明報
MING PAO DAILY NEWS

星洲日報
SIN CHEW DAILY

南洋商報
NANYANG SIANG PAU

中國報
CHINA PRESS

光明日報
Guang Ming DAILY

世界華文

媒體 MEDIA CHINESE

Annual Report 2008

Media Chinese International Limited
世 界 華 文 媒 體 有 限 公 司

Malaysia Company No. 995098-A
Malaysia Stock Code : 5090
Hong Kong Stock Code : 685

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Tan Sri Datuk TIONG Hiew King *(Chairman)*
Mr TIONG Kiu King
Dr TIONG Ik King
Dato' LEONG Khee Seong
Mr TIONG Kiew Chiong *(Group CEO)*
Ms SIEW Nyoke Chow
Ms SIM Sai Hoon

NON-EXECUTIVE DIRECTOR

Mr LEONG Chew Meng

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr David YU Hon To
Mr Victor YANG
Tan Sri Dato' LAU Yin Pin
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH

GROUP EXECUTIVE COMMITTEE

Dato' LEONG Khee Seong *(Chairman)*
Mr TIONG Kiew Chiong
Ms SIEW Nyoke Chow
Ms SIM Sai Hoon
Mr ONG See Boon

AUDIT COMMITTEE

Mr David YU Hon To *(Chairman)*
Mr Victor YANG
Tan Sri Dato' LAU Yin Pin
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH
Mr LEONG Chew Meng

REMUNERATION COMMITTEE

Tan Sri Dato' LAU Yin Pin *(Chairman)*
Mr David YU Hon To
Mr Victor YANG
Mr TIONG Kiew Chiong
Ms SIM Sai Hoon

NOMINATION COMMITTEE

Mr Victor YANG *(Chairman)*
Mr David YU Hon To
Tan Sri Dato' LAU Yin Pin
Mr LEONG Chew Meng

COMPANY SECRETARY

Ms LAW Yuk Kuen

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited

AUDITOR

PricewaterhouseCoopers

STOCK CODE

The Stock Exchange of Hong Kong Limited	685
Bursa Malaysia Securities Berhad	5090

WEBSITE

http://www.mediachinese.com

HONG KONG HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

15th Floor, Block A
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Tel: (852) 2595 3111
Fax: (852) 2898 2691

MALAYSIA HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel: (603) 7965 8888
Fax: (603) 7965 8689

REGISTERED OFFICE IN BERMUDA

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda
Tel: (441) 295 1443
Fax: (441) 292 8666

REGISTERED OFFICE IN MALAYSIA

10th Floor, Wisma Havela Thakardas
No. 1, Jalan Tiong Nam
Off Jalan Raja Laut
50350 Kuala Lumpur
Malaysia
Tel: (603) 9195 1688
Fax: (603) 9195 1799

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda
Tel: (852) 2978 5656
Fax: (852) 2530 5152

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Hong Kong
Tel: (852) 2980 1333
Fax: (852) 2861 0285

MALAYSIA BRANCH REGISTRAR AND TRANSFER OFFICE

Tenaga Koperat Sdn Bhd
G-01, Ground Floor
Plaza Permata
Jalan Kampar off Jalan Tun Razak
50400 Kuala Lumpur
Malaysia
Tel: (603) 4047 3883
Fax: (603) 4042 6352

Profile of Board of Directors

Tan Sri Datuk TIONG Hiew King

Executive Chairman

Malaysian, aged 74, was appointed as the Chairman of Media Chinese International Limited (the "Company") on 20 October 1995. He is also the Executive Chairman of Rimbunan Hijau Group, a large diversified conglomerate in Malaysia with extensive business around the world. Tan Sri Datuk TIONG has extensive experience in a number of industries, including media and publishing, timber, oil palm, plantations, oil and gas, mining, fishery, information technology and manufacturing. In Papua New Guinea, he also has an English newspaper named "The National". He is currently the President of The Chinese Language Press Institute Limited.

Tan Sri Datuk TIONG is the Chairman of the Board of Trustees of Yayasan Sin Chew and also holds directorships in many private limited companies and publicly listed companies around the world, including Rimbunan Sawit Berhad in Malaysia and Tri-M Technologies (S) Limited in Singapore, etc.

His brothers, Mr TIONG Kiu King and Dr TIONG Ik King are also members of the Board of the Company.

丹斯里拿督張曉卿

執行主席

馬來西亞公民，74歲，於1995年10月20日獲委任為世界華文媒體有限公司(「本公司」)主席，他同時也是馬來西亞大型多元化綜合企業常青集團的執行主席，在全球擁有多元及廣泛的業務。丹斯里拿督張曉卿在多個行業均有豐富經驗，包括傳媒及出版、木材、油棕、林業、氣油、礦業、捕漁、資訊科技及製造等。他也在巴布亞新畿內亞出版英文報章《The National》，是世界中文報業協會的現任會長。

丹斯里拿督張曉卿是星洲日報基金會信託人理事會的主席，也出任全球多家私人有限公司及公開上市公司的董事，包括於馬來西亞之常青油棕有限公司以及於新加坡之太安科技(新加坡)有限公司等。

其胞弟張鉅卿先生及張翼卿醫生亦為本公司董事會成員。

Mr TIONG Kiu King
Executive Director

Australian, aged 73, was appointed as an executive director of the Company on 20 October 1995. He is also the Chairman of One Media Group Limited ("OMG"), a subsidiary of the Company, publicly listed on the main board of The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange") (stock code: 0426) since October 2005. Mr TIONG obtained a Diploma in Civil Engineering from Tak Ming College in Hong Kong in 1964. He has extensive business experience in many industries including media and publishing, property development, plantation, as well as investment projects in Mainland China. He also holds directorships in various subsidiaries of the Company and private limited companies.

His brothers, Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King are also members of the Board of the Company.

張鉅卿先生
執行董事

澳洲公民，73歲，於1995年10月20日獲委任為本公司之執行董事，同時也是本公司附屬公司萬華媒體集團有限公司（萬華媒體）（在2005年10月於香港聯合交易所有限公司（香港聯交所）主板公開上市，股份代號：0426）的主席。張鉅卿先生於1964年畢業於香港德明書院，取得土木工程文憑。他在傳媒及出版、物業發展、林業及中國大陸投資項目等領域均擁有豐富經驗。他也出任本公司多家附屬公司及私人有限公司之董事。

其胞兄丹斯里拿督張曉卿先生及胞弟張翼卿醫生亦為本公司董事會成員。

Dr TIONG Ik King
Executive Director

Malaysian, aged 57, was appointed as an executive director of the Company on 20 October 1995. He has extensive experience in media and publishing, information technology, timber, plantations, oil palm and manufacturing industries. Dr TIONG graduated with a M.B.B.S. Degree from National University of Singapore in 1975 and attained M.R.C.P. from the Royal College of Physicians, United Kingdom in 1977. Dr TIONG also sits on the boards of several listed companies in Malaysia and Singapore, including Jaya Tiasa Holdings Berhad, EON Capital Berhad and Tri-M Technologies (S) Limited.

His brothers, Tan Sri Datuk TIONG Hiew King and Mr TIONG Kiu King are also members of the Board of the Company.

張翼卿醫生
執行董事

馬來西亞公民，57歲，於1995年10月20日獲委任為本公司執行董事。他在傳媒及出版、資訊科技、木材、林業、油棕及製造業等領域均擁有豐富經驗。張翼卿醫生於1975年畢業於新加坡國立大學，獲頒醫學學士學位，並於1977年取得英國皇家內科醫師學會會員資格。張翼卿醫生同時也是馬來西亞及新加坡多家上市公司的董事，包括常成控股有限公司、國貿資本有限公司及太安科技（新加坡）有限公司。

其胞兄丹斯里拿督張曉卿及張鉅卿先生亦為本公司董事會成員。

Profile of Board of Directors

Dato' LEONG Khee Seong
Executive Director

Malaysian, aged 69, was appointed as an executive director of the Company on 20 March 2008. He is also the Chairman of the Group Executive Committee and the Executive Chairman of Nanyang Press Holdings Berhad ("Nanyang"), a wholly-owned subsidiary of the Company in Malaysia. Dato' LEONG obtained a Bachelor of Chemical Engineering from the University of New South Wales in Australia. He was a member of the Malaysia Parliament from 1974 to 1990 and the Minister of Primary Industries from 1978 to 1986. He was elected as the Chairman of the General Agreement on Tariffs and Trade's ("GATT") Negotiating Committee on Tropical Products from 1986 to 1990. During the period of 1986/1987, he was the Chairman of the Group of 14 on ASEAN Economic Co-operation and Integration. Dato' LEONG also sits on the Board of Air Asia Berhad and TSH Resources Berhad, both of which are listed in Malaysia.

拿督梁棋祥
執行董事

馬來西亞公民，69歲，於2008年3月20日獲委任為本公司執行董事，同時也是集團行政委員會主席及本公司於馬來西亞之全資附屬公司南洋報業控股有限公司(南洋報業)的執行主席。拿督梁棋祥畢業於澳洲新南威爾士大學，考獲化學工程學位。他從1974年至1990年期間擔任馬來西亞國會議員，從1978年至1986年出任原產業部長。在1986年至1990年期間，他獲選為關稅及貿易總協定談判委員會(熱帶產品)之主席。在1986／87年期間，他也是東協經濟合作及組合14集團的主席。拿督梁棋祥也是亞洲航空公司及TSH資源有限公司的董事會成員，兩間公司均於馬來西亞上市。

Mr TIONG Kiew Chiong
Executive Director

Malaysian, aged 48, was appointed as an executive director of the Company on 2 May 1998. He is currently the Group Chief Executive Officer and a member of the Group Executive Committee and Remuneration Committee of the Company. Mr TIONG is also the Deputy Chairman of OMG. He has extensive experience in media and publishing business and is also one of the founders of "The National", an English newspaper in Papua New Guinea launched in 1993. Mr TIONG obtained a Bachelor of Business Administration Degree from York University, Toronto, Canada in 1982. He also holds directorships in several private limited companies.

張裘昌先生
執行董事

馬來西亞公民，48歲，於1998年5月2日獲委任為本公司執行董事。目前為集團行政總裁，同時也是本公司的集團行政委員會及薪酬委員會成員。張裘昌先生也是本公司附屬公司萬華媒體的副主席。他在傳媒及出版業擁有豐富經驗。他於1993年在巴布亞新幾內亞參與創辦英文報章《The National》。張裘昌先生於1982年畢業於加拿大多倫多約克大學，獲頒工商管理學學士學位。他也出任多家私人有限公司之董事。

Ms SIEW Nyoke Chow
Executive Director

Malaysian, aged 52, was appointed as an executive director of the Company on 20 March 2008. She is currently the Chairman of Group Editorial Committee, a member of the Group Executive Committee of the Company and the Group Editor-In-Chief of Southeast Asia. She is also the Deputy Managing Director and Group Editor-In-Chief of Sin Chew Media Corporation Berhad ("Sin Chew"), a wholly-owned subsidiary of the Company in Malaysia. Ms SIEW obtained her high school certificate from Tunku Abdul Rahman College, Malaysia in 1977, and subsequently a certificate of intensive course of journalism in Manila in 1983. She started her career as a reporter in Sin Poh (Star News) Amalgamated Malaysia Sdn Berhad in 1978. She was appointed as the Head of Culture and Education Department of Sin Chew in 1992, and subsequently Deputy Chief Editor in 1995. She is currently an Advisor to the World Chinese Culture Research Centre of Fu Dan University, Shanghai and a Special Researcher to the World Chinese Media Research Centre of Beijing University. Ms SIEW is a trustee of Yayasan Sin Chew and JUST World International and holds directorships in several private limited companies in Malaysia.

蕭依釗女士
執行董事

馬來西亞公民，52歲，於2008年3月20日獲委任為本公司執行董事。目前為本公司集團編輯委員會主席、集團行政委員會成員及東南亞集團總編輯，同時也是本公司於馬來西亞之全資附屬公司星洲媒體集團有限公司(星洲媒體)的副董事總經理兼集團總編輯。蕭依釗女士於1977年在馬來西亞拉曼學院考獲高級劍橋文憑；其後於1983年在馬尼拉獲新聞專業課程證書。她於1978年加入星系報業(馬)私人有限公司當記者，開始其新聞工作生涯。1992年她升任為《星洲日報》文教部主任；其後於1995年升任副總編輯。她現任上海復旦大學世界華人研究中心的顧問及北京大學世界華人媒體研究中心特約研究員。她也是星洲日報基金會及國際公正世界組織信託人，以及多家私人有限公司的董事。

Ms SIM Sai Hoon
Executive Director

Malaysian, aged 48, was appointed as an executive director of the Company on 20 March 2008. She is a member of the Group Executive Committee and Remuneration Committee of the Company. She is an Executive Director of Sin Chew, a wholly-owned subsidiary of the Company in Malaysia. Ms SIM obtained a Bachelor of Science (Honours) in Chemistry and Management from the University of London and a Post-Graduate Diploma in Chinese from Ealing College, London in the United Kingdom. She has significant experience in setting up of joint venture companies with foreign partners in the manufacturing and utility businesses. Ms SIM is also a member of the National Association of Women Entrepreneurs, Malaysia and was a member of the National Advisory Council on the Integration of Women in Development, Malaysia. She sits on the Board of Yayasan Sin Chew as a Trustee and holds directorships in several private limited companies in Malaysia.

沈賽芬女士
執行董事

馬來西亞公民，48歲，於2008年3月20日獲委任為本公司執行董事，同時也是本公司的集團行政委員會及薪酬委員會成員，以及本公司於馬來西亞之全資附屬公司星洲媒體的執行董事。沈賽芬女士是倫敦大學理學士，主修化學及管理。其後在英國倫敦艾林(Ealing)學院修讀中文文憑班。她在製造業及公用事業方面，擁有豐富的與海外合夥人成立合營企業的經驗。沈賽芬女士也是馬來西亞婦女企業家協會成員及馬來西亞婦女發展全國諮詢理事會成員。她出任星洲日報基金會信託人，以及多家於馬來西亞之私人有限公司之董事。

Profile of Board of Directors

Mr LEONG Chew Meng
Non-executive Director (Non Independent)

Malaysian, aged 52, was appointed as a non-executive director of the Company on 14 April 2008. He is a member of the Audit Committee and Nomination Committee of the Company. He obtained a Bachelor of Commerce and Administration Degree majoring in accountancy from the Victoria University of Wellington in New Zealand. He is a Chartered Accountant of the Malaysian Institute of Accountants and qualified as an Associate Chartered Accountant of the Institute of Chartered Accountants, New Zealand. He is an accountant by profession, having extensive working experience for over 25 years in Malaysia. Prior to diversifying into the business sector as business consultant and advisor, he was the financial controller and finance director of several foreign-owned multinational companies in the manufacturing, trading and retail sectors. He is currently an independent non-executive director of Sunrise Berhad and Pulai Springs Berhad both of which are listed in Malaysia.

梁秋明先生
非執行董事(非獨立)

馬來西亞公民，52歲，於2008年4月14日獲委任為本公司非執行董事，同時也是本公司之審核委員會及提名委員會成員。他在紐西蘭威靈頓維多利亞大學商管學系畢業，主修會計。他是馬來西亞會計師協會的特許會計師及紐西蘭特許會計師協會的特許會計師，是一名專業會計師，在馬來西亞擁有超過25年的工作經驗。在晉身商場、出任商業諮詢顧問之前，他曾於數間經營製造業、貿易及零售業的外資跨國公司，出任財務主管及財務董事一職。他目前是馬來西亞上市的陽光有限公司及蒲萊泉有限公司的獨立非執行董事。

Mr David YU Hon To
Independent Non-executive Director

British, aged 60, was appointed as an independent non-executive director of the Company on 30 March 1999. He is the Chairman of the Audit Committee, and is a member of the Remuneration Committee and Nomination Committee of the Company. He is also an independent non-executive director of OMG. Mr YU is a fellow of the Institute of Chartered Accountants in England and Wales and an associate of the Hong Kong Institute of Certified Public Accountants. He was formerly a partner of an international accounting firm with extensive experience in corporate finance. He is a founder and a director of MCL Capital Limited (formerly known as Management Capital Limited), a Hong Kong-based financial advisory and direct investment firm. Mr YU also sits on the boards of several private companies and listed companies in Hong Kong.

俞漢度先生
獨立非執行董事

英國公民，60歲，於1999年3月30日獲委任為本公司獨立非執行董事，同時也是本公司的審計委員會主席，以及薪酬委員會及提名委員會成員。另外，他也是本公司附屬公司萬華媒體的獨立非執行董事。俞漢度先生為英格蘭及威爾斯特許會計師公會資深會員及香港會計師公會會員。他是某國際會計師行的前合夥人，擁有豐富的企業財務相關經驗。他是為偉業融資有限公司的創辦人及董事，該公司專門在香港從事財務顧問及直接投資等活動。俞漢度先生同時也出任香港多家私人公司及上市公司之董事。

Mr Victor YANG
Independent Non-executive Director

Canadian, aged 62, was appointed as an independent non-executive director of the Company on 23 September 2004. He is the Chairman of the Nomination Committee, and is a member of Audit Committee and Remuneration Committee of the Company. Mr YANG is a partner in Boughton Peterson Yang Anderson, Solicitors, Hong Kong SAR and is also a qualified lawyer in Canada and the United Kingdom. He has extensive experience in the areas of corporate finance, commercial law, mergers, acquisitions and taxation. Mr YANG also sits on the boards of several listed companies in Hong Kong and the United States of America.

楊岳明先生
獨立非執行董事

加拿大公民，62歲，於2004年9月23日獲委任為本公司獨立非執行董事，同時也是本公司的提名委員會主席，以及審核委員會及薪酬委員會成員。楊岳明先生現為香港特別行政區寶德楊律師行之合夥人，也是加拿大及英國的認可律師。他在企業財務、商業法、合併、收購及稅法等範疇經驗豐富，出任香港及美國多家上市公司的董事。

Tan Sri Dato' LAU Yin Pin
Independent Non-executive Director

Malaysian, aged 59, was appointed as an independent non-executive director of the Company on 14 April 2008. He is also the Chairman of the Remuneration Committee and a member of Audit Committee and Nomination Committee of the Company. Tan Sri Dato' LAU obtained his Diploma in Commerce with distinction from Tunku Abdul Rahman College, Malaysia in 1974. He has been a member of the Malaysian Institute of Accountants since 1979. He was made a fellow of the Chartered Association of Certified Accountants, United Kingdom in 1981 and became a graduate member of the Institute of Chartered Secretaries and Administrators, United Kingdom in 1987. He was the Chairman of the board of Matang Holdings Berhad (from January 2000 to June 2004), Chairman of Koperasi Serbaguna Malaysia Berhad (from August 1997 to June 2004). He was appointed as Senator of Dewan Negara for a three-year term commencing 25 November 2002 by Seri Paduka Baginda Yang diPertuan Agong, Malaysia until his voluntary resignation in March 2004. Tan Sri Dato' LAU is currently a director of Tenaga Nasional Berhad and YTL Power International Berhad, the Chairman of Star Publications (Malaysia) Berhad and Institute of Strategic Analysis and Policy Research.

丹斯里拿督劉衍明
獨立非執行董事

馬來西亞公民，59歲，於2008年4月14日獲委任為本公司獨立非執行董事，同時也是本公司之薪酬委員會主席，以及審核委員會及提名委員會成員。丹斯里拿督劉衍明在1974年考獲馬來西亞拉曼學院商業文憑(特優)。他自1979年成為馬來西亞會計師協會會員；在1981年成為英國特許註冊會計師協會之院士；在1987年成為英國特許秘書與行政人員公會會員。他曾是馬登控股有限公司董事會主席(2000年1月至2004年6月)及馬化合作社主席(1997年8月至2004年6月)。他獲國家元首委任為上議員，任期從2002年11月25日開始為期3年，直到2004年3月自願辭職。丹斯里拿督劉衍明目前是國家能源有限公司及楊忠禮電力國際有限公司之董事、星報(馬來西亞)有限公司主席及策略分析與政策研究院的主席。

Profile of Board of Directors

Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH
Independent Non-executive Director

天猛公拿督肯勒甘雅安納天猛公柯
獨立非執行董事

Malaysian, aged 65, was appointed as an independent non-executive director of the Company on 20 March 2008. He is a member of the Audit Committee of the Company. He graduated from the Chartered Institute of Business Administration, Ireland. He was the Political Secretary to the Chief Minister of Sarawak, Malaysia from 1967 to 1970, a member of Council Negeri Sarawak, Malaysia from 1970 to 1974, the Political Secretary to the Deputy Prime Minister and Prime Minister from 1974 to 1981, and Senator from 1981 to 1987. He was conferred the title of Temenggong for Kapit Division by the State Government of Sarawak, Malaysia in 2003 in recognition of his contribution to the community. He sits on the board of Subur Tiasa Holdings Berhad which is listed in Malaysia, and holds directorships in several private limited companies in Malaysia.

馬來西亞公民，65歲，於2008年3月20日獲委任為本公司之獨立非執行董事，同時也是本公司之審核委員會成員。他畢業於愛爾蘭商業管理學院。他於1967年至1970年間出任馬來西亞砂拉越首席部長政治秘書；1970年至1974年，獲選為馬來西亞砂州議員；1974年至1981年，任副首相及首相政治秘書；1981年至1987年，被委為上議員。為了表揚他對伊班族之貢獻，砂拉越政府於2003年委任他為加帛省天猛公，即伊班族之最高領袖。他同時擔任於馬來西亞上市之常豐控股有限公司及多家馬來西亞私人有限公司的董事。

Note:

Conflict of interest

Save for Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King, who are related parties in some related party transactions with the Group, the details of which are set out in the circular dated 31 July 2008 and pages 47 to 51 of the Annual Report, none of the other directors has any conflict of interest with the Company.

Conviction of offences

None of the directors has been convicted of any offence within the past 10 years other than traffic offences.

Family relationship

Saved as disclosed, none of the other directors has any family relationship with any director and/or major shareholders of the Company.

附註：

利益衝突

除丹斯里拿督張曉卿及張翼卿醫生（為與本集團若干關連方交易中之有關連方，有關詳情載於二零零八年七月三十一日刊發之通函及年報第47至51頁）外，概無其他董事與本公司有任何利益衝突。

犯罪紀錄

除交通違規外，概無任何董事於過去十年內有任何犯罪紀錄。

家族成員關係

除所披露者外，概無其他董事與本公司任何董事及／或主要股東的任何家族成員有任何關係。

Record of attendance of directors for board meetings during the financial year ended 31 March 2008 is set out on page 36.

董事於截至二零零八年三月三十一日止財政年度之董事會會議出席紀錄載於第36頁。

Profile of Senior Management

Dato' LIEW Chen Chuan, Malaysian, aged 70, was appointed as the executive director of Sin Chew on 1 April 1991, and was re-designated as managing director effective from 1 September 2004. He serves as the Chairman of the Executive Committee of Sin Chew and is the Senior Advisor to Chairman. He joined Sin Poh (Star News) Amalgamated Malaysia Sdn Bhd (former publisher of *Sin Chew Daily*) in 1961 as a reporter, and was made Editor-In-Chief in 1981. He is currently the member of Advisory Council of the Malaysian National News Agency (BERNAMA) and the Advisor to the World Chinese Media Research Centre of Beijing University. He sits on the board of Yayasan Sin Chew as a trustee and holds directorships in several private limited companies.

拿督劉鑑銓，馬來西亞公民，70歲，自1991年4月1日起任星洲媒體執行董事。他於2004年9月1日升任董事經理。同時，他也是星洲媒體行政委員會主席，及兼任主席資深顧問。他於1961年加入星系報業(馬)私人有限公司(《星洲日報》前出版人)任職記者，於1981年升任為總編輯。他是馬新社諮詢理事會理事，以及北京大學世界華文媒體研究中心的顧問。他是星洲日報基金會信託人，以及數家私人公司的董事。

Mr ONG See Boon, Malaysian, aged 57, joined the Group in 1997. He is now a member of the Group Executive Committee and Hong Kong Executive Committee and is the Hong Kong Group Editorial Director and Special Assistant to the Chairman. He also holds directorships in various subsidiaries of the Company. Mr ONG, who started his career as a journalist in Sin Chew, has over 32 years of experience in the newspaper industry in Hong Kong and Malaysia. Before joining the Company, he held various key positions and directorships in the Rimbunan Hijau Group of companies in Mainland China.

翁昌文先生，馬來西亞公民，57歲，於1997年加入本集團，目前為本公司之集團行政委員會及香港行政委員會成員，同時也是香港集團編務董事，以及主席的特別助理。他也出任本公司多家附屬公司的董事。翁昌文先生於事業發展初期已於星洲媒體從事新聞工作，在香港及馬來西亞報界累積經驗逾32年。於加入本公司之前，他曾為常青集團於中國大陸的公司擔任多個重要職位及董事。

Profile of Senior Management

Mr NG Chek Yong, Malaysian, aged 51, joined the Group in 1988. He is an executive director of Sin Chew, and is a member of the Malaysia Executive Committee. He is also a director and the Chief Executive Officer of Mulu Press Sdn Bhd, a wholly-owned subsidiary of Sin Chew, and the Regional Editor of East Malaysia for *Sin Chew Daily*. He began his career as a reporter/feature writer with *See Hua Daily News* in 1979. In 1988, he joined *TO-DAY News Sabah* as the Chief Reporter. He then took up the position of a reporter in Sin Chew. From 1980 to 1988, he was the Secretary-General and Chairman of Sarawak Constellation Poetical Society. Moreover, he was the President of Federation of Sarawak Journalists Association as well as the President of Kuching Division Journalists Association in Malaysia from 1990 to 1991.

黃澤榮先生，馬來西亞公民，51歲，於1988年加入本集團。他是星洲媒體的執行董事及本公司馬來西亞行政委員會成員，同時也是星洲媒體全資附屬公司姆祿報業私人有限公司的董事兼行政總裁，以及《星洲日報》馬來西亞東部之地區編輯。他於1979年加入《詩華日報》當記者／專題作家，於1988年加入《沙巴今日新聞》擔任首席記者，然後加入星洲媒體當記者。於1980年至1988年期間，他出任砂拉越詩藝協會秘書長兼主席。此外，他也於1990年至1991年期間出任馬來西亞砂拉越新聞從業員聯合協會會長及古晉分會會長。

Mr NG Kait Leong, Malaysian, aged 56, joined the Group in 2007. He is an executive director of Nanyang, and is a member of the Malaysia Executive Committee. He graduated from London College of Printing, London, United Kingdom and later obtained an Advance Certificate in Graphic Reproduction from City & Guilds of London Institute, United Kingdom. He was the Production Manager of Nanyang from 1974 to 1983, was promoted to the position of Senior Production Manager in 1983 and became the General Manager (Production) from 1986 to 1989. He joined Sin Chew as Technical and Project Consultant in 1990, joined MAN Roland Asia Pacific as Regional Technical Director in 1993 and re-joined Sin Chew as Group Technical & Project Consultant from 2002 to 2006.

伍吉隆先生，馬來西亞公民，56歲，於2007年加入本集團。他是南洋報業的執行董事，也是馬來西亞行政委員會成員。他畢業於英國倫敦印刷學院，其後獲英國城市專業學會頒發之圖像複製高級證書。他於1974年至1983年期間，任職南洋報業生產經理，並於1983年擢升為高級生產經理，及後於1986年至1989年期間出任生產部總經理。他於1990年加入星洲媒體擔任技術及項目顧問，於1993年轉投曼羅蘭亞太出任地區技術董事，及後於2002年至2006年期間重返星洲媒體出任集團技術及項目顧問。

Mr CHEUNG Kin Bor, Chinese, aged 53, joined the Group in 1986. He is the Chief Editor of *Ming Pao Daily News*. He is also a member of the Hong Kong Executive Committee and a director of Ming Pao Newspapers Limited and Mingpao.com Limited. Mr CHEUNG graduated from the Chinese University of Hong Kong with a Bachelor of Business Administration Degree and has over 30 years of publishing and editorial experience in Hong Kong. Before joining the Group, he had worked with the *Hong Kong Economic Journal Monthly* and *Hong Kong Economic Journal*. He was the Chairperson of the Hong Kong News Executives Association in 2000.

張健波先生，中國公民，53歲，於1986年加入本集團。他為《明報》總編輯，同時也是香港行政委員會成員、明報報業有限公司及明報網站有限公司的董事。張健波先生畢業於香港中文大學，持有工商管理學學士學位，在香港擁有超過30年的出版及編輯經驗。他於加入本集團前，曾在《信報財經月刊》及《信報》工作。2000年，他出任香港新聞行政人員協會主席一職。

Mr Keith KAM Woon Ting, Chinese, aged 50, joined the Group in 1995. He is the Chief Operating Officer of Ming Pao Holdings Limited and Mingpao.com Limited. He is also a member of the Hong Kong Executive Committee. Mr KAM has been in the media and newspaper industry since 1976. Prior to joining the Group, he had held various positions in advertising and marketing firms as well as a newspaper publishing company, namely, Express News Limited. Mr KAM has extensive managerial experience in publishing, advertising and distribution of newspapers and media products. Mr KAM is currently the Chairman of The Newspapers Society of Hong Kong and a committee member of The Chinese Language Press Institute Limited.

甘煥騰先生，中國公民，50歲，於1995年加入本集團。他為明報集團有限公司及明報網站有限公司之營運總監，同時也是香港行政委員會成員。甘煥騰先生自1976年起已從事傳媒及報章業。加入本集團前，他曾在多家廣告及市場推廣公司擔任多個主要職位，並在一家報章出版公司快報有限公司任職。甘煥騰先生於報章及傳媒產品之出版、廣告及發行方面擁有豐富管理經驗。甘煥騰先生現為香港報業公會會長，同時也是世界中文報業協會的委員會成員。

Mr LAM Pak Cheong, Chinese, aged 39, joined the Group in 2000. He is the Financial Advisor to the Group Chief Executive Officer. He is also a member of the Hong Kong Executive Committee and the Chief Financial Officer and the Company Secretary of OMG. Mr LAM has extensive experience in financial management, mergers and acquisitions, corporate finance, corporate development, fund raising and investor relations. He is an associate of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. Mr LAM obtained a Master of Business Administration in Financial Services jointly from the University of Manchester and the University of Wales, Bangor in the United Kingdom and a Master of Corporate Governance from the Hong Kong Polytechnic University.

林栢昌先生，中國公民，39歲，於2000年加入本集團，為本公司集團行政總裁之財務顧問，同時也是本公司香港行政委員會成員以及萬華媒體的首席財務官及公司秘書。林栢昌先生在財務管理、併購、企業融資、公司發展、集資及投資者關係方面擁有豐富經驗。他是香港特許秘書公會，以及英國特許秘書及行政人員公會的會員。林栢昌先生持有英國曼徹斯特大學及威爾士班戈大學聯合頒發的金融服務工商管理學碩士學位，以及香港理工大學頒發的企業管治碩士學位。

Chairman's Statement

"We are putting together this roadmap to become a truly global media platform and content provider via a four-pronged strategy."

「我們正依著這藍圖不斷提升自己，透過四大分支之策略成為真正之全球媒體平台及資訊內容提供者。」

Dear Shareholders,

I take great pleasure in presenting the first set of annual financial results of Media Chinese International Limited (formerly known as Ming Pao Enterprise Corporation Limited) and its subsidiaries (the "Group") following the successful creation of this enlarged leading Chinese language media platform formed by the merger of Ming Pao Enterprise Corporation Limited, Sin Chew Media Corporation Berhad ("Sin Chew") and Nanyang Press Holdings Berhad ("Nanyang").

