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Media Partners International Holdings Inc.

(媒體伯樂集團有限公司) *

(Incorporated in the Cayman Islands with limited liability)

CONTINUING CONNECTED TRANSACTIONS

SUMMARY

The Board announces that on 1st April, 2004, Shanghai MPI, a subsidiary of the Company entered into a tenancy agreement with Noble State, a connected person (as defined in the GEM Listing Rules), in respect of the continued use and occupation of certain office premises in Shanghai, the PRC.

As at the date of this announcement, MSCV is the controlling shareholder of the Company holding approximately 73.38% of the existing issued shares of the Company. MSCV is wholly-owned by Verrall Limited, the trustee of the discretionary trust established by Mdm. Chan Tan Ching Fen which, through Verrall Limited and MSCV's interest in the Company, is the ultimate controlling shareholder of the Company. Noble State is ultimately controlled by the trustee of a discretionary trust which is also established by Mdm. Chan Tan Ching Fen. Accordingly, Noble State is a "connected person" of the Company under the GEM Listing Rules and the transactions contemplated under the Tenancy Agreement constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules. Since the Tenancy Agreement (as described below) are entered into on normal commercial terms and the Tenancy Agreement falls within the threshold under Rule 20.34 of the GEM Listing Rules, such continuing connected transactions are only subject to reporting and announcement requirements set out in Rules 20.45 to 20.47 of the GEM Listing Rules and exempt from the independent shareholders' approval.

TENANCY AGREEMENT

The Board announces that Shanghai MPI, a subsidiary of the Company, on 1st April, 2004 entered into the Tenancy Agreement with Noble State in respect of office premises currently used and occupied by Shanghai MPI. Major terms of the Tenancy Agreement are as follows:

- Landlord : Noble State
- Tenant : Shanghai MPI
- Location and floor area : The entire first and second and part of the third storey of the office premises situated at No. 8 Gao On Road, Shanghai, the PRC. The total gross floor area leased is approximately 860 square metres.
- Tenure : Three (3) years commencing from 1 April 2004 to 31 March 2007, both days inclusive. Prior to the expiry of the Tenancy Agreement, Shanghai MPI shall have the right of first refusal, subject to Shanghai MPI giving three months written notice in advance, to renew the Tenancy Agreement for a further term of three (3) years, based on the same terms set out therein (save for the rent which shall be renegotiated and at a rate no higher than the prevailing market rent at the time of renewal).
- Rent : Subject to the following “once off” request for rent revision (if exercised by Noble State), US\$ 15,480 per month (approximately HK\$120,744) for the period from 1 April 2004 to 31 March 2007 (both days inclusive). There are no restriction and pre-set conditions applicable to Noble State before it may make such request. Upon receipt by Shanghai MPI of a written request from Noble State prior to 1 May 2005, the monthly rent shall be revised in accordance with the prevailing applicable market rate to be mutually agreed by both parties, failing which the revised monthly rent shall be determined by an independent qualified valuer. The appointment of such independent qualified valuer shall be agreed by both parties. In any event, the revised monthly rent shall not exceed US\$17,028 per month (approximately HK\$132,818)(i.e. any related increase not to exceed 10% of US\$15,480 per month). The revised monthly rent shall be effective from 1 July 2005 until the termination of the Tenancy Agreement (i.e. 31 March 2007).

BACKGROUND TO AND REASONS FOR ENTERING INTO THE TENANCY AGREEMENT

The original tenancy agreement relating to use and occupation of office premises at No. 8, Gao On Road, Shanghai, the PRC by Shanghai MPI expired on 30 June 2003. Shanghai MPI extended the existing terms of the original tenancy agreement for nine months to 31st March, 2004. Details of such tenancy agreement, being continuing connected transactions exempt from independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules, were disclosed in the prospectus of the Company dated 15th January, 2002. The rent paid by Shanghai MPI to Noble State under such tenancy agreement amounted to US\$8,480 per month (approximately HK\$66,144) and less than HK\$1,000,000 per annum. Since the expiry of such agreement and up to the date of this announcement, Shanghai MPI continued to occupy such office premises based on the terms of such tenancy agreement and the total amount of rent paid during such period did not exceed HK\$1,000,000.

