second largest advertiser Bank of China (Hong Kong) and the 6th place holder Hang Seng Bank. The total spending of the three banks combined was up HK$300 million and hit HK$730 million in 2008.

(Source: Nielsen Hong Kong Advertising Information Services published in June 2008)

Newsprint cost

With the combination of rising costs and weakening global demand, particularly in the US and China in late 2008, the sector's growth is expected to be moderate despite several world regions managed to see positive growth. Rising production costs and the rapid tightening of supply has pushed newsprint prices sharply higher in most world markets. Newsprint prices for 48.8 gram have increased from USD550 per metric tonne ("Mt") in the fourth quarter of 2007 to USD870 per Mt in the third quarter of 2008.

In Asia, there is a battle brewing for newsprint prices among market participants. Buyers looking for lower prices and sellers on the other hand, are facing pressure from production costs will be looking for an increase in prices, with high energy costs and recovered paper prices still in the picture. Demand is expected to weaken driven by several factors including slower economic growth, no boost from inventory building, and responses by newspaper publishers to the surge in prices. However, there will be some easing of the market tightness over the short term, as some Chinese suppliers were offering prices as low as USD830 – 860 per Mt in August, down from USD880 – 890 per Mt in July.

However, the weakening Ringgit Malaysia also affected the profitability of the Group's operations in Malaysia as newsprint prices are quoted in US dollars.

(Source: RISI Report: Asian pulp and paper monitor – August/September 2008.)

Overall, the upward trend of newsprint price is expected to continue and this would likely have an impact on the Group's performance.

(Source: Management of MCIL)

4.6.4 Future prospects of the MCIL Group

Following the successful completion of the merger in April 2008, the Group is operating one of the largest Chinese-language media content platform in the world. The Group is prepared to leverage strengths of this platform and its constituent media content assets to bring the Group's businesses "from local to global" and "from print to non-print" in the advent of advances in communication technology.

The Group is making inroads into cross-selling its media contents into different markets. The launch of Ming Pao Weekly in Taiwan in June 2008 is a good example of this strategy. Through a licensing model, Ming Pao Weekly's Taiwan edition will be cross-promoted with its electronic edition and also a TV program operated by our partner in Taiwan. Further moves of this kind, involving both print and non-print contents, across different markets where the Group operates, are set to materialise in the coming years.

Meanwhile, the Group remains vigilant on the mounting challenges in its operating environments.

The upward trend of newsprint price is expected to continue and this would likely have impact on the Group's performance. Barring unforeseen circumstances and taking into account of the increase in costs due to rising oil prices, the Board anticipates that the operating environment for the Group's core business in the coming year will be competitive and challenging.

Nevertheless, the Group will strive towards achieving satisfactory results through effectively utilizing resources and maximizing the operational synergies of the common platform created by the successful merger entity. At the same time, having established a global Chinese-language media platform, the Company will continue to explore business opportunities for expansion.

In the advent of increasing popularity of content usage via non-print channels, the Group's highly efficient Chinese content production capability is ready to accommodate this change in usage behavior, which will in due course bring about an evolution in the market landscape. This will ultimately shed lights as to how media and content provision establishments reorganise their business models to exploit opportunities evolved from this evolution. The Group believes it has put in place the necessary competences to benefit from this process.

(Source: MCIL's Annual Report 2008)

5. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

The details of the interested Directors and interested Major Shareholders are disclosed in Section 11 of the letter from the Board.

Accordingly, the said interested Directors and interested Major Shareholders will abstain from voting on the ordinary resolution pertaining to the Transactions at the forthcoming SGM in respect of their direct and/or indirect shareholdings in the Company.

The said interested Directors and interested Major Shareholders will also undertake to ensure that persons connected to them, if any, will also abstain from voting on the ordinary resolution for the Transactions in respect of their direct and/or indirect shareholdings in the Company.

The said interested Directors have abstained and will continue to abstain from board deliberations and voting on the ordinary resolution pertaining to the Transactions at the forthcoming SGM to be convened.

6. CONCLUSION AND RECOMMENDATION

It is imperative that you consider carefully the relevant issues and implications raised in this IAL as well as those highlighted in the Circular, before arriving at the decision to vote on the ordinary resolution pertaining to the Transactions.

In our evaluation and in arriving at our opinion on the Transactions, we have taken into consideration the following:

(i) The rationale for the Transactions is fair and reasonable as the Group would be in a better financial position if it acquired the Sale Property rather than placed an equivalent amount of funds into an income generating fixed deposit account. The Transactions would also provide an opportunity to the Company to own the Sale Property where a major part of its operations are located, thus ensuring greater certainty in managing the risk of possible upward rental revisions. Upon completion of the Transactions, it will provide the Group with additional flexibility in expanding and integrating the operations of the Group in Malaysia located at the Sale Property and the adjoining premises. Furthermore, the Group may benefit from the possible future capital appreciation in the value of the Sale Property in the long term;

(ii) The basis for arriving at the Purchase Price for the Sale Property is fair and reasonable, considering that the consideration for the Sale Property is equal to the market value as appraised by an independent professional valuer, the Land Valuer. In addition, the Directors consider that the value of the Sale Property may appreciate further as it is noted that the Sale Property is strategically located in a prime area under study for change of zoning from industrial to limited commercial. Furthermore, the Directors also consider that by combining the Sale Property and the adjoining land already owned by the Group, the Group may be able to unlock potential value of the combined land through a re-development of the combined land in the future. Meanwhile, the Additional Building Cost, which is estimated by the Company to be RM5,000,000 (being an estimate of the actual construction cost), will firstly be borne by the Vendor and will subsequently be reimbursed by the Purchaser upon completion of the Transactions as agreed by the Vendor and the Purchaser on an actual cost basis;

(iii) The salient terms of the Supplemental Land Acquisition Agreement are generally fair and reasonable and are not detrimental as far as the Group's interests are concerned;

(iv) The Transactions are not expected to have any immediate material effects on the issued and paid-up share capital, the substantial shareholders' shareholdings, earnings and net assets, and gearing of the Group;

(v) The property investment risk associated with the Transactions as highlighted in Section 4.5 of this IAL which might have an effect on the MCIL Group; and

(vi) The economic and industry outlook, as well as the positive prospects of the MCIL Group.

Based on our evaluation, we are of the opinion that the overall terms of the Transactions are fair and reasonable insofar as you are concerned. In the absence of unforeseen circumstances, the Transactions are in the best interests of the Group and the shareholders as a whole.

Accordingly, we recommend that the independent shareholders of MCIL vote in favour of the ordinary resolution pertaining to the Transactions to be tabled at the Company's forthcoming SGM.

Yours faithfully,
For and on behalf of
OSK INVESTMENT BANK BERHAD

JOSEPH SOO HONG WENG	**EUGENE LAM JIT JIN**
Director/Head	*Senior Vice President*
Corporate Finance	*Corporate Finance*

The following is the text of the letter of advice from OSK Asia Capital Limited to the Independent Board Committee and the Independent Shareholders for the purpose of incorporation into this circular.

OSK Asia Capital Limited
僑豐融資有限公司
Subsidiary of OSK Investment Bank Berhad, Malaysia

11/F, Hip Shing Hong Centre
55 Des Voeux Road Central
Hong Kong

20 October 2008

To the Independent Board Committee
and the Independent Shareholders
Media Chinese International Limited

Dear Sirs,

CONNECTED TRANSACTION
PROPOSED ACQUISITION OF THE SALE PROPERTY BY
SIN CHEW MEDIA CORPORATION BERHAD,
A WHOLLY-OWNED SUBSIDIARY OF
MEDIA CHINESE INTERNATIONAL LIMITED, FROM
RIMBUNAN HIJAU ESTATE SDN BHD
FOR A CASH CONSIDERATION OF RM37,000,000
AND THE REIMBURSEMENT OF THE COST OF CONSTRUCTING
THE NEW OFFICE BUILDING OF APPROXIMATELY RM5,000,000

INTRODUCTION

We refer to our appointment as the independent financial advisor for the purposes of the Listing Rules (the "HK Independent Financial Advisor") to the Independent Board Committee and the Independent Shareholders in connection with the Supplemental Land Acquisition Agreement, details of which are set out in the circular of the Company dated 20 October 2008 (the "Circular") of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in the Circular, unless the context requires otherwise.

On 14 July 2008, the Company announced that the Purchaser had entered into the Land Acquisition Agreement with the Vendor pursuant to which the Purchaser conditionally agreed to acquire the Land for a cash consideration of RM46,000,000 (equivalent to approximately HK$102,163,000).

Subsequently on 11 September 2008, the Company announced that on even date the Vendor and the Purchaser had entered into the Supplemental Land Acquisition Agreement pursuant to which the Purchaser conditionally agreed to acquire from the Vendor the Sale Property for a cash consideration of RM37,000,000 (equivalent to approximately HK$82,174,000) (the "Purchase Price") and to reimburse the Vendor for the cost of the construction of the New Office Building which is estimated to be RM5,000,000 (equivalent to approximately HK$11,105,000) (together, the "Transactions"). Unless otherwise stated, the Land Acquisition Agreement has been superseded by the Supplemental Land Acquisition Agreement in entirety.

The Vendor is directly held as to 5.7% by TSTHK, 20% by TTSH, 20% by PAA, 43% by RHSA and 2% by RHS. TSTHK, a substantial shareholder (under the Listing Rules) of the Company, together with his family interests, is directly and indirectly interested in the exercise of 30% or more of the voting power at the general meetings of TTSH, PAA, RHSA and RHS. Further, the remaining 9.3% of the issued share capital of the Vendor is held directly and indirectly by TSTHK's family members. As such, TSTHK, through his interests in TTSH, PAA, RHSA, RHS and his family members, is interested in an aggregate of 100% of the issued share capital of the Vendor. The Vendor, being an associate of TSTHK, is therefore a connected person of the Company. The directors of the Vendor are Dato' Sri TIONG Chiong Hoo and Ms WONG Yiing Ngiik. The Transactions constitute connected transactions for the Company under the Listing Rules. Accordingly, the Transactions are subject to Independent Shareholders' approval by way of poll at the SGM.

The Independent Board Committee comprising Mr David YU Hon To, Mr Victor YANG, Tan Sri Dato' LAU Yin Pin and Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH has been established to give advice and make a recommendation to the Independent Shareholders in respect of the Transactions. OSK Asia Capital Limited has been appointed as the HK Independent Financial Advisor to advise the Independent Board Committee and the Independent Shareholders as to the fairness and reasonableness of the terms of the Transactions and to recommend whether the Independent Shareholders should vote for or against the Transactions at the SGM.

The Company has also appointed OSK Investment Bank Berhad, our holding company, as the independent financial advisor for the purposes of the Listing Requirements (the "Malaysian Independent Financial Advisor"). A copy of the letter of the Malaysian Independent Financial Advisor is enclosed to the Circular under Letter from OSK Investment Bank Berhad.

The purpose of this letter is to provide the Independent Board Committee and the Independent Shareholders with information on the Transactions, our independent evaluation on the terms and conditions of the Transactions together with our recommendation thereon, subject to the scope of our role and evaluation specified herein.

Independent Shareholders are advised to read both this letter and the Circular together with the appendices and to consider carefully the evaluation and information contained herein before voting on the resolution pertaining to the Transactions at the forthcoming SGM.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant, or other professional advisor immediately.

PRINCIPAL BASIS OF AND LIMITATIONS TO OUR EVALUATION OF THE TRANSACTIONS

We were not involved in any of the negotiations or discussions on the terms and conditions of the Transactions. Our evaluation of the Transactions is based on the information contained in the Circular, information and documents furnished to us by the management and representatives of the Company including the Land Acquisition Agreement dated 14 July 2008 and the Supplemental Land Acquisition Agreement dated 11 September 2008, the valuation report dated 21 August 2008 from the Land Valuer and other publicly available information as well as discussions with the Directors and management of the Company. We have not, however, independently verified such information.

