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## **KERRY MEDIA LIMITED**

*(incorporated in the British Virgin Islands with limited liability)*

### **ANNOUNCEMENT**

### **SALE OF SHARES OF SCMP GROUP LIMITED BY KERRY MEDIA LIMITED**

**AND**

### **POSSIBLE ACQUISITION OF SHARES OF SCMP GROUP LIMITED UPON EXERCISE OF THE OPTIONS GRANTED BY KERRY MEDIA LIMITED**

Reference is made to the announcements dated 6 March 2008, 15 April 2008, 9 July 2008, 24 July 2008, 10 September 2008 and 10 December 2008 issued by the Company.

As at the date of this announcement, (i) Kerry and members of the Concert Group held in aggregate 1,169,543,308 Shares, representing approximately 74.9253% of the issued share capital of the Company; (ii) approximately 14.0610% of the issued share capital of the Company was held/controlled by Silchester International Investors Limited, a substantial shareholder and, thus, a Connected Person of the Company; (iii) approximately 0.3074% of the issued share capital of the Company was held by the Directors, Connected Persons of the Company; and (iv) approximately 10.7063% of the issued share capital of the Company was held by the public. Accordingly, the minimum public float requirement under Rule 8.08 of the Listing Rules was not satisfied. The Stock Exchange granted a waiver from strict compliance with Rule 8.08 of the Listing Rules from 25 February 2008 until 28 February 2009.

On 27 February 2009, Kerry entered into (i) the JPMorgan S&P Agreement with JPMorgan Securities; (ii) the DB S&P Agreement with DB; and (iii) the BEA S&P Agreement with BEA in relation to the sale of the JPMorgan Sale Shares, the DB Sale Shares and the BEA Sale Shares, respectively, in order to restore the public float of the Company. The price for the sale of the Sale Shares is HK\$1.70 per Sale Share.

The sale and purchase of the Sale Shares pursuant to the S&P Agreements were completed on the date of this announcement.

On 27 February 2009, Kerry entered into (i) the JPMorgan Option Agreement with JPMorgan; (ii) the DB Option Agreement with DB; and (iii) the BEA Option Agreement with BEA in relation to the Options to be granted by Kerry to JPMorgan, DB and BEA, respectively. Each Option Agreement gives JPMorgan, DB and BEA the right to sell up to the aggregate number of JPMorgan Sale Shares, DB Sale Shares and BEA Sale Shares, respectively, to Kerry at the Strike Price (subject to adjustments) pursuant to the terms of the JPMorgan Option Agreement, the DB Option Agreement and the BEA Option Agreement, respectively. The Options are “European style” put options which can only be exercised on the Scheduled Expiry Date unless: (a) certain Extraordinary Events occur, in which case all unexercised Options will become “American style” put options which may be exercised in whole or in part at any time and from time to time on or before the Scheduled Expiry Date; or (b) Kerry gives an Option Notice to each Option Holder, which Option Notice may be given by Kerry at any time and from time to time on or before the 10th Business Day prior to the Scheduled Expiry Date, in which case the number of unexercised Options specified in the relevant Option Notice will become “American style” put options and the Option Holders shall, on the 7th Business Day immediately following the Option Holders’ receipt of the Option Notice, be deemed to exercise all such Options.

The Total Consideration under the S&P Agreements was deposited with JPMorgan, DB and BEA to satisfy payment of the Initial Delivery Amounts required to be transferred by Kerry to the Option Holders pursuant to the terms of the Option Agreements as credit support for Kerry’s obligations thereunder. Kerry may be required during the term of the Option Agreements to transfer Additional Delivery Amount(s) to JPMorgan, DB and BEA as credit support for Kerry’s obligations under the Option Agreements. The Initial Delivery Amounts, plus the aggregate of Additional Delivery Amount(s) that have from time to time been transferred to JPMorgan, DB and BEA (if any), less the aggregate amount of cash collateral that has from time to time been returned to Kerry prior to the Final Return Date as a result of the reduction of the Strike Price under the Option Agreements (if any), will be returned to Kerry upon the Final Return Date as Final Return Amounts under the Option Agreements.

## **BACKGROUND**

On 19 December 2007, Kerry announced a mandatory conditional general offer, through JPMorgan Securities (Asia Pacific), to acquire all the issued Shares in the share capital of the Company (other than those Shares already owned or agreed to be acquired by Kerry and other members of the Concert Group). The Offer closed on 25 February 2008.

Immediately following the close of the Offer, Kerry and members of the Concert Group held in aggregate 1,169,543,308 Shares, representing approximately 74.9253% of the issued share capital of the Company; (i) approximately 14.0610% of the issued share capital of the Company was held/controlled by Silchester International Investors Limited, a substantial shareholder and, thus, a Connected Person of the Company; (ii) approximately 0.3074% of the issued share capital of the Company was held by the Directors, Connected Persons of the Company; and (iii) approximately 10.7063% of the issued share capital of the Company was held by the public. Accordingly, the minimum public float requirement under Rule 8.08 of the Listing Rules was not satisfied. The Stock Exchange had granted a waiver from strict compliance with Rule 8.08 of the Listing Rules from 25 February 2008 to 28 February 2009.

