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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 THE POSSIBLE SHARE BUY-BACK BY GENERAL OFFER PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE –TERMINATION OF THE POSSIBLE SHARE BUY-BACK OFFER

Reference is made to the announcements of SCMP Group Limited (the “**Company**”) dated 9 May 2014, 9 June 2014, 9 July 2014, 8 August 2014, 8 September 2014, 9 October 2014, 10 November 2014 and 9 December 2014 (the “**Announcements**”) regarding, among other things, a possible delisting proposal with the exit cash offer to be made by the Company which may be made by share buy-backs by general offer (the “**Possible Share Buy-back Offer**”). Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings as adopted in the Announcements.

The board of directors of the Company (the “**Board**”) wishes to update shareholders on the status of the Possible Share Buy-back Offer.

The Company has been making substantial efforts since May 2014 to progress the Possible Share Buy-back Offer by engaging with its Substantial Shareholders and seeking their support for the proposal. This included discussion of the price at which each of the Substantial Shareholders may be prepared to support the proposal, which was based upon a price range arrived at upon advice from the Company’s financial advisers as to a fair valuation of the Company. Despite the Company’s best efforts, the Company has not been able to reach agreement with its Substantial Shareholders on a price at which they would each be prepared to support the proposal. **Accordingly, the Board has resolved to terminate the Possible Share Buy-back Offer and the Company will not proceed any further with the proposal.**

It is the Company’s view that without the support of each of Substantial Shareholder, proceeding with the Possible Share Buy-back Offer would not be in the interests of the Company or the Shareholders as a whole for the following reasons:

- (1) The Company considered that, in order to proceed further with the Possible Share Buy-back Offer, it would seek support from its Substantial Shareholders, including undertakings from KML to support any necessary resolutions and that the share buy-back offer is not made in respect of the shares currently held by KML; and an undertaking from Silchester not to oppose the relevant shareholder resolutions and give an indication of whether it intended to accept an offer. The Company has not received unconditional support from the Substantial Shareholders as at the date of this Announcement.

- (2) A vote by either of the Substantial Shareholders against the resolution to approve the Possible Share Buy-back Offer at a shareholders' meeting would defeat the resolution even if all other Shareholders voted for the resolution as the Company would not be able to meet the approval thresholds required under the HK Codes to pass the resolution. The Company has grounds to believe that there is unlikely to be an offer price which would be acceptable to both of the Substantial Shareholders.
- (3) It would not be reasonable for the Company, or in the interests of the Shareholders, to proceed to convene a shareholders' meeting where there is a reasonable likelihood that the resolution to approve the Possible Share Buy-back Offer would be defeated, as it would be a waste of the Company's resources.

Following this announcement of the termination of the Possible Share Buy-back Offer, the restrictions in Rule 31 of the Takeovers Code shall apply, which provides that for a period of 6 months from the date of this announcement the Company and persons acting in concert with it may not announce a further offer or possible offer for shares in the Company, or acquire shares in the Company in circumstances which would trigger a mandatory offer, except in each case with the consent of the SFC on where there is a material change of circumstances.

The Company continues to liaise with the relevant regulators to resolve the public float issue and to explore alternatives which might afford Shareholders the opportunity to realize their investment in the Company. Further announcements will be made at the appropriate time to keep Shareholders updated on the progress of the Company in this regard.

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

Hong Kong, 9 January 2015

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

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

Executive Director

Ms. Kuok Hui Kwong

All the directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

** For identification purpose only*