The Directors confirm that they individually and collectively accept full responsibility for the accuracy of the information herein and confirm that after making all reasonable enquiries, and to the best of their knowledge and belief, all information relevant to our evaluation of the Transactions has been disclosed to us and there is no omission of any material fact which would make any information disclosed to us false or misleading.

We have not undertaken any independent investigation into the business and affairs of the Group. In our review, analysis, and in formulating our advice, we have relied on the reasonableness, accuracy, and completeness of the financial and other information provided to us by the Company. In rendering our advice, we have taken note of pertinent issues which we believe are of general importance to an assessment of the implication of the Transactions and therefore of concern to the Independent Shareholders.

We have taken all reasonable and necessary steps to comply with the requirements set out in Rule 13.80 of the Listing Rules. We consider that we have been provided with sufficient information to enable us to reach an informed view. We have not, however, conducted any independent verification of such information or any independent in-depth investigation into the business, affairs, financial position or prospects of the Group nor have we carried out any in-depth research on the Group, the Sale Property or the real estate market in Malaysia.

We, as the HK Independent Financial Advisor, have evaluated the Transactions and have considered various factors, which we believe, are critical in forming an opinion on the fairness and reasonableness of the Transactions.

DETAILS OF THE TRANSACTIONS

Details of the Transactions are set out in Section 2 of the letter from the Board, which should be read in its entirety.

EVALUATION OF THE TRANSACTIONS

We have taken into consideration the following factors in our evaluation of the Transactions:–

(1) rationale for the Transactions;

(2) evaluation of the Purchase Price and the Additional Building Cost;

(3) principal terms of the Supplemental Land Acquisition Agreement; and

(4) financial effects of the Transactions.

We set out in the following sections, the details of our evaluation of the Transactions.

1 Rationale for the Transactions

As set out in the letter from the Board, the Purchaser has been leasing the Sale Property from the Vendor pursuant to a tenancy agreement for a term of three years from 2 March 2007 to 1 March 2010 at a monthly rental of RM300,000 (equivalent to approximately HK$666,000). The Group has based some of its operations at the Sale Property since 1966 and has also built its printing plant on the piece of land adjoining the Sale Property. The Company considers that the Sale Property is easily accessible and is centrally located in the prime area of Petaling Jaya, Selangor Darul Ehsan, Malaysia and as such is functioning as an effective distribution centre for the Purchaser's publications. The Company also considers that speed of product delivery is crucial to the newspaper industry, and thus securing a property in the vicinity of market centre would be an asset to the Purchaser's business as it facilitates expedient delivery of its products to customers.

We understand that the Company is expected to enjoy an annual gross rental savings of RM3,600,000 (equivalent to approximately HK$7,995,000), based on the present annual rental rate payable under the existing tenancy agreement in respect of the lease from the Vendor for the use of the premises currently erected on the Sale Property.

The Purchase Price and the Additional Building Cost are payable in cash from the Company's internally generated funds. For illustrative purposes only, we set out below the indicative interest income that may be derived from placing an equivalent amount of cash as the Purchase Price and the Additional Building Cost (which is estimated by the Company to be RM5,000,000 (equivalent to approximately HK$11,105,000)) into a fixed deposit which is generally considered to be a safe income generating source:–

Placing the Purchase Price of RM37,000,000 (equivalent to approximately HK$82,174,000) and the Additional Building Cost which is estimated by the Company to be RM5,000,000 (equivalent to approximately HK$11,105,000) into a 12-month fixed deposit to earn interest income at 3.7%* per annum	RM1,554,000 (equivalent to approximately HK$3,450,000)

Note:

* Based on the 12-month fixed deposit rate as quoted by Malayan Banking Berhad (www.maybank2u.com.my) with effect from 30 March 2007. As at the Latest Practicable Date, to the best of our knowledge, the maximum 12-month fixed deposit rate as published by leading banks in Hong Kong is approximately 1.35% per annum.

Based on the above, we conclude that the annual rental savings which may be enjoyed by the Group under the Transactions, are higher than the interest income which the Group may earn if it places the amount of the Purchase Price and the Additional Building Cost into a fixed deposit account at the current interest rates. As such, the Group may enjoy a better financial position if it acquires the Sale Property rather than placing an equivalent amount of funds into a fixed deposit account based on the present interest rate quoted by Malayan Banking Berhad.

The Transactions provide an opportunity to the Company to own its property, thus help remove the risk of possible future upward rental revisions and non-renewal of tenancy upon expiry. We understand from the Land Valuer that the industrial area, where the Sale Property located, has been proposed for re-zoning into a limited commercial area. Under such circumstances, the rental rates of the Sale Property may increase in future. Whilst, under the terms of the present tenancy agreement, the rental rates for the Sale Property is only subject to re-negotiation after 1 March 2010, any possible upward revisions of rental rates and/or non-renewal of the tenancy can adversely affect the profitability and operating efficiency of the Group. By acquiring the Sale Property, the Group is able to exercise better control of its outlays.

The present business of the Group is the result of the merger of SCMCB, Nanyang Press Holdings Berhad and Ming Pao Enterprise Corporation Limited to form the Group. As stated in the letter from the Board, the Group will be able to consolidate some of its back office and administrative functions into a single location by developing the New Office Building, thus enabling the Group to operate in a more efficient and effective manner.

The Directors also consider that the Transactions would also allow the Company to benefit from possible future capital appreciation in the value of the Sale Property in the long term as the Sale Property is located in a prime area in Petaling Jaya, Selangor Darul Ehsan, Malaysia. Based on the valuation report issued by the Land Valuer dated 21 August 2008, the Sale Property is located in an industrial area, which is currently under study for change of zoning to limited commercial use, comprising a combination of office, warehouse and showroom.

Under the circumstances mentioned above, there is a possibility that the value of the Sale Property may appreciate further if the designated use of the Sale Property can be changed from industrial to limited commercial.

As set out in the letter from the Board, one of the Company's strategies is to create synergy by consolidating the resources and to unlock the intrinsic value of the Group's assets. As such, the Board is of the opinion that the acquisition of the Sale Property and the construction of the New Office Building is in line with the Company's business strategies and is expected to enhance the business operations of the Company. The Sale Property is adjacent to the piece of land currently owned by the Purchaser and there is a possibility for the Company to unlock the value of this asset through re-development of the combined land in the future.

Based on our evaluation above, we are of the view that the rationale for the Transactions is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

2 Evaluation of the Purchase Price and the Additional Building Cost

We note from Section 2.5 of the letter from the Board that the Purchase Price was arrived at after arm's length negotiations, on a "willing buyer willing seller" basis, between the Vendor and the Purchaser with reference to the valuation on the Sale Property (not including the New Office Building currently under construction) (the "Existing Properties") of RM37,000,000 dated 21 August 2008 as carried out by an independent property valuer, the Land Valuer, based on the appraisal undertaken by the said valuer using the following methods:

(i) Comparison method

The comparison method approach considers the sales of similar or substitute properties and related market data, and establishes a value estimated by adjustments made for differences in factors that affect value. In general, a property being valued is compared with sales of similar properties that have been transacted in the open market. Listings and offers may also be considered.

(ii) Investment method

The investment method considers income and expense data relating to the subject property being valued and estimates value through a capitalisation process. Capitalisation relates income (usually a net income figure) and a defined value type by converting the income amount into an estimated value. This process may consider direct relationships (known as capitalisation rates), yield or discount rates (reflecting measures of return on investment), or both. In general, the principle of substitution holds that the income stream which produces the highest return commensurate with a given level of risk, leads to the most probable value figure.

(iii) Cost method

The cost method considers the possibility that, as a substitute for the purchase of a given property, one could construct another property that is either a replica of the original or one that could furnish equal utility. In a real estate context, one would normally not be justified in paying more for a given property than the cost of acquiring equivalent land and constructing an alternative structure, unless undue time, inconvenience and risk are involved. In practice, the approach also involves an estimate of depreciation for older and/or less functional properties where an estimate of cost of new properties unreasonably exceeds the likely price that would be paid for the appraised property. The value of the land component of the Existing Properties was arrived at using the comparison method and the value of the building component of the Existing Properties was arrived at using the cost method.

In determining the market value of the Existing Properties, the Land Valuer had taken into consideration, amongst other factors, the following comparable sales in the immediate vicinity of the Existing Properties:–

	Address	**Land area (m^2)**	**Transfer price (RM)**	**Date of transfer**	**Unit value RM/m^2**
1.	No. 110, Jalan Semangat 46300 Petaling Jaya Selangor Darul Ehsan	4,035.58	12,430,000 (equivalent to approximately HK$27,606,150)	28 February 2008	3,080.10 (equivalent to approximately HK$6,840.69)
2.	No. 9, Jalan Bersatu 13/4 Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan	8,951.94	15,000,000 (equivalent to approximately HK$33,313,940)	30 October 2007	1,675.61 (equivalent to approximately HK$3,721.42)
3.	No. 76, Jalan Universiti Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan	21,050.03	43,034,620 (equivalent to approximately HK$95,576,840)	19 October 2007	2,044.40 (equivalent to approximately HK$4,540.46)
4.	No. 7, Jalan Semangat Seksyen 13 Petaling Jaya Selangor Darul Ehsan	3,017.86	8,600,000 (equivalent to approximately HK$19,099,990)	27 April 2007	2,849.70 (equivalent to approximately HK$6,328.98)
				Average	2,412.45 (equivalent to approximately HK$5,357.89)

(Source: Valuation report dated 21 August 2008 prepared by the Land Valuer)

For the purposes of evaluating the fairness and reasonableness of the Purchase Price, we compared the market value per square metre of the Existing Properties with the average transfer price per square metre of the comparable sales within the same vicinity as appraised by the Land Valuer.

	Market value per square metre	Premium over the average transfer price per square metre of the comparable transactions	Premium over the average transfer price per square metre of the most recent comparable transaction
Existing Properties	RM3,107.39 (equivalent to approximately HK$6,901.30)	28.81%	0.89%

Based on our evaluation above, we note that the market value per square metre of the Existing Properties is very close to that of the most recent comparable transaction.

Whilst we note that the Existing Properties is being transacted at a premium to the average transfer price per square metre, we also note that in the valuation report with regards to the location and neighbourhood of the Existing Properties:

"The subject property (the Existing Properties) is a corner lot with dual frontages, fronting onto Jalan Universiti and Jalan Semangat. It is easily accessible from the Kuala Lumpur city centre via Jalan Syed Putra, Federal Highway, exiting onto Jalan Universiti and Jalan Semangat. Alternatively, it is also accessible via the Sprint Highway, Jalan Dato Abu Bakar and the above-mentioned roads, all being well maintained metalled roads."

We understand that the Company is of the view that the Transactions will allow the Company to benefit from possible future capital appreciation in the value of the Sale Property in the long term, as the Sale Property is located in a prime area with good access.

The Company has confirmed that the Existing Properties are being entirely leased and utilised by the Purchaser, and the Sale Property has more built-up area than the comparable properties have.

In addition, the Sale Property is located in an industrial area, which is currently under study for change of zoning to limited commercial use, comprising a combination of office, warehouse and showroom. The Land Valuer is of the view that there is a possibility that the value of the Sale Property may appreciate if the use of the Sale Property can be changed from industrial to limited commercial.

Based on the valuation of the Existing Properties, the above factors, including the location of the Sale Property and the utilisation of the built-up area of the Sale Property, as well as the transfer price per square metre of the most recent comparable transaction, we are of the view that the Purchase Price, which is equivalent to the valuation of the Existing Properties (the applicable per square metre of which represents (i) a small premium of 0.89% over the transfer price per square metre of the most recent comparable transaction, and (ii) a premium of 28.81% over the average transfer price per square metre of the comparable transactions), is fair and reasonable.