## **THE S&P AGREEMENTS**

### **1. Sale of the Sale Shares**

On 27 February 2009, Kerry entered into (i) the JPMorgan S&P Agreement with JPMorgan Securities; (ii) the DB S&P Agreement with DB and (iii) the BEA S&P Agreement with BEA. Under these S&P Agreements, Kerry agreed to sell the Sale Shares, and JPMorgan Securities, DB and BEA each agreed to purchase the JPMorgan Sale Shares, the DB Sale Shares and the BEA Sale Shares, respectively, at the Sale Price.

The sale and purchase of the Sale Shares pursuant to the S&P Agreements were completed on the date of this announcement. At Completion, the JPMorgan Sale Shares, DB Sale Shares and BEA Sale Shares were transferred to JPMorgan Securities, DB and BEA, respectively, or their respective nominees, and all rights attaching to the Sale Shares, including (without limitation) the right to receive dividends, were passed to JPMorgan Securities, DB and BEA, respectively, or their respective nominees.

### **2. Principal terms of the S&P Agreements**

#### ***Sale Shares***

The Sale Shares comprise 225,000,000 Shares (representing approximately 14.4% of the issued share capital of the Company), of which: (a) 75,000,000 Shares (representing approximately 4.8% of the issued share capital of the Company) were sold to JPMorgan Securities; (b) 75,000,000 Shares (representing approximately 4.8% of the issued share capital of the Company) were sold to DB; and (c) 75,000,000 Shares (representing approximately 4.8% of the issued share capital of the Company) were sold to BEA.

#### ***Sale Price***

The Sale Price is HK\$1.70 per Share, which represents:

- (i) a discount of approximately 38.0% to the closing price of HK\$2.740 per Share, as quoted on the Stock Exchange on 26 February 2008, being the last trading day of the Shares on the Stock Exchange prior to the date of the S&P Agreements;
- (ii) a discount of approximately 38.1% to the five-day average closing price of HK\$2.746 per Share for the last five consecutive trading days up to and including 26 February 2008, as quoted on the Stock Exchange; and
- (iii) a discount of approximately 38.5% to the 10-day average closing price of HK\$2.762 per Share for the last 10 consecutive trading days up to and including 26 February 2008, as quoted on the Stock Exchange; and
- (iv) a discount of approximately 38.0% to the 30-day average closing price of HK\$2.744 per Share for the last 30 consecutive trading days up to and including 26 February 2008, as quoted on the Stock Exchange.

The Sale Price was determined after arm's length negotiations between Kerry and each of JPMorgan Securities, DB and BEA. The S&P Agreements are on normal commercial terms.

## ***Consideration***

The aggregate consideration, payable by JPMorgan Securities in cash, for the JPMorgan Sale Shares at the Sale Price is HK\$127,500,000 (the “**JPMorgan Consideration**”).

The aggregate consideration, payable by DB in cash, for the DB Sale Shares at the Sale Price is HK\$127,500,000 (the “**DB Consideration**”).

The aggregate consideration, payable by BEA in cash, for the BEA Sale Shares at the Sale Price is HK\$127,500,000 (the “**BEA Consideration**”).

At Completion, each of the JPMorgan Consideration, the DB Consideration and the BEA Consideration (collectively, the “**Total Consideration**”) due from JPMorgan Securities, DB and BEA, respectively, was deposited with JPMorgan, DB and BEA, respectively, to satisfy payment of the Initial Delivery Amounts in accordance with the terms of the Option Agreements as further explained under the paragraph headed “Initial Delivery Amounts” below.

## **THE OPTION AGREEMENTS**

### **1. Grant of the Options**

On 27 February 2009, Kerry entered into (i) the JPMorgan Option Agreement with JPMorgan; (ii) the DB Option Agreement with DB; and (iii) the BEA Option Agreement with BEA. Under these Option Agreements, Kerry agreed to grant the Options to each of the Option Holders in accordance with the terms set out therein.

The Option Agreements have a term commencing on the Effective Date and expiring on the Scheduled Expiry Date. The Options are “European style” put options which can only be exercised on the Scheduled Expiry Date unless: (a) certain Extraordinary Events occur, in which case all unexercised Options will become “American style” put options which may be exercised by the Option Holder in whole or in part at any time and from time to time on or before the Scheduled Expiry Date; or (b) Kerry gives an Option Notice to each Option Holder, which Option Notice may be given by Kerry at any time and from time to time on or before the 10th Business Day prior to the Scheduled Expiry Date, in which case the number of unexercised Options specified in the Option Notice will become “American style” put options and the Option Holders shall, on the 7th Business Day immediately following the Option Holders’ receipt of the Option Notice, be deemed to exercise all such Options. There are no restrictions on the transfer of the JPMorgan Sale Shares, the DB Sale Shares or the BEA Sale Shares during the Term. The key terms of the Option Agreements are summarised in the section headed “Principal terms of the Option Agreements” below.

