

MCA gives up control of Nanyang Press

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KUALA LUMPUR: MCA's expensive experiment is over and now there is a new media mogul in town.

Huaren Holdings, the investment arm of the party, has decided to dispose of 21.02 per cent of its controlling 44.4 per cent stake in Nanyang Press Holdings — the owner of Chinese dailies *Nanyang Siang Pau* and *China Press* — to Ezywood Options Sdn Bhd.

Sarawak timber tycoon and media owner Tan Sri Tiong Hiew King is one of its directors. The purchase increases Tiong's stake in Nanyang from 23.74 per cent to 44.76 per cent, and Ezywood will be required to extend a mandatory takeover offer on the remaining Nanyang shares not owned by the company.

The deal is significant for two reasons. One, it allows the MCA to get rid of a controversial acquisition that has been a millstone around its neck.

MCA's decision to take a controlling stake in Nanyang Press Holdings five years ago was unpopular with the community and *Nanyang Siang Pau* has been hurt badly.

Two, it allows Tiong to emerge as an even more powerful media player.

He owns Sin Chew Media Corporation Bhd, which publishes two top

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”

Tan Sri Tiong Hiew King

newspapers, *Sin Chew Daily* and *Guangming Daily*, and is involved with *Ming Pao* in Hong Kong and North America and *Yazhou Zhoukan*.

MCA president Datuk Seri Ong Ka Ting announced the decision to sell the stake after a four-hour central

committee (CC) meeting and after briefing some 600 party delegates.

“The sale of Nanyang Press was not a CC decision.

“It was solely based on commercial considerations by the Huaren board, which briefed us on its actions.”

The details of the transactions, which include the sale price, will be announced at a later date.

Ong said the CC was informed by Huaren that it was “necessary” and “suitable” now to dispose of its stake.

The decision to buy Nanyang Press

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Holdings heightened the tension between former president Tun Dr Ling Liong Sik and his deputy, Tan Sri Lim Ah Lek, in 2001.

This led to a split within the party that was only solved when both leaders stepped down in 2003.

Asked whether it was a mistake to buy Nanyang Press, Ong said: “I don't think it is a fair question. There's no right or wrong to it as different timing has different considerations.”

On whether the disposal would open doors to create a monopoly in the Chinese newspaper industry, Ong said MCA had been accused of trying to control the Chinese newspapers when it took over Nanyang Press.

“By divesting the shares, isn't this what they want to see?”

In a statement last night, Tiong said Ezywood hoped to continue expanding the Chinese media industry.

“Chinese language media companies need strong group power to compete with its peers in this era of globalisation and trade liberalisation.

“With technology advancing at an explosive rate, traditional Chinese media industry finds itself in an intensely competitive environment...”

“The Chinese newspaper industry must move in tandem with the trends, and explore new avenues of sustained development to stay in business,” he said.