We understand from the Company that the Purchaser requested the Vendor to construct the New Office Building and agreed to reimburse the Vendor the Additional Building Cost which the Company has estimated to be approximately RM5,000,000 (equivalent to approximately HK$11,105,000). We also understand from the Company that the Vendor has contracted an independent third party to carry out the construction work of the New Office Building. The Additional Building Cost payable in respect of the construction of the New Office Building is firstly to be borne by the Vendor, and will subsequently be reimbursed by the Purchaser upon completion of the Transactions. The exact amount of the Additional Building Cost equals the actual cost paid or payable by the Vendor for erecting the New Office Building as supported by documentary evidence. Given that the New Office Building is being constructed at the request of the Purchaser, the valuation of the Existing Properties does not include any value which may be attributable to the New Office Building and that the ownership of the New Office Building will be passed to the Purchaser under the Transactions. We consider the reimbursement of the Additional Building Cost by the Group to the Vendor on an actual cost basis fair and reasonable.

3 Principal terms of the Supplemental Land Acquisition Agreement

3.1 Conditions precedent to the Supplemental Land Acquisition Agreement

Completion of the Supplemental Land Acquisition Agreement is conditional upon the fulfillment or waiver of the following conditions and shall take place within three months or such other date as the parties may agree in writing after all the conditions below are fulfilled and the Balance Purchase Price, together with any applicable interest, has been paid to the Purchaser's solicitors:

a) the approval of the Malaysian Foreign Investment Committee to be obtained by the Purchaser for the acquisition of the Sale Property;

b) the approval of the shareholders of the Purchaser being obtained for the acquisition of the Sale Property and the construction of the New Office Building from the Vendor;

c) the approval of the relevant authorities, including but not limited to the fire department, the land office, the local council and all such other regulatory authorities, in respect of:

   (i) the issuance of a separate individual issue document of title to the Sale Property;

   (ii) classification of the category of land use as "Industrial" by the relevant authorities,

   and the receipt of the original separate individual issue document of title to the Sale Property by the Purchaser's solicitors; and

d) the approval of the Independent Shareholders in a general meeting in accordance with Chapter 14A of the Listing Rules.

In the event that any or all of the conditions stated above are not fulfilled or waived, within forty two (42) months from the date of the Supplemental Land Acquisition Agreement, the Supplemental Land Acquisition Agreement shall lapse and cease to have effect.

3.2 Salient terms of the Supplemental Land Acquisition Agreement

We consider the following salient terms of the Supplemental Land Acquisition Agreement as a whole fair and reasonable with our comments stated next to each of the salient terms as extracted from Section 3 of the letter from the Board headed "Salient Features of the Supplemental Land Acquisition Agreement".

	Provisions in the Supplemental Land Acquisition Agreement	Our comments
1.	The Sale Property shall be acquired free from all encumbrances on an "as is where is" basis subject to the conditions and restrictions in interest as imposed in the issue document of title of the Land.	This term sets out that the Vendor must remove any existing encumbrances at its own cost and expense. The Purchaser's solicitors are also authorised by the Vendor to utilise the Balance Purchase Price to remove the said encumbrance for and on behalf of the Vendor as set out in 3 below.
2.	The Sale Property forms part of the Land. The Vendor is required to submit an application to the relevant authorities to sub-divide the Land such that the Sale Property is issued with an individual issue document of title.	We note that the Sale Property forms part of the Land. This term sets out that it is the responsibility of the Vendor to subdivide the Land into two parcels at its own cost and expense, which is essential for the Transactions to complete.
3.	The terms of payment for the Consideration are as follows: (a) RM4,600,000 (equivalent to approximately HK$102,163,000), being 10% of the consideration of the Land Acquisition Agreement (the "Deposit"), was paid to the Vendor on the execution the Land Acquisition Agreement on 14 July 2008; and (b) The Balance Purchase Price will be paid to the Purchaser's solicitor as stakeholder on or before the completion date of the Supplemental Land Acquisition Agreement to be dealt with in accordance with items below whereupon the Purchaser shall be deemed to have discharged in full the Purchaser's obligations to pay the Balance Purchase Price to the Vendor.	We note that the Deposit has already been paid to the Vendor pursuant to the terms of the Land Acquisition Agreement, being the predecessor of the Supplemental Land Acquisition Agreement. The Purchaser is entitled to a refund from the Vendor if completion of the Supplemental Land Acquisition Agreement does not take place subject to the terms summarised in 5 below where the Purchaser breaches the Supplemental Land Acquisition Agreement and in 6 below where the Vendor breaches the Supplemental Land Acquisition Agreement. These terms help facilitate that encumbrances in relation to the Sale Property will be removed before completion of the Supplemental Land Acquisition Agreement at the Vendor's cost and expense.

	Provisions in the Supplemental Land Acquisition Agreement	Our comments
	The Vendor will be responsible for removing the existing encumbrance of the Sale Property prior to the submission to the authorities for sub-division of the master title. The Vendor will at its best endeavour and at its own cost and expense procure that the discharge of charge in respect of the existing encumbrance be presented at the relevant land office within sixty (60) days from the date of the Supplemental Land Acquisition Agreement or any extension thereof to be agreed by the parties. The Purchaser and the Vendor expressly agree and the Purchaser's solicitor is expressly authorised by the parties to utilise and deal with the Balance Purchase Price upon receipt of the same in the following manner and priority: (a) firstly, subject to the terms in the Supplemental Land Acquisition Agreement, to settle for and on behalf of the Vendor all sums payable for the purposes of discharging all encumbrances and caveats (if any) over the Sale Property; (b) secondly, towards payment of all fees, charges, expenses and other payments, if any, payable by the Vendor by virtue of the Supplemental Land Acquisition Agreement; and (c) lastly, and subject to the terms in the Supplemental Land Acquisition Agreement, to release the remaining balance to the Vendor fourteen (14) business days after the instrument of transfer in favour of the Purchaser and all other relevant documents have been presented for registration at the appropriate land office/registry.	
4.	The Vendor will deliver legal possession of the Sale Property to the Purchaser on the date of full payment of the Balance Purchase Price and interest (if applicable) (the "Completion Date").	We note that interest is payable at the rate of 8% per annum calculated daily from the first day of the fourth month after the date when the Supplemental Land Acquisition Agreement has become unconditional up to the date that legal possession of the Sale Property is delivered to the Purchaser. We understand from the Company that it intends to pay the remaining consideration within the first three months after the Supplemental Land Acquisition Agreement has become unconditional and the Transactions will be settled by the internal resources of the Group. Accordingly, no additional interest expense shall incurred by the Group in relation to the Transactions.

Provisions in the Supplemental Land Acquisition Agreement	Our comments
5. In the event that the Purchaser: (a) fails to pay the Balance Purchase Price in accordance with the provisions of the Supplemental Land Acquisition Agreement; or (b) fails to observe or perform or otherwise be in breach of any of the material provisions of the Supplemental Land Acquisition Agreement or the material warranties and representations or the instrument of transfer is not accepted or is rejected for registration or is not registered for any reason whatsoever due to the default, wilful neglect, omission or blameworthy conduct on the part of the Purchaser, and such failure or breach or reason for non-registration is not remedied by the Purchaser within fourteen (14) days after the Vendor has given written notice to it to remedy such failure or breach; and provided that the Vendor is not in breach of any of the provisions of the Supplemental Land Acquisition Agreement, the Vendor will be entitled, at the cost and expense of the Purchaser, and at the Vendor's sole discretion to terminate the Supplemental Land Acquisition Agreement at any time by giving a written notice to the Purchaser. Upon termination of the Supplemental Land Acquisition Agreement, the Vendor is entitled to forfeit the sum of RM3,600,000 (equivalent to approximately HK$7,995,000) as agreed liquidated damages whereupon the Purchaser must, at its own cost and expense, within fourteen (14) days from the date of receiving the termination notice from the Vendor: (a) immediately remove all encumbrances and caveats, if any, on the Sale Property attributable to the Purchaser; and (b) return to the Vendor all documents delivered by the Vendor to the Purchaser and/or the Purchaser's solicitors under the provisions of the Supplemental Land Acquisition Agreement with the Vendor's interest in the Sale Property remaining intact; in exchange for the refund by the Vendor to the Purchaser of all moneys (save and except for the sum of RM3,600,000) (equivalent to approximately HK$7,995,000) paid towards account of the Consideration without any interest being payable whereupon the Supplemental Land Acquisition Agreement will terminate and cease to be of any further effect.	These terms specify the Vendor's rights in the event that the Purchaser breaches the Supplemental Land Acquisition Agreement. Part of the Deposit amounting to RM3,600,000 (equivalent to approximately HK$7,995,000) will be forfeited by the Vendor as in the case of breaches by the Purchaser.

	Provisions in the Supplemental Land Acquisition Agreement	Our comments
6.	In the event that: (a) the Vendor fails to observe or perform or otherwise is in breach of any of the material provision of the Supplemental Land Acquisition Agreement; or (b) any of the material representations or warranties of the Vendor is incorrect or inaccurate or misleading in any respect; or (c) the instrument of transfer is not accepted or is rejected for registration or is not registered for any reason whatsoever due to the default, wilful neglect, omission or blameworthy conduct on the part of the Vendor, and such failure or breach or reason for non-registration is not remedied by the Vendor within fourteen (14) days after the Purchaser has given written notice to the Vendor to remedy such failure or breach, provided always that the Purchaser is not in breach of any provision of the Supplemental Land Acquisition Agreement, the Purchaser will be entitled, at the cost and expense of the Vendor, and at the Purchaser's sole discretion to the following remedies: (i) to the remedy of specific performance of the Supplemental Land Acquisition Agreement against the Vendor; or (ii) to terminate the Supplemental Land Acquisition Agreement at any time by giving a written notice to the Vendor and upon such termination, the Vendor must within fourteen (14) days from the date of receiving the termination notice refund or be caused to refund to the Purchaser all moneys including the Deposit paid towards account of the Consideration without any interest being payable together with a further sum of RM3,600,000 (equivalent to approximately HK$7,995,000) as agreed liquidated damages in exchange for:	These terms meant to protect the Purchaser's rights in the event that the Vendor breaches the Supplemental Land Acquisition Agreement. Similar to the right of the Vendor, the Purchaser is entitled to liquidated damages of RM3,600,000 (equivalent to approximately HK$7,995,000) in the case where the Vendor breaches the Supplemental Land Acquisition Agreement.

Provisions in the Supplemental Land Acquisition Agreement	Our comments
(aa) the immediate removal of all encumbrances and caveats, if any, on the Sale Property attributable to the Purchaser; and (bb) the return to the Vendor of all documents delivered by the Vendor to the Purchaser and/or the Purchaser's solicitors under the provisions of the Supplemental Land Acquisition Agreement with the Vendor's interest in the Sale Property remaining intact; whereupon the Supplemental Land Acquisition Agreement will terminate and cease to be of any further effect.	
7. In the event that the instrument of transfer is not accepted or is rejected for registration or is not registered for any reason whatsoever, save and except where there is any default, wilful neglect, omission or blameworthy conduct on the part of any party, each party will use its best endeavours: (a) to ascertain the cause or reason for such non-acceptance or rejection or non-registration, as the case may be; (b) to rectify, remedy and/or overcome such cause or reason; and (c) to cause the instrument of transfer to be accepted for registration and/or registered; and in the event that such cause or reason cannot be or is not rectified, remedied and/or overcome within a period of two (2) weeks from the date of such non-acceptance or rejection or non-registration is made known to the Purchaser, or such other extended period as may be agreed by the Purchaser, a termination event will occur where the Purchaser may elect to terminate the Supplemental Land Acquisition Agreement in accordance with the terms of the Supplemental Land Acquisition Agreement below:	These terms set out that both parties to the Supplemental Land Acquisition Agreement will endeavour to complete the Transactions in the event of non-registration of the instrument of transfer. These terms also provide a right and flexibility to the Purchaser to terminate the Supplemental Land Acquisition Agreement under the circumstances that any issues in respect of the non-registration of the instrument of transfer could not be resolved within an agreed period of time.