Each of the JPMorgan Consideration, the DB Consideration and the BEA Consideration under the S&P Agreements was deposited with JPMorgan, DB and BEA, respectively, to satisfy payment of the Initial Delivery Amounts required to be transferred by Kerry to the Option Holders pursuant to the terms of the Option Agreements. Kerry may be required during the term of the Option Agreements to transfer the Additional Delivery Amount(s) to JPMorgan, DB and BEA as credit support for Kerry’s obligations under the Option Agreements. The Initial Delivery Amounts, plus the aggregate of Additional Delivery Amount(s) that have from time to time been transferred to JPMorgan, DB and BEA (if any), less the aggregate amount of cash collateral that has from time to time been returned to Kerry prior to the Final Return Date as a result of the reduction of the Strike Price under the Option Agreements (if any), will be returned

to Kerry upon the Final Return Date as Final Return Amounts under the Option Agreements. For further details, see below under the sections headed “Initial Delivery Amounts”, “Additional Delivery Amounts” and “Final Return Amounts”.

## 2. Principal terms of the Option Agreements

### *Parties to the Option Agreements*

Grantor of Options: Kerry.

Grantee of the Options: JPMorgan, DB and BEA.

### *Options*

Kerry granted the Options to the Option Holders in accordance with the terms of the Option Agreements.

### *Term*

The term of the Options (the “**Term**”) commenced on the Effective Date and shall end on the Scheduled Expiry Date.

### *Effective Date*

The effective date of the Options (the “**Effective Date**”) is the completion date of the S&P Agreements (namely, 27 February 2009). The Option Agreements were subject to, and conditional upon, Completion.

### *Scheduled Expiry Date*

The scheduled expiry date is the date falling 48 months after the Effective Date (namely, 27 February 2013) or such later date as may be agreed between Kerry and the Option Holders at any time during the period from and including the date falling 40 months after the Effective Date up to and including the date falling 45 months after the Effective Date (the “**Scheduled Expiry Date**”).

### *Expiry Date*

With respect to each Option, the “**Expiry Date**” shall be (i) the Scheduled Expiry Date; or (ii) in the event that the Option becomes an “American style” put option following the receipt by the relevant Option Holder of an Option Notice, the 7th Business Day immediately following the relevant Option Holder’s receipt of such Option Notice.

### *Initial Delivery Amounts*

Each of the JPMorgan Consideration, the DB Consideration and the BEA Consideration was deposited with JPMorgan, DB and BEA, respectively, on the Effective Date and is intended to serve as credit support for Kerry’s obligations to the Option Holders under the Option Agreements (the “**Initial Delivery Amounts**”).

### ***Additional Delivery Amounts***

The strike price per Share is the amount equal to the Initial Reference Price (or, as the case may be, the relevant Reset Reference Price) (subject to adjustments following a Potential Adjustment Event) plus a financing charge accruing on such Initial Reference Price (or, as the case may be, Reset Reference Price) (see the section headed “Strike Price” below). For further details, see below under the section headed “Strike Price”. In the event that dividends and other cash distributions declared by the Company in respect of the Sale Shares do not exceed the financing charge on the Initial Reference Price (or, as the case may be, Reset Reference Price), the Option Holders will be under-collateralised in respect of the Strike Price that would be payable on the exercise of their outstanding Options. In order to avoid such under-collateralisation, if on any Collateral Evaluation Date the product of (i) the Strike Price in effect on such Collateral Evaluation Date and (ii) the number of unexercised Options on such Collateral Evaluation Date exceeds the balance of the cash collateral with the Option Holders on such Collateral Evaluation Date, the Option Holders may give written notice (the “**Collateral Shortfall Notice**”) to Kerry and Kerry will be required to transfer to the Option Holders additional cash collateral equal to such excess (an “**Additional Delivery Amount**”) on the fifth Business Day following the date of the Collateral Shortfall Notice. Any Additional Delivery Amount transferred will form part of the balance of the cash collateral with the Option Holders.

### ***Collateral Release Amounts***

In the event that any dividends or other cash distributions are declared by the Company in respect of the Sale Shares, and the Sale Shares go ex-dividend, during the period from (but excluding) the Effective Date up to and including the relevant Final Return Date, the Strike Price will be reduced. See the section headed “Strike Price” below. Immediately after such reduction of the Strike Price, the Option Holders will be over-collateralised in respect of their outstanding Options. In order to avoid such over-collateralisation, the Option Holders will return an amount of cash collateral (the “**Collateral Release Amounts**”) equal to the Initial Delivery Amounts, in the case of the first reduction of the Strike Price following the Effective Date, or the Reset Delivery Amounts, in all other cases, less the product of the number of outstanding Options and the relevant Reset Reference Price as calculated on the relevant ex-dividend date, to Kerry two Business Days following the date on which the dividends or other cash distributions are actually received by any holder of record of a Share.