The Group has now become the first company primarily listed on both the main boards of The Stock Exchange of Hong Kong Limited and Bursa Malaysia Securities Berhad following the debut trading of its shares on both Exchanges on 30 April 2008.

This platform is home to 5 daily newspapers in 15 editions with over 1 million copies a day, 2 free daily newspapers in the United States, over 30 magazines and around 470 million pageviews per month for its various on-line portals across key cities in North America, Southeast Asia, Hong Kong and Mainland China. This puts us on a firm footing to leverage our strong capability in Chinese content production and provision in the print format in the respective local markets, and to excel in the fast-growing and lucrative multi-media, multi-markets delivery matrix.

各位股東：

明報企業有限公司、星洲媒體集團有限公司(「星洲媒體」)及南洋報業控股有限公司(南洋報業)合併後，嶄新的華文媒體平台成功誕生，本人欣然提呈世界華文媒體有限公司(前稱明報企業有限公司)及其附屬公司(「本集團」)首份全年財務業績。

本集團現已成為首家以香港聯合交易所有限公司及馬來西亞證券交易所為第一上市地之公司，其股份於2008年4月30日首次在以上兩個證券交易所掛牌買賣。

這平台發行5份日報，共15個版本，發行量每日超過100萬份；另外也在美國發行兩份免費日報；同時還出版30多份雜誌，在北美、東南亞、香港及中國大陸各大城市透過各種網上途徑之每月瀏覽頁次約達4.7億次。這為我們奠定了穩固之基礎，發揮我們在華語製作及在相關本地市場提供印刷制式之強大實力，並在這高速發展、利潤豐厚之多媒體及多市場發放行列中綻放光彩。

We are putting together this roadmap to become a truly global media platform and content provider via a four-pronged strategy.

我們正依著這藍圖不斷提升自己，透過四大分支之策略成為真正之全球媒體平台及資訊內容提供者。

First, we are well prepared at all fronts to capture the continuous organic growths in our home markets as we continue to develop and improve our contents to entice more advertisers to spend more of their advertising budgets on our existing products.

首先，我們在各方面已準備就緒，以抓緊本土市場來持續內部增長。另一方面，我們繼續開發及改良資訊內容，以吸引更多廣告商將更多之廣告預算投放於我們之現有產品上。

Then, we shall continue to implement our plan to integrate operations in our home markets, to better exploit synergistic benefits pointing to unlock growth potentials of the existing content assets. This process entails improvements in newsprint procurement and logistics efficiency, consolidation of production capacity deployment, repackaging of product offerings to advertisers and rationalisation of circulation and distribution channels.

然後，我們會繼續實行於本土市場整合業務之計劃，以發揮更好的協同效益，並銳意發掘現有資訊內容資產之增長潛力。這過程將可提升白報紙採購及物流之效率、綜合生產實力之調配、重新包裝產品再向廣告商推出整頓發行及分銷渠道等。

Third, we have already started planting our footprint in other Chinese communities outside our regional local markets, especially in the Greater China region, beginning with licensed magazines. We are in possession of full capabilities in bringing foreign contents into China and exporting home-grown contents made in the country to other Chinese speaking communities. In Taiwan, meanwhile, we are set to take advantage of the island's recovering economy following the recent leadership change, the improving consumption expenditure there and opportunities fostered by its prospering linkages with Mainland China.

第三，我們已著手透過特許雜誌，展開在我們地域／本土市場以外之其他中國社群（尤其是大中華地區）之發展藍圖。我們具備充足之實力，為中國帶來外國資訊內容，並為其他華文社群提供本地資訊內容。與此同時，我們也已準備就緒，抓緊台灣最近領導換班帶來之經濟復甦、當地消費開支上升以及台灣與中國大陸經濟起飛之聯繫商機。

Consequently, to further exploit our position as a major Chinese media content provider, we are preparing ourselves for a full rollout of our content deliveries via non-print channels including online, mobile, electronic and video. We have struck some successes in this area over the last few years and are ready to expand them to a fully-fledged offering, based on this solid platform we created pursuant to the merger.

因此，為了進一步鞏固我們作為主要華文媒體內容提供者之地位，我們已做好準備，透過網上、手機、電子及視像等非印刷渠道全面推出我們之資訊內容。於過去數年，我們已在這範疇屢次獲佳績，同時也已準備好，凭藉合併後所誕生的強大平台，擴大成全面成熟之產品。

As we usher in a new information era encompassing multi-media, multi-channel deliveries on a global scale, traditional print channels such as newspapers and magazines fall short of being able to serve the changing dynamics and needs of diverse local interests with territory-specific content. This changing industry landscape liberalises contents from their geographic and national boundaries. We believe that this four-pronged strategy will help bring our businesses 'from local to global', putting us closer to our goal of becoming one of the largest and strongest global Chinese language media platforms serving Chinese-reading communities around the world.

隨著我們邁向這全球化多媒體、多渠道發放之新資訊年代，報章及雜誌等傳統印刷渠道未能配合日新月異之變化及滿足多元化本土讀者對特定地區內容之需要。這不斷改變之行業環境開放了地域與國界之內容。我們相信，這四大分支之策略將有助我們之業務由本地化邁向全球化，並使我們進一步邁向成為全球最大及最強之華文媒體平台之一之目標，為遍佈全球之華文讀者群服務。

Chairman's Statement

FINANCIAL PERFORMANCE

The Group's turnover grew by 8% during the year from US$304,563,000 to US$328,260,000, mainly driven by the growth in revenues from the Group's business in Southeast Asia and North America. Consolidated profit before tax for the year amounted to US$43,761,000, which represented a year-on-year increase of US$16,995,000 or 63%. Consolidated profit before tax included the one-time negative goodwill of US$13,094,000 which was recognised upon the acquisition of Nanyang and a provision for impairment of goodwill and intangible assets of US$5,393,000. Excluding these items, the Group's consolidated profit before tax for the year would have amounted to US$36,060,000, representing an increase of US$9,294,000 or 35% over last year.

Basic earnings per share increased by 67% from US1.26 cents to US2.10 cents. Total assets at year end stood at US$441,396,000 and net assets per share was US19.52 cents.

The Group's encouraging performance this year is led by the strong performance of our Southeast Asia operations resulting mainly from the growth in advertising revenues and improvement in the operational effectiveness. Further, this strong set of results is a solid endorsement to our vision on the bright prospects of Chinese-language media businesses when we put together ideas leading to the merger some 18 months ago. We now have one of the strongest Chinese-language media platforms in the world, providing a vital link and serving a fast-growing international Chinese literate client base.

財務表現

年內，本集團之營業額由304,563,000美元增加8%至328,260,000美元，主要是由於本集團來自東南亞及北美之業務收入增長所致。本年度除税前綜合溢利為43,761,000美元，按年增幅達16,995,000美元或63%。除税前綜合溢利包括一次過負商譽13,094,000美元(於收購南洋報業時確認)及商譽及無形資產減值撥備5,393,000美元。除以上項目外，本集團於本年度之除税前綜合溢利應會為36,060,000美元，較去年上升9,294,000美元或35%。

每股基本盈利由1.26美仙增加67%至2.10美仙。年終總資產為441,396,000美元，而每股資產淨值為19.52美仙。

由於營運效益帶來之協同效應，導致東南亞業務取得強勁增長，故本年度本集團取得令人鼓舞之業績，肯定了我們在大約18個月前構思合併時的看好華文媒體業務前景之看法。目前，我們擁有全球最強大之華文媒體平台之一，以提供主要之聯繫，並為快速增長之全球華文讀者服務。

DIVIDENDS

An interim dividend of US0.258 cents per share was paid on 15 January 2008. The Board of Directors has recommended a second interim dividend in lieu of final dividend of US0.926 cents per share which will be paid on 15 August 2008.

股息

中期股息每股0.258美仙已於2008年1月15日派付。董事會建議派付第二次中期股息以代替末期股息每股0.926美仙，將於2008年8月15日派付。

OUTLOOK

Barring unforeseen circumstances and taking into account the upward trend in newsprint and energy prices, the Group anticipates that the operating environment for the Group's core businesses in the coming year will be challenging. However, the Group will strive towards achieving satisfactory results which would be enhanced by the inclusion of Nanyang's financial results into the Group's next quarter results. Nanyang has returned to profitability since July 2007.

The Group will in the coming financial year focus on reviewing its entire existing operations in all locations with an aim to enhance efficiency of its operations, maximizing usage of its resources and streamlining procedures throughout the Group.

In considering legacies of the respective constituents of the Group, I would attribute our achievements thus far to the valuable contributions, dedication, professionalism and passion of our directors, management and staff in their line of duties. Furthermore, I am also very grateful for the continued encouragement, confidence and support of our readers, customers, partners and shareholders rendered in the past year on our vision and effort in making the merger another success in our corporate history. Going forward, we will look forward to fully expand the scale of our operation in a more aggressive yet strategic manner, from the traditional print to the newer non-print channels. As the Chinese language continues to gain popularity around the world, we shall anticipate even brighter prospects for the Group.

Tan Sri Datuk TIONG Hiew King
Chairman
16 July 2008

前景

在可預見之情況下，同時考慮到白報紙及能源價格不斷上漲，本集團預計來年之核心業務之經營環境將充滿挑戰。不過，本集團將致力達致理想業績，下一季度將會因為加入南洋報業之財務業績而有所提升。南洋報業自2007年7月起已轉虧為盈。

在未來之財政年度，本集團將專注檢討各地區之全部現有業務，旨在提升其營運效率、最大化其資源使用及精簡本集團上下之程序。

本集團今日之成果，實有賴一直謹守崗位的董事、管理層及員工的貢獻、努力、專業精神及熱誠。此外，本人亦感謝讀者、客戶、夥伴及股東對我們之看法及努力所給予的持續鼓勵、信心及支持，使我們去年的合併創造了公司歷史之另一成功里程。展望未來，我們將期盼以更進取且具策略之方式全面擴充營運規模，由傳統印刷邁向更新之非印刷渠道。隨著全球對華文日益重視，我們預期，本集團之前景將會大放光明。

丹斯里拿督張曉卿
主席
2008年7月16日

Management Discussion and Analysis

Media Chinese International Limited (the "Company") is formed by the successful merger of Ming Pao Enterprise Corporation Limited ("Ming Pao"), Sin Chew Media Corporation Berhad ("Sin Chew") and Nanyang Press Holdings Berhad ("Nanyang").

The principal activities of the Group are the publication, printing and distribution of Chinese-language newspapers, magazines, books, the provision of electronic contents and the provision of travel and travel related services in Hong Kong, Mainland China, Southeast Asia and North America. Currently, it is publishing 5 daily newspapers in 15 editions with over 1 million copies a day, 2 free daily newspapers in the United States, over 30 magazines and around 470 million pageviews per month for its various on-line portals across key cities in Southeast Asia, North America, Hong Kong and Mainland China. The flagship title *Sin Chew Daily*, which is the largest Chinese-language newspaper in Southeast Asia, has a circulation of around 357,000 copies a day.

For the financial year ended 31 March 2008, the Group has applied the principles of merger accounting to account for the business combination with Sin Chew as if the combination had occurred from the date when Ming Pao and Sin Chew first came under common control.

As Nanyang was invited to join the Group pursuant to an acquisition offer extended to it following the announcement of the merger, the Group has applied the purchase method to account for the acquisition of equity interest in Nanyang as a wholly-owned subsidiary pursuant to the merger's effective completion date on 31 March 2008. Nanyang's results have therefore not been included in the consolidated income statement for this financial year nor in the comparative figures.

FINANCIAL HIGHLIGHTS

(in US$'000)	**2008**	**2007**	**Change**
Turnover	328,260	304,563	+8%
Gross profit	116,089	100,044	+16%
Negative goodwill arising from the acquisition of Nanyang	13,094	–	
Operating profit	44,471	27,921	+59%
Profit before income tax	43,761	26,766	+63%
Profit for the year	31,952	20,162	+58%
Minority interests	(12,764)	(8,673)	+47%
Profit attributable to equity holders of the Company	19,188	11,489	+67%
Basic earnings per share (US cents)	2.10	1.26	+67%
Total assets	441,396	261,496	+69%
Net assets per share (US cents)	19.52	21.13	-8%

The Group's turnover for the year grew by 8% or US$23,697,000 as compared to the previous financial year. The increase was mainly driven by the growth in revenues from the Group's business in Southeast Asia and North America.

Consolidated profit before tax for the year amounted to US$43,761,000, which represented a year-on-year increase of US$16,995,000 or 63%. Consolidated profit before tax included the one-time negative goodwill of US$13,094,000 which was recognised upon the acquisition of Nanyang and a provision for impairment of goodwill and intangible assets of US$5,393,000.

Excluding these items, the Group's consolidated profit before tax for the year would have amounted to US$36,060,000, representing an increase of US$9,294,000 or 35% over last year. The better performance was primarily due to synergies derived from the merger and the growth in turnover.

Basic earnings per share were US2.10 cents, up from US1.26 cents or 67% in the last corresponding year.

At 31 March 2008, the Group had US$76,559,000 of cash and cash equivalents and the Group's net assets per share was US19.52 cents.

DIVIDENDS

An interim dividend of US0.258 cents (2007: US0.386 cents) per share on 402,808,000 ordinary shares of the Company amounting to US$1,037,000 was paid on 15 January 2008. The Board of Directors has declared a second interim dividend of US0.926 cents per ordinary share in respect of the fourth quarter ended 31 March 2008 (2007: nil).

The Board of Directors does not recommend the payment of any final dividend in respect of the current financial year (2007: US2.576 cents per ordinary share was paid by Sin Chew).

SEGMENTAL REVIEW

Southeast Asia

The Group's operations in Southeast Asia include those under Sin Chew and Nanyang. But for the financial year ended 31 March 2008, the Group's operating performance only included Sin Chew in accordance to the standards of merger accounting.

Sin Chew saw its profit before tax rose by 42% to US$32,274,000 from US$22,761,000 in the financial year ended 31 March 2008, primarily attributable to the growth in advertising income driven by increased circulations of the Group's publications in Malaysia during the General Election and the overall marked improvement in advertising expenditure for the media in the region.

Revenue rose by US$20,667,000 or 16% to US$147,756,000 during the year under review. Operating expenses, meanwhile, edged up only 11% to US$118,373,000 during the last financial year.

The flagship title *Sin Chew Daily*, the largest Chinese-language newspaper in Malaysia, saw circulation grow by 3% year-on-year to around 357,000 copies a day on average. Its gross advertising income, meanwhile, achieved an impressive 8% growth from the previous financial year due to increased spending during the General Election. In addition, *Sin Chew Daily* has been admitted as a member to the International Newspaper Color Quality Club for years 2008 to 2010.

Management Discussion and Analysis

Guang Ming Daily's circulation is around 127,000 copies a day and it is the third largest Chinese-language newspaper in Malaysia. It is also the largest newspaper in the northern region of Malaysia. Its gross advertising revenue experienced a strong 32% increase due to increased advertising spending by telecom companies, entertainment providers, banks and the General Election. In addition, *Guang Ming Daily* also has been admitted as a member to the International Newspaper Color Quality Club for years 2008 to 2010 and was awarded the Gold Medal by Asian Newspaper Color Quality Award 2008 for two years consecutively.

While not being included in the Group's consolidated income statement this year due to the application of purchase method for the acquisition of Nanyang on 31 March 2008, Nanyang experienced a strong turnaround during the year. It returned to the back with a profit before tax for the nine months ended 31 March 2008 of US$6,644,000, compared to the previous corresponding period's loss of US$3,700,000.

Nanyang Siang Pau distinguishes itself as the premium newspaper in which its high quality content attracts educated, affluent and influenced audiences, a positioning highly valued by advertisers. *Nanyang Siang Pau's* ability to achieve consistently high standards was reflected in the honors and awards it received. It was awarded 4 Malaysia Press Institute Awards for the Chinese medium, namely, Best Feature News Award, Best News Award, Best Sport News Award and Best Group Photograph Award.

Nanyang Siang Pau turned 85 years old and we celebrated this remarkable milestone with a series of celebration events and dinner throughout the country for our readers, customers and business associates for whom the paper has become a part of their lives.

China Press retained its position as the second most popular Chinese daily in the Klang Valley with its daily circulation increasing to around 240,000 copies. The successful mix of hard-hitting local news and strong feature-based journalism differentiates *China Press* from the others. *China Press* identifies the local community's top issues and covers them thoroughly. This is essential as localism and relevance are critical factors in attracting readers.

Life Publishers, the largest Chinese-language magazine publisher in Malaysia, has always been well supported by readers and advertisers. Through the concerted efforts of the editorial team which continually enhanced the magazines' content and the dedicated sales team, Life Publishers has performed well with most titles achieving improved circulation and readership. As it stands now, Life Publishers has one tabloid newspaper and 18 magazines under its portfolio.

Citta Bella is aimed at urban female readers and continues to be profitable. *Mommy Baby*, launched in October 2003, is now the highest-selling monthly parenting magazine in the country.

Sin Chew's flagship newspaper portal, sinchew-i, experienced a strong 65% growth in advertising revenue during the year under review, on the back of a 47% increase in monthly visitors to 2.2 million, indicating a gradual acceptance of the portal by advertisers as one of the major channels through which they can reach their targeted readers.

Nanyang.com is one of the media websites in Malaysia which has been providing online videos. It will continue to look for ways to expand content in the year ahead.

Mainland China, Hong Kong and Taiwan

The Group has operations in both Hong Kong and Mainland China. Starting from June 2008, the Group has started its business in Taiwan.

The operations in Hong Kong had been able to maintain its turnover at US$108,399,000, compared to US$109,527,000 in the last corresponding year despite the intense competition in the newspaper publication industry in the city. Advertising income demonstrated signs of topping out from the peak experienced in the second half of last year, mirroring the broader trend of moderating economic growth in the region.

Ming Pao Daily News achieved a 3% increase in advertising revenue, thanks to increased display advertisements on banking, financial services and branded fashion sectors. About half of this increase came from online advertising, as we have strengthened promotion of our print and online advertising packages. *Ming Pao Daily News* has continued to enrich its content as it moves towards its 50th anniversary. The Group sees this as a good opportunity to entice our advertising clients to place more advertisements. The unrelenting efforts in strengthening the paper's content by the editorial team to offer more value to readers helped *Ming Pao Daily News* to maintain its success in this market.

The results, meanwhile, softened modestly to US$6,967,000 from US$7,540,000 in the last corresponding year, mainly due to the one-off professional fees of the merger with Sin Chew and Nanyang and the increasing pressure from rising operating costs.

The Group's lifestyle magazine publication unit in the Greater China region, One Media Group ("OMG"), experienced significant improvement in its attributable profit to US$1,547,000 during the period under review (2007: US$396,000) as the ground work spent in the previous years to strengthen its operation started to yield harvest.

Ming Pao Weekly, OMG's flagship title in Hong Kong, reported an encouraging 9% increase in its advertising revenue, reaching another record level as it is about to celebrate its 40th anniversary. The hybrid offering of the Compact and the Classic editions is being increasingly well-received by both advertisers and readers. For the sixth consecutive year, *Ming Pao Weekly* garnered a number of awards from the Society of Publishers in Asia, reinforcing recognition by the industry in its outstanding quality.

The Group's operations in Mainland China, which involve the publication of lifestyle magazines operated by OMG and a printing operation, saw a slight decline in turnover to US$6,628,000 from US$7,294,000 in the last corresponding year primarily due to a decision to terminate publication of two magazines which did not perform up to expectations. Operating loss declined accordingly to US$1,793,000 from the previous US$2,081,000.

Management Discussion and Analysis

North America

Publication operations relating to overseas editions in major cities in North America and the free daily newspapers started to show signs of turning around as advertisers started to see the Group's competitive edge in leveraging its high quality editorial contents from its already-successful paid print products to the free-of-charge delivery space.

The two Canadian editions in Vancouver and Toronto, continued to out-perform its peers with an impressive growth in pre-tax profit. The two free newspapers in San Francisco and New York, gradually gained acceptance from advertisers. It is expected that this free paper division is set to start contributing profit later with the current pace growth in monthly advertising revenue. They have been renamed as *New York Free Daily News (紐約免費報)* and *San Francisco Free Daily News (三藩市免費報)* to reflect the positioning of the product in each market.

Others

Revenue from the Group's travel operation, via Charming Holidays and Delta Group, remained steady at US$64,256,000 despite intense competition in the industry, dampened demand resulting from surging fuel surcharges for air travel and continuing depreciation of the US dollar which jacked up package prices. The Group will review this operation from time to time and take appropriate measures when necessary.

OUTLOOK

Following the successful completion of the merger in April 2008, the Group is operating one of the largest Chinese-language media content platform in the world. We are prepared to leverage strengths of this platform and its constituent media content assets to bring our businesses "from local to global" and "from print to non-print" in the advent of advances in communication technology.

The Group is making inroads into cross-selling its media contents into different markets. The launch of *Ming Pao Weekly* in Taiwan in June 2008 is a good example of this strategy. Through a licensing model, *Ming Pao Weekly's* Taiwan edition will be cross-promoted with its electronic edition and also a TV program, namely 明周報報, operated by our partner in Taiwan. Further moves of this kind, involving both print and non-print contents, across different markets where we operate, are set to materialise in the coming years.

Meanwhile, the Group remains vigilant on the mounting challenges in its operating environments.

The upward trend of newsprint price is expected to continue and this would likely have impact on the Group's performance. Barring unforeseen circumstances and taking into account of the increase in costs due to rising oil prices, the Board anticipates that the operating environment for the Group's core business in the coming year will be competitive and challenging.

Nevertheless, the Group will strive towards achieving satisfactory results through effectively utilising resources and maximising the operational synergies of the common platform created by the successful merger entity. At the same time, having established a global Chinese-language media platform, the Group will continue to explore business opportunities for expansion.

In the advent of increasing popularity of content usage via non-print channels, the Group's highly efficient Chinese content production capability is ready to accommodate this change in usage behavior, which will in due course bring about an evolution in the market landscape. This will ultimately shed lights as to how media and content provision establishments reorganise their business models to exploit opportunities evolved from this evolution. The Group believes it has put in place the necessary competences to benefit from this process.

CORPORATE SOCIAL RESPONSIBILITY

The Company seeks to manage all aspects of its businesses in accordance with the best ethical standards possible. This approach allows the Group to create vital linkages among its business development, business operation and community service activities. All of the Group's business units have longstanding commitment to support communities in which they operate.

This year the Group played an exemplary role demonstrating in action what constitute best practices in corporate social responsibility.

Hong Kong

This year marked the eleventh year in a roll that *Ming Pao Daily News* hosts its "Ming Pao School Reporters Scheme". This scheme is aimed at improving the understanding of the newspaper industry and journalism of the participating students and polishing their independent thinking and analytical skill through training on basic journalistic skills, lectures and on-site news reporting exercises. In the last 10 years the scheme trained more than 4,300 students and interviewed more than 100 public figures and organisations.

This is the fifth year that *Ming Pao Daily News* co-organised the "Guangdong Province Remote Area Education Relief Fund"「廣東省偏遠地區育苗助學計劃」 in association with several educational groups in Hong Kong to provide assistance to the development of education in remote and deprived areas in Guangdong Province. Approximately US$154,000 was raised and distributed to 15 schools in these affected areas during the year.

"Project Blossom"「茁壯行動」was jointly set up by *Ming Pao Daily News* and the Hong Kong Performing Artistes Guild in May 2003 with the purpose of raising funds for the children of SARS victims. In the past year, a total of US$560,000 was appropriated from the fund to subsidise the educational expenditures of qualified applicants.

Malaysia

Sin Chew perpetually believes in the pivotal role of education in improving a society, This belief supports the organisation of Sin Chew Education Fund, jointly with some institutions of higher education, year after year. In addition, Sin Chew also raised funds for selected Chinese schools via the carnivals that it organised in some major towns during the last year under review.

Sin Chew also plays an instrumental role in raising awareness on key social issues. For example, in wake of increasing crimes that took away lives of innocent children, *Sin Chew Daily* organised in a joint effort with a food manufacturer a "Beware of Stranger/Guai Shu Shu" campaign. Under this campaign, talks were held at schools for parents and children to instill in them a higher awareness on personal safety. Another "Da Ai" and "Da Yi" awards program was introduced during the year to encourage and motivate those who have dedicated their lives to serving others.

"Guang Ming Hero Award" organised by *Guang Ming Daily* served to remind society to extend its care to the less fortunate and the underprivileged. A key to Sin Chew's long list of corporate responsibility objectives is instilling the value of filial piety among the younger generation. Under this auspicious, Sin Chew organises a "Filial Piety Celebration Dinner/Song He Zhi Ye" dinner function on an annual basis.

Sin Chew runs a foundation known as "Yayasan Sin Chew" which aims at helping those in need. Yayasan Sin Chew raised approximately US$8,603,000 for victims of the recent Myanmar Cyclone and Sichuan earthquake. Yayasan Sin Chew extended its reach to lives of people from all brackets of the society. As such, it had been able to entice donations from patrons from all walks of life ranging commercial conglomerates to primary school children.

Nanyang Siang Pau continues to promote numerous social, educational and business activities. Some of these projects have become perennial community events winning events wide acclaimed. These events include The Golden Bull Award, Nanyang Education Fair, National Inter-school Quiz and the renowned Nanyang Carlsberg Top Ten Singers Charity Concert, which raised approximately US$894,000 in its 20th year of meaningful endeavor to help needy Chinese schools.

Another newspaper in Malaysia under the Group, *China Press*, meanwhile, organised nationwide road shows named "A Date with the State Assemblymen". The aim of the road show is to establish an interaction platform, where senior officers from the local council and the state assemblymen directly interact with the people, with the aim of solving the local welfare problems. The road shows were well received and attended by thousands of residents.

Since its inception, Yayasan Nanyang Press has been actively serving the marginalised and the sick in our local community in the medical area, education and disaster programmes. Yayasan Nanyang Press currently operates 4 dialysis centres throughout the country to provide subsidised treatment to low income patients. During the year, Yayasan Nanyang Press has disbursed US$481,000 to help the poor to pay for medical fees ranging from transplants to major operations. It also organises and manages a variety of educational programmes that focuses on human resource and emotional training for single mothers, youth, the elderly and the NGOs.

The Sichuan earthquake took place on 12 May 2008; Yayasan Nanyang Press with previous experiences in disaster sprang into action by organising a campaign with the help of *Nanyang Siang Pau* and *China Press* to raise funds from the readers and general public. As of date, a total of US$4,468,000 was handed over to the Embassy of the People's Republic of China in Malaysia for relief work in Sichuan.

FINANCIAL GUARANTEES

The financial guarantees of the Group at 31 March 2008 are set out in note 39 to the consolidated financial statements.

PLEDGE OF ASSETS

The details of the pledge of the Group's assets are set out in note 34 to the consolidated financial statements.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Ringgit Malaysia ("RM"), Renminbi ("RMB"), HK$ and US$. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Currency exposure arising from the net assets of the Group's operations, such as those in Mainland China, Hong Kong, North America, Malaysia and Southeast Asia are managed primarily through operating liabilities denominated in the relevant foreign currencies.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

At 31 March 2008, the Group's net current assets amounted to US$110,781,000 (2007: US$88,228,000) and the shareholders' funds were US$329,228,000 (2007: US$193,066,000). Total bank borrowings and finance lease obligations were US$39,287,000 (2007: US$20,794,000) and the gearing ratio, which is defined as the ratio of total borrowings to shareholders' funds, was 0.119 (2007: 0.108). As at 31 March 2008, total cash and cash equivalents was US$76,559,000 (2007: US$67,459,000) and net cash position was US$37,272,000 (2007: US$46,665,000) after deducting the total borrowings.

CAPITAL STRUCTURE

During the year, the Company repurchased a total of 3,166,000 shares at an aggregate purchase consideration of HK$5,814,913 (equivalents to US$748,381); and 118,000 shares and 88,000 shares were issued at HK$1.592 per share and HK$1.32 per share respectively as a result of the exercise of the Company's share options. Details of the repurchases and issue of shares are set out in note 29 to the consolidated financial statements.

EMPLOYEES AND EMOLUMENT POLICY

At 31 March 2008, the Group has approximately 5,047 employees (2007: approximately 3,429 employees), the majority of whom are employed in Malaysia and Hong Kong. The Group remunerates its employees based on industry practice and performance of individual employees. The emoluments of the directors and senior management are reviewed by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics. No director, or any of his associates, and executive is involved in dealing with his own remuneration. The Group has share option schemes as an incentive to directors and eligible employees, details of the share option schemes are set out on pages 65 to 70 of the Report of the Directors.