	Provisions in the Supplemental Land Acquisition Agreement	Our comments
	Upon the Purchaser electing to terminate the Supplemental Land Acquisition Agreement, the Purchaser will at the Purchaser's own cost and expense: (a) remove all encumbrances and/or caveats, if any, on the Sale Property attributable to the Purchaser; and (b) return to the Vendor all documents delivered by the Vendor to the Purchaser and/or the Purchaser's solicitors under the provisions of the Supplemental Land Acquisition Agreement with the Vendor's interest in the Sale Property remaining intact; in exchange for the refund by the Vendor to the Purchaser of all moneys paid towards account of the Consideration (including the Deposit) without interest, which refund must in any event be made within fourteen (14) days from the date of the Purchaser electing to terminate the Supplemental Land Acquisition Agreement whereupon the Supplemental Land Acquisition Agreement shall terminate and cease to be of any further effect.	
8.	It is mutually agreed by the parties that risk to the Sale Property will only pass to the Purchaser on the date of delivery of legal possession of the Sale Property by the Vendor in accordance with the terms of the Supplemental Land Acquisition Agreement.	We consider it reasonable for the Purchaser to accept full responsibility of any risks associated with holding the Sale Property after legal title of the Sale Property has been passed to it.
	In the event that the Sale Property or any part of it is at any time before the Completion Date damaged or destroyed by fire or any other causes and has not been repaired or is not under repair by the Vendor so that it is reinstated to its previous state and condition, then the Purchaser will be entitled to terminate the Supplemental Land Acquisition Agreement by giving notice in writing to that effect to the Vendor.	These terms provide the Purchaser's rights to terminate the Supplemental Land Acquisition Agreement if the Sale Property is destroyed prior to the Completion Date where the Purchaser will not be able to make use of the Sale Property.
9.	All quit rent, rates, assessments, service charges and other outgoings payable in respect of the Sale Property will be apportioned between the parties as at the Completion Date provided always that the Vendor indemnifies the Purchaser against any non-payment, loss or penalty which may be imposed by the relevant authority in respect of any late or non-payment of such payments for the period prior to the Completion Date.	This term helps define that it is the responsibility of the Vendor for any unpaid quit rent, assessment and rate taxes and other outgoings in respect of the Sale Property, which is accrued prior to the Completion Date.

	Provisions in the Supplemental Land Acquisition Agreement	Our comments
10.	The Vendor has begun construction of the New Office Building within the Sale Property in accordance with the Purchaser's requirements. The Vendor will be responsible for the cost and expenses incurred in the construction of the New Office Building.	This term meant to define the responsibilities relating to the construction of the New Office Building. This term reflects that the construction of the New Office Building is in accordance with the Purchaser's instruction and requirements, whilst the cost and expenses incurred in the construction of the same are to be firstly borne by the Vendor. The Vendor has begun the construction work and contracted an independent third party for the construction of the New Office Building. We consider this term fair and reasonable as it will help ensure smooth continuing construction of the New Office Building.

4 Financial Effects of the Transactions

In our evaluation, we have also considered the financial effects arising from the Transactions as disclosed in Section 5 of the letter from the Board as follows:

4.1 Share capital and substantial shareholders' shareholdings

The Transactions will not have any effect on the Company's issued and paid-up share capital or shareholdings of the substantial Shareholders as the Transactions do not involve any issuance of shares.

4.2 Net assets and earnings per share

We understand from the Company that the Sale Property will be accounted for at cost in the Company's consolidated balance sheet as fixed assets after completion of the Supplemental Land Acquisition Agreement.

The Company states that (i) the Transactions will not have any material effect on the consolidated net assets or earnings per share of the Company for the financial year ending 31 March 2009; and (ii) the Transactions may contribute to the long term profitability of the Group.

4.3 Gearing

The Transactions are not expected to have any immediate material effect on the gearing of the Group, as the consideration will be funded by the Group's internally available funds.

As set out above, we understand that the Transactions will allow the Group to save the rental payment in respect of the use of the Sale Property. The Directors also believe that the Transactions will benefit the Group by giving the Group additional flexibility in its future expansion and further integration.

INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

The details of the interested Directors and interested Major Shareholders are disclosed in Section 11 of the letter from the Board.

Accordingly, the said interested Directors and interested Major Shareholders will abstain from voting on the ordinary resolution pertaining to the Transactions at the forthcoming SGM in respect of their direct and/or indirect shareholdings in the Company.

The said interested Directors and interested Major Shareholders will also undertake to ensure that their associates, if any, will also abstain from voting on the ordinary resolution for the Transactions in respect of their direct and/or indirect shareholdings in the Company.

The said interested Directors have abstained and will continue to abstain from board deliberations and voting on the ordinary resolution pertaining to the Transactions at the forthcoming SGM to be convened.

CONCLUSION AND RECOMMENDATION

In our evaluation and in arriving at our opinion on the Transactions, we have taken into consideration the following:

(i) The rationale for the Transactions is fair and reasonable as the Group would be in a better financial position if it acquired the Sale Property rather than placed an equivalent amount of funds into an income generating fixed deposit account. The Transactions would also provide an opportunity to the Company to own the Sale Property where a major part of its operations are located, thus ensuring greater certainty in managing the risk of possible upward rental revisions. Upon completion of the Transactions, it will provide the Group with additional flexibility in expanding and integrating the operations of the Group in Malaysia located at the Sale Property and the adjoining premises. Furthermore, the Group may benefit from the possible future capital appreciation in the value of the Sale Property in the long term;

(ii) The basis for arriving at the Purchase Price for the Sale Property is fair and reasonable, considering that the consideration of the Sale Property is equal to the market value as appraised by an independent professional valuer, the Land Valuer. In addition, the Directors consider that the value of the Sale Property may appreciate further as it is noted that the Sale Property is located in a prime area under study for change of zoning from industrial to limited commercial. Furthermore, the Directors also consider that by combining the Sale Property and the adjoining land already owned by the Group, the Group may be able to unlock potential value of the combined land through a re-development of the combined land in the future. Meanwhile, the Additional Building Cost which is estimated by the Company to be RM5,000,000 (equivalent to approximately HK$11,105,000) (being an estimate of the actual construction cost), will firstly be borne by the Vendor and will subsequently be reimbursed by the Purchaser upon completion of the Transactions as agreed by the Vendor and the Purchaser on an actual basis;

(iii) The fairness and reasonableness of the principal terms of the Supplemental Land Acquisition Agreement; and

(iv) The Transactions are not expected to have any immediate material effects on the issued and paid-up share capital, the substantial shareholders' shareholdings, earnings and net assets, and gearing of the Group.

Based on our evaluation, we are of the opinion that the terms of the Transactions are fair and reasonable and the Transactions are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolution pertaining to the Transactions to be tabled at the Company's forthcoming SGM.

Yours faithfully,
For and on behalf of
OSK ASIA CAPITAL LIMITED

ALLEN TZE
Director

CHARLOTTE YEN
Director

In this letter, sums expressed in RM have been translated into HK$ at the exchange rate of HK$1 = RM0.450262, being the exchange rate as at the Latest Practicable Date, (or otherwise indicated in this letter) for illustrative purposes only. No representation is made that any amount in Hong Kong dollar or Malaysian Ringgit could have been or can be converted at the above rate or at any other rates.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. Our Directors have seen and approved this circular and they collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, there are no material facts the omission of which would make any statement in this circular misleading.

PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

Pursuant to the existing Bye-Law 70, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the rules of the HKEx or unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

a) by the chairman of the meeting; or

b) by at least three Shareholders present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or

c) by any Shareholder or Shareholders present in person or by a duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or

d) by a Shareholder or Shareholders present in person or by a duly authorised corporate representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; or

e) if required by the rules of the HKEx, by any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing five per cent (5%) or more of the total voting rights or all the members having the right to vote at the meeting.

On a show of hands, every Shareholder present in person or by a duly authorised corporate representative or by proxy shall have one vote. On a poll, every Shareholder present in person or by a duly authorised corporate representative or by proxy shall have one vote for every fully paid up Share of which he is the holder. Notwithstanding anything contained in the Bye-Laws, where more than one proxy is appointed by a Shareholder which is a clearing house (or its nominee), each such proxy shall have one vote on a show of hands. Pursuant to the existing Bye-Law 76, a Shareholder entitled to more than one vote on poll need not use all his votes or cast all the votes he uses in the same way.

Pursuant to Rule 14A.52 of the Listing Rules, any vote taken at a meeting held to seek approval of a connected transaction must be taken by poll. Since the acquisition of the Sale Property and the construction of the New Office Building constitute connected transactions for the Company under the Listing Rules, the chairman of the SGM will demand that the ordinary resolution to approve, amongst others, the transactions contemplated under the Supplemental Land Acquisition Agreement be decided by poll.

DISCLOSURE OF INTERESTS

Interests of Directors

(i) As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company or any of their respective associates in any Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required: (a) to be notified to the Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provision of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the HKEx pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

(a) Interest in Shares

	Number of Shares/underlying Shares held						
Name of Director	Personal interests	Family interests	Corporate interests	Total interests in Shares	Interests in underlying Shares pursuant to share options *(Note 3)*	Aggregate interests	Percentage of issued share capital
TSTHK	86,509,058	134,566	470,270,817 (1)	556,914,441	600,000	557,514,441	33.09%
Mr TIONG Kiu King	2,454,559	147,000	–	2,601,559	600,000	3,201,559	0.19%
Dr TIONG Ik King	9,406,189	–	252,487,700 (2)	261,893,889	600,000	262,493,889	15.58%
Mr TIONG Kiew Chiong	4,796,483	–	–	4,796,483	600,000	5,396,483	0.32%
Ms SIEW Nyoke Chow	2,000,072	–	–	2,000,072	–	2,000,072	0.12%
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	135,925	–	–	135,925	–	135,925	0.01%

Notes:

1. Deemed interested by virtue of his interests in Seaview Global Company Limited, Conch, TSL, PAA, Ezywood, RHS, RHSA and Madigreen.

2. Deemed interested by virtue of his interests in Seaview Global Company Limited and Conch.

3. These represent share options granted by the Company to the relevant directors under share option scheme of the Company to subscribe for shares of the Company.