### ***Final Return Amounts***

On the day (the “**Final Return Date**”) falling two Business Days after (i) the date of each exercise of the Options (if any) (each an “**Exercise Date**”) and (ii) the Scheduled Expiry Date, as the case may be, the Option Holders must pay an amount to Kerry (the “**Final Return Amounts**”) which is equal to the Initial Delivery Amounts (or, as the case may be, the Reset Delivery Amounts) in respect of the Options being exercised on such date or the outstanding Options on the Scheduled Expiry Date, as the case may be, plus the aggregate Additional Delivery Amounts that have from time to time been transferred to JPMorgan, DB and BEA (if any), less the aggregate amount of Collateral Release Amounts in respect of such Options that has from time to time been returned to Kerry prior to the Final Return Date as a result of the reduction of the Strike Price under the Option Agreements (if any). See the sections headed “Exercise of the Options upon the Scheduled Expiry Date” and “Provisions applicable following certain Extraordinary Events and receipt by the Option Holders of an Option Notice” below.

### *Option Style*

Save for the occurrence of an Extraordinary Event and/or receipt of an Option Notice by JPMorgan, DB and/or BEA, the Options are “European style” put options, which are exercisable only on the Scheduled Expiry Date. If the closing price of the Shares on the Scheduled Expiry Date is less than the Strike Price, all outstanding Options will automatically be exercised on the Scheduled Expiry Date without the need for any further action to be taken by the Option Holders.

### *Number of Options*

The total number of Options shall be equal to the total number of Sale Shares acquired by JPMorgan, DB and BEA pursuant to the S&P Agreements, subject to adjustment from time to time on the occurrence of a Potential Adjustment Event.

### *Option Entitlement*

One Share per Option.

### *Strike Price*

The strike price per Share (the “**Strike Price**”) is the amount equal to the Initial Reference Price (or, as the case may be, the relevant Reset Reference Price) (subject to adjustments following a Potential Adjustment Event) plus a financing charge accruing on such Initial Reference Price (or, as the case may be, Reset Reference Price) at 1.10% per annum for the period from but excluding the Effective Date up to and including the relevant Exercise Date.

In the event that any dividends or other cash distributions are declared by the Company in respect of the Sale Shares, and the Sale Shares go ex-dividend, during the period from (but excluding) the Effective Date up to (and including) the relevant Final Return Date:

- (a) the Strike Price will be reduced, on the relevant ex-dividend date, by an amount equal to any net cash dividends to be paid by the Company to a holder of record of a Share (after deduction of any withholding tax or any other duties, levies or deductions that are imposed in respect of the shares or on the Option Holder in respect of such dividends) (the “**Net Dividend**”); and
- (b) following the calculation of the Strike Price on an ex-dividend date, references to the Initial Reference Price will be replaced by references to the amount of the reduced Strike Price as calculated on such ex-dividend date (the “**Reset Reference Price**”).

### ***Initial Reference Price***

The initial reference price (the “**Initial Reference Price**”) is HK\$1.70 per Share.

### ***Potential Adjustment Events***

The terms of the Options may be adjusted upon the occurrence of certain events, such as any subdivision or consolidation of Shares or bonus issue of Shares (each a “**Potential Adjustment Event**”).

### ***Exercise of the Options upon the Scheduled Expiry Date***

If any of the outstanding Options are exercised on the Scheduled Expiry Date, the relevant Option Holder(s) shall deliver to Kerry or its nominee the Shares represented by the Options exercised by it and Kerry shall pay to the relevant Option Holder(s) the amount equal to the product of the number of the Options exercised and the Strike Price. The amount payable by Kerry to the Option Holders shall be offset against the Final Return Amounts and the net amount (if any) shall be payable as between Kerry and the Option Holders.