Major Awards of the Year (Hong Kong)

Consumer Rights Reporting Awards 2007

Features
Silver Award, 2 Merits

Press Photo
Gold Award, Silver Award,
Bronze Award

News
Silver Award, 2 Merits

The 3rd Chinese University Journalism Award

News Group
Grand Award

2007 Meritorious Website Contest

Meritorious Website
Mingpao.com

Hong Kong News Awards 2007

Best News Reporting
Winner, 1st Runner-up, Merit

Best Science News Reporting
1st Runner-up, Merit

Best Young Reporter
1st Runner-up

Best Business News Writing (Chinese)
Merit

Best Photograph (News)
Merit

Best Photograph (Features)
Winner, 1st Runner-up

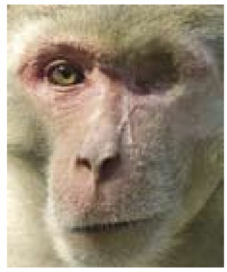
Best Photograph (Sport)
2nd Runner-up

Best News Page Design
2nd Runner-up

Focus at the Frontline 2007

Feature
1st Runner-up
General News
2nd Runner-up
Nature & Environment
2nd Runner-up
Spot News
Honorable Mention





IFRA Asia Media Awards 2008

Best in Newspaper Supplement Award (Category 1)
Gold Award, Silver Award, Bronze Award
Best in Newspaper Supplement Award (Category 2)
Silver Award, Bronze Award
Best in Special Coverage-Magazine Special Issue
Silver Award
Best in Photojournalism-News Photography-General News
Silver Award
Best in Newspaper Design Award
Bronze Award


2008 Awards For Editorial Excellence

The Scoop Award (Award)
Ming Pao Daily News
Excellence in Reporting of Breaking News (Honorable Mention)
Ming Pao Daily News
Excellence in Feature Writing (Honorable Mention)
Ming Pao Daily News
Excellence in Feature Photography (Honorable Mention)
Ming Pao Daily News
Excellence in Newspaper Design (Honorable Mention)
Ming Pao Daily News
Local Journalist Award – Chinese Language
Yazhou Zhoukan
Excellence in Reporting on the Environment (Award)
Yazhou Zhoukan
Excellence in Human Rights Reporting (Award)
Yazhou Zhoukan

Excellence in Human Rights Reporting (Honorable Mention)
Yazhou Zhoukan
The Scoop Award (Honorable Mention)
Yazhou Zhoukan
Excellence in News Photography (Honorable Mention)
Yazhou Zhoukan
Excellence in Feature Photography (Award)
Ming Pao Weekly
Excellence in Public Service Journalism (Honorable Mention)
Ming Pao Weekly
Excellence in Editorial Cartooning – Group C & B only (Honorable Mention)
Ming Pao Weekly
Excellence in Opinion Writing (Honorable Mention)
Ming Pao Monthly

Major Awards of the Year (Malaysia – Sin Chew Group)

International Newspaper Color Quality Club Membership 2008-2010

Asian Newspaper Colour Quality Awards 2008
Silver Award – Guang Ming Daily

ICT Media Awards – News Reporting

Petronas Malaysian Journalism Awards (Malaysian Press Institute) 2006
News Reporting (Mandarin Group)
Entertainment News Reporting
Best Photo Essay (Second Prize)

Malaysia Consumer Day (Perak) Awards 2007
The Best Media Award (Non-Malay)

Kenyalang Shell Press Awards 2007
News Reporting Awards (Mandarin)
Special Report (Mandarin)
Sport Reporting Awards (Mandarin)
Journalist Awards

Penang State Government Media Awards 2007
Special Award
The Best Media Award
News Reporting Award
Feature Award (Excellent Prize & Outstanding Prize)
Photography Award

Datuk Wong Kee Tat Journalism Awards 2006
News Editing (Excellent Prize & Outstanding Prize)
Feature Editing (Outstanding Prize)
Reportage Award (Outstanding Prize)
Commentary Award (Excellent Prize & Outstanding)
Economic Award (Excellent Prize & Outstanding Prize)
Photography Award (Outstanding Prize)



Teong Guan Association (Penang) Media Award
- News Reporting Award (Excellent Prize)
- Photography Award

The 5th Dato' Seri Lim Gait Tong Press Awards (Penang Press Club)
- Outstanding Reporter
- Commentary Excellent Prize
- Economic & Information Award (Outstanding Prize)
- Reportage Award (Excellent Prize)
- Feature Award (Outstanding Prize)

Domestic Trade and Consumer Affairs Reports Award 2007
- The Best Consumer Newspaper Award – Consolation Prize

Media Pertanian Award 2007
- The Best Reporting Award (Mandarin Group)
- The Best Print Media Photography Award

Petronas Malaysian Journalism Awards (Malaysian Press Institute) 2007
- Economic Award (Mandarin Group)

The 2nd Johor Media Awards
- Gabungan Pertubuhan-Pertubuhan Negeri Johor Best News Award (Outstanding Prize)
- Persekutuan Tiong-Hua Johor Bahru Best Features Award (Excellent Prize & Outstanding Prize)
- Mok Tai Dwan Best Commentary Award (Excellent Prize & Outstanding Prize)
- Tan Tiang Soong Best Photography Award (Excellent Prize & Outstanding Prize)
- Johor Bahru Chinese Chamber of Commerce & Industry Commercial Feature Award (Outstanding Prize)






Major Awards of the Year (Malaysia – Nanyang Group)

Petronas Malaysian Journalism Awards (Malaysian Press Institute) 2006
- Best Magazine Writers Awards (Chinese)

Anugerah Media Pulau Pinang 2007 – Merik Para Juri

Sijil Pemenang Anugerah Media Kerajaan Pulau Pinang 2006

Datuk Wong Kee Tat Journalism Awards 2006
- Datuk Wong Kee Tat Editing Award (Feature Section)
- Datuk Yap Yong Seong Feature Writing Award
- Dato' Tan Leong Ming Photography Award
- Dato' P.C. Koh Economy Award
- Datuk Wong Kee Tat Editing Award (News Section)

2007 Penang Zhong Yuan Association Khor Chung Guan Photo Journalism Award

Petronas Malaysian Journalism Awards (Malaysian Press Institute) 2007
- Best Feature News Award (Chinese Medium)
- Best News Award (Chinese Medium)
- Best Sports News Award (Chinese Medium)
- Best Group Photography Award – 3rd prize
- Best Magazine Writers-Chinese Category

2007 Ministry of Health – Media Award
- Anugerah Kewartawanan Kesihatan Terbaik Akhbar Bahasa Cina 2007
- Anugerah Jurugambar Kesihatan Terbaik Ahkbar 2007

Malaysia Chinese Photography Association
- Photography Contest 2006

Singapore Education Award 2006 – Best Media Coverage

Daimler Chrysler Media Award 2006

2007 "Xing Yun Literature Award" Photography Contest

Malaysia Chinese Photography Association
- Exposure News Photo Award 2007
- Putra Jaya Fire Work Festival – Photography 2007

Muar Arts Association
- Wonderful Malaysia Photography Competition 2007

South Johor Chinese Press Club
- The 2nd Johor News Award 2007 – News Writing Award
- The 2nd Johor News Award 2007 – Commentary Award
- The 2nd Johor News Award 2007 – News Photography Award
- The 2nd Johor News Award 2007 – Feature Writing Award

Anugerah Penghargaan Kewartawanan Kementerian Kesihatan 2006, 2007

International Osteoporosis Journalism Award 2006

Merdeka Day Celebration in Perak Photography Contest 2006

Malaysia Chinese Photography Association (MCPA) – Photo Contest 2007

Dato' Tan Khoon Hai News Photographic Award (Penang) 2007

Daimler Chrysler Red Ribbon Media Awards 2006

Kementerian Kesihatan Malaysia – Majlis Anugerah Media 2007

Anugerah Penghargaan Kewartawanan Agensi Berita Bahasa Cina 2007

Anugerah Akhbar Terbaik/ Majalah Terbaik 2007

Anugerah Kewartawanan Kesihatan Terbaik 2007

Malaysia Publishers Association – MPA Magazine Awards 2007

Niche – Chinese (Best Cover Design)

Women – Chinese (Best Cover Design)

Lifestyle – Chinese (Best Cover Design)

Significant Events

Corporate

Hong Kong

Malaysia – Sin Chew Group

Malaysia – Nanyang Group

Statement on Corporate Governance

INTRODUCTION

The Board of Directors is committed to practising the highest standards of corporate governance and operating within a governance framework that was formulated based on the recommendations of the Malaysian Code on Corporate Governance ("the Malaysian Code") and the Code on Corporate Governance Practices ("the Hong Kong Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HK Listing Rules"). The observance of such standards by the Company and its subsidiaries will not only improve the financial performance of the Group but also safeguard and enhance shareholders investment and protect the interest of other stakeholders. On 1 January 2005, the Hong Kong Code became effective and the Company has adopted all the code provisions in the Hong Kong Code as its own code on corporate governance practices.

The Board is pleased to present the following statement which outlines the manner in which the Company has applied the principles and best practices of the Malaysian Code and the Hong Kong Code.

CONDUCT ON SHARE DEALINGS

The Company has adopted the Model Code as set out in Appendix 10 of the HK Listing Rules as the code for securities transactions by directors of the Company. All directors of the Company have confirmed, following specific enquiry by the Company, their compliance with the required standard as set out in the Model Code during the year.

The Company has also established written guidelines regarding securities transactions on no less exacting terms of the Model Code for senior management and specific individuals who may have access to price sensitive information in relation to the securities of the Company.

THE BOARD OF DIRECTORS

(a) Board Balance

The Board comprises of seven executive directors and five non-executive directors, four of whom are independent non-executive directors ("INEDs"). The current composition of the Board complies with both the Listing Requirements of Bursa Malaysia Securities Berhad (the "Bursa Securities Listing Requirements") and the HK Listing Rules, which requires a minimum of 2 or 1/3 of the Board to be independent directors.

The directors who held office during the year and up to the date of this report are:

Name of director	**Title**
Executive Directors	
Tan Sri Datuk TIONG Hiew King	Chairman
Mr TIONG Kiu King	Executive Director
Dr TIONG Ik King	Executive Director
Dato' LEONG Khee Seong	Executive Director (appointed on 20 March 2008)
Mr TIONG Kiew Chiong	Group Chief Executive Officer
Ms SIEW Nyoke Chow	Executive Director (appointed on 20 March 2008)
Ms SIM Sai Hoon	Executive Director (appointed on 20 March 2008)
Non-executive Director	
Mr LEONG Chew Meng	Non-executive Director (appointed on 14 April 2008)
INEDs	
Mr David YU Hon To	INED
Mr Victor YANG	INED
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	INED (appointed on 20 March 2008)
Tan Sri Dato' LAU Yin Pin	INED (appointed on 14 April 2008)
Mr TANG Ying Yu	INED (resigned on 31 March 2008)

The Board comprises of members from varied backgrounds bringing with them in-depth and diverse experience and expertise to enhance the Group's business operations. A brief background on the Board is set out on pages 4 to 10.

(b) Independence of INEDs

Pursuant to the requirements of the HK Listing Rules, except for Tan Sri Dato' LAU Yin Pin, the Company has received annual written confirmations from each INED of his independence to the Group and the Company considered all INEDs to be independent.

Tan Sri Dato' LAU was a director of Nanyang, which before becoming a subsidiary was a connected person of the Company, during the two years immediately prior to his appointment, he is unable to meet the independence guideline for INEDs set out in Rule 3.13(7) of the HK Listing Rules. Accordingly, as required under Rule 3.14 of the HK Listing Rules, the Company had, prior to his appointment, successfully demonstrated to the satisfaction of the HK Stock Exchange that Tan Sri Dato' LAU is independent and the reasons are set out in the Report of Directors on page 63.

(c) The Board

The Board is ultimately responsible for the overall strategic, financial and organisational matters of the Group.

The executive directors are primarily responsible for the day to day management and supervision of the Group's business and operations in addition to implementing the broad policies approved by the Board, whilst the INEDs' role is to provide independent judgement on matters where the views or interest of the management and those of the Board may potentially diverge.

The Board's primary responsibilities, amongst others, are as follows:

- Review and adopt the business plans for the Group;
- Review and approve the financial budget for the Group;
- Review and approve the Group's financial results both quarterly and annually;
- Approve the appointment of directors and the directors' emoluments and benefits;
- Set the Group's general human resources policies;
- Approve changes to the corporate organisation structure;
- Review the adequacy and integrity of the Group's internal control system;

The following shows the number of regular board meetings held during the financial year as well as the attendance rate of each director.

Name of directors	**Number of meetings attended**	**Percentage of attendance**
Tan Sri Datuk TIONG Hiew King	4/5	80%
Mr TIONG Kiu King	4/5	80%
Dr TIONG Ik King	5/5	100%
Dato' LEONG Khee Seong (appointed on 20 March 2008)	1/1	100%
Mr TIONG Kiew Chiong	5/5	100%
Ms SIEW Nyoke Chow (appointed on 20 March 2008)	1/1	100%
Ms SIM Sai Hoon (appointed on 20 March 2008)	1/1	100%
Mr David YU Hon To	5/5	100%
Mr Victor YANG	5/5	100%
Temneggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH (appointed on 20 March 2008)	1/1	100%
Tan Sri Dato' LAU Yin Pin (appointed on 14 April 2008)	N/A	N/A
Mr LEONG Chew Meng (appointed on 14 April 2008)	N/A	N/A
Mr TANG Ying Yu (resigned on 31 March 2008)	4/5	80%

The Board has delegated specific responsibilities to sub-committees, namely, Group Executive Committee, Remuneration Committee, Nomination Committee and Audit Committee. These committees have the power to review particular issues and revert to the Board with their recommendations. The final decision on these issues lies ultimately with the Board.

The authorities, functions, composition and duties of each of the committees are set out below:

(i) Group Executive Committee

The Group Executive Committee was established on 25 March 2008. The Group Executive Committee comprises Dato' LEONG Khee Seong, Mr TIONG Kiew Chiong, Ms SIEW Nyoke Chow, Ms SIM Sai Hoon and Mr ONG See Boon. Dato' LEONG Khee Seong is the Chairman of the Group Executive Committee.

The Group Executive Committee is the decision-making body for day-to-day operation and its main duties include performing duties delegated by the Board and exercising the authorities and rights authorised by the same pursuant to written guidelines. The Group Executive Committee held one meeting during the financial year and the attendance of the members at the meeting is set out as follows:

Name of members	**Number of meetings attended**	**Percentage of attendance**
Dato' LEONG Khee Seong	1/1	100%
Mr TIONG Kiew Chiong	1/1	100%
Ms SIEW Nyoke Chow	1/1	100%
Ms SIM Sai Hoon	1/1	100%
Mr ONG See Boon	1/1	100%

(ii) Remuneration Committee

The Remuneration Committee was established on 25 May 2005. The Remuneration Committee currently has five members, namely, Tan Sri Dato' LAU Yin Pin, Mr David YU Hon To, Mr Victor YANG, Mr TIONG Kiew Chiong and Ms SIM Sai Hoon. Save for Mr TIONG Kiew Chiong and Ms SIM Sai Hoon who are the executive directors, the rest are all INEDs and Tan Sri Dato' LAU Yin Pin is the Chairman of the Remuneration Committee.

The functions of the Remuneration Committee include, amongst others, making recommendations to the Board on the Company's policies and structure for remuneration of the directors and senior management; establishing a formal and transparent procedure for developing policy on remuneration; and determining specific remuneration packages for the directors and senior management.

The remuneration of all the directors and their respective interest in share options are set out in note 14 to the consolidated financial statements and under the "Share option schemes" paragraph in the Report of the Directors of this Annual Report.

The Remuneration Committee held two meetings during the financial year to review the policies and structure for the remuneration of the Company's directors and senior management and offer advice on the same to the Board. The attendance of the members at the meetings is set out as follows:

Name of members	**Number of meetings attended**	**Percentage of attendance**
Tan Sri Dato' LAU Yin Pin (appointed as Chairman of Remuneration Committee on 14 April 2008)	N/A	N/A
Mr David YU Hon To *(note)*	2/2	100%
Mr Victor YANG	2/2	100%
Mr TIONG Kiew Chiong	2/2	100%
Ms SIM Sai Hoon (appointed as member of Remuneration Committee on 14 April 2008)	N/A	N/A
Mr TANG Ying Yu (resigned as member of Remuneration Committee on 31 March 2008)	1/2	50%

Note: Mr David YU Hon To ceased to serve as Chairman of Remuneration Committee effective from 14 April 2008.

(iii) Nomination Committee

The Nomination Committee was established on 25 May 2005. The Nomination Committee currently has four members, namely, Mr Victor YANG, Mr David YU Hon To, Tan Sri Dato' LAU Yin Pin and Mr LEONG Chew Meng. Except for Mr LEONG Chew Meng who is a non-executive director, the rest are all INEDs and Mr Victor YANG is the Chairman of the Nomination Committee.

The functions of the Nomination Committee include, among other things, making recommendations to the Board on the Group's nomination policy and procedures and recommending candidates for directorship.

The Nomination Committee held two meetings during the financial year to review the structure, size and composition of the Board and made recommendation on the same to the Board. The attendance of the members at the meetings is set out as follows:

Name of members	Number of meetings attended	Percentage of attendance
Mr Victor YANG	2/2	100%
Mr David YU Hon To	2/2	100%
Mr TIONG Kiew Chiong *(note)*	2/2	100%
Tan Sri Dato' LAU Yin Pin (appointed as member of Nomination Committee on 14 April 2008)	N/A	N/A
Mr LEONG Chew Meng (appointed as member of Nomination Committee on 14 April 2008)	N/A	N/A
Mr TANG Ying Yu (resigned as member of Nomination Committee on 31 March 2008)	1/2	50%

Note: Mr TIONG Kiew Chiong ceased to serve as member of Nomination Committee effective from 14 April 2008.

(iv) Audit Committee

The Audit Committee was established on 30 March 1999. The Audit Committee currently has five members, namely, Mr David YU Hon To, Mr Victor YANG, Tan Sri Dato' LAU Yin Pin, Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH and Mr LEONG Chew Meng. Except for Mr LEONG Chew Meng who is a non-executive director, the rest are all INEDs and Mr David YU Hon To is the Chairman of the Audit Committee.

Further detailed information in relation to the Audit Committee is described in the Audit Committee Report set out on pages 54 to 59 of this Annual Report.

(d) The division of responsibilities between the Chairman and the Group Chief Executive Officer

With a view to maintaining an effective segregation of duties, the positions of Chairman and Group Chief Executive Officer are held by different persons and each plays a distinctive role. The Chairman is mainly responsible for the leadership and effective operation of the Board and ensuring that all key and appropriate issues are discussed by the Board in a timely and constructive manner, and the Group Chief Executive Officer is delegated with the authority and is mainly responsible for operating the Group's business and implementing the approved strategies in achieving the corporate objectives.

(e) Supply of Information

The Board has unrestricted access to all information pertaining to the Company's businesses to enable it to discharge its duties effectively. All directors are provided with adequate information on a timely manner.

In respect of regular board meetings or committee meetings, the notice and agenda are sent out to the directors at least fourteen days before the meeting. Board reports are circulated not less than seven days before the Board meetings to enable the directors to obtain further information and explanation, where necessary, before the meetings.

Board reports provide, amongst others, periodic financial and corporate information, significant operational, financial and corporate issues, update on the performance of the Company and of the Group, and management proposals that require the Board's approval.

Detailed periodic briefings on industry outlook, market trends, performance of the Company and of the Group, market share, market reaction, products and services and forward previews are also conducted to ensure that the Board is well informed of the latest market and industry trend and development.

Directors are also regularly updated on any new regulations, guidelines or directives issued by Bursa Malaysia Securities Berhad ("Bursa Securities"), Securities Commission of Malaysia, the HK Stock Exchange and other relevant regulatory authorities.

All directors have access to the advice and services of the company secretary, financial and legal officers. The directors may, if necessary, seek legal or other independent professional advice on any matter connected with the discharge of their responsibilities at the expense of the Company pursuant to a written guideline adopted by the Board.

(f) Appointments to the Board

The Nomination Committee is responsible for identifying and recommending suitable nominees for appointment to the Board. The selection criteria of the new candidates for directorship encompass the required mix of skills, experience and other core competencies the director should bring to the Board. Any new nomination received is put to the full Board for assessment and endorsement.

(g) Re-election

An election of directors takes place annually. The Company's bye-laws provide that at least one third of the remaining directors be subject to re-election by rotation at each annual general meeting provided always that all directors shall retire from office once in every three years but shall be eligible for re-election. Directors who are appointed during the financial year are also subject to re-election at the next annual general meeting subsequent to their appointment.

All INEDs are appointed for a specific term and are subject to retirement and re-election by rotation at the annual general meeting under the Company's bye-laws.

(h) Directors Remuneration

(i) Level and Make-up of Remuneration

The Remuneration Committee is responsible for determining the remuneration of the executive directors, non-executive directors and senior management. The executive director's remuneration is linked to their performance, service seniority, experience and scope of responsibility and is periodically benchmarked to industry practices. For non-executive directors, the level of remuneration reflects the level of responsibilities undertaken by them. The Remuneration Committee makes the required recommendation to the Board as the Remuneration Committee is not authorised to implement its recommendation on behalf of the Board.

(ii) Procedure

The fees of the directors, including the non-executive directors that are based on the recommendation of the Remuneration Committee, are approved by the Board. Any increase in the annual fees of the non-executive directors are approved by the shareholders of the Company at its annual general meeting.

(iii) Disclosure

The aggregate remuneration of the directors, including the non-executive directors, for the financial year ended 31 March 2008 is as follows:

	Fees	Salaries & other emoluments	Total
	US$'000	US$'000	US$'000
Executive directors	–	375	375
Non-executive directors	82	9	91

The number of directors of the Company whose total remuneration falls into the following bands is as follows:

Range of remuneration	Executive	Non-executive
from US$14,894 to US$29,785 (equivalent to RM50,001 to RM100,000)	3	2
from US$29,786 to US$44,678 (equivalent to RM100,001 to RM150,000)	–	1
from US$312,744 to US$327,636 (equivalent to RM1,050,001 to RM1,100,000)	1	–

DIRECTOR'S TRAINING

The Board continues to fully support the need of its members to further enhance their skills and knowledge on new laws and regulations and developments in the media industry. The directors are encouraged to attend programmes and seminars as they consider necessary or deem fit to enable them to contribute effectively to the Company.

All directors have attended and successfully completed the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Securities, save for Mr TIONG Kiu King, Mr TIONG Kiew Chiong, Mr David YU Hon To and Mr Victor YANG. The Company has notified and arranged for them to attend and complete the MAP in due course.

Throughout the year, the directors have also received updates and briefings from time to time, particularly on the following matters:

- Market and industry trends
- Regulatory and legal developments
- Latest technology updates and developments in the media industry

SHAREHOLDERS

(a) Communications between the Company and Investors

The Company values the importance of dialogue with shareholders and investors. The Company disseminates information on the Group's performance and major development via appropriate communication channels such as corporate announcements made through Bursa Securities, the HK Stock Exchange, circulars, press conferences, press releases, annual reports as well as through its annual general meetings. Through such communication channels, the Company hopes to provide an update of its business, corporate strategies and financial performance to its shareholders and investors.

Procedure for voting by poll has been included in the circulars of the Company accompanying notices convening general meetings and has been read out by the chairman at the general meetings held during the year ended 31 March 2008.

(b) Annual General Meeting ("AGM")

The Board encourages its shareholders to attend and participate in the AGM. The AGM remains the principal forum for dialogue with all shareholders which also offers the Company an opportunity to explain the business and financial performance and operations of the Group. Separate resolutions are proposed at general meetings for each separate issue, including re-election of directors.

Shareholders are encouraged and given sufficient opportunity to enquire about the Group's activities and prospects as well as to communicate their expectations and concerns at this forum. The respective chairman of the Board, Audit Committee, Remuneration Committee, Nomination Committee and key management of the Company as well as external auditors are available to communicate and attend to any queries from shareholders during the AGM.

(c) Website

The Company has established a website at http://www.mediachinese.com to ensure easy access to the Group's financial and corporate information.

ACCOUNTABILITY AND AUDIT

(a) Financial Reporting

The Group's financial statements are prepared in accordance with applicable International Financial Reporting Standards. The Group has a detailed and comprehensive system for reporting financial results to the Board which includes providing achieved results with a comparison against budget and identifying key performance indicators to effectively measure the performance of the Group's business. In addition, the Group has an internal audit team that reviews the systems and procedures in core departments and reports regularly to the Audit Committee who reports to the Board.

(b) Statement of Directors' Responsibility in Relation to the Financial Statements

The Board is responsible for ensuring that the consolidated financial statements of the Group give a true and fair presentation of the state of affairs of the Group and of the Company as at the end of the financial year and of the consolidated income statement and consolidated cash flows for the year then ended.

In preparing the financial statements, the directors have selected suitable accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Board has also ensured that the financial statements are in adherence to all applicable accounting standards.

The directors generally have the duty to take such steps that are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

(c) Internal Controls

The Board has overall responsibility for the Group's system of internal control and risk management and for reviewing the effectiveness of those systems to safeguard shareholders' investment and the Group's assets.

The Group has effected several systems of internal control covering financial controls, operational and compliance controls and risk management. These systems will continue to be reviewed, added on or updated to provide for changes in the operating environment. Information on the Group's internal control system during the year is presented in the Statement on Internal Control set out on pages 52 to 53 of this Annual Report.

(d) Relationship with Auditor

Through the Audit Committee, the Board maintains a transparent and professional relationship with the Company's auditors. The auditors have from time to time highlighted to the Audit Committee and Board of Directors on matters that require the Board's attention.

The Audit Committee meets the external auditor to discuss their audit plan, scope of audit before the commencement of audit, audit findings and the financial statements.

The Company's external auditor is PricewaterhouseCoopers, Hong Kong. During the year, PricewaterhouseCoopers, Hong Kong and its other member firms provided the following audit and non-audit services to the Group:

	US$'000
– Audit services (including interim review)	505
– Reporting accountants in relation to the merger of the Company, Sin Chew and Nanyang	490
– Non-audit services	
(a) Tax services	85
(b) Other advisory services	48

Total fees for audit services, reporting accountants in relation to the merger, and the non-audit services provided by other external auditors/audit firms to the subsidiaries of the Group were approximately US$39,000, US$739,000 and US$170,000 respectively.

PricewaterhouseCoopers, Hong Kong will retire and offer themselves for re-appointment at the annual general meeting of the Company to be held in August 2008.

A statement by PricewaterhouseCoopers about the reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report of this Annual Report on pages 79 to 80.

COMPLIANCE STATEMENT

Since its listing on Bursa Securities effective from 30 April 2008 and up to the date of this report, the Board is satisfied that the Company has complied with the best practices of the Malaysian Code on Corporate Governance save for the appointment of a senior independent non-executive director.

During the year under review, the Company has met the code provisions and to certain extent of the recommended best practices as set out in the Code on Corporate Governance Practices contained in Appendix 14 of the HK Listing Rules.

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Bursa Securities Listing Requirements, the following is disclosed for shareholders' information:

(a) Share Repurchase

The details of shares repurchased by the Company during the financial year is set out on page 62.

(b) Exercise of Options, Warrants or Convertible Securities

The details of the exercise of options under the share option schemes of the Company during the financial year is set out on pages 65 to 70.

The Company did not issue any warrants or convertible redeemable debt securities during the financial year.

(c) American Depository Receipt ("ADR") or Global Depository Receipt ("GDR Programme")

The Company has not sponsored any ADR or GDR Programme during the financial year.

(d) Imposition of Sanctions/Penalties

There were no sanctions or penalties imposed by the relevant regulatory bodies on the Company or its subsidiaries, directors or management during the financial year.

(e) Variation in Results

The audited results of the Company and of the Group for the financial year ended 31 March 2008 did not vary by 10% or more from the unaudited results announced to Bursa Securities on 29 May 2008.

(f) Profit Guarantee

The Company did not issue any profit guarantee during the financial year ended 31 March 2008.

(g) Material Contracts Involving Directors and Major Shareholders

There were no material contracts outside the ordinary course of business entered by the Company or its subsidiaries involving directors and major shareholders during the financial year ended 31 March 2008 and as at the Annual Report date save for the following:

(i) The Heads of Agreement dated 29 January 2007 between the Company and Sin Chew in relation to the merger among the Company, Sin Chew and Nanyang.

(ii) Irrevocable joint Letter of Offer dated 29 January 2007 from the Company and Sin Chew and accepted by Nanyang on 19 April 2007 for and in relation to the offer by the Company and Sin Chew to Nanyang to participate in the merger among the three companies upon the terms as set out therein and the Heads of Agreement.

(iii) A Deed of Accession dated 19 April 2007 between the Company, Sin Chew and Nanyang whereby Nanyang acceded to the Heads of Agreement and undertook to be bound by all provisions of the Heads of Agreement.

(iv) A conditional merger agreement (the "Merger Agreement") dated 23 April 2007 between the Company, Sin Chew and Nanyang in relation to merger among the three companies.

Tan Sri Datuk TIONG Hiew King is a director as well as a controlling shareholder of the Company, and hence a connected person of the Company under the HK Listing Rules. As at 23 April 2007, i.e. date of entering into the Merger Agreement, he, together with his associates, exercise control over 53.24% and 56.90% of the issued share capital of Sin Chew and Nanyang respectively, and as such, Sin Chew and Nanyang, each being an associate of Tan Sri Datuk TIONG Hiew King, is a connected person of the Company under the HK Listing Rules, and therefore the entering into of the Merger Agreement with Sin Chew and Nanyang constituted a connected transaction for the Company under Chapter 14A of the HK Listing Rules. In addition, Mr. TIONG Kiu King and Dr TIONG Ik King were also interested in the above transactions as they are brothers of Tan Sri Datuk TIONG Hiew King. Dr TIONG Ik King is also a substantial shareholder of the Company and a director of Sin Chew.

The transaction was duly approved by the independent shareholders of the Company at a special general meeting of the Company held on 27 June 2007.

(h) Revaluation Policy

The Company's revaluation policy on landed properties is disclosed in note 2.4 to the consolidated financial statements.

(i) Recurrent Related Party Transactions of a Revenue Nature or Trading Nature (as defined under Paragraph 10.09 of the Bursa Securities Listing Requirements)

	Related Parties	Contracting Parties	Nature of Transaction	Transacted Value for the financial year ended 31 March 2008 RM'000	Equivalent in US$'000	Nature of Relationship
1	Malaysian Newsprint Industries Sdn Bhd ("MNI")	Sin Chew	Purchase of newsprint and disposal of scraps by Sin Chew	95,267	28,375	Tiong Toh Siong Holdings Sdn Bhd ("TTSH") is a major shareholder of the Company and a major shareholder of the following two companies which are (pursuant to the Malaysian Companies Act, 1965) substantial shareholders of MNI: (a) R. H. Development Corporation Sdn Bhd ("RHDC"); and (b) Rimbunan Hijau Estate Sdn Bhd ("RHE"). Tan Sri Datuk TIONG Hiew King ("TSTHK") is both a major shareholder and a director in each of the Company, TTSH and Teck Sing Lik Enterprise Sdn Bhd ("TSL") and a major shareholder of RHE and RHDC. He is a director of Sin Chew. Dr TIONG Ik King is a director and major shareholder of the Company and TTSH. He is (pursuant to the Malaysian Companies Act, 1965) a substantial shareholder of RHDC. TSL is a major shareholder of TTSH and RHDC, and a shareholder of the Company.

	Related Parties	Contracting Parties	Nature of Transaction	Transacted Value for the financial year ended 31 March 2008 RM'000	Equivalent in US$'000	Nature of Relationship
2	RHE	Sin Chew	Sin Chew's tenancy for land and building on the land known as PN 3694, Lot 50 Seksyen 13, Bandar Petaling Jaya, Daerah Petaling Jaya, Malaysia from RHE as landlord	3,630	1,081	TTSH is a major shareholder of both the Company and RHE. Rimbunan Hijau Southeast Asia Sdn Bhd ("RHSA") is a major shareholder of RHE and a shareholder of the Company. TSTHK is both a major shareholder and director in each of the Company, TTSH, RHSA, Pertumbuhan Abadi Asia Sdn Bhd ("PAA") and TSL, and a major shareholder of RHE. He is a director of Sin Chew. Dr TIONG Ik King is both a major shareholder and director of the Company and TTSH. TSL is a major shareholder of TTSH, and a shareholder of the Company. PAA is a major shareholder of RHSA and Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS"), and a shareholder of the Company.
3	Pacific Hijau Sdn Bhd ("PHSB")	Sin Chew	Sin Chew's tenancy of various properties from PHSB as landlord	296	88	TSTHK is both a major shareholder and director in each of the Company and PHSB. He is a director of Sin Chew. Dr TIONG Ik King is both a director and major shareholder of the Company. He is a shareholder of PHSB.
4	PHSB	Guang-Ming Ribao Sdn Bhd ("GMRSB")	GMRSB's tenancy of various properties from PHSB as landlord	24	7	TSTHK is both a major shareholder and director in each of the Company and PHSB. He is a director of Sin Chew (the holding company of GMRSB). Dr TIONG Ik King is both a director and major shareholder of the Company. He is a shareholder of PHSB.