(b) Interests in share options granted by the Company

Name of Director	Underlying Shares pursuant to share options	Percentage of issued share capital	Exercise price per Shares (HK$)	Date of grant	Exercisable period
TSTHK	300,000	0.018%	1.592	31/8/2001	01/09/2001-20/08/2011
TSTHK	300,000	0.018%	1.800	15/9/2003	16/09/2003-20/08/2011
Mr TIONG Kiu King	300,000	0.018%	1.592	31/8/2001	01/09/2001-20/08/2011
Mr TIONG Kiu King	300,000	0.018%	1.800	15/9/2003	16/09/2003-20/08/2011
Dr TIONG Ik King	300,000	0.018%	1.592	31/8/2001	01/09/2001-20/08/2011
Dr TIONG Ik King	300,000	0.018%	1.800	15/9/2003	16/09/2003-20/08/2011
Mr TIONG Kiew Chiong	300,000	0.018%	1.592	31/8/2001	01/09/2001-20/08/2011
Mr TIONG Kiew Chiong	300,000	0.018%	1.800	15/9/2003	16/09/2003-20/08/2011

(c) Interest in associated corporations of the Company

Name of Director	Name of subsidiary	Long/short position	Number of shares held	Interests in underlying shares pursuant to share options	Aggregate interests	Class of share	Percentage of issued shares capital
TSTHK	One Media Group Limited	–	–	1,250,000	1,250,000	ordinary	0.31%
Mr TIONG Kiu King	One Media Group Limited	–	–	1,250,000	1,250,000	ordinary	0.31%
Dr TIONG Ik King	One Media Group Limited	–	–	1,000,000	1,000,000	ordinary	0.25%
Mr TIONG Kiew Chiong	One Media Group Limited	Long position	3,750,000	1,250,000	5,000,000	ordinary	1.25%
Mr David YU Hon To	One Media Group Limited	–	–	150,000	150,000	ordinary	0.04%
Mr Victor YANG	One Media Group Limited	–	–	150,000	150,000	ordinary	0.04%

Save as disclosed above, none of the Directors and the chief executive of the Company had any interest or short position in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required: (a) to be notified to the Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the HKEx pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

(ii) Save for TSTHK, Dr TIONG Ik King and Mr TIONG Kiu King (whose interests in the acquisition of the Sale Property and the construction of the New Office Building are set out in this circular), at the Latest Practicable Date, none of the other Directors had any direct or indirect interest in any assets which were, since 31 March 2008 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, or proposed to be acquired or disposed of by or leased to, any member of the Group.

(iii) None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors and the chief executive of the Company, the persons, other than Directors or the chief executive of the Company, who had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, and the amount of each of such person's interest in such securities, together with any options in respect of such capital, were as follows:

Name of substantial shareholder	Number of Shares held	Percentage of issued share capital
Progresif Growth Sdn Bhd (1)	326,663,556	19.39%
Conch Company Limited (2)	252,487,700	14.98%
Zaman Pemimpin Sdn Bhd (3)	154,219,783	9.15%

* All the interests stated above represent long positions in the Shares.

Notes:

1. Progresif is a wholly owned subsidiary of TTSH.

2. Conch owns 252,487,700 shares of the Company. 40% of the interest in Conch is held by Seaview Global Company Limited, a company jointly owned by TSTHK and Dr TIONG Ik King. In addition, TSTHK and Dr TIONG Ik King directly hold 25% and 22% of the interest in Conch respectively.

3. Zaman Pemimpin Sdn Bhd is jointly owned by Sharifah Rokayah Binti WAN OTHMAN and Salleh Bin DELAMID.

Save as disclosed above, the Directors and the chief executive of the Company are not aware of any other persons, other than Directors or the chief executive of the Company, who had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

EXPERTS AND CONSENTS

The following are the experts, and their qualifications, who have given opinion contained in this circular:

Expert	Qualifications
OSK Investment Bank Berhad	Independent Financial Advisor (in Malaysia)
OSK Asia Capital Limited	Independent Financial Advisor (in Hong Kong), a corporation licensed to carry out type 1 (securities dealing) and type 6 (advising on corporate finance) regulated activities under the SFO
Knight Frank (Ooi & Zaharin Sdn Bhd)	Qualified independent property valuer registered with the Malaysian Board of Valuers, Appraisers & Estate Agents

Each of OSK Investment Bank Berhad, OSK Asia Capital Limited and Knight Frank (Ooi & Zaharin Sdn Bhd) has given and has not subsequently withdrawn its written consent to the issue of this circular with the inclusion of its reports as set out in this circular and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of OSK Investment Bank Berhad, OSK Asia Capital Limited and Knight Frank (Ooi & Zaharin Sdn Bhd) was beneficially interested in the share capital of any member of the Group, nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct or indirect interest in any assets which were, since 31 March 2008 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, or proposed to be acquired or disposed of by or leased to, any member of the Group.

OSK Investment Bank Berhad, OSK Asia Capital Limited and Knight Frank (Ooi & Zaharin Sdn Bhd) are not aware of any possible conflict of interests which exists or is likely to exist in their capacity to act as experts in respect of the acquisition of the Sale Property and the construction of the New Office Building.

COMPETING BUSINESS

Pursuant to the Listing Rules, the Company discloses that as at the Latest Practicable Date, TSTHK and Dr TIONG Ik King are the Directors as well as the ultimate beneficial owners of the Company's controlling shareholder, Conch. Both of them hold directorships and/or ownership in Pacific Star Limited and R.H. Tours and Travel Agency Sdn Bhd. Pacific Star Limited is engaged in the business of newspapers publishing in Papua New Guinea. R.H. Tours and Travel Agency Sdn Bhd is engaged in the travel and travel related services business in Malaysia. As the Directors are independent of the board of the aforesaid companies, the Group operates its business independently of, and at arm's length from, the business of the aforesaid companies.

LITIGATION

As at the Latest Practicable Date, save as disclosed below, the Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group and the Directors are not aware of any proceedings, pending or threatened, against the Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

a) Ming Pao Newspapers Limited and Ming Pao Holdings Limited (collectively the "MP Companies") have been named as the defendants in the High Court Action No. 80 of 2008 whereby the plaintiffs, Bio Beauty Group Limited, Global Green Tech Group Limited, Global Cosmetics (China) Company Limited and Global Cosmetics (HK) Company Limited commenced proceedings on 14 January 2008 for alleged defamation in the two articles published on 11 and 12 December 2007; solicitors are of the opinion that they have a defence of justification and fair comment. List of documents has been filed by MP Companies on 29 August 2008;

b) Ming Pao Holdings Limited and Ming Pao Newspapers Limited have been named as the defendants by Oriental Daily Publisher Limited and MA Ching Kwan under High Court Action No. 607 of 2008 filed on 11 April 2008 relating to the alleged defamation in the article published on 10 April 2008; MP Companies' solicitors are of the opinion that MP Companies have a defence that the article in question is not defamatory and/or subject to qualified privilege. The defence was filed by the defendants on 20 June 2008 and the reply was filed by the plaintiffs on 15 July 2008;

c) WONG Cheer Feng, a practicing advocate and solicitor has filed a suit against SCMCB as second defendant alleging that SCMCB has defamed him by reason of an article published. WONG Cheer Feng is claiming for damages in the sum of RM5,000,000 plus costs. SCMCB's solicitors are of the opinion that SCMCB has a defence on the ground of justification and fair comment. The Court has fixed the above case on 31 October 2008, 9 October 2008 and 10 December 2008 for continued trial;

d) Badrul Zaman Bin P.S. Md Zakariah, a managing director of an employment agency has filed a suit against SCMCB as first defendant alleging that SCMCB has defamed him by reason of an article published arising from a press conference by the second defendant, the then Deputy Director General of the Immigration Department. Badrul Zaman Bin P. S. Md Zakariah is claiming for damages in the sum of RM50,000,000 plus costs. SCMCB's solicitors are of the opinion that SCMCB has a defence on the ground of qualified privilege. The plaintiff's claim against the defendants has been dismissed with costs on the 28 June 2007. The plaintiff has appealed to the Court of Appeal;

e) CHUA Seow Heong has filed a suit against SCMCB and Guang Ming Ribao Sdn Bhd ("GMRSB") as second and third defendants respectively, alleging that he has been defamed by reason of an article publishing the first defendant's (i.e. the Bank of China's) statement in response to the plaintiff's claim against the first defendant. CHUA Seow Heong is claiming for damages in the sum of RM40,000,000 plus costs. This suit was struck off on 27 June 2002 for the plaintiff's/plaintiff's solicitors' failure to attend court but the suit has been successfully reinstated on 30 October 2003. The High Court has fixed the matter for trial on 22 March 2010 to 25 March 2010. SCMCB's and GMRSB's solicitors are of the opinion that their defence in this matter ought to succeed;

f) Airport Limo (M) Sdn Bhd has filed a suit against SCMCB alleging that SCMCB has defamed it by reason of an article published. Airport Limo (M) Sdn Bhd is claiming for damages in the sum of RM15,000,000 plus costs. SCMCB's solicitors are of the opinion that SCMCB has a defence if it is able to prove the truth of the material facts in the article published and if the plaintiff is to succeed in its claim, the sum to be awarded, if any, will not be material. The Court has fixed the above case on the 12 and 13 October 2009 for trial;

g) Elvin TOH Chen Vin had filed a suit at the High Court of Sabah & Sarawak at Kuching against SCMCB and the Editor of Sin Chew Daily as the first and second defendants respectively. The plaintiff has alleged that both the defendants have defamed him by reason of articles published in Sin Chew Daily. The plaintiff is claiming amongst others for damages in the sum of RM50,000,000 and costs. The matter is pending being set down for trial;

h) On 30 January 1999, GOH Choon Liang commenced legal proceedings against WONG Kam Hor as the first defendant and Nanyang Siang Pau Sdn Bhd ("NSP") as the second defendant claiming that an article published in Nanyang Siang Pau on 3 March 1998 defamed him. He is seeking general damages, aggravated damages, an injunction, interest, costs and other relief. The defendants have filed the Statement of Defence dated 9 April 1999. The solicitors of NSP are in the process of accumulating the relevant evidence and documents for the matter. The plaintiff has not taken any further action in this case;

i) On 12 May 2000, WONG Cheer Feng commenced legal proceedings against NG Ching Sea, the Chairman of the Johor Bahru District House Buyers Association, as the first defendant and NSP as the second defendant claiming that an article published in Nanyang Siang Pau on 13 December 1999 defamed him. The plaintiff is seeking damages in aggregate of RM5,000,000 as aggravated and exemplary damages, costs, interests, an injunction and other relief. On 20 October 2003 the plaintiff's application for consolidation of this case with a similar case brought by the plaintiff against NG Ching Sea and Pemandangan Sinar Sdn. Bhd. was granted by the Court. The Court has fixed 31 October 2008, 9 December 2008 and 11 December 2008 for continued trial;

j) On 2 February 2001, Badrul Zaman Bin P.S. Md Zakariah commenced legal proceedings against NSP as the first defendant, Datuk Aseh Che Mat as the second defendant and the Government of Malaysia as the third defendant. He is seeking general damages of RM50,000,000, unspecified exemplary and aggravated damages, injunction, costs, interests and other relief. NSP filed its Statement of Defence dated 29 June 2001 for which the plaintiff filed a Reply to the Statement of Defence dated 4 July 2001. The Court has on 10 December 2001 approved the Attorney General Chamber's application to consolidate all related actions commenced by the plaintiff. On 28 June 2007, the learned Judge had dismissed the plaintiff's claims with costs. The plaintiff has appealed to the Court of Appeal;

k) On 20 April 2004, CHAN Cheng Keng commenced legal action against LEE Huan Choon as first defendant and NSP as the second defendant claiming that an advertisement published in the Nanyang Siang Pau on 1 September 2006 has defamed him. The Court has on 10 August 2004 struck off the plaintiff's writ and dismissed the plaintiff's application for extension of time to file its Statement of Claim. The plaintiff's appeal to the Judge in Chamber against the decision of the Senior Assistant Registrar was also dismissed by the Court on 21 June 2005. The Court of Appeal has on 29 May 2006 granted the plaintiff's application to appeal to the Court of Appeal against the High Court's decision;

l) On 5 May 1999, YIM Chee Chong commenced legal proceedings against The Chinese Press Berhad ("TCP") as the first defendant and POON Chau Huay (editor-in-chief) as the second defendant claiming that the articles published in The China Press on 17 June 1998, 19 June 1998 and 5 July 1998 defamed him. He is seeking damages of RM2,800,000 as general, aggravated and exemplary damages, interests, apology to be published in The China Press, injunction, costs and other relief. TCP is defending the claim. Trial proceeded and on 5 June 2007, the Judge had dismissed the plaintiff's claim with costs. The plaintiff has filed an appeal against this decision to the Court of Appeal. A hearing date has yet to be fixed for the appeal;