### ***Extraordinary Events***

The Option Agreements provide that the following events will constitute extraordinary events (each an “**Extraordinary Event**”): (i) events in the nature of a merger, nationalization, insolvency, delisting, change in law (including any regulation, the Listing Rules and the Takeovers Code), and/or insolvency filing in respect of the Company; (ii) the occurrence of a Strike Price equal to zero after a reduction in the Strike Price as a result of the payment of dividends by the Company; (iii) a general offer made by Kerry or any party acting in concert with Kerry (within the meaning of the Takeovers Code) (other than (a) the Option Holders; and (b) any person who is deemed to be a concert party solely by virtue of its relationship with the Option Holders, in both cases in circumstances where the Option Holders are acting otherwise than pursuant to the Option Agreements) in respect of the Shares; (iv) the occurrence of an event (other than a change in law) or the existence of any circumstance which results in either (a) one or more of the Options transactions being illegal or unlawful or constituting a breach of any applicable law or rules or regulation or requirement of a relevant governmental or regulatory authority (including but not limited to the Listing Rules and the Takeovers Code); or (b) it being illegal or unlawful or a breach of any applicable law or rules or regulation or requirement of a relevant governmental or regulatory authority (including but not limited to the Listing Rules and the Takeovers Code) for any or all three of the Option Holders to perform any or all of its/their obligations under the Option Agreements or to hold or dispose of the Sale Shares, (in each case, unless the illegality, unlawfulness or breach arises solely as a direct result of an act or omission of the Option Holders, and provided always that the performance by the Option Holders of any obligation under or any exercise by the Option Holders of an Option in accordance with the terms of the Option Agreement shall not constitute an act or omission by the Option Holders); (v) the occurrence of: (a) a misrepresentation, a default under specified transactions (which may include certain types of swaps, options, repos or similar transactions (if any)) or a merger without assumption, in each case by or in respect of Kerry, JPMorgan, DB and/or BEA under the terms of the Option Agreements, (b) a change in ownership of Kerry such that Kerry Group Limited (or its Affiliates) ceases to own at least 51% of the issued share capital of Kerry, without the prior written consent of the Option Holders and (c) an illegality or a force majeure event in respect of the Option Agreements; (vi) the occurrence of (a) a failure to pay or deliver (1) by Kerry in respect of transfers by Kerry to the Option Holders of

Additional Delivery Amounts and (2) by the Option Holders or Kerry in respect of payment obligations relating to the exercise of Options or the completion of the exercise of Options under the Option Agreements or (b) the occurrence of a repudiation of agreement by Kerry, JPMorgan, DB and BEA, in respect of payment obligations relating to the exercise of Options or the completion of the exercise of Options under the Option Agreements; (vii) (in respect of the DB Options) the conversion of the JPMorgan Options or the BEA Options, (in respect of the JPMorgan Options) the conversion of the DB Options or the BEA Options or (in respect of the BEA Options) the conversion of the JPMorgan Options or the DB Options into “American style” put options as a result of the occurrence of any event falling under (i), (ii), (iii), (iv), (v) or (vi) above thereby constituting an “Extraordinary Event” under the terms of the JPMorgan Option Agreement, the DB Option Agreement or the BEA Option Agreement, as the case may be; or (viii) a repurchase by the Company or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise, and the number of Shares held by an Option Holder after such repurchase represents 10% or more of the issued share capital of the Company.

***Provisions applicable following certain Extraordinary Events and receipt by the Option Holders of an Option Notice***

Upon the occurrence of an Extraordinary Event, all unexercised Options will become “American style” put options and the Option Holders may, at each Option Holder’s discretion, exercise all or some of the Options at any time and from time to time on or before the Scheduled Expiry Date.

In the event that Kerry gives written notices (each an “**Option Notice**”) to the Option Holders requiring each Option Holder to exercise (a) 15% or more of the aggregate number of Options granted to it on the Effective Date; or (b) if the number of outstanding Options comprises less than 15% of the aggregate number of Options granted to the Option Holder on the Effective Date, all outstanding Options, which Option Notices may be given by Kerry at any time and from time to time on or before the 10th Business Day, prior to the Scheduled Expiry Date, the number of unexercised Options specified in the Option Notices will become “American style” put options and the Option Holders shall, on the 7th Business Day immediately following the Option Holders’ receipt of the Option Notice, be deemed to exercise all such Options. The Option Notices shall be served on the same day on each of the Option Holders by Kerry and shall specify that each Option Holder shall exercise the same percentage of the aggregate number of Options held by such Option Holder. There are no restrictions on the transfer of the JPMorgan Sale Shares, the DB Sale Shares or the BEA Sale Shares during the Term.

Upon early exercise of an Option by an Option Holder following the occurrence of an Extraordinary Event or the receipt by an Option Holder of an Option Notice, the relevant Option Holder shall deliver to Kerry the Shares represented by the Options so exercised and Kerry shall pay to the relevant Option Holder an amount equal to the product of the number of the Options exercised and the Strike Price. The amount payable by Kerry to the Option Holders shall be offset against the Final Return Amounts and the net amount (if any) shall be payable as between Kerry and the Option Holders.

***Additional provisions relating to early termination pursuant to the occurrence of an Extraordinary Event***

If an Extraordinary Event has occurred, the Option Holders have exercised all of the Options, the outstanding Final Return Amount is less than the product of the Strike Price determined on the relevant Exercise Date and the number of Options being exercised, and Kerry does not pay the relevant shortfall amount to the Option Holders within a specified time after the relevant Final Return Date, the Option Agreements may be terminated by the Option Holders and the Option Holders shall transfer to Kerry or its designated transferee a number of Shares equal to (i) the number of Shares that would fall to be delivered to Kerry upon the exercise by the Option Holders of the Options that were exercised on the relevant Exercise Date, less (ii) a number of Shares with an aggregate market value equal to the relevant shortfall.