	Related Parties	Contracting Parties	Nature of Transaction	Transacted Value for the financial year ended 31 March 2008 RM'000	Equivalent in US$'000	Nature of Relationship
5	Tiong Toh Siong & Sons Sendirian Berhad	Mulu Press Sdn Bhd ("MPSB")	MPSB's tenancy of various properties from Tiong Toh Siong & Sons Sendirian Berhad as landlord	20	6	TTSH is a major shareholder of the Company and is the holding company of Tiong Toh Siong & Sons Sendirian Berhad. TSL is a major shareholder of TTSH and a shareholder of the Company. TSTHK is both a director and a major shareholder in each of the Company, TTSH and TSL. He is also a director of Tiong Toh Siong & Sons Sendirian Berhad and Sin Chew (the holding company of MPSB). Dr TIONG Ik King is a director and major shareholder of the Company and TTSH.
6	Rimbunan Hijau Holdings Sdn Bhd ("RHH")	MPSB	MPSB's tenancy of various properties from RHH as landlord	12	4	TSL is a major shareholder in each of TTSH and RHH and a shareholder of the Company. TTSH is a major shareholder of the Company. TSTHK is both a director and major shareholder in each of the Company, TSL, TTSH and RHH. He is a director of Sin Chew. Dr TIONG Ik King is a director and major shareholder of the Company and TTSH. He is also the major shareholder of RHH.

	Related Parties	Contracting Parties	Nature of Transaction	Transacted Value for the financial year ended 31 March 2008 RM'000	Equivalent in US$'000	Nature of Relationship
7	Evershine Agency Sdn Bhd ("EA")	MPSB	MPSB purchases motor vehicle insurance from EA	5	2	RHS is a shareholder of the Company and a major shareholder of EA. Tiong Toh Siong Enterprises Sdn Bhd ("TTSE") is a major shareholder of RHS and a shareholder of the Company. PAA is a major shareholder of RHS and a shareholder of the Company. TSL is a major shareholder in each of TTSE and RHS and a shareholder of the Company. TSTHK is both a director and major shareholder in each of the Company, TSL, RHS, PAA and TTSE. He is also a major shareholder of EA and a director of Sin Chew. Dr TIONG Ik King is a director and major shareholder of the Company and a major shareholder of TTSE and (pursuant to the Malaysian Companies Act, 1965) a substantial shareholder of EA.
8	EON Bank Berhad	Sin Chew Group (include GMRSB)	Advertising contracts between Sin Chew Group and EON Bank Berhad	370	110	EON Capital Berhad is the holding company of EON Bank Berhad. TTSH is a major shareholder of the Company and a shareholder of EON Capital Berhad. RHDC is the major shareholder of EON Capital Berhad. TSTHK is both a major shareholder and director in each of the Company, RHDC and TTSH. He is a director of Sin Chew. Dr TIONG Ik King is both a major shareholder and director of the Company and TTSH. He is also a shareholder and director of EON Capital Berhad.

	Related Parties	Contracting Parties	Nature of Transaction	Transacted Value for the financial year ended 31 March 2008 RM'000	Equivalent in US$'000	Nature of Relationship
9	R.H. Tours & Travel Agency Sdn Bhd ("RHTT")	Sin Chew Group	Sin Chew Group purchases air tickets from RHTT	27	8	RHS is a shareholder of the Company and a major shareholder of RHTT. TTSE is a major shareholder of RHS and a shareholder of the Company. PAA is a major shareholder of RHS and a shareholder of the Company. TTSH is a major shareholder of both the Company and RHTT. TSTHK is both a major shareholder and director in each of the Company, RHTT, TTSH, TSL, RHS, TTSE and PAA. He is a director of Sin Chew. Dr TIONG Ik King is both a shareholder and director of the Company, a major shareholder of TTSE and a shareholder of RHTT. TSL is a major shareholder of TTSH and TTSE and a shareholder of the Company and RHTT.

Statement on Internal Control

INTRODUCTION

The Board is committed to complying with the Malaysian Code on Corporate Governance and the Code on Corporate Governance Practices contained in Appendix 14 of the HK Listing Rules which require the Group to maintain a sound system of internal controls to safeguard shareholders' investments and the Group's assets.

The Board is pleased to provide the following statement of internal control which outlines the nature and scope of internal control of the Group during the year under review.

BOARD RESPONSIBILITY

The Board of Directors acknowledges the importance of sound controls to good corporate governance. The Board affirms its overall responsibility for the Group's system of internal control and for reviewing the adequacy and integrity of the system. However, such a system is designed to manage the risks within an acceptable risk profile, rather than eliminate the risk of failure to achieve the business objectives of the Group. Accordingly, the system can only provide reasonable but not absolute assurance against material misstatement or loss.

Whilst the Board maintains ultimate responsibility over risks and control issues, it has delegated the implementation of such system to the executive management. The Group has in place an on-going internal control process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives.

INTERNAL CONTROL FRAMEWORK

The Group's internal control framework covers (i) the setting of a defined management structure with limits of authority and clear lines of accountability; and (ii) the establishment of regular reporting of financial information. The relevant executive directors and senior management have been delegated with respective level of authorities and have specific responsibility for monitoring the performance of business operating units. Yearly budgets of the Group are reviewed and approved by the Board. Monthly financial reports have been provided to the executive directors. This helps the Board and the Group's management to monitor the Group's business operations and to plan on a prudent and timely basis.

INTERNAL AUDIT

During the year, the Group continued to appoint an independent international professional accounting firm to assist in conducting a review on the Group's system of internal control and to provide recommendations on areas of improvement. The review, as decided by the management of the Group, covered the control areas on the Group's operations in Hong Kong. The report of the review by the independent international professional accounting firm has been discussed at the Audit Committee Meeting on 14 July 2008. The management and other relevant personnel have followed up or is following up the recommendations in the report.

On completion of the merger among the Company, Sin Chew and Nanyang, the Internal Audit Department of Sin Chew in Malaysia took up the internal audit function of the merged Group.

During the year, the Internal Audit Department provided the Board with the assurance it required regarding the adequacy and integrity of the system of internal control of the Malaysian operations. The Internal Audit Department independently reviewed the internal controls in the key activities of the Group's business in Malaysia. An annual internal audit plan was presented to the Audit Committee for approval. It provided continuous improvement to the controls procedures.

The findings and report of the internal control review were discussed at management level and actions were agreed in response to the Internal Audit Department's recommendations. The status of implementation of the agreed actions was followed up by the Internal Audit Department to ensure that satisfactory control is maintained.

The Audit Committee reviewed all internal audit findings and management responses and the effectiveness of the internal control. Significant risk issues, if any, were referred to the Board for consideration. The minutes of the Audit Committee meetings were reviewed by the Board.

OTHERS

There are no material joint ventures nor are there any associated companies that have not been dealt with as a part of the Group.

CONCLUSION

The Board is satisfied with the adequacy, integrity and effectiveness of the Group's internal control system. There is no material control failure or weakness that requires disclosure in the Group's annual report for the financial year under review.

Audit Committee Report

The Board of Directors is pleased to issue the following Audit Committee Report and its activities for the year ended 31 March 2008.

COMPOSITION

The Audit Committee currently comprises four independent non-executive directors and one non-executive director. The members of the Audit Committee as at the date of this report were:

Chairman:	Mr David YU Hon To *(Independent Non-executive Director)*
Members:	Mr Victor YANG *(Independent Non-executive Director)*
	Tan Sri Dato' LAU Yin Pin *(Independent Non-executive Director)*
	Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH *(Independent Non-executive Director)*
	Mr LEONG Chew Meng *(Non-executive Director)*

TERMS OF REFERENCE

Upon completion of the merger of the Company, Sin Chew and Nanyang, the Company is dual listed on Bursa Securities and the HK Stock Exchange on 30 April 2008. In order for the Company to comply with the Bursa Securities Listing Requirements, the revised terms of reference of the Audit Committee were adopted pursuant to a board resolution passed on 25 March 2008. The revised terms of reference are set out as follows:

1. Formation

The Audit Committee was formed pursuant to the board resolution of the Company passed on 30 March 1999.

2. Composition

The Audit Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three members, all Audit Committee's members must be Non-executive Directors, with a majority of them being Independent Directors.

The Board shall, within three months of a vacancy occurring in the Audit Committee which result in the number of members reduced to below three, appoint such number of new members as may be required to make up the minimum number of three members.

At least one member of the Audit Committee:

a) Must be a member of the Malaysian Institute of Accountants; or
b) If not a member of the Malaysian Institute of Accountants, that member must have at least 3 years' working experience and; must have passed the examinations specified in Part I of the 1st Schedule of the Malaysian Accountants Act, 1967; or must be a member of one of the associations of the accountants specified in Part II of the 1st Schedule of the Malaysian Accountants Act, 1967; or
c) Must have a degree/masters/doctorate in accounting or finance and at least 3 years' post qualification in accounting or finance; or
d) Must have at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation;
e) Fulfils such other requirements as prescribed or approved by the Bursa Securities;
f) Is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the HK Listing Rules.

3. Quorum

A quorum shall consist of a majority of independent non-executive directors and shall not be less than two.

4. Chairman

The members of the Audit Committee shall elect a chairman from among their members who shall be an independent non-executive director. An alternate director must not be appointed as a member of the Audit Committee.

In the absence of the Chairman of the Audit Committee, the remaining members present shall elect one of themselves to chair the meetings of the Audit Committee.

5. Meetings

The meetings and proceedings are governed by the provisions contained in the bye-laws of the Company for regulating meetings and proceedings of directors.

The Audit Committee shall meet at least four times a year *(note)* and such additional meetings as the Chairman shall decide in order to fulfill its duties.

The finance director, the financial controller and a representative of the external auditors shall normally attend meetings of the Audit Committee. Other Board members shall also have the right of attendance.

However, at least twice a year *(note)* the Audit Committee shall meet with the external auditors without executive Board members present.

The Audit Committee may invite any person to be in attendance to assist it in its deliberations.

Questions arising at any meeting of Audit Committee shall be decided by a majority of votes and a determination by a majority of members shall for all purposes be deemed a determination of the Audit Committee.

In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote PROVIDED THAT where two members form a quorum, the chairman of the meeting at which only such a quorum is present, or at which only two members are competent to vote on the question at issue, shall not have a casting vote.

The Audit Committee shall be reporting to the full Board from time to time its recommendation for consideration and implementation and the actual decision shall be the responsibility of the Board after considering the recommendation of the Audit Committee.

The company secretary shall be the secretary of the Audit Committee. The secretary shall maintain minutes of the proceedings of the meetings of the Audit Committee and circulate such minutes to all members of the Board. In the absence of the company secretary in any meeting of the Audit Committee, the members present at the meeting of the Audit Committee shall elect another person as the secretary of the meeting.

Note: The requirements of number of meetings will be with effect from financial year commencing 1 April 2008 after the Company is dual listed on Bursa Securities and the HK Stock Exchange.

Audit Committee Report

6. Objectives

The primary objective of the Audit Committee is to review and supervise the Company's financial reporting process and internal controls.

7. Authority

The Audit Committee is authorised by the Board:

a) to investigate any activity within its terms of reference.
b) to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Audit Committee.
c) subject to prior discussion concerning the costs, to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary and reasonable for the performance of its duties.

It shall have:

a) the authority to investigate any matter within its terms of reference;
b) the resources which are required to perform its duties;
c) full and unrestricted access to any information pertaining to the Company;
d) direct communication channels with the external auditors and internal auditors;
e) the right to obtain independent professional or other advice;
f) the rights to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of the other directors and employees of the Company, whenever deemed necessary.

8. Duties and Responsibilities

The duties and responsibilities of the Audit Committee shall be:

a) To be primarily responsible for making recommendation to the board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor;

b) To discuss any letter of resignation from the external auditor of the Company and whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment, and to recommend the nomination of a person or persons as external auditor;

c) To review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the external auditors the audit plan, audit nature and scope of the audit and reporting obligations before the audit commences;

d) To develop and implement policy on the engagement of an external auditor to supply non-audit services, for this purpose, external auditor shall include any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally. The Audit Committee should report to the board identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

e) To review the following and report the same to the board of directors:
   i. the audit plan
   ii. the evaluation of the system of internal control
   iii. audit report
   iv. the assistance given by the employees of the Company to the external auditors

f) To monitor integrity of financial statements of the Company and the Company's annual report and accounts, half-year report, quarterly reports and to review significant financial reporting judgements before submission to the Board particularly on:
   i. any changes in and implementation of accounting policies and practices;
   ii. major judgemental areas;
   iii. significant adjustments resulting from audit;
   iv. the going concern assumptions and qualifications;
   v. compliance with accounting standards;
   vi. compliance with the HK Listing Rules, Bursa Securities Listing Requirements and other legal requirements in relation to financial reporting; and
   vii. significant and unusual events.

g) In regard to f) above:
   i. members of the committee must liaise with the Company's board of directors, senior management and the person appointed as the Company's head of finance and the committee must meet, at least once a year, with the Company's external auditors; and
   ii. the committee should consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts and must give dual consideration to any matters that have been raised by the Company's qualified accountant, compliance officer or auditors;

h) To review the Company's financial controls, internal controls and risk management systems;

i) To discuss with the management the system of internal control and ensure that management has discharged its duty to have an effective internal control system;

j) To consider any findings of major investigations of internal control matters as delegated by the board or on its own initiative and management's response;

k) Where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor the effectiveness of the internal audit function; and to review the adequacy of the scope, function, competency and resources of the internal audit functions and that it has the necessary authority to carry out its works, and to review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

l) To review the Group's financial and accounting policies and practices;

m) To review the external auditors' management letter, any material queries raised by the auditor to management in respect of the accounting records, financial accounts or systems of controls and management's response;

n) To ensure that the board will provide a timely response to the issues raised in the external auditors' management letter;

o) To report to the board on the matters set out in provision of terms of reference of the Committee;

p) To review any related party transaction and conflict of interest situation that may arise within the Company or its subsidiaries including any transaction, procedure or course of conduct that raises questions of management integrity;

q) To review any appraisal or assessment of the performance of members of the internal audit function, and to approve any appointment or termination of senior staff members of the internal audit function, and to take cognisance of resignations of internal audit staff members and provide the resignation staff member an opportunity to submit his reasons for resignation; and

r) To consider other topics, as defined by the Board.

9. Reporting procedures

a) The head of Internal Audit Department shall functionally report directly to the Audit Committee.
b) The company secretary shall circulate the minutes of meetings of the Audit Committee to all members of the Board.

MEETINGS AND ATTENDANCE

Three Audit Committee meetings were held during the financial year ended 31 March 2008. Details of attendance of each member at the Audit Committee meetings are as follows:

Name of members	Number of meetings attended	Percentage of attendance
Mr David YU Hon To	3/3	100%
Mr Victor YANG	3/3	100%
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH (appointed as member of Audit Committee on 25 March 2008)	1/1	100%
Tan Sri Dato' LAU Yin Pin (appointed as member of Audit Committee on 14 April 2008)	N/A	N/A
Mr LEONG Chew Meng (appointed as member of Audit Committee on 14 April 2008)	N/A	N/A
Mr TANG Ying Yu (resigned as member of Audit Committee on 31 March 2008)	0/3	0%

The total number of meetings is exclusive of the special meetings held between the Audit Committee and the senior management by invitation.

The head of finance and internal audit divisions, other senior management personnel as well as the representatives of the external auditors were also invited to attend the meetings.

The Audit Committee also had meeting with the external auditors in the absence of the management.

SUMMARY OF ACTIVITIES

During the financial year under review, the Audit Committee carried out the following activities:-

Financial Results

a) Reviewed the quarterly, half-yearly and annual financial results before recommending them to the Board for consideration and approval;
b) Reviewed the annual financial statements of the Company and of the Group with external auditors prior to submission to the Board of Directors for their approval. The review was to ensure that the financial statements and disclosures are in accordance with the applicable Financial Reporting Standards in Hong Kong and Malaysia and other relevant legal and regulatory requirements.

Internal Audit

a) Reviewed the internal audit resource requirements;
b) Reviewed the internal audit plan and programmes;
c) Reviewed the internal audit reports, recommendations and management's response;
d) Reviewed the improvement measures taken by management to rectify and enhance the internal control system.

External Audit

a) Reviewed with the external auditors their audit plan, audit strategy and scope of work for the year under review;
b) Reviewed with external auditors the results of the annual audit, their audit report and management letter together with management's response to the findings of the external auditors;
c) Reviewed the proposed audit fees for the external auditors for the financial year ended 31 March 2008;
d) Evaluated the performance and effectiveness of the external auditors and made recommendations to the Board of Directors on their appointment and remuneration.

Others

a) Reviewed the related party transactions or continuing connected transactions entered into by the Group to ensure that the transactions have been conducted on the Group's normal commercial terms and that the internal control procedures relating to such transactions are sufficient;
b) Reviewed the Audit Committee Report and Statement on Internal Control for inclusion in the Annual Report 2008 for the financial year.

INTERNAL AUDIT FUNCTION

The Internal Audit Department reports functionally and independently to the Audit Committee and is independent of management and of the activities it reviews. Its role encompasses the examination and evaluation of the adequacy and effectiveness of the Group's system of internal control and to provide reasonable assurance to the Committee that established policies and procedures are adhered to and such system continues to operate effectively and satisfactorily.

A summary of activities carried out by the Internal Audit Department during the financial year ended 31 March 2008 were as follow:

a) Planned group annual audit for approval by the Audit Committee;
b) Audited various functional activities and areas as per approved audit plan, provided feedback and made the necessary recommendations to the Audit Committee and management;
c) Attended Audit Committee meetings to present, discuss as well as take instructions on matters that fall under the internal audit function;
d) Observed stock-take of raw materials and consumables to ensure that it had been conducted in accordance with approved procedures;
e) Attended relevant courses, seminars and conferences to keep abreast with the current developments to improve professional skills in internal auditing.

Further details of the internal audit function are set in the Statement on Internal Control on pages 52 to 53.

SHARE OPTION SCHEME

The Audit Committee will be involved in reviewing the allocation of the options pursuant to the criteria set out in the share option scheme for the Company.

Report of the Directors

The directors present their report together with the audited consolidated financial statements of the Group for the year ended 31 March 2008.

CHANGE OF NAME

The Company was formerly known as Ming Pao Enterprise Corporation Limited and is a limited liability company incorporated in Bermuda. The new name of the Company, "Media Chinese International Limited", together with the new secondary name of the Company, "世界華文媒體有限公司", were registered with the Registrar of Companies in Bermuda on 13 March 2008. On 7 April 2008, the new name of the Company, "Media Chinese International Limited", also known as "世界華文媒體有限公司", was registered with the Registrar of Companies in Hong Kong under Part XI of the Companies Ordinance (Chapter 32, Laws of Hong Kong). Subsequently on 10 April 2008, the new name of the Company, "Media Chinese International Limited", was registered with the Companies Commission of Malaysia.

PRINCIPAL ACTIVITIES AND SEGMENT INFORMATION

The Company is an investment holding company. The principal activities of its subsidiaries are the publishing, printing and distribution of Chinese-language newspapers, magazines and books, and the provision of travel and travel related services in Hong Kong, North America, the Mainland China, Malaysia and Southeast Asia.

The activities of the Company's principal subsidiaries are set out in note 42 to the consolidated financial statements.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 81.

An interim dividend paid by the Company of US0.258 cents per share on 402,808,000 ordinary shares of the Company amounting to US$1,037,000 (2007: US$1,561,000) was paid on 15 January 2008.

The Board of Directors has declared on 29 May 2008 a second interim dividend of US0.926 cents per ordinary share amounting to US$15,610,000 in respect of the fourth quarter ended 31 March 2008 (2007: nil) in lieu of a final dividend for the year ended 31 March 2008. The second interim dividend will be payable to ordinary shareholders, whose names appear on the register of members of the Company on 16 July 2008, at the close of business on 15 August 2008 in cash in RM or in HK$ at exchange rates determined on 29 May 2008 by reference to the middle exchange rates at 12:00 noon applicable to US$ as quoted by Bank Negara Malaysia.

The middle exchange rates at 12:00 noon on 29 May 2008 as quoted by Bank Negara Malaysia of US$ to RM and US$ to HK$, and the amount of the second interim dividend payable are as follows:

	Exchange rates	**Dividend per ordinary share**
US$ to RM	3.239	RM0.03
US$ to HK$	7.805	HK7.23 cents

No tax is payable on the dividend declared by the Company to be received by Malaysian shareholders as it is income from foreign source in accordance to paragraph 28 of Schedule 6 of the Malaysian Income Tax Act 1967.

The directors do not recommend the payment of any final dividend in respect of the current financial year (2007: a final dividend of US2.576 cents per ordinary share totalling US$7,781,000 was paid by Sin Chew).

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in note 30 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Movements in the share capital of the Company are set out in note 29 to the consolidated financial statements.

The shares of the Company have been listed on the main board of the HK Stock Exchange since 22 March 1991. On 30 April 2008, the Company's admission to the Official List of Bursa Securities and the listing of and quotation for the new shares on the main board of Bursa Securities took effect. As such, from 30 April 2008, shareholders of the Company are entitled to trade the shares on both the HK Stock Exchange and Bursa Securities.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2008, calculated under the Companies Act of 1981 of Bermuda (as amended), amounted to US$130,174,000 (2007: US$131,592,000).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 169.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year, the Company repurchased a total of 3,166,000 of its listed shares on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange") for the purpose of enhancing the net asset value per share of the Company. Details of the repurchases are summarised as follows:

Month/Year	Number of shares repurchased	Purchase price per share Highest	Purchase price per share Lowest	Average price paid	Aggregate purchase consideration	Equivalents in
		HK$	HK$	HK$	HK$	US$
September 2007	416,000	1.95	1.81	1.88	780,660	100,471
October 2007	1,108,000	1.99	1.72	1.85	2,045,469	263,252
November 2007	309,000	2.00	1.85	1.90	587,931	75,668
December 2007	23,000	1.81	1.81	1.81	41,630	5,358
January 2008	1,101,000	1.90	1.70	1.80	1,983,597	255,289
March 2008	209,000	1.80	1.78	1.80	375,626	48,343
	3,166,000				5,814,913	748,381

All the repurchased shares were cancelled during the year. Accordingly, the issued share capital of the Company was reduced by the par value of the repurchased shares and the premiums paid on these shares were charged against the share premium account. An amount equivalent to the par value of the shares cancelled was transferred from the Company's retained earnings to the capital redemption reserve.

Save as disclosed above, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the year.

DIRECTORS

The directors who held office during the year and up to the date of this report were:

Executive Directors

Tan Sri Datuk TIONG Hiew King *(Chairman)*
Mr TIONG Kiu King
Dr TIONG Ik King
Dato' LEONG Khee Seong (appointed on 20 March 2008)
Mr TIONG Kiew Chiong *(Group Chief Executive Officer)*
Ms SIEW Nyoke Chow (appointed on 20 March 2008)
Ms SIM Sai Hoon (appointed on 20 March 2008)

Non-executive Director

Mr LEONG Chew Meng (appointed on 14 April 2008)

Independent Non-executive Directors

Mr TANG Ying Yu (resigned on 31 March 2008)
Mr David YU Hon To
Mr Victor YANG
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH (appointed on 20 March 2008)
Tan Sri Dato' LAU Yin Pin (appointed on 14 April 2008)

In accordance with bye-law 99(A) of the Company's bye-laws, Mr TIONG Kiew Chiong and Mr Victor YANG who retire by rotation at the annual general meeting and, being eligible, offer themselves for re-election.

In accordance with bye-law 102(B) of the Company's bye-laws, Dato' LEONG Khee Seong, Ms SIEW Nyoke Chow, Ms SIM Sai Hoon, Mr LEONG Chew Meng, Tan Sri Dato' LAU Yin Pin and Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH who retire and, being eligible, offer themselves for re-election.

Pursuant to the requirements of the HK Listing Rules, except for Tan Sri Dato' LAU Yin Pin, the Company has received annual written confirmations from each independent non-executive director for his independence to the Group and the Company considered all independent non-executive directors to be independent.

Tan Sri Dato' LAU Yin Pin was a director of Nanyang, which before becoming a subsidiary was a connected person of the Company, during the two years immediately prior to his appointment, he is unable to meet the independence guideline for independent non-executive directors set out in Rule 3.13(7) of the HK Listing Rules. Accordingly, as required under Rule 3.14 of the HK Listing Rules, the Company had, prior to his appointment, successfully demonstrated to the satisfaction of the HK Stock Exchange that Tan Sri Dato' LAU Yin Pin is independent. For the reasons set out as below, the Board considers that Tan Sri Dato' LAU Yin Pin was, and is, independent.

Tan Sri Dato' LAU Yin Pin was appointed to the board of Nanyang by Huaren Management Sdn Bhd ("Huaren"), which was, until 17 October 2006, the single largest major shareholder of Nanyang. Tan Sri Dato' LAU Yin Pin's resignation from the board of Nanyang was effective from 30 April 2008. Apart from being a former non-independent non-executive director of Nanyang, Tan Sri Dato' LAU Yin Pin does not have any other connection with Nanyang.

In his capacity as a non-independent non-executive director, Tan Sri Dato' LAU Yin Pin was not involved in the day-to-day management of Nanyang, but his responsibility was to endorse corporate policy and to approve and authorise important transactions together with the other directors of Nanyang. Although Tan Sri Dato' LAU Yin Pin did not have a management role, his former appointment to the board of Nanyang was to ensure that the corporate direction and policies of Nanyang were adhered to and that Nanyang was being managed effectively and efficiently.

After completion of the merger, Huaren is no longer a substantial shareholder of the Company as its shareholding in the Company has been reduced to approximately 3.58%. Tan Sri Dato' LAU Yin Pin has been appointed as an independent non-executive director of the Company due to his vast experience, which the Company believes will benefit both the Company and its shareholders as a whole. Tan Sri Dato' LAU Yin Pin accepted this appointment as an independent non-executive director of the Company in his individual capacity, and not as representative of any shareholder of the Company.

The designation "Tan Sri" is the second most senior title in Malaysia and an honorific used to denote recipients of Malaysian Federal Awards. Tan Sri Dato' LAU Yin Pin has a respectable social status in Malaysia and therefore his appointment as an independent non-executive director of the Company reinforces the Board's credibility.

For the reasons set out above, the Board considers Tan Sri Dato' LAU Yin Pin to be a suitable candidate to be appointed as an independent non-executive director of the Company despite being unable to meet the independence guideline for independent non-executive directors set out in Rule 3.13(7) of the HK Listing Rules.

The Board is confident that both the Company and its shareholders as a whole will benefit from Tan Sri Dato' LAU Yin Pin's extensive experience.

COMPETING BUSINESS

Pursuant to the HK Listing Rules, the Company discloses that during the year under review, Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King are the directors of the Company as well as the ultimate beneficial owners of the Company's controlling shareholder, Conch Company Limited. Both of them hold directorships and/or ownership in Pacific Star Limited and R.H. Tours and Travel Agency Sdn Bhd. Pacific Star Limited is engaged in the business of newspapers publishing in Papua New Guinea. R.H. Tours and Travel Agency Sdn Bhd is engaged in the travel and travel related services business in Malaysia. As the board of directors of the Company is independent of the board of the aforesaid companies, the Group operates its business independently of, and at arm's length from, the business of the aforesaid companies.

Conch Company Limited is also the controlling shareholder of OMG, a subsidiary of the Company which is listed on the HK Stock Exchange. OMG is engaged in the business of the publication, marketing and distribution of Chinese-language lifestyle magazines and the sale of advertising space in those magazines in Hong Kong and the Mainland China. The directors consider that there is a clear delineation and no competition between the businesses of the Group and OMG and confirm that the Company is carrying on its business independently of, and at arm's length with, OMG.

DIRECTORS' SERVICE CONTRACTS

Mr TANG Ying Yu has entered into a service contract with the Company for a term of 2 years and 3 months commencing from 1 January 2006 until 31 March 2008.

Each of Mr David YU Hon To and Mr Victor YANG has entered into a service contract with the Company for a term of 2 years and 3 months commencing from 1 January 2006 until 31 March 2008. The service contracts were renewed for another term of 2 years commencing from 1 April 2008 until 31 March 2010.

Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH has entered into a service contract with the Company for a term of 2 years and 12 days commencing from 20 March 2008 until 31 March 2010.

Tai Sri Dato' LAU Yin Pin has entered into a service contract with the Company for a term of 1 year and 11 months and 18 days commencing from 14 April 2008 until 31 March 2010.

Save disclosed therein, none of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

SHARE OPTION SCHEMES

(a) Share option scheme of the Company

Pursuant to a share option scheme (the "MP Scheme") approved at the special general meeting of the Company held on 21 August 2001 and for the primary purpose of providing incentive to full time employees, the directors of the Company may at their discretion invite full time employees, including executive directors of the Company and its subsidiaries to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein.

(i) Summary of terms:

The maximum individual entitlement of options shall not exceed 25% of the maximum aggregate number of shares in the capital of the Company in respect of which options may at that time be granted under the MP Scheme. The maximum number of shares in respect of which options may be granted (together with options exercised and options then outstanding) under the MP Scheme may not exceed 10% of the issued share capital of the Company from time to time excluding (i) any shares which have been duly allotted and issued pursuant to the MP Scheme and other schemes; and (ii) any pro-rata entitlements to further shares issued in respect of those shares mentioned in (i). The MP Scheme will remain valid for a period of ten years commencing on 21 August 2001 after which period no further options will be offered. The offer of a grant of share options may be accepted within 28 days from the date of offer upon payment of a nominal consideration of HK$1.00 by the grantee. Options granted are exercisable at any time within ten years after the date of grant or ten years after the adoption date of the MP Scheme (i.e. 20 August 2011), whichever is earlier.

Pursuant to the HK Listing Rules' new requirements governing share option schemes which came into effect on 1 September 2001, certain provisions of the MP Scheme were no longer applicable which included the basis of determining the subscription price. According to the HK Listing Rules, the share subscription price will be determined as the highest of (i) the nominal value of the shares of the Company, (ii) the average of the closing prices of the shares of the Company as stated in the daily quotation sheet by the HK Stock Exchange on the five trading days immediately preceding the granting of the options, and (iii) the closing price of the shares of the Company as stated in the daily quotation sheet by the HK Stock Exchange on the date of grant of the share options.

(ii) During the year, movements of the share options granted under the MP Scheme are as follows:

	Number of shares involved in share options								
Grantee	Balance at 1 April 2007	Granted during the year *(note 1)*	Exercised during the year *(note 2)*	Lapsed during the year *(note 3)*	Balance at 31 March 2008	Percentage of issued ordinary shares at 31 March 2008	Exercise price per share HK$	Date of grant	Exercisable period
Directors:									
Tan Sri Datuk TIONG Hiew King	300,000	–	–	–	300,000	0.075%	1.592	31/08/2001	01/09/2001-20/08/2011
Tan Sri Datuk TIONG Hiew King	300,000	–	–	–	300,000	0.075%	1.800	15/09/2003	16/09/2003-20/08/2011
Mr TIONG Kiu King	300,000	–	–	–	300,000	0.075%	1.592	31/08/2001	01/09/2001-20/08/2011
Mr TIONG Kiu King	300,000	–	–	–	300,000	0.075%	1.800	15/09/2003	16/09/2003-20/08/2011
Dr TIONG Ik King	300,000	–	–	–	300,000	0.075%	1.592	31/08/2001	01/09/2001-20/08/2011
Dr TIONG Ik King	300,000	–	–	–	300,000	0.075%	1.800	15/09/2003	16/09/2003-20/08/2011
Mr TIONG Kiew Chiong	300,000	–	–	–	300,000	0.075%	1.592	31/08/2001	01/09/2001-20/08/2011
Mr TIONG Kiew Chiong	300,000	–	–	–	300,000	0.075%	1.800	15/09/2003	16/09/2003-20/08/2011
	2,400,000	–	–	–	2,400,000	0.600%			
Full time employees	1,516,000	–	(118,000)	(47,000)	1,351,000	0.336%	1.592	31/08/2001	01/09/2001-20/08/2011
Full time employees	927,000	–	(88,000)	–	839,000	0.209%	1.320	29/08/2003	30/08/2003-20/08/2011
Total	4,843,000	–	(206,000)	(47,000)	4,590,000	1.145%			

Notes:

(1) No share option was granted during the year.