m) On 2 February 2001, Badrul Zaman Bin P.S. Md Zakariah commenced legal proceedings against TCP as the first defendant, Datuk Aseh Che Mat as the second defendant and the Government of Malaysia as the third defendant claiming that an article published in The China Press on 25 February 1998 defamed him. He is seeking general damages of RM50,000,000, unspecified exemplary and aggravated damages, special damages, injunction, costs, interest and other relief. TCP filed its statement of defence dated 29 June 2001 for which the plaintiff has filed its Reply to the Statement of Defence of the first defendant dated 4 July 2001. On 28 June 2007, the learned Judge had dismissed the plaintiff's claims with costs. The plaintiff has appealed to the Court of Appeal;

n) On 4 September 2002, A.J. Ariffin, Yeo & Harpal and Harwinder Kaur a/p Harbhajan Singh commenced legal proceedings against Teresa KOK Suh Sim as the first defendant and TCP as the second defendant claiming that an article published in The China Press dated 4 August 2002 has defamed them. They are claiming for loss of legal fees amounting to RM1,200,000, damages of RM25,000,000, unspecified exemplary damages against the defendants or each of them, special damages of RM1,200,000, apology, injunction, covenant that the Court or plaintiffs will be at liberty to commence contempt proceedings against the defendants for contemptuous statements, costs, interest and other relief. The solicitors for TCP had filed the Statement of Defence and Counter Claim on 12 October 2002. Following the High Court Order dated 11 September 2003 striking out the plaintiffs' claim with cost and dismissing the plaintiffs' application for injunction on the basis that the article concerned did not refer to the second plaintiff and that the article is not defamatory, the plaintiff has filed an appeal to the Court of Appeal against the whole decision of the High Court Judge. The Court has fixed the case for hearing on 21 to 24 February 2011. On 13 May 2008, the same has adjourned to 27 November 2008 for further mention; and

o) On 30 May 2006, 3JC Meatballs Sdn Bhd commenced legal proceedings against TCP claiming, inter alia, that the advertisement published by TCP on 25 February 2006 is false and malicious. The plaintiff is claiming for costs and expense, an apology and withdrawal of the advertisement, unspecified amount of general damages, exemplary damages, interests, costs and other relief. TCP has filed its Statement of Defence dated 11 July 2006. The plaintiff's application to strike out TCP's Statement of Defence dated 11 July 2006 was heard together with TCP's application to strike out the Writ and Statement of Claim. The Senior Assistant Registrar struck out the plaintiff's Statement of Claim was allowed with costs and dismissed the plaintiff's application also with costs. Therefore the plaintiff's suit has been struck off with costs on 16 November 2007. The plaintiff has made appeals to the Judge in chambers against the decision given by the senior Assistant Registrars on 16 November 2007 and on the 25 March 2008 the High Court Judge dismissed both appeals with costs. The plaintiff has appealed to the Court of Appeal.

The Company or the Group has received a number of complaints and letters of demand, some of which have not yet resulted in proceedings being issued, and the Company believes that these are not likely to be pursued. Other matters have involved proceedings being issued but further recent action has not been taken, and the Company believes it is unlikely that the plaintiff will take further action in these inactive cases.

MATERIAL ADVERSE CHANGE

Save as disclosed herein, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2008, being the date to which the latest published financial statements of the Group were made up.

SERVICE CONTRACTS

Each of Mr David YU Hon To and Mr Victor YANG has entered into a service contract with the Company for a term of 2 years commencing from 1 April 2008 until 31 March 2010.

Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH has entered into a service contract with the Company for a term of 2 years and 12 days commencing from 20 March 2008 until 31 March 2010.

Tai Sri Dato' LAU Yin Pin has entered into a service contract with the Company for a term of 1 year and 11 months and 18 days commencing from 14 April 2008 until 31 March 2010.

Save disclosed therein, none of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

MATERIAL CONTRACTS

As at the Latest Practicable Date, save as disclosed below, the Group has not entered into any material contracts, not being contracts in the ordinary course of business, within two years immediately preceding the Latest Practicable Date, and are or may be material:

a) The heads of agreement dated 29 January 2007 between the Company and SCMCB in relation to the merger among the Company, SCMCB and Nanyang Press Holdings Berhad (the "HOA").

b) Irrevocable joint Letter of Offer dated 29 January 2007 from the Company and SCMCB and accepted by Nanyang Press Holdings Berhad on 19 April 2007 for and in relation to the offer by the Company and SCMCB to Nanyang Press Holdings Behad to participate in the merger among the three companies upon the terms as set out therein and the HOA.

c) A deed of accession dated 19 April 2007 between the Company, SCMCB and Nanyang Press Holdings Berhad whereby Nanyang Press Holdings Berhad acceded to the HOA and undertook to be bound by all provisions of the HOA.

d) A conditional merger agreement dated 23 April 2007 between the Company, SCMCB and Nanyang Press Holdings Berhad in relation to the merger among the three companies.

e) A conditional Land Acquisition Agreement dated 14 July 2008 between SCMCB and RHE in relation to the proposed acquisition of the Land.

f) A conditional Supplemental Land Acquisition Agreement dated 11 September 2008 between SCMCB and RHE in relation to the proposed acquisition of the Sale Property.

No agreement or arrangement has been entered into with a competitor which relates to the prices or conditions of contract under which any goods or services are to be tendered for and/or performed or supplied by or to the Group.

GENERAL

(i) The registered office of the Company is situated at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

(ii) The registered office in Malaysia is 10th Floor, Wisma Havela Thakardas, No. 1, Jalan Tiong Nam, Off Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia.

(iii) The head office and principal place of business in Hong Kong is 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong.

(iv) The principal registrar and transfer office of the Company is Butterfield Fund Services (Bermuda) Limited at Rosebank Centre, 11 Bermudiana Road, Pembroke HM08, Bermuda.

(v) The Malaysia share registrar office of the Company is at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

(vi) The Hong Kong branch registrar of the Company is Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queens Road East, Wanchai, Hong Kong.

(vii) The company secretary of the Company is Ms LAW Yuk Kuen, a member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants.

(viii) The qualified accountant of the Company is Ms FU Shuk Kuen, a member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants.

(ix) The English text of this circular shall prevail over the Chinese text thereof.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours on any weekday (except public holidays) at (i) the registered office of the Company in Malaysia at 10th Floor, Wisma Havela Thakardas, No. 1, Jalan Tiong Nam, Off Jalan Raja Laut, 50350 Kuala Lumpur, 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 for a period from the date of this circular to the date of the SGM.

(i) the memorandum of association and Bye-Laws of the Company;

(ii) the audited consolidated financial statements of the Company for the past two financial years ended 31 March 2007 and 31 March 2008 and the latest unaudited results for the period ended 30 June 2008;

(iii) the Land Valuation Certificate;

(iv) the tenancy agreement dated 13 August 2007 between the Purchaser and the Vendor with respect to the Sale property;

(v) the letter from the Independent Board Committee in relation to the Supplemental Land Acquisition Agreement, the text of which is set out on page 23 of this circular;

(vi) the letters of advice from the Independent Financial Advisors in relation to the Supplemental Land Acquisition Agreement, the text of which is set out on pages 24 to 65 of this circular;

(vii) the letters of consent from the Independent Financial Advisors and the independent Land Valuer in relation to the Supplemental Land Acquisition Agreement;

(viii) cause papers of the litigation as referred to in the paragraphs headed "Litigation" in this appendix; and

(ix) the material contracts as referred to in the paragraphs headed "Material Contracts" in this appendix.

The following are the text of the letters and Land Valuation Certificate received from the Land Valuer and addressed to the Directors in connection with its valuation of the Land as at 21 August 2008:

(a) Land Valuation Certificate prepared in conformity with the Manual of Valuation Standards published by the Malaysian Board of Valuers, Appraisers and Estate Agents:

Knight Frank

Ooi & Zaharin Sdn Bhd
(Company No : 585479-A)

Suite 9.01, 9th Floor
Menara IGB, Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
+603 2289 9688
+603 2289 9788 fax
www.knightfrank.com

21st August 2008

The Board of Directors
Media Chinese International Limited
No. 19, Jalan Semangat
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Dear Sirs,

VALUATION OF NO. 19, JALAN SEMANGAT, 46200 PETALING JAYA, SELANGOR DARUL EHSAN

(HEREINAFTER REFERRED TO AS "THE SUBJECT PROPERTY")

This Valuation Certificate is prepared for inclusion in the circular to shareholders of Media Chinese International Limited ("MCIL") in relation to the proposed acquisition of the subject property by Sin Chew Media Corporation Berhad (a subsidiary of MCIL) from Rimbunan Hijau Estate Sdn Bhd.

We were instructed by Media Chinese International Limited to conduct a valuation of the remaining unexpired leasehold interest of about 51 years in the subject property and details of the Valuation are contained in our Valuation Report bearing Reference No. V/08/0178/csl dated 21st August 2008. The Valuation was prepared in conformity with the Manual of Valuation Standards published by the Board of Valuers, Appraisers and Estate Agents.

The basis of Valuation adopted is the **Market Value** which is defined as "the estimated amount for which a property should exchange on the date of Valuation between a willing seller and a willing buyer in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Pursuant to the instruction, we inspected the subject property on 21st August 2008 and have conducted a title search at the Selangor Darul Ehsan Land Registry but this is done to establish master title particulars relevant to the Valuation only.

For the purpose of this Valuation Certificate, we have summarized our report and outlined the key factors which have been considered in arriving at our opinion of the Market Value. This Valuation Certificate does not contain all the necessary data and information included in our Valuation Report. For all intents and purposes, this Valuation Certificate should be read in conjunction with our abovementioned formal Valuation Report.

NO. 19, JALAN SEMANGAT, 46200 PETALING JAYA, SELANGOR DARUL EHSAN

Reference No. : V/08/0178/csl

Date of Inspection: 21st August 2008

Property Identification

Legal Description
Part of Lot No. 50 Section 13, Title No. PN 3694, Town of Petaling Jaya, District of Petaling, Selangor Darul Ehsan.

Location of Property
The subject property is located within Section 13 of Petaling Jaya, an established industrial area sited off the northern (right) side of the Federal Highway, travelling from the Kuala Lumpur towards Shah Alam city centre. The subject property is located about 2 kilometres (1.2 miles) due north-west and 15 kilometres (9.4 miles) due south-west of Petaling Jaya new town and the Kuala Lumpur city centre respectively.

The subject property is a corner lot with dual frontages, fronting onto Jalan Universiti and Jalan Semangat. It is easily accessible from the Kuala Lumpur city centre via Jalan Syed Putra, Federal Highway, exiting onto Jalan Universiti and Jalan Semangat. Alternatively, it is also accessible via the Sprint Highway, Jalan Dato Abu Bakar and the abovementioned roads, all being well maintained metalled roads.

Category of Land Use
Nil.

Express Condition
Industrial.

Restriction In Interest
Not stated.

Encumbrance
Charged to United Malayan Banking Corporation Berhad vide Presentation No. 805/1989, Jil. 319, Fol. 118, registered on 19th January 1989.

Type of Property
A parcel of industrial land erected upon;
1) A double storey office building,
2) A six storey office building with three basement levels

and ancillary buildings.

General Description of Property

Provisional Land Area
11,907.09 square metres (128,171 square feet).

Tenure
Leasehold interest for a term of 99 years, expiring on 24th November 2059.

Registered Proprietor
Rimbunan Hijau Estate Sdn Bhd.

Brief Description of The Subject Site
The subject site is a corner plot and almost rectangular in shape.

