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SCMP Group Limited

南華早報集團有限公司 *

(Incorporated in Bermuda with limited liability) (Stock Code: 583)

ANNOUNCEMENT

UPDATE ON STEPS TAKEN TO ADDRESS PUBLIC FLOAT

This announcement is made on a voluntary basis to update shareholders relating to the public float issue.

Reference is made to the Company's announcements dated 17 January 2013, 7 February 2013, 25 February 2013 and 6 March 2013 regarding the status of the Company's public float and trading suspension (the "**Announcements**"). Unless otherwise defined herein, all capitalised terms used herein shall have the same meanings as adopted in the Announcements.

The Board wishes to update shareholders on the latest development and progress on the steps taken to address the public float:

1. In early March 2013, Platinum Securities Company Limited ("**Platinum Securities**") put forward to the Board for consideration various proposals commonly adopted in the market (including placement(s) of existing shares by either or both of the Company's substantial shareholders, share placement by the Company, rights issue, bonus share issue and spin-off of certain business unit/assets) (the "**Proposals**") with a view to assisting the Board in identifying the most appropriate means for addressing the public float.
2. The Board was advised that support from the Company's substantial shareholders would be crucial in order for the Proposals to be feasible and to achieve the goal of restoring the public float.
3. Accordingly, the Board further commissioned Platinum Securities to approach the Company's two substantial shareholders (namely, Kerry Media Limited ("**KML**") and Silchester International Investors LLP ("**Silchester**")) to initiate discussions to ascertain their views on, and their willingness to support, the Proposals to address public float and to report to the Board.

4. The Board has been actively monitoring and conducting constant discussions on the public float issue and the challenges involved. In considering and studying the feasibility and merits of each of the Proposals, the Board has taken into account the following factors:-
 - (a) the Company's capital needs;
 - (b) the potential dilutive effect of equity issuance(s) on shareholders;
 - (c) the negative impact on share price;
 - (d) the potential discount to the offer price in corporate action(s) involving equity issuance(s);
 - (e) the ease and effectiveness of the Proposals in restoring public float;
 - (f) the transaction timeframe and costs of implementation; and
 - (g) the views of the Company's substantial shareholders and the chances of securing support from them.
5. On 25 March 2013, Platinum Securities reported back to the Board the progress of its discussions with the substantial shareholders. As confirmed by Platinum Securities, neither of them indicated support for the Proposals presented to them.
6. At the same time, to enable the Board to gain a better understanding of certain of the Proposals (namely, bonus share scheme and spin-off proposal) and how the same can help restore the public float and the feasibility and merits thereof, Platinum Securities was commissioned to conduct further feasibility study on these two possible options.
7. It was subsequently reported in the Special Board Committee meeting held on 15 April 2013 that the adoption of a spin-off proposal would not directly help to restore the Company's public float. Discussions on the various Proposals and the potential challenges continued. No conclusion was reached at this meeting.
8. The Board held a special board meeting on 8 May 2013 to continue to explore the most appropriate steps and means for addressing the Company's public float.

The process of identifying the most appropriate course of action through studying various methods commonly adopted in the market for addressing the Company's public float is still ongoing. The Board is mindful that any effective course of action to restore the public float would be contingent upon the support of the shareholders, including the substantial shareholders. The Board will continue to take such action and step as may be appropriate in the circumstances with a view to restoring the public float in compliance with the Listing Rules.

Shareholders of the Company and potential investors should take note that the various Proposals presented to the Board for consideration are only at a preliminary and initial stage of exploration and no decision has been made as to which proposal or option the Company may pursue. There is no assurance that the Company may finally pursue any one or more of such Proposals.

Further announcement(s) will be made by the Company to update shareholders as and when appropriate pursuant to the Listing Rules and/or the SFO.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

On behalf of the Board
SCMP Group Limited
David J. Pang
Chairman

Hong Kong, 10 May 2013

As at the date hereof, the Board comprises:

Non-executive Directors

Dr. David J. Pang (Chairman), Mr. Roberto V. Ongpin (Deputy Chairman)
and Tan Sri Dr. Khoo Kay Peng

Independent Non-executive Directors

Mr. Ronald J. Arculli, Dr. Fred Hu Zu Liu, Dr. the Hon. Sir David Li Kwok Po
and Mr. Wong Kai Man

Executive Director

Ms. Kuok Hui Kwong

* *For identification purpose only*