(2) During the year, 118,000 shares and 88,000 shares of HK$0.10 each were issued at HK$1.592 per share and HK$1.32 per share respectively as a result of the exercise of the Company's share options. The weighted average of the closing prices of the Company's shares immediately before the dates on which the above share options were exercised was HK$1.93.

(3) During the year, 47,000 share options have lapsed by reason of the grantees ceased to be full time employees of the Group.

(b) Share option schemes of OMG

OMG is an exempted company incorporated in the Cayman Islands with limited liability on 11 March 2005 whose shares have been listed on the main board of the HK Stock Exchange since 18 October 2005 and is a subsidiary of the Company owned as to 62.83% at date of this report.

The pre-IPO share option scheme ("Pre-IPO Scheme") and the post-IPO share option scheme ("Post-IPO Scheme") (together the "OMG Schemes") were conditionally approved and adopted by ordinary resolutions of the shareholders of OMG and the Company on 26 September 2005 ("Adoption Date"). The principal terms of the Pre-IPO Scheme are substantially the same as the terms of the Post-IPO Scheme (where applicable) except for the following principal terms: (a) the subscription price per share of OMG shall be the offer price; and (b) no options will be offered or granted upon the commencement of dealings in the shares of OMG on the HK Stock Exchange.

Pursuant to the OMG Schemes, the board of OMG may, at its absolute discretion, grant share options to any full time employees, executives and non-executive directors (including independent non-executive directors) of OMG group or the Group (for so long as OMG remains a subsidiary of the Company) to subscribe for shares in OMG subject to the terms and conditions stipulated therein. The purposes of the OMG Schemes are to encourage employees to work towards enhancing the value of OMG and its shares for the benefit of OMG and its shareholders as a whole, and to motivate them to achieve higher levels of good corporate governance.

(i) Summary of terms:

The maximum number of shares in respect of which options may be granted under the OMG Schemes when aggregated with the maximum number of shares in respect of any options to be granted under any other share option scheme established by OMG (if any) is that number which is equal to 10% of the issued share capital of OMG immediately following the commencement of dealings in the shares of OMG on the HK Stock Exchange. No employee shall be granted an option if the total number of shares issued and to be issued upon exercise of the options granted and to be granted to such employee in any 12-month period up to the date of the latest grant would exceed 1% of the issued share capital of OMG from time to time.

The period within which an option may be exercised under each of the OMG Schemes will be determined and notified by the board of OMG in its absolute discretion (subject to any vesting periods, if applicable), save that no option may be exercised later than ten years from the date of offer of the option or ten years after the Adoption Date, whichever is earlier. As evidenced by the vesting periods of the options granted under the Pre-IPO Scheme, no option granted under the Pre-IPO Scheme will be exercisable within six months from the listing date of OMG. Save for the number of shares which may be subscribed for pursuant to the exercise of options and the vesting periods of the options granted, each option so granted under the Pre-IPO Scheme has the same terms and conditions.

The offer of a grant of share option may be accepted within 28 days from the date of offer upon payment of a nominal consideration of HK$1.00 by the grantee.

Under each of the OMG Schemes, the subscription price in relation to each option shall be determined by the board of OMG in its absolute discretion, but in any event shall be the highest of: (i) the closing price of the shares of OMG as stated in the HK Stock Exchange's daily quotation sheet on the date, which must be a business day, of the written offer of the option; (ii) the average closing price of the shares of OMG as stated in the HK Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the offer of the grant of such option; and (iii) the nominal value of the shares of OMG.

In relation to each option granted to the grantees, either of the following two vesting scales has been applied:

(1) 20% of the shares comprised in the option will vest on each of the five anniversaries of the OMG listing date from the first anniversary of the listing date to the fifth anniversary of the listing date; or

(2) 100% of the shares comprised in the option will fully vest on the first anniversary of the listing date,

as the case may be, which has been specified in the offer letters to the grantees.

(ii) As at 31 March 2008, no option has been granted or agreed to be granted by OMG under the Post-IPO Scheme. During the year, movements of the share options granted under the Pre-IPO Scheme are as follows:

Grantee	Number of shares involved in share options: Balance at 1 April 2007	Granted during the year	Exercised during the year *(note 2)*	Lapsed during the year *(note 2)*	Balance at 31 March 2008	Percentage of issued ordinary shares of OMG at 31 March 2008	Exercise price per share HK$	Date of grant	Exercisable period
Directors:									
Tan Sri Datuk TIONG Hiew King *(note 1a)*	1,250,000	–	–	–	1,250,000	0.31%	1.200	27/09/2005	18/10/2005-25/09/2015
Mr TIONG Kiu King *(note 1a)*	1,250,000	–	–	–	1,250,000	0.31%	1.200	27/09/2005	18/10/2005-25/09/2015
Dr TIONG Ik King *(note 1a)*	1,000,000	–	–	–	1,000,000	0.25%	1.200	27/09/2005	18/10/2005-25/09/2015
Mr TIONG Kiew Chiong *(note 1a)*	1,250,000	–	–	–	1,250,000	0.31%	1.200	27/09/2005	18/10/2005-25/09/2015
Mr TANG Ying Yu *(note 1a & 3)*	150,000	–	–	–	150,000	0.04%	1.200	27/09/2005	18/10/2005-25/09/2015
Mr David YU Hon To *(note 1a)*	150,000	–	–	–	150,000	0.04%	1.200	27/09/2005	18/10/2005-25/09/2015
Mr Victor YANG *(note 1a)*	150,000	–	–	–	150,000	0.04%	1.200	27/09/2005	18/10/2005-25/09/2015
	5,200,000	–	–	–	5,200,000	1.30%			
Full time employees *(note 1a)*	7,850,000	–	–	(200,000)	7,650,000	1.91%	1.200	27/09/2005	18/10/2005-25/09/2015
Full time employees *(note 1b)*	1,032,000	–	–	(104,000)	928,000	0.23%	1.200	27/09/2005	18/10/2005-25/09/2015
Total	14,082,000	–	–	(304,000)	13,778,000	3.44%			

Notes:

(1) In relation to each option granted to the grantees, either of the following two vesting scales has been applied:

a. 20% of the OMG's shares comprised in the options will vest on each of the five anniversaries of the OMG listing date from the first anniversary of the listing date to the fifth anniversary of the listing date; or

b. 100% of the OMG's shares comprised in each of the option will fully vest on the first anniversary of the listing date,

as the case may be, which has been specified in the offer letters to the grantees. Subject to the relevant vesting period, each option has a 10-year exercisable period from the date of the offer of the option. As evidenced by the vesting periods of the options granted under the OMG Schemes, no option granted under the OMG Schemes will be exercisable within six months from the listing date.

(2) During the year, 304,000 share options have lapsed by reason of the grantees ceased to be full time employees of OMG and its subsidiaries. No share option was exercised during the year.

(3) Mr TANG Ying Yu resigned as independent non-executive director of the Company on 31 March 2008.

Apart from the above share option schemes, at no time during the year were rights to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company granted to any director or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company or its holding company or any its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in Statement on Corporate Governance under "Material Contracts Involving Directors and Major Shareholders" on pages 45 to 46 and "Recurrent Related Party Transactions of a Revenue Nature or Trading Nature" on pages 47 to 51, no contracts of significance in relation to the Group's businesses to which the Company, its subsidiaries, its holding company or its fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

PARTICULARS OF INTERESTS HELD BY DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES

(a) According to the register of directors' shareholdings, particular of interests in the shares of the Company and its related corporations during the financial year of those directors holding office at the end of the financial year were as follows:

		Number of ordinary shares of HK$0.1 each			
		As at 1 April 2007	**Bought**	**Sold**	**As at 31 March 2008**
(i)	The Company				
	Direct interest in shares:				
	Tan Sri Datuk TIONG Hiew King	150,000	–	–	150,000
	Mr TIONG Kiu King	611,000	–	–	611,000
	Mr TIONG Kiew Chiong	1,200,000	20,000	–	1,220,000
	Indirect interest in shares:				
	Tan Sri Datuk TIONG Hiew King	252,487,700[(1)]	–	–	252,487,700[(1)]
	Mr TIONG Kiu King	147,000[(2)]	–	–	147,000[(2)]
	Dr TIONG Ik King	252,487,700[(1)]	–	–	252,487,700[(1)]
(ii)	Subsidiary – OMG				
	Direct interest in shares:				
	Mr TIONG Kiew Chiong	3,300,000	200,000	–	3,500,000

Note

(1) Deemed interested by virtue of his interest in Conch Company Limited and Seaview Global Company Limited.

(2) Deemed interested by virtue of his spouse's interest.

(b) At 31 March 2008, the interests of the directors, chief executives and their associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the Hong Kong Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the HK Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") are as follows:

(i) Interests in shares and underlying shares in the Company

On 23 April 2007, the Company, Sin Chew and Nanyang entered into the Merger Agreement in relation to the merger among the three companies taking the form of the exchange of all the issued shares in each of Sin Chew and Nanyang into the shares of the Company. As of 31 March 2008, all parties to the Merger Agreement have confirmed that all the applicable conditions precedent as set out in the Merger Agreement have been received, obtained, fulfilled or satisfied (as the case may be), as such, certain directors are deemed to have interest in the shares of the Company as follows:

	Number of shares/underlying shares held							
Name of director	Personal interests	Family interests	Corporate interests	Total interests in shares	Interests in underlying shares pursuant to share options *(note 1)*	Aggregate interests	Percentage of issued ordinary shares at 31 March 2008 *(note 2)*	Percentage of issued ordinary shares at 23 April 2008 *(note 3)*
Tan Sri Datuk TIONG Hiew King	86,509,058	134,566	417,395,697 *(note 4)*	504,039,321	600,000	504,639,321	125.70%	29.93%
Dr TIONG Ik King	9,406,189	-	252,487,700 *(note 5)*	261,893,889	600,000	262,493,889	65.38%	15.57%
Mr TIONG Kiu King	2,454,559	147,000	-	2,601,559	600,000	3,201,559	0.80%	0.19%
Mr TIONG Kiew Chiong	5,088,783	-	-	5,088,783	600,000	5,688,783	1.42%	0.34%
Ms SIEW Nyoke Chow	2,523,472	-	-	2,523,472	-	2,523,472	0.63%	0.15%
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	100,925	-	-	100,925	-	100,925	0.03%	0.01%

Notes:

(1) These represent share options granted by the Company to the relevant directors under the MP Scheme to subscribe for shares of the Company.

(2) As at 31 March 2008, the Company has an issued and paid up share capital of 401,475,000 ordinary shares of HK$0.1 each.

(3) As at 23 April 2008 (i.e. the date of share exchange), the Company has an issued and paid up share capital of 1,686,190,241 ordinary shares of HK$0.1 each, including 1,284,815,241 ordinary shares issued pursuant to the merger, and after deduction of 100,000 shares repurchased by the Company on 8 April 2008.

(4) The corporate interests of Tan Sri Datuk TIONG Hiew King comprise:

(i) 252,487,700 shares held by Conch Company Limited ("Conch");
(ii) 65,319,186 shares held by Teck Sing Lik Enterprise Sdn Bhd ("TSL");
(iii) 1,902,432 shares held by Pertumbuhan Abadi Asia Sdn Bhd ("PAA");
(iv) 75,617,495 shares held by Ezywood Options Sdn Bhd ("Ezywood");
(v) 15,536,696 shares held by Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS");
(vi) 6,532,188 shares held by Rimbunan Hijau Southeast Asia Sdn Bhd ("RHSA");

Tan Sri Datuk TIONG Hiew King directly holds 84% interest in TSL, 99.99% interest in PAA and 50% interest in Ezywood. In addition, PAA directly holds 47.62% interest in both RHS and RHSA. The details of shares held by Conch is set out in note 5 below.

(5) Conch holds 252,487,700 shares of the Company. 40% of the interest in Conch is held by Seaview Global Company Limited, a company jointly owned by Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King. In addition, Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King directly hold 25% and 22% of the interest in Conch respectively.

(ii) Interests in shares and underlying shares in OMG

	Number of shares/underlying shares held						
Name of director	**Personal interests**	**Family interests**	**Corporate interests**	**Total interests in shares**	**Interests in underlying shares pursuant to share options** *(note 1)*	**Aggregate interests**	**Percentage of issued ordinary shares of OMG at 31 March 2008**
Tan Sri Datuk TIONG Hiew King	–	–	–	–	1,250,000	1,250,000	0.31%
Mr TIONG Kiu King	–	–	–	–	1,250,000	1,250,000	0.31%
Dr TIONG Ik King	–	–	–	–	1,000,000	1,000,000	0.25%
Mr TIONG Kiew Chiong	3,500,000	–	–	3,500,000	1,250,000	4,750,000	1.19%
Mr TANG Ying Yu *(note 2)*	–	–	–	–	150,000	150,000	0.04%
Mr David YU Hon To	–	–	–	–	150,000	150,000	0.04%
Mr Victor YANG	–	–	–	–	150,000	150,000	0.04%

Notes: (1) These represent share options granted by OMG to the directors of the Company under the Pre-IPO Scheme conditionally approved by the Company and conditionally approved and adopted by OMG on 26 September 2005 to subscribe for shares of OMG.

(2) Mr TANG Ying Yu resigned as independent non-executive director of the Company on 31 March 2008.

Save as disclosed above and those disclosed under "Share Option Schemes", at 31 March 2008, none of the directors, chief executives and their associates had any interests in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO), which are required to be recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the HK Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As of 31 March 2008, all parties to the Merger Agreement have confirmed that all the applicable conditions precedent as set out in the Merger Agreement have been received, obtained, fulfilled or satisfied (as the case may be), as such, certain shareholders are deemed to have interest in the shares of the Company.

The register of interests in shares and short positions maintained under Section 336 of the SFO shows that at 31 March 2008, the Company had been notified of the following interests in shares representing 5% or more of the Company's issued share capital:

Name of shareholder	Number of ordinary shares held	Percentage of issued ordinary shares at 31 March 2008 *(note 3)*	Percentage of issued ordinary shares at 23 April 2008 *(note 4)*
Tiong Toh Siong Holdings Sdn Bhd	326,663,556	81.37%	19.37%
Conch Company Limited *(note 1)*	252,487,700	62.89%	14.97%
Zaman Pemimpin Sdn Bhd *(note 2)*	154,219,783	38.41%	9.15%

All the interests stated above represent long positions in the shares of the Company.

Notes:

(1) Conch Company Limited ("Conch") owns 252,487,700 shares of the Company. 40% of the interest in Conch is held by Seaview Global Company Limited, a company jointly owned by Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King. In addition, Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King directly hold 25% and 22% of the interest in Conch respectively.

(2) Zaman Pemimpin Sdn Bhd is jointly owned by Sharifah Rokayah Binti WAN OTHMAN and Salleh Bin DELAMID.

(3) As at 31 March 2008, the Company has an issued and paid up share capital of 401,475,000 ordinary shares of HK$0.1 each.

(4) As at 23 April 2008 (i.e. the date of share exchange), the Company has an issued and paid up share capital of 1,686,190,241 ordinary shares of HK$0.1 each, including 1,284,815,241 ordinary shares issued pursuant to the merger, and after deduction of 100,000 shares repurchased by the Company on 8 April 2008.

Save as disclosed above and those disclosed under "Particulars of interests held by directors, chief executives and their associates", the Company had not been notified of any other interests representing 5% or more of the issued share capital of the Company at 31 March 2008.

CONTINUING CONNECTED TRANSACTIONS

Both Sin Chew and Nanyang were previously public companies listed on the main board of Bursa Securities. Following the completion of the merger of the Company, Sin Chew and Nanyang, both Sin Chew and Nanyang became non-listed wholly-owned subsidiaries of the Company, and the Company became dual listed on both Bursa Securities and the HK Stock Exchange.

Prior to the merger and on 21 September 2007, Sin Chew held its 24th annual general meeting during which, inter alia, the shareholders of Sin Chew approved by ordinary resolution the renewal of a mandate for a number of Sin Chew's recurrent related party transactions (the "Sin Chew RRPTs") as described in its circular dated 29 August 2007, in accordance with the Bursa Securities Listing Requirements.

Prior to the merger and on 26 November 2007, Nanyang held its 50th annual general meeting during which, inter alia, the shareholders of Nanyang approved by ordinary resolution the renewal of a mandate for Nanyang's recurrent related party transaction (the "Nanyang RRPT") as described in its circular dated 1 November 2007, in accordance with the Bursa Securities Listing Requirements.

After the completion of merger, the Sin Chew RRPTs and the Nanyang RRPT have become, in Malaysia, recurrent related party transactions of the Company as defined under paragraph 10.09 of the Bursa Securities Listing Requirements. Such recurrent related party transactions mainly relate to the supply of newsprint for newspapers and rental of property.

Based on the calculations of applicable percentage ratios on an annual basis and the annual consideration amounts, one of the Sin Chew RRPTs is a continuing connected transaction of the Company as defined under Chapter 14A of the HK Listing Rules. Details are set out as follows:

			Transacted value for the year ended 31 March 2008		
Connected party	**Contracting party**	**Nature of transaction**	**RM'000**	**Equivalent in US$'000**	**Nature of relationship**
Rimbunan Hijau Estate Sdn Bhd	Sin Chew	Sin Chew's tenancy for land and building erected on the land known as PN 3694, Lot 50 Seksyen 13, Bandar Petaling Jaya, Daerah Petaling Jaya, Malaysia (the "Land and Building") from Rimbunan Hijau Estate Sdn Bhd as landlord	3,630	1,081	Rimbunan Hijau Estate Sdn Bhd is held as to 40% by Tiong Toh Siong Holdings Sdn Bhd, a substantial shareholder of the Company.

The directors, including the independent non-executive directors of the Company, have reviewed the transaction and confirmed that the transaction was entered into by the Group in the ordinary and usual course of the Group's business and on normal commercial terms or on terms that are fair and reasonable so far as the equity holders of the Company are concerned.

Reference is made to an announcement of the Company on 14 July 2008, the Board announced that on 14 July 2008, Sin Chew entered into a land acquisition agreement with Rimbunan Hijau Estate Sdn Bhd pursuant to which Sin Chew conditionally agreed to acquire the Land and Building. The acquisition of Land and Building constituted a non-exempt connected transaction and was subject to independent shareholders' approval at a general meeting of the Company to be held. Upon the completion of the acquisition of Land and Building, the above tenancy agreement will be terminated, and hence it will no longer constitute a continuing connected transaction of the Company.

Save as disclosed above, there were no other connected transactions or continuing connected transactions that were not exempted under the HK Listing Rules.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

PENSION SCHEME ARRANGEMENT

Hong Kong

The Group operates a hybrid retirement benefit scheme (the "Scheme") and a Mandatory Provident Fund Scheme (the "MPF") for its employees in Hong Kong.

During the year, the Scheme was funded by contributions from both the employees and the Group at 5% each of the monthly basic salaries of the employees. Actual contributions paid by the Group was only 3% of the monthly basic salaries of the employees, the difference was funded from the forfeiture reserve. Forfeited employers' contributions arising from early termination of services by employees are credited to a forfeiture reserve for the purposes of funding the differences in the Group's contributions as aforesaid and for covering any shortfall on the defined benefit plans. The total amount available for such purposes amounted to US$2,278,000 at 31 March 2008 (31 March 2007: US$2,445,000).

The most recent independent actuarial valuation of the Scheme (the "Valuation") was carried out as at 1 January 2007 by Watson Wyatt Hong Kong Limited, a professionally qualified independent actuary. According to the Valuation, the Scheme was solvent at the date of the Valuation.

With effect from 1 December 2000, all new joiners of the Group are eligible to join the MPF. The Group's contributions to the MPF are at 5% of the employees' relevant income as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance up to a maximum of HK$1,000 per employee per month (the "MPF Contributions"). The MPF Contributions are fully and immediately vested in the employees as accrued benefit once they are paid.

Malaysia

The Group also operates two types of retirement benefit schemes in Malaysia:

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the income statement as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(b) Defined benefit plans

The Group operates an unfunded, defined benefit retirement benefit scheme ("the Malaysia Scheme") for some of its eligible employees in Malaysia. The Group's obligation under the Malaysia Scheme is calculated using the projected unit credit method, is determined based on actuarial computations by independent actuaries, through which the amount of benefit that employees have earned in return for their service in the current and prior years is estimated. That benefit is discounted in order to determine its present value.

Other countries

Employees in other countries are under separate pension schemes which are defined contribution plans set up in the countries that the Group operates.

The assets of all retirement plans are held separately from those of the Group in independently administered funds. The defined benefit plans and defined contribution plans are generally funded by payments from the relevant Group's companies and/or employees.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group purchased less than 30% of its goods and services from its 5 largest suppliers and sold less than 30% of its goods and services to its 5 largest customers.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws and there is no restriction against such rights under the laws in Bermuda.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the HK Listing Rules and Bursa Securities Listing Requirements.

SUBSEQUENT EVENTS

Details of subsequent events are set out in note 41 to the consolidated financial statements.

AUDITOR

The consolidated financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

TIONG Kiew Chiong
Director

16 July 2008

Statement of Directors' Responsibilities in relation to the Financial Statements

The following statement, which should be read in conjunction with the Independent Auditor's Report set out on pages 79 and 80, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditor in relation to the financial statements.

Directors are responsible for the preparation of the Group's consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements comply with IFRSs as issued by the IASB; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statutory Declaration

STATUTORY DECLARATION

Pursuant to Paragraph 4A.18 of the Listing Requirements of Bursa Malaysia Securities Berhad

I, FU Shuk Kuen, being the Officer primarily responsible for the financial management of Media Chinese International Limited, do solemnly and sincerely declare that the financial statements set out on pages 81 to 168 are to the best of my knowledge and believe, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Ordinance (Chapter 11) of laws of Hong Kong.

Subscribed and solemnly declared by
FU Shuk Kuen
at Hong Kong
on 16 July 2008

Before me,

Notary Public

PRICEWATERHOUSECOOPERS

羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF MEDIA CHINESE INTERNATIONAL LIMITED

(formerly known as MING PAO ENTERPRISE CORPORATION LIMITED)

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Media Chinese International Limited (formerly known as Ming Pao Enterprise Corporation Limited) (the "Company") and its subsidiaries (together, the "Group") set out on pages 81 to 168, which comprise the consolidated and company balance sheets as of 31 March 2008, and the consolidated income statement, the consolidated statement of recognised income and expense and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

Independent Auditor's Report

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and of the Group as of 31 March 2008, and of the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

OTHER MATTERS

This report, including the opinion, has been prepared for and only for you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 16 July 2008

Consolidated Income Statement

For the year ended 31 March 2008

	Note	2008 US$'000	2007 US$'000
Turnover	5	**328,260**	304,563
Cost of goods sold	6	**(212,171)**	(204,519)
Gross profit		**116,089**	100,044
Other income	5	**4,674**	4,018
Other gains, net	7	**1,401**	1,641
Negative goodwill arising on the acquisition of Nanyang	37	**13,094**	–
Selling and distribution expenses	6	**(50,289)**	(44,666)
Administrative expenses	6	**(30,547)**	(28,671)
Other operating expenses	6	**(9,951)**	(4,445)
Operating profit		**44,471**	27,921
Finance costs	8	**(710)**	(1,155)
Profit before income tax		**43,761**	26,766
Income tax expense	9	**(11,809)**	(6,604)
Profit for the year		**31,952**	20,162
Attributable to:			
Equity holders of the Company		**19,188**	11,489
Minority interests		**12,764**	8,673
		31,952	20,162
Earnings per share attributable to the equity holders of the Company			
Basic (US cents)	12	**2.10**	1.26
Diluted (US cents)	12	**2.10**	1.26
Gross dividends	11		
by the Company			
First interim dividend proposed and paid		**1,037**	1,561
Second interim dividend proposed		**15,610**	–
by Sin Chew			
First and final dividend proposed		**–**	7,781

The notes on pages 86 to 168 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

As at 31 March 2008

	Note	2008 US$'000	2007 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment	*15*	**112,603**	63,558
Investment properties	*16*	**7,056**	1,455
Leasehold land and land use rights	*17*	**24,262**	22,479
Intangible assets	*18*	**22,022**	6,000
Goodwill	*18*	**62,450**	15,782
Financial assets at fair value through profit or loss	*22*	**1,128**	972
Defined benefit plan assets	*23*	**579**	1,419
Deferred income tax assets	*35*	**3,630**	4,589
		233,730	116,254
Current assets			
Inventories	*24*	**50,531**	19,757
Available-for-sale financial assets	*25*	**644**	605
Financial assets at fair value through profit or loss	*22*	**276**	252
Trade and other receivables	*26*	**76,896**	56,534
Income tax recoverable		**2,760**	635
Cash and cash equivalents	*27*	**76,559**	67,459
		207,666	145,242
Current liabilities			
Trade and other payables	*28*	**58,982**	39,236
Income tax liabilities		**4,067**	2,162
Short-term bank loans	*31*	**24,414**	9,479
Bank overdrafts, secured	*27*	**2,962**	2,535
Current portion of long-term liabilities	*32*	**6,460**	3,602
		96,885	57,014
Net current assets		**110,781**	88,228
Total assets less current liabilities		**344,511**	204,482
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	*29*	**5,167**	5,205
Share premium	*29*	**12,809**	13,480
Other reserves	*30*	**196,554**	22,478
Retained earnings	*30*		
– Proposed final dividend		**15,610**	7,781
– Others		**91,136**	84,755
		321,276	133,699
Minority interests		**7,952**	59,367
Total equity		**329,228**	193,066
Non-current liabilities			
Long-term liabilities	*32*	**6,453**	5,366
Deferred income tax liabilities	*35*	**8,830**	6,050
		344,511	204,482

On behalf of the Board

TIONG Kiu King
Director

TIONG Kiew Chiong
Director

The notes on pages 86 to 168 are an integral part of these consolidated financial statements.

Balance Sheet

As at 31 March 2008

	Note	2008 US$'000	2007 US$'000
ASSETS			
Non-current assets			
Interests in subsidiaries	*19*	**348,427**	59,777
Current assets			
Amounts due from subsidiaries	*19*	**86,310**	84,103
Trade and other receivables	*26*	**33**	92
Income tax recoverable		**105**	–
Cash and cash equivalents	*27*	**47**	6,511
		86,495	90,706
Current liabilities			
Trade and other payables	*28*	**2,209**	83
Income tax liabilities		**–**	12
		2,209	95
Net current assets		**84,286**	90,611
Total assets less current liabilities		**432,713**	150,388
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	*29*	**5,167**	5,205
Share premium	*29*	**12,809**	13,480
Other reserves	*30*	**310,352**	25,900
Retained earnings	*30*		
– Proposed final dividend		**15,610**	–
– Others		**88,775**	105,803
Total equity		**432,713**	150,388

On behalf of the Board

TIONG Kiu King
Director

TIONG Kiew Chiong
Director

The notes on pages 86 to 168 are an integral part of these consolidated financial statements.

Consolidated Statement of Recognised Income and Expense

For the year ended 31 March 2008

	Note	2008 US$'000	2007 US$'000
Currency translation differences	*30*	**10,462**	7,366
Actuarial losses of defined benefit plan assets	*30*	**(942)**	(95)
Actuarial gains of long service payment obligations	*30*	**39**	208
Net income recognised directly in equity	*30*	**9,559**	7,479
Profit for the year		**31,952**	20,162
Total recognised income for the year		**41,511**	27,641
Attributable to:			
Equity holders of the Company		**24,112**	15,417
Minority interests		**17,399**	12,224
		41,511	27,641

The notes on pages 86 to 168 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2008

	Note	2008 US$'000	2007 US$'000
Cash flows from operating activities			
Cash generated from operations	33(a)	**37,152**	52,405
Interest on bank loans and overdrafts		**(604)**	(1,077)
Interest element of finance lease payments		**(106)**	(78)
Profits tax paid		**(8,624)**	(4,344)
Long service payments made		**(9)**	(18)
Contributions to the defined benefit plan		**(70)**	(123)
Net cash generated from operating activities		**27,739**	46,765
Cash flows from investing activities			
Purchase of property, plant and equipment		**(5,797)**	(5,984)
Purchase of intangible assets		**(133)**	(900)
Purchase of financial assets at fair value through profit or loss		**(3,012)**	(1,002)
Proceeds from redemption of financial assets at fair value through profit or loss		**2,510**	–
Payment of leasehold land and land use rights		**–**	(609)
Proceeds from disposals of other investments		**–**	256
Net cash inflow in respect of the acquisition of Nanyang		**3,884**	–
Professional fees paid for the acquisition of equity interest from minority shareholders of Sin Chew		**(675)**	–
Proceeds from disposals of property, plant and equipment, leasehold land and land use rights	33(d)	**801**	115
Interest received		**2,153**	1,890
Dividends received		**11**	10
Net cash used in investing activities		**(258)**	(6,224)
Cash flows from financing activities	33(b)		
Proceeds from exercise of share options		**39**	26
Repurchase of ordinary shares		**(748)**	(165)
Dividends paid		**(1,037)**	(3,644)
Dividends paid by Sin Chew		**(7,781)**	(7,118)
Dividends paid by a listed subsidiary		**(50)**	(50)
New finance leases		**1,252**	–
Capital element of finance lease payments		**(721)**	(648)
Repayment of bank loans		**(12,023)**	(7,370)
Repayment of short-term bank loans		**(864)**	(4,210)
Net cash used in financing activities		**(21,933)**	(23,179)
Net increase in cash and cash equivalents, and bank overdrafts		**5,548**	17,362
Cash and cash equivalents, and bank overdrafts as at 1 April		**64,924**	45,786
Exchange adjustments on cash and cash equivalents, and bank overdrafts		**3,125**	1,776
Cash and cash equivalents, and bank overdrafts as at 31 March	27	**73,597**	64,924

The notes on pages 86 to 168 are an integral part of these consolidated financial statements.

1 GENERAL INFORMATION

Media Chinese International Limited (formerly known as Ming Pao Enterprise Corporation Limited) (the "Company") is a limited liability company incorporated in Bermuda. The Company is an investment holding company. The principal activities of its subsidiaries are the publishing, printing and distribution of Chinese-language newspapers, magazines and books, and the provision of travel and travel related services in Hong Kong, North America, Mainland China, Malaysia and Southeast Asia. The shares of the Company have been listed on the main board of the HK Stock Exchange since 22 March 1991.

On 23 April 2007, the Company entered into a merger agreement with Sin Chew Media Corporation Berhad ("Sin Chew") and Nanyang Press Holdings Berhad ("Nanyang"). As disclosed in the Company's announcement dated 1 April 2008, all parties to the merger confirmed that all the applicable conditions precedent as set out in the merger agreement had been received, obtained, fulfilled or satisfied (as the case may be) as of 31 March 2008. Pursuant to the merger, the Company issued new shares to the existing shareholders of Sin Chew and Nanyang in exchange for 100% interest in Sin Chew and Nanyang respectively. See note 2.2 for basis of consolidation of the financial statements of Sin Chew and Nanyang.