The subject site faces south-west and enjoys a direct frontage measuring about 113.22 metres (371 feet) onto Jalan Semangat, a splay of about 44.20 metres (145 feet) and a return frontage of about 53.95 metres (177 feet) onto Jalan Universiti. The north-eastern (side) and south-eastern (rear) site boundaries abut onto neighbouring industrial lot and a drainage reserve respectively.

The site is generally flat in terrain with a split level of about 2-metre high at its south-eastern portion.

The site boundaries are demarcated with;
a) South-eastern – No demarcation
b) South-western – Brickwalls surmounted with metal railings and chain link fencing
c) Western – Chain link fencing
d) North – western – Chain link fencing
e) North-eastern – No demarcation

The driveway within the compound is generally of tar-macadamized and surface car parking bays are provided within the compound.

Brief Description of The Building
A parcel of industrial land erected upon;
1) A double storey office building,
2) A six storey office building with three basement levels

and ancillary buildings.

Gross Floor Area
12,337.15 square metres (132,800 square feet).

Market Value

Date of Valuation
21st August 2008.

Valuation Methodology
Comparison Method
In arriving at our opinion of the Market Value, we have used the Comparison Method. This approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by adjustments made for differences in factors that affect value. In general, a property being valued (subject property) is compared with sales of similar properties that have been transacted in the open market. Listings and offers may also be considered.

Investment Method
This approach considers income and expense data relating to the subject property being valued and estimates value through a capitalisation process. Capitalisation relates income (usually a net income figure) and a defined value type by converting an income amount into a value estimate. This process may consider direct relationships (known as *capitalisation rates*), yield or *discount rates* (reflecting measures of return on investment), or both. In general, the principle of substitution holds that the income stream which produces the highest return commensurate with a given level of risk leads to the most probable value figure.

Cost Method
This comparative approach considers the possibility that, as a substitute for the purchase of a given property, one could construct another property that is either a replica of the original or one that could furnish equal utility. In a real estate context, one would normally not be justified in paying more for a given property than the cost of acquiring equivalent land and constructing an alternative structure, unless undue time, inconvenience, and risk are involved. In practice, the approach also involves an estimate of depreciation for older and/or less functional properties where an estimate of cost new unreasonably exceeds the likely price that would be paid for the appraised property.

Property Identification	General Description of Property	Market Value
	Building Age Activity Centre: Approximately 18 years. Editorial Block: Approximately 10 years. **Planning Details** The subject property is located in an industrial area currently under study for change of zoning to limited commercial use.	The land component is arrived at by the Comparison Method. This approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, a property being valued (subject property) is compared with sales of similar properties that have been transacted in the open market. Listings and offerings may also be considered. **Market Value** RM37,000,000 (RINGGIT MALAYSIA THIRTY SEVEN MILLION ONLY (equivalent to HK$82,174,000 (HONG KONG DOLLAR EIGHTY TWO MILLION ONE HUNDRED AND SEVENTY FOUR THOUSAND ONLY)).

Having regard to the foregoing, our opinion of the Market Value of the remaining unexpired leasehold interest of about 51 years in the subject property, on the basis of vacant possession and subject to the forthcoming individual title being free from all encumbrances (including the existing charge to United Malayan Banking Corporation Berhad), good, marketable and registrable as at 21st August 2008 is RM37,000,000 (Ringgit Malaysia Thirty Seven Million Only (equivalent to HK$82,174,000 (Hong Kong Dollar Eighty Two Million One Hundred and Seventy Four Thousand only)).

Yours faithfully
For and on behalf of
Knight Frank

(original signed)
CHONG TECK SENG, MISM, MRICS
REGISTERED VALUER, V-331
CTS/TWQ/csl

GENERAL PRINCIPLES ADOPTED AND LIMITING CONDITIONS IN THE PREPARATION OF VALUATION REPORTS

These are the general principles and limiting conditions upon which our Valuation Reports are normally prepared; they apply unless we have specifically mentioned otherwise in the body of the report.

1) MALAYSIAN VALUATION STANDARDS

The Valuation Report is carried out in accordance with the Manual of Valuation Standards published by the Board of Valuers, Appraisers and Estate Agents.

Where applicable, we have also made reference to other established valuation manuals and standards such as the International Valuation Standards (IVS) and the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

2) CONFIDENTIALITY

Our Valuation Report is confidential to the client or to whom it is addressed and for the specific purpose to which it refers. It may only be disclosed to other professional advisors assisting the client in respect of that purpose, but the client shall not disclose the report to any other party. Accordingly, our Valuation Report is to be relied on by the client and no other party. No responsibility is accepted to any other party and neither the whole, nor any part, nor reference thereto may be included in any published document, statement or circular, or published in any way, nor in any communication with third parties, without our prior written approval of the form and context in which it will appear. We shall bear no responsibility nor be held liable to any party in any manner whatsoever in the event of any unauthorised publication of our Valuation Report, whether in part or in whole.

3) USE OF REPORT

The opinion of value expressed in this Report is addressed to the client only and shall be used for the purpose stated or intended in this Report only. We are not responsible for any consequences arising from the Valuation Report being relied upon by any other party whatsoever or for any information therein being quoted out of context. You may not otherwise reproduce, distribute, transmit, post or disclose the content of the Report without our prior written consent.

4) SOURCE OF INFORMATION

Where it is stated in the Report that information has been supplied by the sources listed, this information is believed to be reliable and no responsibility is accepted should it prove not to be so nor warranty of any kind, be it express or implied, is intended. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with the relevant authorities. This Report has been prepared on the basis that full disclosure of all information and facts which may affect the Valuation have been made known to ourselves and we cannot accept any liability or responsibility in any event, unless such full disclosure has been made to us.

5) LEGAL TITLE

Whenever possible, a private title search is conducted at the relevant Land Registry/Office but this is done to establish title particulars relevant to valuation only. Whilst we may have inspected the title of the property as recorded in the Register Document of Title, we cannot accept any responsibility for its legal validity or as to the accuracy and timeliness of the information extracted or obtained from the relevant Land Registry/Office.

6) TOWN PLANNING AND OTHER STATUTORY REGULATIONS

Information on Town Planning is obtained from the Structure Plan, Local Plan and Development Plans published by the relevant Authority. Whilst we may make verbal enquiries, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road and drainage improvements. If reassurance is required, we recommend that verification be obtained from your lawyers or other professional advisors.

Our Valuation is prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations. It is assumed that they have been, or will be issued with a Certificate of Fitness for Occupation by the competent authority.

7) LEASES AND TENANCIES

Enquiries as to the financial standing of actual or prospective lessees or tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the lessees or tenants are capable of meeting their obligations under the lease or tenancy and that there are no arrears of rent or undisclosed breaches of covenants and/or warranties.

8) DEVELOPMENT AGREEMENTS

Unless otherwise stated, no allowances are made in our valuation for any joint venture agreement, development right agreement or other similar contracts.

9) MEASUREMENTS

All measurements are carried out in accordance with the Uniform Method of Measurement of Buildings issued by The Institution of Surveyors, Malaysia.

10) SITE SURVEYS

We have not conducted any boundary checks; however, we assume that the dimensions correspond with those shown in the title document, certified plan or any relevant agreement.

11) STRUCTURAL SURVEYS

We have not carried out a building survey nor any testing of services, nor have we inspected those parts of the property which are inaccessible. We cannot express an opinion about or advise upon the condition of uninspected parts and this Report should not be taken as making any implied representation or statement about such parts. Whilst any defects or items of disrepair may be noted during the course of inspection, we are not able to give any assurance in respect of any rot, termite or pest infestation or other hidden defects.

12) SITE CONDITIONS

We do not carry out investigations on the property or neighbouring land (including the past and present uses) in order to determine the suitability of the ground conditions (including contamination or potential for contamination) and services for the existing or any new development, nor have we undertaken any archaeological, ecological or environmental surveys. Unless we are otherwise informed, our Valuation is on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

13) DELETERIOUS OR HAZARDOUS MATERIALS

No investigation has been carried out to determine whether or not any deleterious or hazardous materials have been used in the construction of the property, or has since been incorporated and we are therefore unable to account or report for such in the Report.

14) DISEASES AND INFESTATIONS

Whilst due care is taken to note the presence of any disease or infestation, we have not carried out any test to ascertain possible latent infestations or diseases affecting crops or stock. We are therefore unable to account for such in our Report.

15) OUTSTANDING DEBTS

In the case of buildings where works are in hand or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

16) TAXATION, ENCUMBRANCES, STATUTORY NOTICES AND OUTGOINGS

Unless otherwise stated, no allowances are made in our valuation for any expense of realisation or for taxation which might arise in the event of a disposal, deemed or otherwise. We have considered the property as if free and clear of all charges, lien and all other encumbrances which may be secured thereon. We also assumed the property is free of statutory notices and outgoings.

17) ATTENDANCE

The instruction and the valuation assignment does not automatically bind us to attendance in court or to appear in any enquiry before any government or statutory bodies in connection with the Valuation unless agreed when the instruction is given.

(b) Land Valuation Certificate prepared in conformity with the Manual of Valuation Standards published by the Malaysian Board of Valuers, Appraisers and Estate Agents and the HKIS Valuation Standards on Properties published by The Hong Kong Institute of Surveyors and all the requirements of Chapter 5 of the Listing Rules:

Knight Frank

Ooi & Zaharin Sdn Bhd
(Company No : 585479-A)

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Menara IGB, Mid Valley City
Lingkaran Syed Putra
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The Board of Directors
Media Chinese International Limited
15th Floor, Block A
Ming Pao Industrial Centre
18 Ka Yip Street, Chai Wan
Hong Kong

21st August 2008

Dear Sirs,

VALUATION OF NO. 19, JALAN SEMANGAT, 46200 PETALING JAYA, SELANGOR DARUL EHSAN

(HEREINAFTER REFERRED TO AS "THE SUBJECT PROPERTY")

This Valuation Certificate is prepared for inclusion in the circular to shareholders of Media Chinese International Limited ("MCIL") in relation to the proposed acquisition of the subject property by Sin Chew Media Corporation Berhad, a subsidiary of MCIL from Rimbunan Hijau Estate Sdn Bhd.

We were instructed by Media Chinese International Limited to conduct a valuation of the remaining unexpired leasehold interest of about 51 years in the subject property. The Valuation was prepared in conformity with the Manual of Valuation Standards published by the Board of Valuers, Appraisers and Estate Agents and the HKIS Valuation Standards on Properties published by The Hong Kong Institute of Surveyors and all the requirements of Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The basis of Valuation adopted is the **Market Value** which is defined as "the estimated amount for which a property should exchange on the date of Valuation between a willing seller and a willing buyer in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Pursuant to the instruction, we inspected the subject property on 21st August 2008 and have conducted a title search at the Selangor Darul Ehsan Land Registry but this is done to establish master title particulars relevant to the Valuation only.

For the purpose of this Valuation Certificate, we have summarized our report and outlined the key factors which have been considered in arriving at our opinion of the Market Value. This Valuation Certificate does not contain all the necessary data and information included in our Valuation Report. For all intents and purposes, this Valuation Certificate should be read in conjunction with our abovementioned formal Valuation Report.

Yours faithfully
For and on behalf of
Knight Frank
Chong Teck Seng
Registered Valuer, V-331
Executive Director

Note: Chong Teck Seng, MISM, MRICS, Registered Valuer, V-331, has more than 23 years working experience in real estate professional services and consulting in Malaysia.