If an Extraordinary Event has occurred and it is illegal or unlawful or would result in a breach of any applicable law or rules or regulations or requirement of a relevant governmental or regulatory authority for any of the Option Holders to exercise the Options or transfer or deliver the Shares to Kerry or its designated transferee pursuant to the exercise of Options, the Options transactions may be terminated by the Option Holders and, in the event of such termination, Kerry shall pay the Option Holders an amount equal to the product of the Strike Price and the total number of all unexercised Options and/or exercised but unsettled Options (the "Fallback Amount"). Upon receipt of the Fallback Amount, the Option Holders shall (i) if they are not able to transfer or deliver the Shares which are the subject of the relevant Options to Kerry or a designated transferee of Kerry after receipt of the Fallback Amount due to legal, regulatory or internal compliance reasons, arrange for the sale on an arms-length basis of all of the Shares in respect of all unexercised Options and/or exercised but unsettled Options and (ii) pay Kerry an amount equal to the aggregated price(s) (less all reasonable expenses relating to the sale) at which the relevant Shares are sold. The Final Return Amount (if any) shall be applied towards the satisfaction of the Fallback Amount payable by Kerry.

***Fees, Expenses and Indemnity***

Kerry will pay an advisory fee to each of JPMorgan Securities (Asia Pacific), DB and BEA for its respective services in respect of the transactions contemplated under the S&P Agreements and the Option Agreements.

Kerry will meet certain costs, expenses, taxes and duties which may be incurred by each of the Option Holders in respect of their entry into the transactions contemplated under the Option Agreements and in connection with the transfer of any Shares from the Option Holders to Kerry and the granting and exercise of the Options.

Kerry will within 10 Business Days of written demand by the Option Holders indemnify the Option Holders against certain liabilities, costs, expenses, damages, losses, taxes and duties suffered or incurred by the Option Holders as a result of entering into or performing their obligations under the Option Agreements.

### ***Events of Default***

On the occurrence of (i) Kerry, Kerry Holdings Limited, the Company or the Option Holders becoming subject to a bankruptcy or similar event, (ii) certain failures to pay or deliver amounts under the Option Agreements by Kerry or the Option Holders and (iii) certain breaches or repudiations of obligations under the Option Agreements by Kerry or the Option Holders, as the case may be (in each case where such event does not constitute an Extraordinary Event), the non-defaulting party may elect to terminate the relevant Option Agreement and, in the case of such a termination, the obligations of the parties to the relevant Option Agreement will be assigned a cash value and a net cash payment will be determined to be payable by one party to the other by reference to such cash values.

### ***Lapse of the Options***

The Options will lapse if they are not exercised during the period between the Effective Date and the Scheduled Expiry Date.

### ***Transferability***

The Options are not transferable by Kerry or the Option Holders without the prior written consent of the relevant Option Holder or Kerry, as the case may be, save that each Option Holder may transfer the Options to an Affiliate of it without the prior consent of Kerry in the event that (i) it is subject to a restructuring (which may be an internal restructuring, a tax restructuring or otherwise) or (ii) it is required to do so in order to comply with any applicable laws or regulations. The Option Holders will notify Kerry of any such transfer as soon as reasonably practicable thereafter.

### ***Listing***

No application will be made for the listing of the Options on the Stock Exchange or any other stock exchanges.

## **INDEPENDENCE OF JPMORGAN, DB AND BEA**

The board of directors of Kerry confirms that, to the best of its knowledge, information and belief, having made reasonable enquiries: (i) each of JPMorgan Securities and its holding company, DB and BEA is not a Connected Person of the Company; (ii) other than providing financial and advisory services to Kerry as part of JPMorgan Securities' ordinary and usual course of business, JPMorgan Securities has no relationships with Kerry or the Company; (iii) other than providing financial, advisory and general banking services to Kerry and the Company as part of DB's ordinary and usual course of business, DB has no relationships with Kerry or the Company; and (iv) other than providing financial, advisory and general banking services to Kerry and the Company as part of BEA's ordinary and usual course of business, and the common directors of BEA and the Company, namely Dr. The Hon. Sir David Li Kwok Po, Tan Sri Dr Khoo Kay Peng and Mr. Kuok Khoon Ean, BEA has no relationships with Kerry or the Company.

## EFFECT OF COMPLETION ON THE SHAREHOLDING STRUCTURE AND PUBLIC FLOAT OF THE COMPANY

The following table summarises the effect of Completion on the shareholding structure of the Company:

	Immediately before Completion		Immediately after Completion	
	<i>Number of Shares</i>	<i>% (rounded to the nearest 4 decimal places)</i>	<i>Number of Shares</i>	<i>% (rounded to the nearest 5 decimal places)</i>
Kerry and other members of the Concert Group	1,169,543,308	74.9253	944,543,308	60.51097
Silchester International Investors Limited	219,485,000	14.0610	219,485,000	14.06103
Other Connected Persons	4,798,000	0.3074	4,798,000	0.30738
<b>Subtotal</b>	<b>1,393,826,308</b>	<b>89.2937</b>	<b>1,168,826,308</b>	<b>74.87938</b>
<b>Public shareholders of the Company</b>				
JPMorgan Securities ( <i>Note</i> )	–	–	75,000,000	4.80478
DB	8,000	0.0005	75,008,000	4.80529
BEA	2,194,595	0.1406	77,194,595	4.94537
Other public shareholders of the Company	164,916,693	10.5652	164,916,693	10.56518
<b>Total public shareholders of the Company</b>	<b>167,119,288</b>	<b>10.7063</b>	<b>392,119,288</b>	<b>25.12062</b>
<b>Total</b>	<b>1,560,945,596</b>	<b>100.0000</b>	<b>1,560,945,596</b>	<b>100.00000</b>