On 30 April 2008, the Company's admission to the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities") and the listing of and quotation for the new shares on the main board of Bursa Securities took effect. As such, from 30 April 2008, shareholders of the Company are entitled to trade the shares on both the HK Stock Exchange and Bursa Securities.

Sin Chew is an investment holding company and its subsidiaries are principally engaged in the publishing, printing and distribution of newspapers and magazines which include *Sin Chew Daily* and *Guang Ming Daily*. *Sin Chew Daily* and *Guang Ming Daily* are the largest Chinese-language and the third-largest Chinese-language daily newspapers in Malaysia respectively.

The principal activities of Nanyang are investment holding, letting of properties and provision of management services. The principal activities of its subsidiaries are the publishing, printing and distribution of newspapers and magazines, and provision of internet related services and electronic commerce. Currently, Nanyang publishes two Chinese-language newspapers in Malaysia, namely *Nanyang Siang Pau* and *China Press*. Nanyang, through Life Publishers Berhad, is Malaysia's largest Chinese-language magazine publisher, with one tabloid and 18 magazines under its portfolio.

These consolidated financial statements are prepared in thousands of units of United States dollars (US$'000), unless otherwise stated.

These consolidated financial statements have been approved for issue by the board of directors on 16 July 2008.

2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

2.1 Basis of preparation and changes in accounting policies

Changes in accounting policies

The accounting policies adopted are consistent with those used in the consolidated financial statements of the Company for the year ended 31 March 2007 with the exception of the following:

(a) There was a change of the basis for the determination of inventories from first-in, first-out method to weighted average method for the year ended 31 March 2008. This change in accounting policy did not have a material impact on the Group's results of operations and financial position.

(b) The presentation currency was changed from Hong Kong dollars ("HK$") to United States dollars ("US$"), as detailed in note 2.2(b)(ii)(a).

Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets held for trading and investment properties, which are carried at fair value.

The Company adopted merger accounting to account for business combinations of entities under common control. For details, please refer to note 2.2(a).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

The following new standards, amendments to existing standards and interpretations to existing standards are relevant to the Group's operations and are mandatory for the financial year ended 31 March 2008:

(a) *IFRS 7, Financial Instruments: Disclosures* – IFRS 7 introduces new disclosures relating to financial instruments. The adoption of this standard does not result in material changes to the Group's results of operations and financial position.

(b) *IAS 1 Amendment – Presentation of Financial Statements – Capital disclosure* – The amendment requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

(c) *IFRIC-Int 8, Scope of IFRS 2* – IFRIC-Int 8 requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of IFRS 2. This standard does not have any impact on the Group's results of operations and financial position.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation and changes in accounting policies *(Continued)*

Basis of preparation *(Continued)*

(d) *IFRIC-Int 9, Reassessment of Embedded Derivatives* – IFRIC-Int 9 states that the date to assess the existence of an embedded derivative is the date that an entity first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group has no embedded derivative requiring separation from the host contract, the interpretation had no impact on the financial position or performance of the Group.

(e) *IFRIC-Int 10, Interim Financial Reporting and Impairment* – IFRIC-Int 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The adoption of this interpretation does not result in material changes to the Group's results of operations and financial position.

(f) *IFRIC-Int 11, IFRS 2 – Group and Treasury Share Transactions* – IFRIC-Int 11 requires a share-based payment arrangement in which an entity receives goods or services as consideration for its own equity-instruments to be accounted for as an equity-settled share-based payment transaction, regardless of how the equity instruments needed are obtained. IFRIC-Int 11 also provides guidance on whether share-based payment arrangements, in which suppliers of goods or services of an entity are provided with equity instruments of the entity's parent, should be accounted for as cash-settled or equity-settled in the entity's financial statements. IFRIC-Int 11 is not expected to have a material impact on the Group's results of operations and financial position.

The following new standards, amendments to existing standards and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2008 or later periods, the Group has not early adopted them:

(a) *IFRS 8, Operating Segments* – IFRS 8 requires disclosure of information about the Group's operating segments and replaced the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. The Group determined that the operating segments were the same as the business segments previously identified under IAS 14 Segment Reporting. This standard does not have any material impact on the classification and presentation of the Group's consolidated financial statements.

(b) *IAS 1, Presentation of Financial Statements – Revised* – IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. IAS 1 does not have a material impact on the Group's consolidated financial statements.

(c) *IAS 23, Borrowing Costs – Revised* – A revised IAS 23 Borrowing Costs was issued in March 2007 and becomes effective for financial years beginning on or after 1 January 2009. The standard has been revised to require capitalisation of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In accordance with the transitional requirements in the standard, the Group will adopt this as a prospective change. Accordingly, borrowing costs will be capitalised on qualifying assets with a commencement date after 1 January 2009. No changes will be made for borrowing costs incurred to this date that have been expensed.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation and changes in accounting policies *(Continued)*

Basis of preparation *(Continued)*

(d) *IAS 27 (Revised) – Consolidated and Separate Financial Statements* – The amendment requires non-controlling interests (i.e. minority interests) to be presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Total comprehensive income must be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When control of a subsidiary is lost, the assets and liabilities and related equity components of the former subsidiary are derecognised. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost. The Group will apply IAS 27 (Revised) from 1 January 2010.

(e) *IAS 32 – Amendments to IAS 32 and IAS 1 Puttable Financial Instruments* – Amendments to IAS 32 and IAS 1 were issued in February 2008 and become effective for annual periods beginning on or after 1 January 2009. The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments that are classified as equity. The Group does not expect these amendments to impact the consolidated financial statements of the Group.

(f) *IFRS 2 Amendment – Share-based Payment Vesting Conditions and Cancellations* – The amendment clarifies the definition of "vesting conditions" and specifies the accounting treatment of "cancellations" by the counterparty to a share-based payment arrangement. Vesting conditions are service conditions (which require a counterparty to complete a specified period of service) and performance conditions (which require a specified period of service and specified performance targets to be met) only. All "non-vesting conditions" and vesting conditions that are market conditions shall be taken into account when estimating the fair value of the equity instruments granted. All cancellations are accounted for as an acceleration of vesting and the amount that would otherwise have been recognised over the remainder of the vesting period is recognised immediately. The Group will apply IFRS 2 Amendment from 1 January 2009, but it is not expected to have any impact on the Group's accounts.

(g) *IFRS 3 (Revised), Business Combination* – The amendment may bring more transactions into acquisition accounting as combinations by contract alone and combinations of mutual entities are brought into the scope of the standard and the definition of a business has been amended slightly. It now states that the elements are 'capable of being conducted' rather than 'are conducted and managed'. It requires considerations (including contingent consideration), each identifiable asset and liability to be measured at its acquisition-date fair value, except leases and insurance contracts, reacquired right, indemnification assets as well as some assets and liabilities required to be measured in accordance with other IFRSs. They are income taxes, employee benefits, share-based payment and non current assets held for sale and discontinued operations. Any non-controlling interest in an acquiree is measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The Group will apply IFRS 3 (Revised) from 1 January 2010.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation and changes in accounting policies *(Continued)*

Basis of preparation *(Continued)*

(h) *IFRIC Int 12, Services Concession Arrangements* – IFRIC Int 12 was issued in November 2006 and becomes effective for annual periods beginning on or after 1 January 2008. This interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. No member of the Group is an operator and hence this Interpretation will have no impact on the Group.

(i) *IFRIC Int 13, Customer Loyalty Programmes* – IFRIC Int 13 was issued in June 2007 and becomes effective for annual periods beginning on or after 1 July 2008. This interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. The Group expects that this interpretation will have no impact on the Group's consolidated financial statements as no such schemes currently exist.

(j) *IFRIC Int 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* – IFRIC Int 14 was issued in July 2007 and becomes effective for annual periods beginning on or after 1 January 2008. This interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 Employee Benefits. The Group expects that this interpretation will have no impact on the financial position or performance of the Group.

2.2 Basis of consolidation

(a) Pursuant to the merger as mentioned in note 1, the Company issued new shares to the existing shareholders of Sin Chew and Nanyang in exchange for 100% interest in Sin Chew and Nanyang respectively. As disclosed in the Company's announcement dated 1 April 2008, all parties to the merger confirmed that all the applicable conditions precedent as set out in the merger agreement have been received, obtained, fulfilled or satisfied (as the case may be) as of 31 March 2008.

As both the Company and Sin Chew have been under common control of the same controlling party before and after the merger, the Group has applied the principles of merger accounting to account for the business combination with Sin Chew as if the combination had occurred from the date when the Company and Sin Chew first came under the common control of the controlling party. In applying merger accounting, 509,308,796 ordinary shares of the Company at HK$0.1 each, representing 30.2% of the enlarged share capital of the Company, were deemed to have been issued to the controlling party for the acquisition of its controlling interest in Sin Chew throughout the period when both the Company and Sin Chew were under common control. Accordingly, the consolidated income statement and consolidated cash flow statements for the years ended 31 March 2007 and 2008 were prepared as if this structure of the Company and Sin Chew had been in existence throughout the periods. The consolidated balance sheets as at 31 March 2007 and 31 March 2008 were prepared to present the assets and liabilities of the Group as at 31 March 2007 and 31 March 2008 as if the above structure had been in existence at those dates. A merger reserve of US$92,647,000 has been recognised, representing the difference between the fair value of the 509,308,796 ordinary shares issued by the Company and the equity interest of the controlling party in the share capital and the share premium of Sin Chew.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.2 Basis of consolidation *(Continued)*

(a) *(Continued)*

On 31 March 2008, the effective date of completion of the merger, the Company was deemed to have acquired the remaining equity interest in Sin Chew from the minority shareholders. Goodwill of US$49,018,000 was recognised and represents the excess of the fair value of the 506,667,259 ordinary shares issued by the Company over the carrying value of the minority interest in Sin Chew.

As the Company and Nanyang were not under common control, the Group has applied the purchase method to account for the acquisition of equity interest in Nanyang as a wholly-owned subsidiary pursuant to the merger on the effective completion date, i.e. 31 March 2008.

(b) Group Accounting

(i) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March.

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (note 2.6(a)). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.2 Basis of consolidation *(Continued)*

(b) Group Accounting *(Continued)*

(i) Consolidation (Continued)

(a) Subsidiaries *(Continued)*

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses (note 2.8). The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(b) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

(ii) Foreign currency translation

(a) Functional currency and translation to presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. However, each entity can present its financial statements in any currency, which can be the same or different from the Company's functional currency, i.e. Ringgit Malaysia and HK$. The Group's results of operations and financial position were presented in HK$ in prior years, but as the Group is now having operations worldwide, management considers that it is more appropriate to change the presentation currency to US$, a globally recognised currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.2 Basis of consolidation *(Continued)*

(b) Group Accounting *(Continued)*

(ii) Foreign currency translation (Continued)

(c) Group companies *(Continued)*

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to equity. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Unallocated expenses represent corporate expenses. Segment assets consist primarily of property, plant and equipment, defined benefit plan assets, inventories, receivables and operating cash, and exclude financial assets at fair value through profit or loss, income tax recoverable and corporate assets. Segment liabilities comprise operating liabilities and exclude items such as income tax liabilities and certain corporate borrowings. Capital expenditure comprises additions of property, plant and equipment.

In respect of geographical segment reporting, revenue and results are based on the location in which the customer is located. Total assets and capital expenditure are based on where the assets are located.

2.4 Property, plant and equipment

(a) Other properties

Other properties are interests in freehold land and buildings and are stated at cost or fair value.

Freehold land is not amortised. Freehold buildings are depreciated on a straight-line basis over their expected useful lives to the Group, and the principal annual rate used for this purpose ranges from 2% to 5%.

Buildings, which are situated on leasehold land and held for own use, are stated at cost or fair value and are depreciated on a straight-line basis over the unexpired periods of the leases or their expected useful lives to the Group, whichever is shorter. The principal annual rates range from 2% to 5%.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.4 Property, plant and equipment *(Continued)*

(b) Other property, plant and equipment

Plant and equipment, comprising leasehold improvements, furniture, fixtures, office equipment, machinery, printing equipment, motor vehicles and construction in-progress are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Leasehold improvements	7.5% – 33.33% or over remaining period of leases
Furniture, fixtures and office equipment	7.5% – 33.33%
Machinery and printing equipment	5% – 33.33%
Motor vehicles	10% – 25%

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged in the consolidated income statement during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated income statement.

2.5 Investment properties

Property that is held for long-term rental yields or for capital appreciation or for both, and that is not occupied by the Group, is classified as investment property.

Investment property is initially recognised at cost, including related transaction costs. After initial recognition, investment property is carried at fair value which is reviewed annually by external professional valuers. Gains or losses arising from changes in the fair value of investment properties is recognised in the consolidated income statement in the period in which they arise.

2.6 Intangible assets and goodwill

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.6 Intangible assets and goodwill *(Continued)*

(a) Goodwill *(Continued)*

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(b) Intangible assets

Intangible assets comprise costs of computer softwares, archives, mastheads and publishing rights that are acquired by the Group and are stated in the consolidated balance sheet at fair value or cost less accumulated amortisation.

Amortisation of intangible assets is charged to the consolidated income statement on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Archives, mastheads and publishing rights	15-40 years
Computer softwares	5-10 years

2.7 Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. A financial asset with a maturity longer than one year at the inception date is classified as non-current. Derivatives are classified as held for trading unless they are designated as hedges. Changes in fair values (realised and unrealised) are recognised in the consolidated income statement.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the consolidated balance sheet.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.7 Financial assets *(Continued)*

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Available-for-sale financial assets represented unlisted club debentures.

At each balance sheet date, the fair value of available-for-sale financial assets is remeasured, with any unrealised holding gains or losses arising from the changes in fair value being recognised directly in the available-for-sale financial assets reserve under equity, except for impairment losses. When the investments are derecognised or impaired, the cumulative gains or losses previously recognised directly in the equity is recognised in the consolidated income statement.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the consolidated income statement in the period in which they arise.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of trade and other receivables is described in note 2.10.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.8 Impairment of investments in subsidiaries and non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Inventories

Inventories comprise raw materials and finished goods and are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.10 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated income statement within selling and distribution expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and distribution expenses in the consolidated income statement.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and bank overdrafts. Bank overdrafts are shown as current liabilities on the consolidated balance sheet.

2.12 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.13 Leases

(a) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the leases at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and long-term liabilities. The interest element of the finance cost is recognised in the consolidated income statement over the lease periods so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(b) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

When assets are leased out under an operating lease, the asset is included in the consolidated balance sheet based on the nature of the asset.

Lease income from operating lease is recognised over the term of the lease on a straight-line basis.

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.15 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.15 Current and deferred income tax *(Continued)*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and an associate, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.16 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to the employees. A provision is made for the estimated liability for annual leave as a result of services rendered by the employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Profit sharing and bonus plans

The expected cost of profit sharing and bonus plans is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by the employees and a reliable estimate of the obligation can be made. Liabilities for profit sharing and bonus plans are expected to be settled within 12 months of the balance sheet date and are measured at the amounts expected to be paid when they are settled.

(c) Pension obligations

The Group operates two types of retirement benefit schemes for its employees:

Defined contribution plans

For the defined contribution plans, the Group undertakes to pay a defined contribution (e.g. a fixed amount or a fixed percentage of the pay) into separately administered funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contributions to the defined contribution plans are expensed as incurred. The Group's defined contribution plans cover the eligible employees in Hong Kong, North America, Mainland China and Malaysia.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.16 Employee benefits *(Continued)*

(c) Pension obligations *(Continued)*

Defined benefit plans

For the defined benefit plans, the Group undertakes to pay a defined benefit (e.g. a retirement pension at a fixed amount or a fixed percentage of the employee's final salary) for its eligible employees. Under the defined benefit plans, the Group usually bears the risk relating to future developments in interest and inflation rates etc.

For defined benefit plans, the present value of future benefits, which the Group is liable to pay under the plans, is computed using actuarial principles. The computation of present value is based on assumptions about basic interest rates, increases in pay rates and pensions, investment yield, staff resignation rates, mortality and disability. Present value is computed exclusively for the benefits to which the employees have earned entitlement through their employment with the Company.

The Group's defined benefit plans cover eligible employees in Hong Kong and Malaysia.

(i) The defined benefit plan for the Group's employees in Hong Kong is funded by means of an independent pension fund. The liability recognised in the consolidated balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for actuarial gains and loss and unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields of Hong Kong Government's Exchange Fund Notes which have similar terms as the terms of the related liabilities and that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in full in the year in which they occur in the consolidated statement of recognised income and expense.

Past service costs are recognised immediately in the consolidated income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

(ii) The defined benefit plan for the Group's employees in Malaysia is not funded. The Group's obligation under the plan is calculated using the projected unit credit method, is determined based on actuarial computations by independent actuaries, through which the amount of benefit that the employees have earned in return for their services in the current and prior years is estimated. The benefit is discounted in order to determine its present value.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.16 Employee benefits *(Continued)*

(d) Long service payments

The Group's net obligations in respect of long service payments on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefits that the employees have earned in return for their services in the current and prior periods.

The obligation is calculated using the projected unit credit method, discounted to its present value and reduced by entitlements accrued under the Group's retirement plans that are attributed to contributions made by the Group. The discount rate is the yield at balance sheet date on Hong Kong Government's Exchange Fund Notes which have terms to maturity approximating the terms of the related liability. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in full in the year in which they occur in the consolidated statement of recognised income and expense.

(e) Share-based compensation

The Group operates share-based compensation schemes. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in the assumptions about the number of options that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of options that are expected to vest. The Group recognises the impact of the revision of original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Advertising income, net of trade discounts, is recognised when the newspapers and magazines are published.

Revenue from the circulation and subscription sales of newspapers, magazines and books, net of trade discounts and returns, is recognised on the transfer of risks and rewards of ownership, which generally coincides with the date of delivery. Unearned subscription fees received from subscribers are recorded as subscriptions received in advance under trade and other payables in the consolidated balance sheet.

Revenue from packaged tour operations is recognised upon the departure of tours. Revenue from the provision of other travel related services is recognised upon the delivery of services.

Travel agency commission income earned from the provision of travel agency services is recognised in accordance with the respective agency agreements, which generally coincides with the time when the services are rendered.

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate, and continues unwinding the discount as interest income.

Management fee income is recognised on an accrual basis.

Operating lease rental income is recognised in equal instalments over the periods covered by the lease term.

Dividend income is recognised when the right to receive payment is established.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.20 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment for specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are recognised in the consolidated income statement in the year in which they are incurred.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: price risk, interest rate risk, credit risk, currency risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by management according to the policies of the Group. Financial risks are identified and evaluated in close operation within the Group.

(a) Price risk

(i) Newsprint prices can be volatile as they are subject to, amongst others, demand and supply of pulp and fluctuations in energy prices. Newsprint costs account for approximately 29% of the total operating costs (excluding tour costs) of the Group. Therefore, the profitability of the Group may be adversely affected by the volatility in newsprint prices.

However, the Group seeks to limit this risk through, inter-alia, keeping a close contact with its local and foreign suppliers, reduce dependency on any single supply source to ensure reliability and cost competitiveness and maintaining a certain inventory level of newsprint in order to reduce the impact of volatile newsprint prices on the profitability of the Group.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Price risk *(Continued)*

(ii) The Group is exposed to unlisted equity securities price risk because investments held by the Group are classified on the consolidated balance sheet as financial assets at fair value through profit or loss, for which management adopts the indicative market value provided by the issuers as their best estimate of the fair values of such securities. The Group exposes to commodity price risk as some of the equity linked notes are linked to some listed securities. See note 22.

(b) Interest rate risk

The Group's cash balances are exposed to the risk arising from changing interest rates. The Group manages this risk by placing deposits at various maturities and interest rate terms.

The Group's bank loans and obligations under finance leases have exposure to risk arising from changing interest rates. Bank loans and obligations under finance leases at variable rates expose the Group to cash flow interest rate risk, and those at fixed rates expose the Group to fair value interest rate risk. The Group manages these risks by maintaining an appropriate level between fixed rates and variable rates for its loans and obligations under finance leases.

To evaluate the sensitivity of the Group's profit before tax from possible changes in interest rates, the impact of an interest rate change was modeled on the floating rate borrowings while all other variables were held constant. Based on these assumptions, a hypothetical increase of 100 basis points, or 1 percent per annum, in interest rates effective 1 April 2008, would have reduced the Group's profit before tax for the year ended 31 March 2008 by US$358,000 (2007: reduced by US$79,000).

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) Credit risk

Credit risk is the risk the Group will incur a loss arising from the counterparties that fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures in relation to such limits.

The extent of credit risk relating to the Group's trade receivables (according to the extent to which provisions for impairment are warranted) is disclosed in note 26. The Group maintains cash and cash equivalents with reputable financial institutions from which management believes the risk of loss to be remote. The management assesses credit quality of outstanding cash and cash equivalents balances as high and considers no significant individual exposure. Maximum exposure to credit risk at the reporting date is the carrying value of the cash at banks.

(d) Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Ringgit Malaysia ("RM"), Renminbi ("RMB"), HK$ and US$. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Currency exposure arising from the net assets of the Group's operations, such as those in Mainland China, Hong Kong, North America, Malaysia and Southeast Asia are managed primarily through operating liabilities denominated in the relevant foreign currencies.

At 31 March 2008, if US$ had weakened/strengthened by 10% against the RM with all other variables held constant. Equity would have been US$2,015,000 (2007: US$2,891,000) higher/lower, arising mainly from foreign exchange gains/losses on translation of RM-denominated financial assets and liabilities.

At 31 March 2008, if US$ had weakened/strengthened by 10% against the RMB with all other variables held constant. Equity would have been US$449,000 (2007: US$357,000) higher/lower, arising mainly from foreign exchange gains/losses on translation of RMB-denominated financial assets and liabilities.

(e) Liquidity risk

The liquidity risk of the Group is controlled by maintaining sufficient banking facilities and cash and cash equivalents, which are generated from the operating cashflow and financing cashflow.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(e) Liquidity risk *(Continued)*

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Group		Company	
	2008	2007	**2008**	2007
	US$'000	US$'000	**US$'000**	US$'000
Bank borrowings				
within one year	**34,407**	16,107	**–**	–
in the second year	**3,192**	3,538	**–**	–
in the third to fifth year	**2,666**	1,932	**–**	–
	40,265	21,577	**–**	–
Trade and other payables				
within one year	**49,788**	30,389	**2,209**	83
	90,053	51,966	**2,209**	83

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, repurchase of shares, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheet.

During 2008, the Group's strategy, which was unchanged from 2007, was to maintain a gearing ratio to below 10%. The gearing ratios at 31 March 2008 and 2007 were zero as the Group has net balance of cash and cash equivalents in excess of total borrowings.

	2008	2007
	US$'000	US$'000
Cash and cash equivalents	**76,559**	67,459
Less: total borrowings	**(39,287)**	(20,794)
Cash and cash equivalents in excess of total borrowings	**37,272**	46,665

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation

The fair value of financial assets at fair value through profit or loss traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial assets at fair value through profit or loss that are not traded in an active market is determined by independent valuation techniques. The Group adopted the quotation provided by the issuers as its best estimate of the fair value.

The carrying value less impairment provision of trade receivables and payables are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The fair value of investment properties is determined based on valuations performed by independent external valuers. The fair values represent the amount at which the assets could be exchanged between knowledgeable, willing sellers in an arm's length transaction at the date of valuation.

4 CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

The Group makes estimates and judgements concerning the future based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Defined benefit plan assets

Determination of the carrying amount of defined benefit plan assets requires actuarial assumptions made in respect of discount rate, rate of return on plan assets and rate of future salary increase. Changes to these assumptions could have a significant risk of causing a material adjustment to the carrying amount in the consolidated balance sheet.

Other key assumptions for defined benefit plan assets are based in part on current market conditions. Additional information is disclosed in note 23.

4 CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES *(Continued)*

(b) Provision for long service payments

The provision is based on the best estimation of the probable future payments that have been earned by the employees from their services to the Group at the balance sheet date. Actuarial assumptions made in respect of discount rate, rate of return on plan assets and rate of future salary increase also determine the carrying amount of the provision for long service payments. Changes to these assumptions could have a significant risk of causing a material adjustment to the carrying amount in the consolidated balance sheet.

Other key assumptions for provision for long service payments are based in part on current market conditions. Additional information is disclosed in note 32(c).

(c) Fair value of financial assets at fair value through profit or loss

The fair value of financial assets at fair value through profit or loss that are not traded in an active market is determined by independent valuation techniques. The Group adopted the quotations provided by the issuers as its best estimate of the fair value.

(d) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 2.6(a). The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates. Changing the assumptions selected by the Group to determine the level, if any, of impairment, including the discount rate or the growth rate assumptions, could significantly affect the Group's reported financial condition and results of operations.

(e) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(f) Deferred income tax assets

Management has considered future taxable income and on-going prudent and feasible tax planning strategies in assessing the recognition criteria for deferred income tax assets recorded in relation to cumulative tax loss carried forwards. The assumptions regarding future profitability of various subsidiaries and agreed tax losses with the tax authorities require significant judgement, and significant changes in these assumptions from period to period may have a material impact on the Group's reported financial condition and results of operations.

(g) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on IAS 40 "Investment Property" in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

4 CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES *(Continued)*

(g) Classification between investment properties and property, plant and equipment *(Continued)*

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(h) Fair value of investment properties

The fair value of investment properties are stated at fair values which have been determined by an accredited independent valuer.

(i) Fair value of share options at grant date

Determining the fair value of share options at grant date requires actuarial assumptions made in respect of the volatility of the stock, risk-free interest rates, forfeiture rate and sub-optional exercise factors. Changes to these assumptions could have a significant risk of causing a material adjustment to the carrying amount in the equity. Details of these actuarial assumptions are set out in note 29(c).

5 TURNOVER, OTHER INCOME AND SEGMENT INFORMATION

Turnover consists of income from the publishing, printing and distribution of Chinese-language newspapers, magazines and books, and provision of travel and travel related services. Turnover and other income recognised during the year are as follows:

	Group	
	2008	2007
	US$'000	US$'000
Turnover		
Advertising income, net of trade discounts	**188,736**	169,862
Sales of newspapers, magazines and books, net of trade discounts and returns	**75,268**	70,540
Travel and travel related services income	**63,684**	63,675
Travel agency commission income	**572**	486
	328,260	304,563
Other income		
Interest income	**2,153**	1,890
Rental and management fee income	**297**	255
Dividend income	**11**	10
License fee and royalty income	**159**	156
Sales of newsprint waste	**2,054**	1,707
	4,674	4,018
Total revenue	**332,934**	308,581

5 TURNOVER, OTHER INCOME AND SEGMENT INFORMATION *(Continued)*

The Group's turnover and results for the year, analysed by business segment and geographical segment, are as follows:

Primary reporting format – business segments

	Publishing and Printing 2008 US$'000	Travel 2008 US$'000	Elimination 2008 US$'000	Total 2008 US$'000
Turnover	264,004	64,256	–	328,260
Segment results	35,092	99	–	35,191
Negative goodwill arising on the acquisition of Nanyang	13,094	–	–	13,094
Provision for impairment of goodwill and intangible assets	(5,393)	–	–	(5,393)
	42,793	99	–	42,892
Interest income				2,153
Net unallocated expenses				(574)
Operating profit				44,471
Finance costs				(710)
Profit before income tax				43,761
Income tax expense				(11,809)
Profit for the year				31,952
Segment assets	432,539	7,736	(4,744)	435,531
Unallocated assets				5,865
Total assets				441,396
Segment liabilities	(100,485)	(8,055)	4,744	(103,796)
Unallocated liabilities				(8,372)
Total liabilities				(112,168)
Capital expenditure on property, plant and equipment	5,711	86	–	5,797
Depreciation	7,500	114	–	7,614
Amortisation of leasehold land and land use rights	448	–	–	448
Amortisation of intangible assets	506	–	–	506
Net other non-cash expenses	2,338	7	–	2,345

5 TURNOVER, OTHER INCOME AND SEGMENT INFORMATION *(Continued)*

Primary reporting format – business segments *(Continued)*

	Publishing and Printing 2007 US$'000	Travel 2007 US$'000	Elimination 2007 US$'000	Total 2007 US$'000
Turnover	240,402	64,161	–	304,563
Segment results	27,063	(38)	–	27,025
Interest income				1,890
Net unallocated expenses				(994)
Operating profit				27,921
Finance costs				(1,155)
Profit before income tax				26,766
Income tax expense				(6,604)
Profit for the year				20,162
Segment assets	244,247	7,827	(3,205)	248,869
Unallocated assets				12,627
Total assets				261,496
Segment liabilities	(59,739)	(7,381)	3,205	(63,915)
Unallocated liabilities				(4,515)
Total liabilities				(68,430)
Capital expenditure on property, plant and equipment	6,035	108	–	6,143
Depreciation	6,333	97	–	6,430
Amortisation of leasehold land and land use rights	506	–	–	506
Amortisation of intangible assets	373	–	–	373
Net other non-cash expenses	1,050	(19)	–	1,031

5 TURNOVER, OTHER INCOME AND SEGMENT INFORMATION *(Continued)*

Secondary reporting format – geographical segments

	Hong Kong 2008 US$'000	North America 2008 US$'000	Mainland China 2008 US$'000	Malaysia and Southeast Asia 2008 US$'000	Elimination 2008 US$'000	Total 2008 US$'000
Turnover	108,399	65,477	6,628	147,756	–	328,260
Segment results	8,760	(2,310)	(1,793)	32,132	–	36,789
Negative goodwill arising on the acquisition of Nanyang	–	–	–	13,094	–	13,094
Provision for impairment of goodwill and intangible assets	(5,393)	–	–	–	–	(5,393)
	3,367	(2,310)	(1,793)	45,226	–	44,490
Interest income						2,153
Net unallocated expenses						(2,172)
Operating profit						44,471
Finance costs						(710)
Profit before income tax						43,761
Income tax expense						(11,809)
Profit for the year						31,952
Segment assets	190,559	20,268	27,748	250,676	(53,720)	435,531
Unallocated assets						5,865
Total assets						441,396
Segment liabilities	(17,507)	(50,056)	(15,868)	(74,085)	53,720	(103,796)
Unallocated liabilities						(8,372)
Total liabilities						(112,168)
Capital expenditure on property, plant and equipment	1,199	1,721	172	2,705	–	5,797

5 TURNOVER, OTHER INCOME AND SEGMENT INFORMATION *(Continued)*

Secondary reporting format – geographical segments *(Continued)*

	Hong Kong 2007 US$'000	North America 2007 US$'000	Mainland China 2007 US$'000	Malaysia and Southeast Asia 2007 US$'000	Elimination 2007 US$'000	Total 2007 US$'000
Turnover	109,527	60,652	7,294	127,090	–	304,563
Segment results	9,621	(2,825)	(2,081)	23,720	–	28,435
Interest income						1,890
Net unallocated expenses						(2,404)
Operating profit						27,921
Financial costs						(1,155)
Profit before income tax						26,766
Income tax expense						(6,604)
Profit for the year						20,162
Segment assets	114,035	17,772	27,354	139,672	(49,964)	248,869
Unallocated assets						12,627
Total assets						261,496
Segment liabilities	(17,938)	(44,928)	(16,093)	(34,920)	49,964	(63,915)
Unallocated liabilities						(4,515)
Total liabilities						(68,430)
Capital expenditure on property, plant and equipment	1,885	472	211	3,575	–	6,143

6 EXPENSES BY NATURE

	Group	
	2008	2007
	US$'000	US$'000
Auditor's remuneration		
Current year	**532**	591
Under provision in prior years	**12**	12
Raw materials and consumables used	**91,364**	87,231
Depreciation		
Owned property, plant and equipment	**7,270**	6,134
Leased property, plant and equipment	**344**	296
Amortisation of leasehold land and land use rights	**448**	506
Amortisation of intangible assets	**506**	373
Employee benefit expense (including directors' emoluments)	**78,610**	72,034
Operating lease expenses		
Land and buildings	**1,614**	1,693
Machineries	**19**	23
Provision for impairment and written off of receivables	**2,232**	945
Provision for inventory obsolescence	**113**	86
(Gain)/loss on disposals of property, plant and equipment, leasehold land and land use rights – net	**(308)**	74
Loss on disposal of other investment	**–**	14
Provision for impairment of goodwill and intangible assets	**5,393**	–
Other expenses	**114,809**	112,289
Total cost of goods sold, selling and distribution expenses, administrative expenses, and other operating expenses	**302,958**	282,301

7 OTHER GAINS, NET

	Group	
	2008	2007
	US$'000	US$'000
Net exchange gain	**204**	4
Fair value losses on financial assets at fair value through profit or loss	**(322)**	(47)
Others	**1,519**	1,684
	1,401	1,641

8 FINANCE COSTS

	Group	
	2008	2007
	US$'000	US$'000
Interest on bank loans and overdrafts wholly repayable within five years	**604**	1,077
Interest element of finance lease payments wholly repayable within five years	**106**	78
	710	1,155

9 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 17.5% (2007: 17.5%) on the estimated assessable profit derived from Hong Kong for the year. Income tax for the Group's Malaysian operations is calculated at the statutory tax rate of 26% (2007: 27%) on the estimated assessable profit derived from Malaysia for the year. Taxation on other countries' profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of income tax expense charged to the consolidated income statement represents:

	Group	
	2008	2007
	US$'000	US$'000
Hong Kong profits tax		
Current year	**1,217**	876
Under/(over) provision in prior years	**6**	(6)
Malaysian taxation		
Current year	**7,511**	4,870
Over provision in prior years	**(534)**	(287)
Other countries' taxation		
Current year	**1,049**	765
Under/(over) provision in prior years	**1,450**	(17)
Deferred income tax expense	**1,110**	403
	11,809	6,604

9 INCOME TAX EXPENSE *(Continued)*

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rates applicable to profits of the consolidated entities as follows:

	Group	
	2008	2007
	US$'000	US$'000
Profit before income tax	**43,761**	26,766
Tax calculated at domestic tax rates applicable to profits in the respective countries	**9,841**	6,320
Effect of change in tax rates on opening balance	**(92)**	(8)
Income not subject to tax	**(2,845)**	(338)
Expenses not deductible for tax purposes	**2,066**	640
Utilisation of previously unrecognised tax losses	**(159)**	–
Recognition of deferred income tax assets arising from previously unrecognised tax losses	**(429)**	(1,352)
Deferred tax asset unrecognised during the year	**2,600**	2,039
Temporary differences not recognised	**39**	–
Under/(over) provision in prior years	**922**	(310)
Utilisation of current year's reinvestment allowance	**(134)**	(387)
Income tax expense	**11,809**	6,604

The weighted average applicable tax rate for the year was 22% (2007: 24%). The decrease was caused by a change in tax rates and the profitability of the Group's subsidiaries in the respective regions.