VALUATION CERTIFICATE

NO. 19, JALAN SEMANGAT, 46200 PETALING JAYA, SELANGOR DARUL EHSAN

Reference No. : V/08/0178/csl
Date of Inspection: 21st August 2008

Property and Tenure	Description	Particulars of Occupancy	Market Value as at 21st August 2008
Legal Description Part of Lot No. 50 Section 13, Title No. PN 3694, Town of Petaling Jaya, District of Petaling, Selangor Darul Ehsan. **Provisional Land Area** 11,907.09 square metres (128,171 square feet). **Quit Rent** RM41,914.00 per annum in respect of Master Title. **Tenure** Leasehold interest for a term of 99 years, expiring on 24th November 2059. **Registered Proprietor** Rimbunan Hijau Estate Sdn Bhd. **Category of Land Use** Nil. **Express Condition** Industrial. **Restriction In Interest** Not stated. **Encumbrance** Charged to United Malayan Banking Corporation Berhad vide Presentation No. 805/1989, Jil. 319, Fol. 118, registered on 19th January 1989.	**Address** No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan **Type of Property** A parcel of industrial land erected upon; a. A double storey office building, b. A six storey office building with three basement levels and ancillary buildings **Gross Floor Area** 12,337.15 square metres (132,800 square feet) **Building Age** Activity Centre: Approximately 18 years. Editorial Block: Approximately 10 years. **Planning Details** The subject property is located in an industrial area currently under study for change of zoning to limited commercial use.	Vide a photocopy of the Tenancy Agreement dated 13th August 2007 made between Rimbunan Hijau Estate Sdn Bhd (the 'Landlord') and Sin Chew Media Corporation Berhad (the 'Tenant'), we note that part of the land which is erected with Activity Centre and Editorial Block are tenanted to Sin Chew Media Corporation Berhad for a term of three years commencing on 2nd March 2007 for a monthly rental of RM300,000, commencing on 2nd March 2007 and expiring on 1st March 2010 with an option for tenancy extension of 3 years with written request made not less than 3 months before the expiration of the term subject to all covenants and provisions to be mutually agreed by both parties. Vide a photocopy of the Draft Sale and Purchase Agreement (dated 14th July 2008) made between Rimbunan Hijau Estate Sdn Bhd (the 'Vendor') and Sin Chew Media Corporation Berhad (the 'Purchaser'), we noted that all the above Tenancy Agreements will be terminated on or prior to the Completion Date.	**Method of Valuation** ***Comparison Method*** This approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, a property being valued (subject property) is compared with sales of similar properties that have been transacted in the open market. Listings and offerings may also be considered. ***Investment Method*** This approach considers income and expense data relating to the subject property being valued and estimates value through a capitalisation process. Capitalisation relates income (usually a net income figure) and a defined value type by converting an income amount into a value estimate. This process may consider direct relationships (known as *capitalisation rates*), yield or *discount rates* (reflecting measures of return on investment), or both. In general, the principle of substitution holds that the income stream which produces the highest return commensurate with a given level of risk leads to the most probable value figure.

Property and Tenure	Description	Particulars of Occupancy	Market Value as at 21st August 2008
			Cost Method This comparative approach considers the possibility that, as a substitute for the purchase of a given property, one could construct another property that is either a replica of the original or one that could furnish equal utility. In a real estate context, one would normally not be justified in paying more for a given property than the cost of acquiring equivalent land and constructing an alternative structure, unless undue time, inconvenience, and risk are involved. In practice, the approach also involves an estimate of depreciation for older and/or less functional properties where an estimate of cost new unreasonably exceeds the likely price that would be paid for the appraised property. The land component is arrived at by the Comparison Method. This approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, a property being valued (subject property) is compared with sales of similar properties that have been transacted in the open market. Listings and offerings may also be considered. **Market Value** RM37,000,000 (RINGGIT MALAYSIA THIRTY SEVEN MILLION ONLY (equivalent to HK$82,174,000 (HONG KONG DOLLAR EIGHTY TWO MILLION ONE HUNDRED AND SEVENTY FOUR THOUSAND ONLY)).

GENERAL PRINCIPLES ADOPTED AND LIMITING CONDITIONS IN THE PREPARATION OF VALUATION REPORTS

These are the general principles and limiting conditions upon which our Valuation Reports are normally prepared; they apply unless we have specifically mentioned otherwise in the body of the report.

1) MALAYSIAN VALUATION STANDARDS

The Valuation Report is carried out in accordance with the Manual of Valuation Standards published by the Board of Valuers, Appraisers and Estate Agents.

Where applicable, we have also made reference to other established valuation manuals and standards such as the International Valuation Standards (IVS) and the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

2) CONFIDENTIALITY

Our Valuation Report is confidential to the client or to whom it is addressed and for the specific purpose to which it refers. It may only be disclosed to other professional advisors assisting the client in respect of that purpose, but the client shall not disclose the report to any other party. Accordingly, our Valuation Report is to be relied on by the client and no other party. No responsibility is accepted to any other party and neither the whole, nor any part, nor reference thereto may be included in any published document, statement or circular, or published in any way, nor in any communication with third parties, without our prior written approval of the form and context in which it will appear. We shall bear no responsibility nor be held liable to any party in any manner whatsoever in the event of any unauthorised publication of our Valuation Report, whether in part or in whole.

3) USE OF REPORT

The opinion of value expressed in this Report is addressed to the client only and shall be used for the purpose stated or intended in this Report only. We are not responsible for any consequences arising from the Valuation Report being relied upon by any other party whatsoever or for any information therein being quoted out of context. You may not otherwise reproduce, distribute, transmit, post or disclose the content of the Report without our prior written consent.

4) SOURCE OF INFORMATION

Where it is stated in the Report that information has been supplied by the sources listed, this information is believed to be reliable and no responsibility is accepted should it prove not to be so nor warranty of any kind, be it express or implied, is intended. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with the relevant authorities. This Report has been prepared on the basis that full disclosure of all information and facts which may affect the Valuation have been made known to ourselves and we cannot accept any liability or responsibility in any event, unless such full disclosure has been made to us.

5) LEGAL TITLE

Whenever possible, a private title search is conducted at the relevant Land Registry/Office but this is done to establish title particulars relevant to valuation only. Whilst we may have inspected the title of the property as recorded in the Register Document of Title, we cannot accept any responsibility for its legal validity or as to the accuracy and timeliness of the information extracted or obtained from the relevant Land Registry/Office.

6) TOWN PLANNING AND OTHER STATUTORY REGULATIONS

Information on Town Planning is obtained from the Structure Plan, Local Plan and Development Plans published by the relevant Authority. Whilst we may make verbal enquiries, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road and drainage improvements. If reassurance is required, we recommend that verification be obtained from your lawyers or other professional advisors.

Our Valuation is prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations. It is assumed that they have been, or will be issued with a Certificate of Fitness for Occupation by the competent authority.

7) LEASES AND TENANCIES

Enquiries as to the financial standing of actual or prospective lessees or tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the lessees or tenants are capable of meeting their obligations under the lease or tenancy and that there are no arrears of rent or undisclosed breaches of covenants and/or warranties.

8) DEVELOPMENT AGREEMENTS

Unless otherwise stated, no allowances are made in our valuation for any joint venture agreement, development right agreement or other similar contracts.

9) MEASUREMENTS

All measurements are carried out in accordance with the Uniform Method of Measurement of Buildings issued by The Institution of Surveyors, Malaysia.

10) SITE SURVEYS

We have not conducted any boundary checks; however, we assume that the dimensions correspond with those shown in the title document, certified plan or any relevant agreement.

11) STRUCTURAL SURVEYS

We have not carried out a building survey nor any testing of services, nor have we inspected those parts of the property which are inaccessible. We cannot express an opinion about or advise upon the condition of uninspected parts and this Report should not be taken as making any implied representation or statement about such parts. Whilst any defects or items of disrepair may be noted during the course of inspection, we are not able to give any assurance in respect of any rot, termite or pest infestation or other hidden defects.

12) SITE CONDITIONS

We do not carry out investigations on the property or neighbouring land (including the past and present uses) in order to determine the suitability of the ground conditions (including contamination or potential for contamination) and services for the existing or any new development, nor have we undertaken any archaeological, ecological or environmental surveys. Unless we are otherwise informed, our Valuation is on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

13) DELETERIOUS OR HAZARDOUS MATERIALS

No investigation has been carried out to determine whether or not any deleterious or hazardous materials have been used in the construction of the property, or has since been incorporated and we are therefore unable to account or report for such in the Report.

14) DISEASES AND INFESTATIONS

Whilst due care is taken to note the presence of any disease or infestation, we have not carried out any test to ascertain possible latent infestations or diseases affecting crops or stock. We are therefore unable to account for such in our Report.

15) OUTSTANDING DEBTS

In the case of buildings where works are in hand or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

16) TAXATION, ENCUMBRANCES, STATUTORY NOTICES AND OUTGOINGS

Unless otherwise stated, no allowances are made in our valuation for any expense of realisation or for taxation which might arise in the event of a disposal, deemed or otherwise. We have considered the property as if free and clear of all charges, lien and all other encumbrances which may be secured thereon. We also assumed the property is free of statutory notices and outgoings.

17) ATTENDANCE

The instruction and the valuation assignment does not automatically bind us to attendance in court or to appear in any enquiry before any government or statutory bodies in connection with the Valuation unless agreed when the instruction is given.

MEDIA CHINESE INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)
(Malaysia Company No. 995098-A)
(Hong Kong Stock Code: 685, Malaysia Stock Code: 5090)

NOTICE IS HEREBY GIVEN that a special general meeting (the "SGM") of Media Chinese International Limited (the "Company") will be held at (i) Sin Chew Media Corporation Berhad, Meeting Hall, Basement 2, Editorial Block, No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia and (ii) 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong on Thursday, 13 November 2008 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modification the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

PROPOSED ACQUISITION OF THE SALE PROPERTY BY SIN CHEW MEDIA CORPORATION BERHAD ("SCMCB" OR "PURCHASER"), A WHOLLY-OWNED SUBSIDIARY OF MEDIA CHINESE INTERNATIONAL LIMITED, FROM RIMBUNAN HIJAU ESTATE SDN BHD ("RHE" OR "VENDOR") FOR A CASH CONSIDERATION OF RM37,000,000 AND THE REIMBURSEMENT OF THE COST OF CONSTRUCTING THE NEW OFFICE BUILDING OF APPROXIMATELY RM5,000,000

"THAT

(A) subject to approvals of the Malaysian Foreign Investment Committee and any other relevant authority, the acquisition of part of a leasehold land held under master title known as PN 3694 Lot 50, Seksyen 13 situated within the Town of Petaling Jaya, District of Petaling, State of Selangor Darul Ehsan, Malaysia together with buildings and a new two-storey building being constructed thereon and bearing postal address of No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, in accordance with the terms and conditions stipulated in the Supplemental Sale and Purchase Agreement dated 11 September 2008 entered into between SCMCB and RHE for a cash consideration of Ringgit Malaysia Thirty Seven Million Only (RM37,000,000) and the reimbursement of the new office building cost of approximately Ringgit Malaysia Five Million Only (RM5,000,000) (the "Proposed Acquisition") be and are hereby approved and confirmed; and

(B) the directors of the Company be and are hereby authorised to take all steps and do all such acts, deeds and things as they may consider necessary or expedient to give full effect to and to complete the Proposed Acquisition with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant authorities and/or consequent thereto and to do all such things as they may consider necessary or expedient in the best interest of the Company."

By order of the Board
Media Chinese International Limited
LAW Yuk Kuen
Company Secretary

20 October 2008

Notes:

1. The ordinary resolution to be considered at the SGM will be decided by poll. On voting by poll, each member of the Company shall have one vote for each share held in the Company.

2. A member entitled to attend and vote at the SGM is entitled to appoint more than one proxy (but not more than two) to attend and, on poll, vote instead of him. A proxy may but need not be a member of the Company.

   When a member appoints more than one proxy (but not more than two), the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

3. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney, must be deposited at (i) the Malaysia Share Registrar office at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia or (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 not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.