*Note:* As at the date of this announcement, JPMorgan holds 9,126,000 Shares on behalf of its clients as an approved lending agent (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)) and does not have beneficial ownership of these Shares.

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context otherwise requires:

“acting in concert”	has the meaning set out in the Takeovers Code;
“Additional Delivery Amounts”	has the meaning given under the “Additional Delivery Amounts” heading in the section headed “Principal terms of the Option Agreements”;
“Affiliate”	in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, “control” of any entity or person means ownership of a majority of the voting power of the entity or person;
“BEA”	The Bank of East Asia, Limited, a company incorporated under the laws of Hong Kong under company registration number 255, the shares of which are listed for trading on the Stock Exchange;
“BEA Consideration”	has the meaning given under the “Consideration” heading in the section headed “Principal terms of the S&P Agreements”;
“BEA Options”	the put options granted by Kerry to BEA in relation to the BEA Sale Shares under the terms of the BEA Option Agreement;
“BEA Option Agreement”	the ISDA master agreement (and the schedule and credit support annex thereto) and the confirmation, each dated 27 February 2009, entered into between Kerry and BEA in respect of the grant of the BEA Options;
“BEA S&P Agreement”	the sale and purchase agreement dated 27 February 2009 entered into between Kerry and BEA in respect of the sale and purchase of the BEA Sale Shares;
“BEA Sale Shares”	75,000,000 Shares out of the Sale Shares, representing approximately 4.8% of the issued share capital of the Company immediately upon Completion;
“Business Day”	a day (excluding a Saturday and a Sunday) on which banks and foreign exchange markets are open for business in Hong Kong, London and Bermuda;

“Collateral Evaluation Date”	the first ex-dividend date of the Company to fall in either April or May (or, if there is no such date, the 20th June) and the first ex-dividend date of the Company to fall in either September or October (or, if there is no such date, the 20th December) or, in each case, if such day is not a Business Day, the next following Business Day, in each year during the period from (but excluding) the Effective Date up to (and including) the Scheduled Expiry Date;
“Collateral Release Amounts”	has the meaning given under the “Collateral Release Amounts” heading in the section headed “Principal terms of the Option Agreements”;
“Collateral Shortfall Notice”	has the meaning given under the “Additional Delivery Amounts” heading in the section headed “Principal terms of the Option Agreements”;
“Company”	SCMP Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange with stock code 583;
“Completion”	completion of the S&P Agreements;
“Concert Group”	Kerry and those entities or persons acting in concert with it;
“Connected Person”	has the meaning set out in the Listing Rules;
“DB”	Deutsche Bank AG, a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000, the shares of which are listed for trading and official quotation on all German Stock Exchanges and the New York Stock Exchange, and acting through its London branch;
“DB Consideration”	has the meaning given under the “Consideration” heading in the section headed “Principal terms of the S&P Agreements”;
“DB Options”	the put options granted by Kerry to DB in relation to the DB Sale Shares under the terms of the DB Option Agreement;
“DB Option Agreement”	the ISDA master agreement (and the schedule and credit support annex thereto) and the confirmation, each dated 27 February 2009, entered into between Kerry and DB in respect of the grant of the DB Options;
“DB S&P Agreement”	the sale and purchase agreement dated 27 February 2009 entered into between Kerry and DB in respect of the sale and purchase of the DB Sale Shares;
“DB Sale Shares”	75,000,000 Shares out of the Sale Shares, representing approximately 4.8% of the issued share capital of the Company immediately upon Completion;

