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MEDIA CHINESE INTERNATIONAL LIMITED
世界華文媒體有限公司

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

ANNOUNCEMENT
CONNECTED TRANSACTION
SUPPLEMENTAL LAND ACQUISITION AGREEMENT

THE SUPPLEMENTAL LAND ACQUISITION AGREEMENT

The Purchaser and the Vendor entered into the Land Acquisition Agreement on 14 July 2008 pursuant to which the Purchaser conditionally agreed to acquire from the Vendor the land and buildings for a consideration of RM46,000,000 (equivalent to HK\$103,694,000).

The parties subsequently mutually agreed to re-negotiate the terms of the Land Acquisition Agreement due to change in commercial circumstances.

The Board is pleased to announce that on 11 September 2008, the Purchaser and the Vendor entered into the Supplemental 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\$83,406,000) and pay the Additional Building Cost.

IMPLICATIONS UNDER THE LISTING RULES/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 Transactions are more than 2.5% and the Purchase Price exceeds HK\$10 million, the Transactions 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 of the Company, the Transactions constitute related party transactions under the Listing Requirements.

OSK Investment Bank Berhad in Malaysia and OSK Asia Capital Limited in Hong Kong will continue to act as the independent financial advisers to the non-interested Directors/independent board committee and Independent Shareholders in respect of the Transactions.

Reference is made to the Company's announcement dated 14 July 2008, 4 August 2008 and 4 September 2008 in respect of the Land Acquisition. Unless otherwise defined, capitalized terms used in this announcement have the same meaning as they are defined in the announcement dated 14 July 2008.

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The parties subsequently mutually agreed to re-negotiate the terms of the Land Acquisition Agreement due to change in commercial circumstances.

The Board is pleased to announce that on 11 September 2008, the Purchaser and the Vendor entered into the Supplemental 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\$83,406,000) and pay the Additional Building Cost. Unless otherwise provided, the Supplemental Land Acquisition Agreement supersedes all the provisions and clauses of the Land Acquisition Agreement.

THE SUPPLEMENTAL LAND ACQUISITION AGREEMENT

Date

11 September 2008

Parties

Vendor : Rimbunan Hijau Estate Sdn Bhd

Purchaser : Sin Chew Media Corporation Berhad

Acquisition of the Sale Property and construction of New Office Building

Pursuant to the Supplemental Land Acquisition Agreement:

- (a) the Vendor agreed to sell, and the Purchaser agreed to acquire the Sale Property, representing a portion of the Land, free from all liens, charges or encumbrances and with full legal and beneficial title and all rights attaching thereto, and with legal possession for industrial use; and
- (b) the Vendor agreed to construct the New Office Building in accordance with the Purchaser's requirement and at the Vendor's cost for which the Purchaser agreed to reimburse the Vendor;

(together, the "Transactions").

The Company will not assume any liabilities from the proposed acquisition of the Sale Property or the construction of the New Office Building.

Consideration

The total consideration under the Supplemental Land Acquisition Agreement (the “Purchase Price”) comprises the aggregate of:

- (a) RM37,000,000 (equivalent to HK\$83,406,000) as consideration for the acquisition of the Sale Property; and
- (b) the Additional Building Cost.

RM4,600,000 (equivalent to HK\$10,369,400) had been paid prior to the signing of the Supplemental Land Acquisition Agreement. The remaining balance of the Purchase Price (the “Balance Purchase Price”), 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 Balance Purchase Price.

The Purchase Price will be satisfied by the Purchaser entirely by cash, via internally generated funds.

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 Land of RM37,000,000 (equivalent to HK\$83,406,000) as of 21 August 2008 conducted by an independent property valuer, Knight Frank, based on the appraisal undertaken by the said valuer using the comparison, investment and cost methods in order to derive the open market value. The valuation conducted excludes the New Office Building as it is still under construction and the Purchaser has agreed to reimburse the Vendor the Additional Building Cost.

Salient differences between the Land Acquisition Agreement and the Supplemental Land Acquisition Agreement

- (a) Land area

The Land will be subdivided and the Purchaser will now buy the Sale Property, being a portion of the Land instead of the entire piece of Land.

- (b) New Office Building

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

- (c) Conditions precedent

As the Land will be subdivided prior to completion, there is an additional condition precedent, namely, the approval of the relevant authorities in Malaysia, 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.

(d) Condition period

The condition precedents must be complied with within forty-two (42) months from the date of the Supplemental Land Acquisition Agreement (the “Condition Period”). A longer Condition Period is required as subdivision of land in Selangor, Malaysia takes some time for the new subdivided land titles to be issued.

(e) New subdivision clauses

There are new clauses that provide for the role of the Vendor in obtaining the subdivision approvals.

Approvals Required

Completion is conditional upon:

- (a) the approval of the Malaysia 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 from the Vendor;
- (c) the approval of the Independent Shareholders at a general meeting in accordance with Chapter 14A of the Listing Rules; and
- (d) the approval of the relevant authorities in Malaysia, 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.

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

Estimated Completion

Subject to fulfilment of all the condition precedents as set out in the Supplemental Land Acquisition Agreement, the Transactions are expected to be completed by the first quarter of 2012.

Statement by Directors

Save for the Interested Directors and the independent non-executive Directors, the Directors consider that the Supplemental Land Acquisition Agreement has been entered into in the ordinary and usual course of business after arm’s length negotiations, on normal commercial terms which are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES/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 Transactions are more than 2.5% and the Purchase Price exceeds HK\$10 million, the Transactions 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 of the Company, the Transactions constitute related party transactions under the Listing Requirements.

OSK Investment Bank Berhad in Malaysia and OSK Asia Capital Limited in Hong Kong will continue to act as the independent financial advisers to the non-interested Directors/independent board committee and Independent Shareholders in respect of the Transactions.

Upon completion of the Transactions, 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 of the Company.

GENERAL

An independent board committee comprising all the independent non-executive Directors has been established to consider the terms of the Supplemental Land Acquisition Agreement.

A general meeting will be convened in order to seek Independent Shareholders' approval of the Transactions. A circular containing, inter alia, (i) further details of the Supplemental Land Acquisition Agreement; (ii) the recommendation of the independent board committee; (iii) the advice of the independent financial advisers to the independent board committee and the Independent Shareholders; and (iv) an independent valuation certificate of the Sale Property will be despatched to the Shareholders as soon as practicable.

A copy of the Supplemental Land Acquisition Agreement and the valuation report on the Sale Property are available for inspection at the following offices of the Company during normal office hours from Monday to Friday (except public holidays) for the period from the date of the circular being despatched to the date of the general meeting to be convened in order to seek Independent Shareholders' approval of the Transactions:

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

DEFINITIONS USED IN THIS ANNOUNCEMENT

In this announcement, the following expressions have the following meanings:

“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\$11,271,000).
“Land”	the 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, Selangor Darul Ehsan, Malaysia. The leasehold tenure of 99 years commencing from 25 November 1960 and expiring on 24 November 2059.
“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.
“Sale Property”	all that parcel of 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, Selangor Darul Ehsan, Malaysia.
“Supplemental Land Acquisition Agreement”	the supplemental sale and purchase agreement dated 11 September 2008 signed between the Vendor and the Purchaser in relation to the acquisition of the Sale Property and construction of the New Office Building.

Sums in this announcement expressed in RM have been translated into HK\$ at the rate of RM0.443614 = HK\$1.00 (representing the middle exchange rate at 5:00 p.m. on 10 September 2008 as quoted by Bank Negara Malaysia).

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

By order of the Board
Media Chinese International Limited
Tiong Kiew Chiong
Director

11 September 2008

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