10 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of a loss of US$340,000 (2007: Profit of US$928,000).

11 DIVIDENDS

	Group and Company	
	2008	2007
	US$'000	US$'000
by the Company		
First interim dividend proposed and paid (US0.258 cents per share (2007: US0.386 cents per share))	**1,037**	1,561
Second interim dividend proposed (US0.926 cents per share (2007: Nil))	**15,610**	–
by Sin Chew		
First and final dividend proposed (Nil (2007: US2.576 cents per share))	**–**	7,781
	16,647	9,342

11 DIVIDENDS *(Continued)*

Notes:

(a) An interim dividend of US0.258 cents (2007: US0.386 cents) per share on 402,808,000 ordinary shares of the Company amounting to US$1,037,000 was paid on 15 January 2008.

(b) The Board of Directors has declared a second interim dividend of US0.926 cents per ordinary share in respect of the fourth quarter ended 31 March 2008 (2007: nil).

(c) No tax is payable on the dividend declared by the Company to be received by Malaysian shareholders as it is income from foreign source in accordance to paragraph 28 of Schedule 6 of Malaysian Income Tax Act 1967.

(d) The Board of Directors does not recommend the payment of any final dividend in respect of the current financial year (2007: a final dividend of US2.576 cents per share was paid by Sin Chew).

12 EARNINGS PER SHARE

(i) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. For the purpose of calculating the weighted average number of ordinary shares, ordinary shares in issue and all the shares that were deemed to have been issued as detailed in note 29(a) during the year were taken into account.

	Group	
	2008	2007
Profit attributable to equity holders of the Company (US$'000)	**19,188**	11,489
Weighted average number of ordinary shares in issue	**914,936,623**	913,974,911
Basic earnings per share (US cents)	**2.10**	1.26

(ii) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares, which is the share options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

12 EARNINGS PER SHARE *(Continued)*

(ii) Diluted *(Continued)*

	Group	
	2008	2007
Profit attributable to equity holders of the Company (US$'000)	**19,188**	11,489
Weighted average number of ordinary shares in issue	**914,936,623**	913,974,911
Adjustment for share options	**741,244**	99,983
Weighted average number of ordinary shares used to compute diluted earnings per share	**915,677,867**	914,074,894
Diluted earnings per share (US cents)	**2.10**	1.26

13 EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	Group	
	2008	2007
	US$'000	US$'000
Wages and salaries	**61,877**	57,350
Unutilised annual leave	**34**	46
Share compensation costs on share options granted by a listed subsidiary	**229**	333
Pension costs – defined contribution plans	**3,385**	3,224
Pension income – defined benefit plans *(note 23)*	**(32)**	(3)
Long service payments *(note 32 (c))*	**19**	40
Other staff costs	**13,098**	11,044
	78,610	72,034

14 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Details of directors' emoluments for the years ended 31 March 2008 and 2007 are set out below:

Name of Director	Fees US$'000	Salaries, allowances and benefits in kind US$'000	Discretionary bonuses US$'000	Employer's contributions to pension schemes US$'000	Share compensation cost on share options granted by a listed subsidiary US$'000	Total US$'000
Executive directors						
Tan Sri Datuk TIONG Hiew King	–	–	–	–	21	21
Mr TIONG Kiu King	–	–	–	–	21	21
Dr TIONG Ik King	–	–	–	–	17	17
Mr TIONG Kiew Chiong	–	247	36	12	21	316
Independent non-executive directors						
Mr TANG Ying Yu	19	–	–	–	3	22
Mr David YU Hon To	41	–	–	–	3	44
Mr Victor YANG	22	–	–	–	3	25
Total for the year ended 31 March 2008	82	247	36	12	89	466

Name of Director	Fees US$'000	Salaries, allowances and benefits in kind US$'000	Discretionary bonuses US$'000	Employer's contributions to pension schemes US$'000	Share compensation cost on share options granted by a listed subsidiary US$'000	Total US$'000
Executive directors						
Tan Sri Datuk TIONG Hiew King	–	–	–	–	27	27
Mr TIONG Kiu King	–	–	–	–	27	27
Dr TIONG Ik King	–	–	–	–	22	22
Mr TIONG Kiew Chiong	–	240	7	12	27	286
Independent non-executive directors						
Mr TANG Ying Yu	17	–	–	–	3	20
Mr David YU Hon To	36	–	–	–	3	39
Mr Victor YANG	18	–	–	–	3	21
Total for the year ended 31 March 2007	71	240	7	12	112	442

14 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

(a) *(Continued)*

No directors waived any emoluments and no emoluments were paid to the directors as an inducement fee to join or as compensation for loss of office during the years ended 31 March 2008 and 2007.

During the year, no option (2007: nil) was granted to the directors under the share option scheme of the Company approved by the shareholders at the Special General Meeting held on 21 August 2001.

At 31 March 2008, no option was granted to the directors under the Post-IPO Scheme of OMG.

(b) The five highest paid individuals during the year include one executive director whose emoluments are reflected in the analysis presented above. The emoluments paid to the remaining four (2007: four) individuals during the year are as follows:

	Group	
	2008	2007
	US$'000	US$'000
Basic salaries, discretionary bonuses, other allowances and benefits in kind	**1,034**	891
Contributions to pension schemes	**64**	54
Share compensation costs on share options granted by a listed subsidiary	**21**	52
	1,119	997

The emoluments of the four individuals fell within the following bands:

	Number of individuals	
	2008	2007
From US$193,051 to US$257,400	**–**	3
From US$257,401 to US$321,750	**4**	1

15 PROPERTY, PLANT AND EQUIPMENT

	Group								
	Other properties								
	Freehold land and buildings outside Hong Kong US$'000	Buildings held on long term leases outside Hong Kong US$'000	Buildings held on medium term leases in Hong Kong US$'000	Buildings held on medium term leases outside Hong Kong US$'000	Leasehold improvements, furniture, fixtures and equipment US$'000	Machinery and printing equipment US$'000	Motor vehicles US$'000	Construction in-progress US$'000	Total US$'000
At 31 March 2006									
Cost	19,015	264	8,769	1,581	25,073	71,821	1,871	1,952	130,346
Accumulated depreciation	(2,956)	(41)	(2,390)	(360)	(20,245)	(42,309)	(1,204)	–	(69,505)
Net book value	16,059	223	6,379	1,221	4,828	29,512	667	1,952	60,841
Year ended 31 March 2007									
Opening net book value	16,059	223	6,379	1,221	4,828	29,512	667	1,952	60,841
Additions	70	–	–	–	2,652	1,327	472	1,622	6,143
Transfers	1,512	–	–	–	176	1,658	–	(3,346)	–
Exchange adjustment	1,093	–	–	–	231	1,813	41	15	3,193
Disposals	–	–	–	–	(103)	(5)	(81)	–	(189)
Depreciation *(note c)*	(805)	(4)	(243)	(34)	(2,100)	(2,952)	(292)	–	(6,430)
Closing net book value	17,929	219	6,136	1,187	5,684	31,353	807	243	63,558
At 31 March 2007									
Cost	21,928	264	8,769	1,581	27,340	77,532	2,131	243	139,788
Accumulated depreciation	(3,999)	(45)	(2,633)	(394)	(21,656)	(46,179)	(1,324)	–	(76,230)
Net book value	17,929	219	6,136	1,187	5,684	31,353	807	243	63,558
Year ended 31 March 2008									
Opening net book value	**17,929**	**219**	**6,136**	**1,187**	**5,684**	**31,353**	**807**	**243**	**63,558**
Additions	**228**	**–**	**–**	**–**	**2,220**	**2,257**	**744**	**348**	**5,797**
Transfers	**218**	**–**	**–**	**–**	**6**	**–**	**–**	**(224)**	**–**
Acquisition of subsidiary-Nanyang	**19,958**	**2,823**	**–**	**109**	**3,980**	**19,758**	**346**	**–**	**46,974**
Exchange adjustment	**1,436**	**–**	**–**	**–**	**324**	**2,258**	**74**	**26**	**4,118**
Disposals	**–**	**–**	**–**	**(106)**	**(34)**	**(51)**	**(39)**	**–**	**(230)**
Depreciation *(note c)*	**(954)**	**(4)**	**(243)**	**(34)**	**(2,329)**	**(3,702)**	**(348)**	**–**	**(7,614)**
Closing net book value	**38,815**	**3,038**	**5,893**	**1,156**	**9,851**	**51,873**	**1,584**	**393**	**112,603**
At 31 March 2008									
Cost	**44,150**	**3,087**	**8,769**	**1,534**	**33,967**	**102,303**	**2,959**	**393**	**197,162**
Accumulated depreciation	**(5,335)**	**(49)**	**(2,876)**	**(378)**	**(24,116)**	**(50,430)**	**(1,375)**	**–**	**(84,559)**
Net book value	**38,815**	**3,038**	**5,893**	**1,156**	**9,851**	**51,873**	**1,584**	**393**	**112,603**

15 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

(a) The carrying values of machines and motor vehicles purchased under finance leases are US$2,326,000 and US$448,000 respectively (2007: US$1,179,000 and US$461,000).

(b) Certain property, plant and equipment were pledged as securities for the Group's banking facilities. The details are set out in note 34 to the consolidated financial statements.

(c) Depreciation expense of US$3,702,000 (2007: US$2,952,000) was included in cost of goods sold and US$3,912,000 (2007: US$3,478,000) was charged in other operating expenses.

16 INVESTMENT PROPERTIES

	Group	
	2008	2007
	US$'000	US$'000
At 1 April	**1,455**	1,353
Acquisition of subsidiary – Nanyang	**5,487**	–
Exchange adjustments	**114**	102
At 31 March	**7,056**	1,455

The net book value of the Group' investment properties is analysed as follows:

	Group	
	2008	2007
	US$'000	US$'000
In Malaysia, held on:		
Leases of over 50 years	**7,056**	1,455
	7,056	1,455

Investment properties are stated at fair values, which have been determined based on valuations performed by Raine & Horne International Zaki + Partners Sdn Bhd ("Raine & Horne"), an accredited independent valuer. Raine & Horne is an industry specialist in valuing these types of investment properties. The fair values represent the amounts at which the assets could be exchanged between knowledgeable, willing parties in arm's length transactions at the dates of valuation.

The following amounts have been recognised in the consolidated income statement:

	Group	
	2008	2007
	US$'000	US$'000
Rental income	**123**	120
Direct operating expenses arising from investment properties that generate rental income	**(18)**	(8)
	105	112

16 INVESTMENT PROPERTIES *(Continued)*

At 31 March 2008, the Group had future aggregate minimum rentals receivables under non-cancellable operating leases as follows:

	Group	
	2008	2007
	US$'000	US$'000
Within one year	**280**	93
Later than one year and no later than five years	**69**	54
	349	147

Particulars of the Group's investment properties as at 31 March 2008 are as follows:

	Location	**Lease term**	**Uses**	**US$'000**
1	V5-09-05, Block 5, Sri Palma Villa, Jalan KL-Seremban, Bandar University Teknologi Lagenda, 71700 Mantin, Negeri Sembilan, Malaysia	Freehold	Building (1 unit of service apartment)	45
2	PT12917 HS(D) 103390 (Ground Floor) Putra Indah A, Putra Nilai, 71800 Nilai, Negeri Sembilan, Malaysia	Freehold	Commercial building	85
3	59-1-2, Jalan TMR 2, Taman Melaka Raya, 75000 Melaka, Malaysia	99-year leasehold expiring in 2094	Commercial buildings	113
4	No. 22 Jalan BP 10/9, Bandar Bukit Puchong 2, 47100 Puchong, Selangor Darul Ehsan, Malaysia	Freehold	Double storey house	99
5	Lot 4173, Mukim Tebrau, 3, Jalan Riang 22/1, Taman Gembira, Tampoi, 81200 Johor Bahru, Malaysia	Freehold	Office buildings and factory buildings	361
6	Lot 25, Rawang Integrated Industrial Park, Jalan Batu Arang, 48000 Rawang, Selangor Darul Ehsan, Malaysia	Freehold	Office buildings and single storey factory building	4,706
7	AR09-F3A0, Ara Ria 09, Jalan UTL 9, Bandar University Teknologi Lagenda, 71700 Mantin, Negeri Sembilan, Malaysia	99-year leasehold expiring in 2099	Residential buildings	25
8	No. 11 Jalan Melor 1/4, Sungai Buloh Country Resort, 47000 Sungai Buloh, Selangor Darul Ehsan, Malaysia	99-year leasehold expiring in 2095	Residential buildings	53
9	No. 3, Lorong Kilang F, Kelombong, 88450 Kota Kinabalu, Sabah, Malaysia	Leasehold expiring in 2920	Office building	1,569
				7,056

17 LEASEHOLD LAND AND LAND USE RIGHTS

	Group	
	2008	2007
	US$'000	US$'000
Cost		
At 1 April	**28,534**	27,260
Additions	**–**	609
Acquisition of subsidiary – Nanyang	**1,830**	–
Disposals	**(381)**	–
Exchange adjustments	**753**	665
At 31 March	**30,736**	28,534
Accumulated amortisation		
At 1 April	**6,055**	5,477
Charge for the year *(note (a))*	**448**	506
Disposals	**(118)**	–
Exchange adjustments	**89**	72
At 31 March	**6,474**	6,055
Net book value		
At 31 March	**24,262**	22,479

Note:

(a) Amortisation expense of US$448,000 (2007: US$506,000) is included in other operating expenses in the consolidated income statement.

(b) The net book value of the Group's leasehold land and land use rights is analysed as follows:

	Group	
	2008	2007
	US$'000	US$'000
In Hong Kong, held on:		
Leases of between 10 to 50 years	**11,006**	11,286
In Malaysia, held on:		
Leases of between 10 to 50 years	**2,761**	2,132
Leases of over 50 years	**8,233**	6,467
In Mainland China, held on:		
Leases of between 10 to 50 years	**1,737**	2,060
Leases of over 50 years	**525**	534
	24,262	22,479

(c) Certain leasehold land and land use rights were pledged as securities for the Group's banking facilities. The details are set out in note 34 to the consolidated financial statements.

18 INTANGIBLE ASSETS AND GOODWILL

	Group				
	Archives, mastheads and publishing rights *(note (b))* US$'000	**Computer softwares** *(note (c))* US$'000	**Total intangible assets** US$'000	**Goodwill** *(note (d))* US$'000	**Total** US$'000
At 1 April 2006					
Cost	5,893	–	5,893	14,924	20,817
Accumulated amortisation	(510)	–	(510)	–	(510)
Net book value	5,383	–	5,383	14,924	20,307
Year ended 31 March 2007					
Opening net book value	5,383	–	5,383	14,924	20,307
Additions	–	900	900	–	900
Amortisation expense *(note (a))*	(296)	(77)	(373)	–	(373)
Exchange adjustments	2	88	90	858	948
Closing net book value	5,089	911	6,000	15,782	21,782
At 31 March 2007					
Cost	5,929	1,005	6,934	15,782	22,716
Accumulated amortisation	(840)	(94)	(934)	–	(934)
Net book value	5,089	911	6,000	15,782	21,782
Year ended 31 March 2008					
Opening net book value	**5,089**	**911**	**6,000**	**15,782**	**21,782**
Additions	**–**	**133**	**133**	**–**	**133**
Acquisition of subsidiary – Nanyang	**20,516**	**603**	**21,119**	**–**	**21,119**
Acquisition of equity interest from minority shareholders of Sin Chew	**–**	**–**	**–**	**49,018**	**49,018**
Amortisation expense *(note (a))*	**(298)**	**(208)**	**(506)**	**–**	**(506)**
Impairment charge *(note (d)(ii))*	**(4,792)**	**–**	**(4,792)**	**(3,302)**	**(8,094)**
Exchange adjustments	**1**	**67**	**68**	**952**	**1,020**
Closing net book value	**20,516**	**1,506**	**22,022**	**62,450**	**84,472**
At 31 March 2008					
Cost	**26,487**	**1,825**	**28,312**	**65,752**	**94,064**
Accumulated amortisation and impairment	**(5,971)**	**(319)**	**(6,290)**	**(3,302)**	**(9,592)**
Net book value	**20,516**	**1,506**	**22,022**	**62,450**	**84,472**

18 INTANGIBLE ASSETS AND GOODWILL *(Continued)*

Notes:

(a) Amortisation expense of US$506,000 (2007: US$373,000) is included in other operating expenses in the consolidated income statement.

(b) Archives, mastheads and publishing rights that are acquired by the Group are stated in the balance sheet at fair value and are amortised using the straight-line basis over fifteen to forty years.

(c) Costs of computer softwares, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over five to ten years.

(d) Goodwill acquired through business combinations is allocated to cash-generating units for the impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combinations in which the goodwill arose.

The carrying amounts of goodwill are allocated to the following cash-generating units:

	Group	
	2008	2007
	US$'000	US$'000
Guang-Ming Ribao Sdn Bhd *(note (i))*	**12,558**	11,649
Mulu Press Sdn Bhd *(note (i))*	**569**	528
Sinchew-i Sdn Bhd *(note (i))*	**44**	42
Yazhou Zhoukan Holdings Limited *(note (ii))*	**–**	3,302
Subsidiaries in Mainland China *(note (iii))*	**261**	261
Sin Chew Media Corporation Berhad *(note (iv))*	**49,018**	–
	62,450	15,782

Notes:

(i) The recoverable amount of each of these cash-generating unit has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to the cash flow projections is 7.27% (2007: 7.27%) and cash flows beyond the 5-year period are extrapolated without considering any growth rate.

Key assumptions used for value in use calculations

The calculation of value in use for all the cash-generating units is most sensitive to the following assumptions:

- Discounts rates;
- Raw materials price inflation;
- Market share during the budget period;

Sensitivity to changes in assumptions

With regard to the assessment of value in use, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materiality exceed its carrying amount.

18 INTANGIBLE ASSETS AND GOODWILL *(Continued)*

(d) *Notes: (Continued)*

(ii) The goodwill comes from the acquisition of Yazhou Zhoukan Holdings Limited ("YZH") in 2006. The determination of fair value and the impairment are based on a discounted cash flow analysis using estimates and assumptions including the amount and timing of future interest rates. The impairment was primarily attributable to the significant decrease in actual and forecasted revenue of YZH. As a result of the review, the Company recorded an impairment charge of US$8,094,000 on YZH's intangible assets and goodwill for the year ended 31 March 2008. An amount of US$5,393,000 was included in other operating expenses and the remaining balance of US$2,701,000 was written off against the asset revaluation reserve.

(iii) The goodwill comes from the acquisition of the Group's subsidiaries in Mainland China in 2004. The recoverable amount of this cash-generating unit is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. The growth rate does not exceed the long-term average growth rate for the business in which the cash-generating unit operates. Key assumptions used for value in use calculations are around 22% for average growth rate and 10% for the discount rate. Management determined budgeted gross margin based on past performance and its expectations for the market development. The growth rates used are consistent with the industry forecasts. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

(iv) As disclosed in note 29(a), 506,667,259 ordinary shares of HK$0.1 each were deemed to have been issued on 31 March 2008 for the acquisition of the remaining equity interest in Sin Chew from its minority shareholders. The purchase resulted in the Company recording a goodwill of US$49,018,000.

19 INTERESTS IN SUBSIDIARIES

	Company	
	2008	2007
	US$'000	US$'000
Non-current		
Unlisted shares, at cost	**384,553**	95,903
Less: provision for impairment	**(36,126)**	(36,126)
	348,427	59,777
Current		
Amounts due from subsidiaries *(note)*		
Interest-free	**86,310**	84,103

Note: At 31 March 2008, the amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand (2007: Same).

The carrying amounts of the amounts due from subsidiaries approximate their fair values.

Details of the Company's principal subsidiaries are set out in note 42 to the consolidated financial statements.

As disclosed in note 29(a), on 31 March 2008, 1,015,976,055 new ordinary shares of the Company of HK$0.1 each were deemed to have been allotted to the shareholders of Sin Chew as consideration for the exchange of all the ordinary shares of RM0.5 each in the issued share capital of Sin Chew; and 268,839,186 new ordinary shares of the Company of HK$0.1 each were deemed to have been allotted to the shareholders of Nanyang as consideration for the exchange of all the ordinary shares of RM1 each in the issued share capital of Nanyang, although the actual date of exchange of shares was on 23 April 2008. Accordingly, Sin Chew and Nanyang became wholly-owned subsidiaries of the Company on 31 March 2008.

20 FINANCIAL INSTRUMENTS BY CATEGORY

	Group				Company
	Loans and receivables	Assets at fair value through profit or loss	Available-for-sale financial assets	Total	Loans and receivables
	US$'000	US$'000	US$'000	US$'000	US$'000
Assets					
At 31 March 2008					
Available-for-sale financial assets *(note 25)*	**–**	**–**	**644**	**644**	**–**
Trade receivables *(note 26)*	**66,490**	**–**	**–**	**66,490**	**–**
Deposits and other receivables	**3,949**	**–**	**–**	**3,949**	**–**
Other financial assets at fair value through profit or loss *(note 22)*	**–**	**1,404**	**–**	**1,404**	**–**
Amounts due from subsidiaries *(note 19)*	**–**	**–**	**–**	**–**	**86,310**
Cash and cash equivalents *(note 27)*	**76,559**	**–**	**–**	**76,559**	**47**
Total	**146,998**	**1,404**	**644**	**149,046**	**86,357**
At 31 March 2007					
Available-for-sale financial assets *(note 25)*	–	–	605	605	–
Trade receivables *(note 26)*	48,290	–	–	48,290	–
Deposits and other receivable	1,415	–	–	1,415	–
Other financial assets at fair value through profit or loss *(note 22)*	–	1,224	–	1,224	–
Amounts due from subsidiaries *(note 19)*	–	–	–	–	84,103
Cash and cash equivalents *(note 27)*	67,459	–	–	67,459	6,511
Total	117,164	1,224	605	118,993	90,614

20 FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

	Group Financial liabilities US$'000	Company Financial liabilities US$'000
Liabilities		
At 31 March 2008		
Bank overdrafts, secured *(note 27)*	**2,962**	**–**
Short-term bank loans *(note 31)*	**24,414**	**–**
Bank loans, secured *(note 32)*	**10,188**	**–**
Obligations under finance leases *(note 32)*	**1,723**	**–**
Trade and other payables	**49,788**	**2,209**
Total	**89,075**	**2,209**
At 31 March 2007		
Bank overdrafts, secured *(note 27)*	2,535	–
Short-term bank loans *(note 31)*	9,479	–
Bank loans, secured *(note 32)*	7,691	–
Obligations under finance leases *(note 32)*	1,089	–
Trade and other payables	30,389	83
Total	51,183	83

21 INVESTMENT IN ASSOCIATE

	Group **2008** **US$'000**	2007 US$'000
Unquoted shares at cost	**3,202**	–
Less: accumulated impairment loss	**(3,202)**	–
	–	–

At 31 March 2008, the Group's share of the net identifiable assets of the associate was Nil (2007: Nil).

Details of the associate are as follows:

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest as at 31 March 2008
Channel K TV Pte Ltd	Singapore	In voluntary liquidation	18.38%

At an Extraordinary General Meeting held on 23 May 1997, the shareholders of Channel K TV Pte Ltd approved the voluntary winding up of the company. Full provision for the cost of the Group's investment of US$3,202,000 in the unquoted shares of Channel K TV Pte Ltd has been made in the consolidated financial statements.

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2008	2007
	US$'000	US$'000
Listed equity securities in Hong Kong, at market value *(note (a))*	**276**	252
Equity linked notes *(note (b))*	**1,128**	972
	1,404	1,224
Less: non-current portion	**(1,128)**	(972)
	276	252

(a) The investments were acquired principally for the purpose of selling in the short term.

(b) The instruments were designated by management as financial assets at fair value through profit or loss on initial recognition as the management was not able to measure the embedded derivatives separately either at acquisition or at a subsequent financial reporting date and the embedded derivatives of the instruments could significantly modify the cash flows that would otherwise be required by the instruments.

As these instruments are not publicly traded and in the absence of readily available information to determine the fair values of these instruments, the Group has adopted the quotations provided by the issuers as its best estimate of the fair values of these instruments.

Major terms of the equity linked notes are as follows:

(i) The principal amount of the equity linked notes is US$1,500,000 with maturity date in November 2009.

(ii) The equity linked notes are interest bearing with interest rate stated at 16.75% per annum, subject to the market prices of the underlying securities at certain pre-determined price levels.

(iii) The equity linked notes are subject to mandatory redemption clauses at various time intervals until the maturity date depending on the market prices of the Hong Kong listed securities underlying the equity linked notes. The equity linked notes will be redeemed based on the original principal amount.

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

(b) *(Continued)*

(iv) At maturity date, if the equity linked notes, depending on the market prices of the underlying equity securities at certain pre-determined price levels, are still outstanding, the equity linked notes will be redeemed by the issuer at the principal amount in cash or by shares at a pre-determined strike price. The equity linked notes are measured at fair value at the balance sheet date which were determined based on the valuation provided by the financial institutions.

(c) A loss of fair value change on the equity linked notes and a gain on the fair value of the listed equity securities at 31 March 2008 of US$346,000 and US$24,000 respectively (2007: fair value gains on equity linked notes and listed equity securities of US$30,000 and US$16,000 respectively) are recognised as other gains in the consolidated income statement.

(d) The maximum exposure to credit risk of the financial assets at fair value through profit or loss at the reporting date is equal to the fair values of the respective assets.

23 DEFINED BENEFIT PLAN ASSETS

The Group operates a number of staff retirement schemes which include a hybrid retirement benefit scheme (the "Scheme") for its employees in Hong Kong.

(a) The Scheme has three categories of members: Regular Member, Special Member and Defined Benefit ("DB") Member

Regular Member	–	defined contribution type of benefits based on accumulated contributions and investment gains and losses thereon.
Special Member	–	benefits based on final salary and service period or accumulated employer's contributions with credited investment gains and losses, whichever is higher.
DB Member	–	benefits based on final salary and service period only.

Members are also required to contribute monthly at 5% of their basic monthly salaries to the Scheme. The accumulated members' contributions with investment gains and losses will be paid to the members upon their leaving the employment in addition to the benefits described above.

(b) Defined benefit schemes for Special Member and DB Member

Pension costs are assessed using the projected unit credit method. The pension costs are charged to the consolidated income statement so as to spread the regular costs over the service lives of employees. A full valuation of the defined benefit scheme based on the projected unit credit method has been carried out by Watson Wyatt Hong Kong Limited, an independent qualified actuary, and the pension costs are charged to the consolidated income statement in accordance with its advice.

23 DEFINED BENEFIT PLAN ASSETS *(Continued)*

(b) Defined benefit schemes for Special Member and DB Member *(Continued)*

The limit of net assets to be recognised is disclosed as follows:	Group 2008 US$'000	2007 US$'000
Present value of available future refunds or reductions in future contributions	**579**	1,419

The amounts recognised in the consolidated balance sheet are determined as follows:	Group 2008 US$'000	2007 US$'000
Fair value of plan assets	**5,972**	6,042
Present value of funded obligations	**(5,393)**	(4,623)
Assets in the consolidated balance sheet	**579**	1,419

Reconciliation of the fair value of plan assets is as follows:	Group 2008 US$'000	2007 US$'000
Fair value of the assets at the beginning of the year	**6,042**	5,253
Company contributions	**70**	123
Expected return on plan assets	**425**	367
Actual benefits paid	**(310)**	(142)
Actuarial (losses)/gains on plan assets	**(255)**	441
Fair value of the assets at the end of the year	**5,972**	6,042

Reconciliation of the present value of the defined benefit obligations is as follows:	Group 2008 US$'000	2007 US$'000
Present value of obligations at the beginning of the year	**4,623**	3,865
Current service costs	**198**	193
Interest cost	**195**	171
Actual benefits paid	**(310)**	(142)
Actuarial losses on obligations	**687**	536
Present value of the obligations at the end of the year	**5,393**	4,623

23 DEFINED BENEFIT PLAN ASSETS *(Continued)*

(b) Defined benefit schemes for Special Member and DB Member *(Continued)*

The amounts recognised in the consolidated income statement are as follows:

	Group	
	2008	2007
	US$'000	US$'000
Current service costs	**(198)**	(193)
Interest cost	**(195)**	(171)
Expected return on plan assets	**425**	367
Total pension income, included in employee benefit expense *(note 13)*	**32**	3

The amounts recognised in the consolidated statement of recognised income and expense are as follows:

	Group	
	2008	2007
	US$'000	US$'000
Cumulative amount of actuarial losses at the beginning of the year	**751**	656
Actuarial losses during the year	**942**	95
Cumulative amount of actuarial losses at the end of the year	**1,693**	751

The actual return on plan assets recognised as an asset was US$319,000 (2007: US$908,000).