Since Shanghai MPI moved to such premises in 2001, it has become widely accepted by its clients. With a view to avoiding business interruption and saving on relocation costs, Shanghai MPI took the opportunity to renegotiate and entered into a new tenancy agreement in respect of such premises. In determining the monthly rent under the Tenancy Agreement (i.e. US\$15,480 per month) (approximately to HK\$120,744 per month), the recent prevailing market rates in 2004 of similar grade offices available in the vicinity offered by independent third parties (as provided by DTZ Debenham Tie Leung Limited ("DTZ"), the independent property valuer to the Company on 3rd March, 2004). Such increase in monthly rent reflects (i) the increase of floor area from 664 square metres to 860 square metres and (ii) the increase of prevailing market rent levels in the range of US\$0.60 to US\$0.67 per square metre per day. The Board confirms that the terms of the Tenancy Agreement were negotiated on an arm's length basis and on normal commercial terms.

CONNECTED PERSON

As at the date of this announcement, MSCV is the controlling shareholder of the Company holding approximately 73.38% of the existing issued shares of the Company. MSCV is wholly-owned by Verrall Limited, the trustee of the discretionary trust established by Mdm. Chan Tan Ching Fen which through Verrall Limited and MSCV's interest in the Company, is the ultimate controlling shareholder of the Company.

Noble State is ultimately controlled by the trustee of a discretionary trust which is also established by Mdm. Chan Tan Ching Fen. Accordingly, Noble State is a "connected person" of the Company under the GEM Listing Rules and the transactions contemplated under the Tenancy Agreement would therefore constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules. Since the terms of such transactions (as described above) are entered into on normal commercial terms and falls within the threshold under Rule 20.34 of the GEM Listing Rules, such continuing connected transactions are only subject to reporting and announcement requirements set out in Rules 20.45 to 20.47 of the GEM Listing Rules and exempt from the independent shareholders' approval.

VIEWS OF THE INDEPENDENT DIRECTORS

After taking into consideration the valuation advice in respect of such premises provided by DTZ and terms of the Continuing Connected Transactions and the annual Caps, the market rates of similar grade offices available in the vicinity offered by independent third parties; the fact that it is a current market practice in tenancy agreement for offices in Shanghai to have a rental revision option as advised by DTZ; the rental if revised will be in accordance with the prevailing market rate to be mutually agreed by both parties, failing which the rent shall be determined by a mutually agreed independent qualified valuer; the increase in average asking rentals for grade A office space in Shanghai in the past year; and the annual growth in rentals for offices in Shanghai are anticipated to be in the range of 5% to 10% in the coming few years as advised by DTZ, the independent financial adviser to the Company is of the view that the terms of the Continuing Connected Transactions is fair and reasonable and in the interests of the Company and its shareholders as a whole. The Independent Directors concur with the above views expressed by the said independent financial adviser and accordingly consider that the Continuing Connected Transactions (and the respective Caps for each of the three financial years ended 31st December, 2004, 2005 and 2006) as being on normal commercial terms, entered in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and its shareholders as a whole.

CONDITIONS FOR THE CONTINUING CONNECTED TRANSACTIONS

The Continuing Connected Transactions under the GEM Listing Rules will be subject to the following conditions:-

- (a) The aggregate value of the Continuing Connected Transactions for each of the three financial years ending 31st December, 2004, 2005 and 2006 shall not exceed HK\$1,700,000 respectively, being the annual Caps of the rent to be received by Noble State. The annual Caps represent an annual rental and take into account possible future foreign exchange fluctuations.
- (b) The Independent Directors will review the Continuing Connected Transactions annually and confirm in the relevant annual report of the Company that the Continuing Connected Transactions have been entered into:
 - (i) in the ordinary and usual course of business of the Company;