“Directors”	directors of the Company;
“Effective Date”	has the meaning given under the “Effective Date” heading in the section headed “Principal terms of the Option Agreements”;
“Exercise Date”	has the meaning given under the “Final Return Amounts” heading in the section headed “Principal terms of the Option Agreements”;
“Expiry Date”	has the meaning given under the “Expiry Date” heading in the section headed “Principal terms of the Option Agreements”;
“Extraordinary Event”	has the meaning given under the “Extraordinary Events” heading in the section headed “Principal terms of the Option Agreements”;
“Fallback Amount”	has the meaning given under the “Additional provisions relating to early termination pursuant to the occurrence of an Extraordinary Event” heading in the section headed “Principal terms of the Option Agreements”;
“Final Return Amounts”	has the meaning given under the “Final Return Amounts” heading in the section headed “Principal terms of the Option Agreements”;
“Final Return Date”	has the meaning given under the “Final Return Date” heading in the section headed “Principal terms of the Option Agreements”;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Initial Delivery Amounts”	has the meaning given under the “Initial Delivery Amounts” heading in the section headed “Principal terms of the Option Agreements”;
“Initial Reference Price”	has the meaning given under the “Initial Reference Price” heading in the section headed “Principal terms of the Option Agreements”;
“ISDA”	International Swaps and Derivatives Association, Inc;
“JPMorgan”	JPMorgan Chase Bank, N.A.;
“JPMorgan Consideration”	has the meaning given under the “Consideration” heading in the section headed “Principal terms of the S&P Agreements”;
“JPMorgan Options”	the put options granted by Kerry to JPMorgan in relation to the JPMorgan Sale Shares under the terms of the JPMorgan Option Agreement;

“JPMorgan Option Agreement”	the ISDA master agreement (and the schedule and credit support annex thereto) and the confirmation, each dated 27 February 2009, entered into between Kerry and JPMorgan in respect of the grant of the JPMorgan Options;
“JPMorgan S&P Agreement”	the sale and purchase agreement dated 27 February 2009 entered into between Kerry and JPMorgan Securities in respect of the sale and purchase of the JPMorgan Sale Shares;
“JPMorgan Sale Shares”	75,000,000 Shares out of the Sale Shares, representing approximately 4.8% of the issued share capital of the Company immediately upon Completion;
“JPMorgan Securities”	J.P. Morgan Securities Ltd, a company incorporated in England and Wales with limited liability under company registration number 2711006 whose registered office is at 125 London Wall, London EC2Y 5AJ, United Kingdom;
“JPMorgan Securities (Asia Pacific)”	J.P. Morgan Securities (Asia Pacific) Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Kerry”	Kerry Media Limited, a company incorporated in the British Virgin Islands with limited liability;
“Net Dividend”	has the meaning given under the “Strike Price” heading in the section headed “Principal terms of the Option Agreements”;
“Offer”	the mandatory conditional general offer made by JPMorgan Securities (Asia Pacific), on behalf of Kerry, to acquire all the issued Shares in the share capital of the Company (other than those Shares already owned or agreed to be acquired by Kerry and other members of the Concert Group);
“Option Agreements”	the JPMorgan Option Agreement, the DB Option Agreement and the BEA Option Agreement;
“Option Holders”	JPMorgan, DB and BEA;
“Option Notice”	has the meaning given under the “Provisions applicable following certain Extraordinary Events and receipt by the Option Holders of an Option Notice” heading in the section headed “Principal terms of the Option Agreements”;
“Options”	the JPMorgan Options, the DB Options and the BEA Options granted pursuant to the Option Agreements;

“Potential Adjustment Event”	has the meaning given under the “Potential Adjustment Events” heading in the section headed “Principal terms of the Option Agreements”;
“Reset Delivery Amounts”	as of any date of calculation, an amount equal to the Initial Delivery Amounts less the aggregate amount of Collateral Release Amounts that has from time to time been returned to Kerry prior to such date;
“Reset Reference Price”	has the meaning given under the “Strike Price” heading in the section headed “Principal terms of the Option Agreements”;
“S&P Agreements”	the JPMorgan S&P Agreement, the DB S&P Agreement and the BEA S&P Agreement;
“Sale Price”	the sale price of HK\$1.70 per Sale Share;
“Sale Shares”	the JPMorgan Sale Shares, the DB Sale Shares and the BEA Sale Shares, representing an aggregate of 225,000,000 Shares to be sold pursuant to the S&P Agreements;
“Scheduled Expiry Date”	has the meaning given under the “Scheduled Expiry Date” heading in the section headed “Principal terms of the Option Agreements”;
“Scheduled Trading Day”	any day on which the Stock Exchange is scheduled to be open for trading for its regular trading sessions;
“Shares”	the existing issued shares of par value HK\$0.10 each in the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Strike Price”	has the meaning given under the “Strike Price” heading in the section headed “Principal terms of the Option Agreements”;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Term”	has the meaning given under the “Term” heading in the section headed “Principal terms of the Option Agreements”;
“Total Consideration”	has the meaning given under the “Consideration” heading in the section headed “Principal terms of the S&P Agreements”; and
“%”	per cent.

Made by Order of the Board of Directors of  
**Kerry Media Limited**

**Ms. Olivia Fan Oi Ping**  
*Company Secretary*

Hong Kong, 27 February 2009

*As at the date of this announcement, the directors of Kerry are Mr. Kuok Khoon Chen, Mr. Lee Yong Sun, Ms. Teo Ching Leun and Ms. Olivia Fan Oi Ping.*

*This announcement is available for viewing on the website of Hong Kong Exchange and Clearing Limited at <http://www.hkex.com.hk> under “Latest Listed Company Information” and on the website of the Company at <http://www.scmpgroup.com> under “Investors”.*