- (ii) either on normal commercial terms or, if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
 - (iii) in accordance with the terms of the Tenancy Agreement that are fair and reasonable and in the interests of the shareholders of the Company as a whole;
- (c) each year the auditors of the Company will provide a letter to the Board (with a copy to the Stock Exchange), confirming that the Continuing Connected Transactions:
 - i. have received the approval of the Board;
 - ii. are carried out in accordance with the terms of the Tenancy Agreement; and
 - iii. have not exceeded the relevant Cap as set out in paragraph (a) above;
- (d) the Company shall allow and shall procure that the counterparty to the Continuing Connected Transactions shall allow the auditors of the Company sufficient access to its records for the purpose of reporting on the Continuing Connected Transactions as set out in GEM Listing Rules; the Board must state in the annual report of the Company whether the auditors of the Company have confirmed the matters stated in paragraph (c) above;
- (e) relevant details of the Continuing Connected Transactions will be disclosed in the Company's annual report for each of the financial years ending 31st December, 2004, 2005 and 2006 in accordance with the requirements set out under Chapter 20 of the GEM Listing Rules;
- (f) the Company will promptly notify the Stock Exchange and publish an announcement if it knows or has reason to believe that the Independent Directors and/or the auditors will not be able to confirm the matters set out in rules 20.37 and/or 20.38 of the GEM Listing Rules respectively and the Company may have to re-comply with the requirements set out under Rules 20.35(3) and (4) of the GEM Listing Rules and any other conditions the Stock Exchange considers appropriate;

(g) the Company must re-comply with the Rules 20.35(3) and (4) in the following manner:

(i) if the Cap in any given year is exceeded; or

(ii) when the Tenancy Agreement is renewed or there is a material change to the terms of the Tenancy Agreement.

GENERAL

The principal activities of the Group are to manage and operate a prominent network of outdoor advertising media in the PRC and Hong Kong. Headquartered in Shanghai, the PRC, the Group's core business focusses on the PRC's transport sector.

DEFINITIONS

“Associate(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Board”	Board of Directors
“Cap(s)”	the maximum aggregate annual value of the Continuing Connected Transactions
“Company”	Media Partners International Holdings Inc., a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM
“Continuing Connected Transactions”	The continuing connected transactions contemplated under the Tenancy Agreement
“Directors”	the directors of the Company, unless the context otherwise requires, include the independent non-executive directors of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Directors”	the independent non executive directors of the Company presently being Professor Lawrence Juen Yee Lau, Mr. Paul Laurence Saffo and Mr. Meocre Kwok Wing Li
“MSCV”	Morningside CyberVentures Holdings Limited, a private company incorporated with limited liability in the British Virgin Islands. It is an investment holding company and is the controlling shareholder of the Company. It is a wholly-owned subsidiary of Verrall Limited
“Noble State”	Noble State Company Limited, a private company incorporated with limited liability in Hong Kong and ultimately controlled by the trustee of a trust established by Mdm. Chan Tan Ching Fen who has also established the trust which, through Verrall Limited, is ultimately the controlling shareholder of the Company
“PRC”	The People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, Macau and Taiwan
“Shanghai MPI”	Shanghai Media Partners International Limited 上海梅迪派勒廣告有限公司, a sino-foreign co-operative joint venture established in the PRC and a member of the Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tenancy Agreement”	an agreement dated 1 st April, 2004 and entered into between Shanghai MPI and Noble State in respect of the entire first and second and part of the third storey of the office premises situated at No. 8 Gao On Road, Shanghai, the PRC for a period from 1 April 2004 to 31 March 2007
“Verrall Limited”	Verrall Limited, a company incorporated in the Isle of Man, is the trustee of trusts established by Madam Chan Tan Ching Fen
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region
”US\$”	US dollars, the lawful currency of the United States of America

Unless otherwise stated in this announcement, amounts in US\$ have been translated into HK\$ at the exchange rate of US\$1.00 = HK\$7.80.

By Order of the Board
Stephen Cheuk Kin Law
Company Secretary

Hong Kong, 2nd April, 2004

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting.

* *for identification purpose only*