Movements in the assets recognised in the consolidated balance sheet:

	Group	
	2008	2007
	US$'000	US$'000
At 1 April	**1,419**	1,388
Total pension income recognised in the consolidated income statement – as shown above	**32**	3
Actuarial losses recognised in the consolidated statement of recognised income and expense	**(942)**	(95)
Contributions paid	**70**	123
At 31 March	**579**	1,419

23 DEFINED BENEFIT PLAN ASSETS *(Continued)*

(b) Defined benefit schemes for Special Member and DB Member *(Continued)*

The principal actuarial assumptions used were as follows:

	Group	
	2008	2007
	%	%
Discount rate	**2.6**	4.25
Expected rate of return on plan assets	**7.0**	7.0
Expected rate of future salary increases		
2008 (2007: 2007 to 2008)	**3.0**	3.0
2009 and onwards	**4.0**	4.0

Expected contributions to the defined benefit plan for the year ending 31 March 2009 are US$346,000.

Other disclosure figures for the current and previous years are as follows:

		Group	
	2008	2007	2006
	US$'000	US$'000	US$'000
At 31 March			
Present value of defined benefit obligations	**(5,393)**	(4,623)	(3,865)
Fair value of the plan assets	**5,972**	6,042	5,254
Surplus	**579**	1,419	1,389
Experience adjustments on the defined benefit obligations	**92**	(424)	(309)
Experience adjustments on the plan assets	**(255)**	441	338

The plan assets are managed by independent investment managers and are invested in unit tursts which comprise approximately 70% equity securities and 30% bonds. Based on current market expectation of long term-returns, the Group expected a rate of return of 7% per annum.

24 INVENTORIES

	Group	
	2008	2007
	US$'000	US$'000
Raw materials	**49,928**	19,175
Finished goods	**603**	582
	50,531	19,757

Raw materials and consumables recognised as expenses and included in cost of goods sold amounted to US$91,364,000 (2007: US$87,231,000).

25 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2008	2007
	US$'000	US$'000
At 1 April	**605**	605
Additions	**39**	–
At 31 March	**644**	605
Less: non-current portion	**–**	–
Current portion	**644**	605

There were no disposals or impairment provisions on available-for-sale financial assets during the years ended 31 March 2008 and 2007.

Available-for-sale financial assets included the following:

	Group	
	2008	2007
	US$'000	US$'000
Unlisted club debentures	**644**	605

25 AVAILABLE-FOR-SALE FINANCIAL ASSETS *(Continued)*

Available-for-sale financial assets are denominated in the following currencies:

	Group	
	2008	2007
	US$'000	US$'000
HK dollars	**644**	605

The carrying value of unlisted club debentures are based on fair value of the market and are classified as available-for-sale.

A significant or prolonged decline in fair value below cost is considered as an indicator of impairment. If any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current fair value less any impairment loss previously recognised in the consolidated income statement – is removed from equity and recognised in the consolidated income statement.

26 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2008	2007	**2008**	2007
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables	**72,016**	51,342	**–**	–
Less: provision for impairment of trade receivables	**(5,526)**	(3,052)	**–**	–
Trade receivables, net *(note)*	**66,490**	48,290	**–**	–
Deposits and prepayments	**7,197**	7,562	**33**	92
Other receivables	**3,209**	682	**–**	–
	76,896	56,534	**33**	92

The carrying amounts of trade and other receivables approximate their fair values.

Note: The Group allows in general a credit period ranging from 7 days to 120 days to its trade customers. At 31 March 2008, the ageing analysis of the Group's net trade receivables is as follows:

	Group	
	2008	2007
	US$'000	US$'000
0 to 60 days	**46,826**	30,991
61 to 120 days	**13,964**	11,836
121 to 180 days	**4,136**	2,513
Over 180 days	**1,564**	2,950
	66,490	48,290

26 TRADE AND OTHER RECEIVABLES *(Continued)*

Note: (Continued)

The carrying amounts of net trade receivables are denominated in the following currencies:

	Group	
	2008	2007
	US$'000	US$'000
HK dollars	**14,248**	15,391
Ringgit Malaysia	**42,569**	24,375
RMB	**2,022**	1,802
US dollars	**1,923**	2,156
Canadian dollars	**5,057**	4,299
Singapore dollars	**321**	–
Others	**350**	267
	66,490	48,290

The Group has trade receivables from customers engaged in various industries and are not concentrated in any specific geographical area. Credit risk concentration with respect to trade receivables is mitigated by the Group's large customer base.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis to reduce our exposure to bad debts. The credit period on trade receivables depending on the business area is 7 to 120 days.

At 31 March 2008, trade receivables that are neither past due nor impaired amounted to US$42,738,000 (2007: US$27,739,000), which represents about 64% (2007: 57%) of the total trade receivables balance. These balances relate to a wide range of customers for whom there was no recent history of default.

During the year ended 31 March 2008, the Group recognised a loss of US$2,148,000 (2007: US$887,000) for the impairment of its trade receivables and directly written off an amount of US$84,000 (2007: US$58,000) as bad debts. The loss has been included in selling and distribution expenses in the consolidated income statement.

26 TRADE AND OTHER RECEIVABLES *(Continued)*

Note: (Continued)

Below is an ageing analysis of trade receivables that are past due but not impaired at the reporting date:

	Group	
	2008	2007
	US$'000	US$'000
Overdue by		
0 to 60 days	**17,095**	14,002
61 to 120 days	**4,814**	3,573
121 to 180 days	**1,255**	2,976
Over 180 days	**588**	–
	23,752	20,551

Movements in the provision for impairment of trade receivables are as follows:

	Group	
	2008	2007
	US$'000	US$'000
At 1 April	**3,052**	2,949
Provision for impairment of receivables	**3,468**	1,841
Receivables written off during the year as uncollectible	**(1,985)**	(921)
Amounts collected subsequently	**(1,320)**	(954)
Acquisition of subsidiary – Nanyang	**2,142**	–
Exchange adjustments	**169**	137
At 31 March	**5,526**	3,052

The creation and release of provision for impaired receivables have been included in selling and distribution expenses in the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

26 TRADE AND OTHER RECEIVABLES *(Continued)*

Note: (Continued)

Deposits, prepayments and other receivables within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivables.

Certain trade receivables are secured by deposits and bank guarantees provided by the customers amounting to US$5,822,000 (2007: US$1,361,000).

27 CASH AND CASH EQUIVALENTS

	Group		Company	
	2008	2007	**2008**	2007
	US$'000	US$'000	**US$'000**	US$'000
Cash at bank and in hand	**18,397**	15,873	**47**	315
Short-term bank deposits	**58,162**	51,586	**–**	6,196
	76,559	67,459	**47**	6,511
Maximum exposure to credit risk	**76,392**	67,316	**47**	6,511

The effective interest rates on short-term bank deposits ranged from 3.19% to 4.02% (2007: 3.34% to 4.22%) per annum; these deposits have an average maturity of 6 to 26 days (2007: 20 to 23 days).

Cash, cash equivalents and bank overdrafts include the following for the purpose of the consolidated cash flow statement:

	Group	
	2008	2007
	US$'000	US$'000
Cash and cash equivalents	**76,559**	67,459
Bank overdrafts	**(2,962)**	(2,535)
	73,597	64,924

27 CASH AND CASH EQUIVALENTS *(Continued)*

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	Group	
	2008	2007
	US$'000	US$'000
HK dollars	**29,392**	23,320
Ringgit Malaysia	**38,701**	31,709
Renminbi	**3,704**	2,637
US dollars	**3,215**	8,573
Canadian dollars	**611**	615
Others	**936**	605
	76,559	67,459

Included in the cash and cash equivalents of the Group are cash and bank deposits denominated in Renminbi and Ringgit Malaysia placed with banks in Mainland China and Malaysia amounting to US$3,704,000 and US$38,701,000 respectively (2007: US$2,637,000 and US$31,709,000 respectively), of which the remittance is subject to foreign exchange controls.

28 TRADE AND OTHER PAYABLES

	Group		Company	
	2008	2007	**2008**	2007
	US$'000	US$'000	**US$'000**	US$'000
Trade payables *(note)*	**20,267**	13,805	**–**	–
Accrued charges	**28,729**	17,882	**2,209**	83
Subscriptions received in advance	**9,986**	7,549	**–**	–
	58,982	39,236	**2,209**	83

The carrying amounts of trade and other payables approximate their fair values.

Note: At 31 March 2008, the ageing analysis of the Group's trade payables is as follows:

	Group	
	2008	2007
	US$'000	US$'000
0 to 60 days	**16,494**	11,937
61 to 120 days	**1,769**	1,481
121 to 180 days	**764**	117
Over 180 days	**1,240**	270
	20,267	13,805

29 SHARE CAPITAL

	Authorised share capital Ordinary shares of HK$0.10 each	
	No. of shares	US$'000
At 31 March 2007	500,000,000	6,435
At 31 March 2008 *(note d)*	**2,500,000,000**	**32,175**

	Number of ordinary shares	Issued share capital	Share premium	Total
		US$'000	US$'000	US$'000
At 1 April 2006	405,230,000	5,215	77,959	83,174
Repurchase of ordinary shares *(note b)*	(931,000)	(12)	(153)	(165)
Exercise of share options *(note c)*	136,000	2	24	26
Transfer to retained earnings *(note 30)*	–	–	(64,350)	(64,350)
At 31 March 2007	**404,435,000**	**5,205**	**13,480**	**18,685**
Repurchase of ordinary shares *(note b)*	**(3,166,000)**	**(41)**	**(707)**	**(748)**
Exercise of share options *(note c)*	**206,000**	**3**	**36**	**39**
At 31 March 2008	**401,475,000**	**5,167**	**12,809**	**17,976**

29 SHARE CAPITAL *(Continued)*

Notes:

(a) On 23 April 2008, 1,015,976,055 new ordinary shares of the Company of HK$0.1 each were allotted to the shareholders of Sin Chew as consideration for the exchange of all the ordinary shares of RM0.5 each in the issued share capital of Sin Chew; and 268,839,186 new ordinary shares of the Company of HK$0.1 each were allotted to the shareholders of Nanyang as consideration for the exchange of all the ordinary shares of RM1 each in the issued share capital of Nanyang.

Although the date of exchange of shares was 23 April 2008, the management considered that the effective date of completion of the merger was 31 March 2008 and that the allotment and issuance of new ordinary shares of the Company was regarded as an administrative procedure under the Company's control.

For the purpose of merger accounting, 509,308,796 shares were deemed to have been in issue for the controlling party's interest in Sin Chew throughout the accounting periods presented. In addition, 506,667,259 shares and 268,839,186 shares were deemed to have been issued on 31 March 2008 for the acquisition of the remaining equity interest from the minority shareholders of Sin Chew and for the 100% equity interest in Nanyang respectively. All the deemed issues had been credited to the capital reserve at fair values at the balance sheet date and were transferred to share capital and share premium on 23 April 2008, the actual shares issuance date.

(b) During the current year under review, the Company repurchased a total of 3,166,000 (2007: 931,000) of its listed shares on the HK Stock Exchange for the purpose of enhancing the net asset value per share of the Company. Details of the repurchases are summarised as follows:

Month/Year	Number of ordinary shares repurchased	Purchase price per share Highest	Purchase price per share Lowest	Aggregate purchase consideration	Equivalents in
		HK$	HK$	HK$	US$
September 2007	416,000	1.95	1.81	780,660	100,471
October 2007	1,108,000	1.99	1.72	2,045,469	263,252
November 2007	309,000	2.00	1.85	587,931	75,668
December 2007	23,000	1.81	1.81	41,630	5,358
January 2008	1,101,000	1.90	1.70	1,983,597	255,289
March 2008	209,000	1.80	1.78	375,626	48,343
	3,166,000			5,814,913	748,381

29 SHARE CAPITAL *(Continued)*

Notes: (Continued)

(c) Pursuant to a share option scheme (the "MP Scheme") approved at the Special General Meeting of the Company held on 21 August 2001 and for the primary purpose of providing incentive to full time employees, the directors of the Company may at their discretion invite full time employees including executive directors of the Company and its subsidiaries to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The maximum individual entitlement of options shall not exceed 25% of the maximum aggregate number of shares in the capital of the Company in respect of which options may at that time be granted under the MP Scheme. The maximum number of shares in respect of which options may be granted (together with options exercised and options then outstanding) under the MP Scheme may not exceed 10% of the issued share capital of the Company from time to time excluding (i) any shares which have been duly allotted and issued pursuant to the MP Scheme and other schemes; and (ii) any pro-rata entitlements to further shares issued in respect of those shares mentioned in (i). The MP Scheme will remain valid for a period of ten years commencing on 21 August 2001 after which period no further options will be offered. The offer of a grant of share option may be accepted within 28 days from the date of offer upon payment of a nominal consideration of HK$1.00 by the grantee. Options granted are exercisable at any time within ten years after the date of grant or ten years after the adoption date of the MP Scheme (i.e. 20 August 2011), whichever is earlier.

Pursuant to the new requirements of the Listing Rules of the HK Stock Exchange governing share option schemes which came into effect on 1 September 2001, certain provisions of the MP Scheme were no longer applicable which included the basis of determining the subscription price. According to the Listing Rules, the share subscription price will be determined as the highest of (i) the nominal value of the shares of the Company, (ii) the average of the closing prices of the shares of the Company as stated in the daily quotation sheet by the HK Stock Exchange on the five trading days immediately preceding the granting of the options, and (iii) the closing price of the shares of the Company as stated in the daily quotation sheet by the HK Stock Exchange on the date of grant of the share options.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2008			2007		
	Average exercise price per share HK$	**Equivalents in US$**	**Number of outstanding share options**	Average exercise price per share HK$	Equivalents in US$	Number of outstanding share options
At 1 April	**1.591**	**0.205**	**4,843,000**	1.587	0.204	5,167,000
Exercised	**1.476**	**0.190**	**(206,000)**	1.486	0.191	(136,000)
Lapsed	**1.592**	**0.205**	**(47,000)**	1.549	0.199	(188,000)
At 31 March	**1.597**	**0.206**	**4,590,000**	1.591	0.205	4,843,000

At 31 March 2008, all of the 4,590,000 outstanding options (2007: 4,843,000 options) were exercisable. Options exercised in 2008 resulted in 206,000 shares being issued at an average exercise price of HK$1.476 (US$0.190) each (2007: 136,000 shares at an average exercise price of HK$1.486 (US$0.191) each). The related weighted average share price at the time of exercise was HK$1.943 (US$0.250) per share.

29 SHARE CAPITAL *(Continued)*

Notes: (c) *(Continued)*

All share options outstanding at the end of the year have the expiry date of 20 August 2011 and with the following exercise prices:

		Number of outstanding share options	
Exercise price per share in HK$	**Equivalents in US$**	**2008**	2007
1.320	0.170	**839,000**	927,000
1.592	0.250	**2,551,000**	2,716,000
1.800	0.232	**1,200,000**	1,200,000
		4,590,000	4,843,000

Under the specific transitional provisions of IFRS 2, an exemption from the treatment of equity-settled share-based payment transactions as required under IFRS 2 is allowed to shares, share options or other equity instruments which were granted before 7 November 2002 and had been vested by 1 January 2005. As such no share compensation expenses were recognised by the Group in relation to the above-mentioned share options.

The subsidiary of the Company, OMG, has two share option schemes. A pre-IPO share option scheme ("Pre-IPO Share Option Scheme") was approved and adopted by shareholders on 26 September 2005. Another share option scheme ("Post-IPO Share Option Scheme") was also approved on the same date, 26 September 2005 by the shareholders of OMG. The principal terms of the Pre-IPO Share Option Scheme are substantially the same as the terms of the Post-IPO Share Option Scheme (where applicable) except for the following principal terms: (a) the subscription price per share was the final Hong Kong dollar price per share at which shares were to be sold in an offer for sale in Hong Kong on the Listing Date and (b) no options would be offered or granted upon the commencement of dealings in the shares on the HK Stock Exchange.

Pursuant to the Schemes, the Board of OMG may, at its absolute discretion, grant share options to any full time employees, executive and non-executive directors (including independent non-executive directors) of OMG or the Company (for so long as it remains a subsidiary of the Company) to subscribe for shares in OMG subject to the terms and conditions stipulated therein.

The period within which an option may be exercised under each of the Schemes will be determined and notified by the Board of OMG in its absolute discretion (subject to any vesting periods, if applicable), save that no option may be exercised later than 10 years from the date of offer of the option or 10 years after the Adoption Date, whichever is earlier.

29 SHARE CAPITAL *(Continued)*

Notes: (c) *(Continued)*

Movements in the number of outstanding share options of OMG's Pre-IPO Scheme and the average exercise prices are as follows:

	2008			2007		
	Average exercise price per share HK$	**Equivalents in US$**	**Number of outstanding share options (in thousands)**	Average exercise price per share HK$	Equivalents in US$	Number of outstanding share options (in thousands)
At 1 April	**1.200**	**0.154**	**14,082**	1.200	0.154	14,472
Lapsed	**1.200**	**0.154**	**(304)**	1.200	0.154	(390)
At 31 March	**1.200**	**0.154**	**13,778**	1.200	0.154	14,082

The above share options were conditionally granted on 27 September 2005 and the exercisable period is from 18 October 2005 to 25 September 2015 with 6,068,000 share options being exercisable as at 31 March 2008 (2007: 3,642,000 share options).

During the year, no share options were granted, exercised or cancelled and 304,000 (2007: 390,000) share options were lapsed.

The fair value of options granted during the year ended 31 March 2006 determined using the Binomial Option valuation model was US$821,000. The significant inputs into the model were share price of HK$1.200 (US$0.154) (being the IPO and placing share price of OMG), volatility of the underlying stock of 48% (being the volatility of the stock returns of listed companies in the media industry in Hong Kong), risk-free interest rates of 4.16% (being the yield of 10-year fund note issued by the Hong Kong Monetary Authority as at 23 September 2005 ("Valuation Date")), forfeiture rate of 5.7% per annum (with reference to historical staff turnover rates of OMG, its subsidiaries, fellow subsidiaries and related companies), and suboptimal exercise factor of 1.4 (being the factor to account the early exercise behavior of the share option).

Share compensation costs on share options granted are amortised over the vesting periods from one year to five years in accordance with terms specified in the Pre-IPO Scheme, US$229,000 was recognised and specified in the consolidated income statement for the year ended 31 March 2008 (2007: US$333,000).

(d) Pursuant to an ordinary resolution passed at a special general meeting of the Company held on 27 June 2007, the authorised share capital of the Company was increased from HK$50,000,000 divided into 500,000,000 ordinary shares of HK$0.10 each to HK$250,000,000 divided into 2,500,000,000 ordinary shares by creating additional 2,000,000,000 ordinary shares of HK$0.10 each.

30 RESERVES

	Group												
	Attributable to equity holders of the Company												
	Capital redemption reserve US$'000	Exchange fluctuation reserve US$'000	Employee share – based payment reserve US$'000	Asset revaluation surplus US$'000	Merger reserve US$'000	Capital reserve US$'000	Other reserves US$'000	Reserves arising from actuarial adjustments on defined benefit plan assets US$'000	Reserves arising from actuarial adjustments on long service payment obligations US$'000	Total US$'000	Retained earnings US$'000	Minority interest US$'000	Total US$'000
At 1 April 2007	111	1,655	273	2,701	(92,647)	112,743	(2,168)	(751)	561	22,478	92,536	59,367	174,381
Exchange adjustments	–	5,825	–	–	–	–	–	–	–	5,825	–	4,637	10,462
Actuarial losses of defined benefit plan assets	–	–	–	–	–	–	–	(942)	–	(942)	–	–	(942)
Actuarial gains of long service payment obligations	–	–	–	–	–	–	–	–	41	41	–	(2)	39
Net income recognised directly in equity	–	5,825	–	–	–	–	–	(942)	41	4,924	–	4,635	9,559
Profit for the year	–	–	–	–	–	–	–	–	–	–	19,188	12,764	31,952
Total recognised income for the year	–	5,825	–	–	–	–	–	(942)	41	4,924	19,188	17,399	41,511
Acquisition of equity interest from minority shareholders of Sin Chew	–	–	–	–	–	112,157	–	–	–	112,157	–	(65,041)	47,116
Repurchase of ordinary shares	41	–	–	–	–	–	–	–	–	41	(41)	–	–
Write–off of asset revaluation surplus	–	–	–	(2,701)	–	–	–	–	–	(2,701)	–	–	(2,701)
Acquisition of Nanyang	–	–	–	–	–	59,511	–	–	–	59,511	–	73	59,584
Share compensation costs on share options granted by a listed subsidiary	–	–	144	–	–	–	–	–	–	144	–	85	229
2007 final dividend paid by Sin Chew	–	–	–	–	–	–	–	–	–	–	(3,900)	(3,881)	(7,781)
2007 final dividend paid by a listed subsidiary	–	–	–	–	–	–	–	–	–	–	–	(50)	(50)
2008 first interim dividend paid	–	–	–	–	–	–	–	–	–	–	(1,037)	–	(1,037)
At 31 March 2008	152	7,480	417	–	(92,647)	284,411	(2,168)	(1,693)	602	196,554	106,746	7,952	311,252
Representing:													
2008 second interim dividend proposed in lieu of a final dividend (note 11)											15,610		
Others											91,136		
Retained earnings at 31 March 2008											106,746		

30 RESERVES *(Continued)*

	Group												
	Attributable to equity holders of the Company												
	Capital redemption reserve US$'000	Exchange fluctuation reserve US$'000	Employee share – based payment reserve US$'000	Asset revaluation surplus US$'000	Merger reserve US$'000	Capital reserve US$'000	Other reserves US$'000	Reserves arising from actuarial adjustments on defined benefit plan assets US$'000	Reserves arising from actuarial adjustments on long service payment obligations US$'000	Total US$'000	Retained earnings US$'000	Minority interest US$'000	Total US$'000
At 1 April 2006	99	(2,164)	102	2,701	(92,647)	112,743	(2,168)	(656)	357	18,367	23,921	54,168	96,456
Exchange adjustments	–	3,819	–	–	–	–	–	–	–	3,819	–	3,547	7,366
Actuarial losses of defined benefit plan assets	–	–	–	–	–	–	–	(95)	–	(95)	–	–	(95)
Actuarial gains of long service payment obligations	–	–	–	–	–	–	–	–	204	204	–	4	208
Net income recognised directly in equity	–	3,819	–	–	–	–	–	(95)	204	3,928	–	3,551	7,479
Profit for the year	–	–	–	–	–	–	–	–	–	–	11,489	8,673	20,162
Total recognised income for the year	–	3,819	–	–	–	–	–	(95)	204	3,928	11,489	12,224	27,641
Transfer from share premium	–	–	–	–	–	–	–	–	–	–	64,350	–	64,350
Repurchase of ordinary shares	12	–	–	–	–	–	–	–	–	12	(12)	–	–
Share compensation costs on share options granted by a listed subsidiary	–	–	171	–	–	–	–	–	–	171	–	162	333
Disposal of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	(2)	(2)
Gain on disposal of partial interests in subsidiaries	–	–	–	–	–	–	–	–	–	–	–	(3,585)	(3,585)
2006 final dividend paid by Sin Chew	–	–	–	–	–	–	–	–	–	–	(3,568)	(3,550)	(7,118)
2006 final dividend paid by a listed subsidiary	–	–	–	–	–	–	–	–	–	–	–	(50)	(50)
2006 final dividend paid	–	–	–	–	–	–	–	–	–	–	(2,083)	–	(2,083)
2007 interim dividend paid	–	–	–	–	–	–	–	–	–	–	(1,561)	–	(1,561)
At 31 March 2007	111	1,655	273	2,701	(92,647)	112,743	(2,168)	(751)	561	22,478	92,536	59,367	174,381
Representing:													
2007 final dividend paid (note 11)											7,781		
Others											84,755		
Retained earnings at 31 March 2007											92,536		

30 RESERVES *(Continued)*

	Company				
	Capital redemption reserve	Capital reserve	Contributed surplus	Total	Retained earnings
	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 April 2007	**111**	**–**	**25,789**	**25,900**	**105,803**
Repurchase of ordinary shares *(note 29(b))*	**41**	**–**	**–**	**41**	**(41)**
Loss for the year	**–**	**–**	**–**	**–**	**(340)**
2008 first interim dividend paid *(note 11)*	**–**	**–**	**–**	**–**	**(1,037)**
Acquisition of Sin Chew	**–**	**224,900**	**–**	**224,900**	**–**
Acquisition of Nanyang	**–**	**59,511**	**–**	**59,511**	**–**
At 31 March 2008	**152**	**284,411**	**25,789**	**310,352**	**104,385**
Representing:					
2008 second interim dividend proposed in lieu of a final dividend *(note 11)*					**15,610**
Others					**88,775**
Retained earnings at 31 March 2008					**104,385**
At 1 April 2006	99	–	25,789	25,888	44,181
Transfer from share premium *(note 29)*	–	–	–	–	64,350
Repurchase of ordinary shares *(note 29(b))*	12	–	–	12	(12)
Profit for the year	–	–	–	–	928
2006 final dividend paid	–	–	–	–	(2,083)
2007 interim dividend paid *(note 11)*	–	–	–	–	(1,561)
At 31 March 2007	111	–	25,789	25,900	105,803
Representing:					
2007 final dividend paid					–
Others					105,803
Retained earnings at 31 March 2007					105,803

30 RESERVES *(Continued)*

The contributed surplus of the Company arose when the Company issued shares in exchange for the shares of subsidiaries being acquired, and represented the difference between the nominal value of the Company's shares issued and the value of net assets of the subsidiaries acquired. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the equity holders of the Company. At Group's level, the contributed surplus is reclassified into its components of reserves of the underlying subsidiaries.

31 SHORT-TERM BANK LOANS

	Group	
	2008	2007
	US$'000	US$'000
Trust receipt loans, secured	**–**	864
Bankers' acceptances, unsecured	**16,956**	8,615
Revolving credits, unsecured	**7,458**	–
	24,414	9,479

The carrying amounts of short-term bank loans were denominated in the following currencies:

	Group	
	2008	2007
	US$'000	US$'000
Ringgit Malaysia	**24,414**	8,615
US dollars	**–**	864
	24,414	9,479

Trust receipt loans have a term of up to 120 days. The effective interest rate on trust receipt loans was 7.44% (2007: 6.59%) per annum.

The bankers' acceptances are unsecured, interest-bearing at rates ranging from 0.50% to 0.75% above the bankers' annual costs of funds. The effective interest rate on bankers' acceptances was nil (2007: 3.78%) per annum.

The revolving credits are unsecured, interest-bearing at rates ranging from 0.50% to 1.00% above the KLIBOR per annum.

The carrying amounts of short-term bank loans approximate their fair values.

32 LONG-TERM LIABILITIES

	Group	
	2008	2007
	US$'000	US$'000
Bank loans, secured *(note (a))*	**10,188**	7,691
Obligations under finance leases *(note (b))*	**1,723**	1,089
Retirement benefit obligations *(note (c))*	**1,002**	188
	12,913	8,968
Current portion of long-term liabilities	**(6,460)**	(3,602)
	6,453	5,366

Notes:

(a) At 31 March 2008, the Group's secured bank loans were repayable as follows:

	Group	
	2008	2007
	US$'000	US$'000
Within one year	**5,784**	3,112
In the second year	**3,611**	2,930
In the third to fifth year	**793**	1,649
	10,188	7,691

The carrying amounts of the secured bank loans were denominated in the following currencies:

	Group	
	2008	2007
	US$'000	US$'000
Ringgit Malaysia	**9,930**	6,993
US dollars	**258**	440
Canadian Dollars	**–**	258
	10,188	7,691

The carrying amounts of the secured bank loans approximate their fair values.

32 LONG-TERM LIABILITIES *(Continued)*

Notes: (a) (Continued)

At 31 March 2008, the Group's secured bank loans were analysed as follows:

	Group	
	2008	2007
	US$'000	US$'000
Floating rate		
within one year	**5,526**	2,930
in the second year	**3,611**	2,672
in the third to fifth year	**793**	1,649
Fixed rate		
within one year	**258**	182
in the second year	**–**	258
	10,188	7,691

The effective interest rates on the secured bank loans ranged from 4.70% to 6.80% per annum during the year ended 31 March 2008 (2007: from 4.40% to 6.25%).

(b) At 31 March 2008, the Group's finance lease liabilities were repayable as follows:

	Group	
	2008	2007
	US$'000	US$'000
Finance lease liabilities minimum lease payment		
Within one year	**678**	531
In the second year	**451**	411
In the third to fifth year	**796**	210
	1,925	1,152
Future finance charges on finance leases	**(202)**	(63)
Present value of finance lease liabilities	**1,723**	1,089

The present value of finance lease liabilities was repayable as follows:

	Group	
	2008	2007
	US$'000	US$'000
Within one year	**597**	490
In the second year	**397**	392
In the third to fifth year	**729**	207
	1,723	1,089

32 LONG-TERM LIABILITIES *(Continued)*

Notes: (b) (Continued)

The carrying amounts of finance lease liabilities were denominated in the following currencies:

	Group	
	2008	2007
	US$'000	US$'000
Ringgit Malaysia	**248**	386
US dollars	**–**	49
Canadian dollars	**1,475**	654
	1,723	1,089

The effective interest rates on the finance lease liabilities ranged from 2.35% to 9.43% per annum during the year ended 31 March 2008 (2007: same).

At 31 March 2008, the Group has the following finance lease liabilities:

	Group	
	2008	2007
	US$'000	US$'000
Floating rate		
within one year	**495**	294
in the second year	**305**	270
in the third to fifth year	**675**	90
Fixed rate		
within one year	**102**	196
in the second year	**92**	122
in the third to fifth year	**54**	117
	1,723	1,089

At 31 March 2008, the carrying amounts of finance lease liabilities approximate their fair value (2007: same), which were based on cash flows discounted using rates based on the borrowing rates ranged from 2.35% to 9.43% per annum (2007: same).

(c) Retirement benefit obligations represent the present value of the Group's obligations under the following:

(i) the long service payments and respective actuarial gains for its employees in Hong Kong; and
(ii) an unfunded, defined benefit retirement benefit scheme (the "Malaysia Scheme") for its eligible employees in Malaysia.

The movement during the year is the net-off of current service costs and interest on obligation against long service payment made during the year. Current service costs and interest on obligations have been recognised during the year and included in employee benefit expense (note 13).

32 LONG-TERM LIABILITIES *(Continued)*

Notes: (c) (Continued)

The amounts recognised in the consolidated balance sheet were as follows:

	Group	
	2008	2007
	US$'000	US$'000
Present value of the obligations	**1,002**	188

The obligations are analysed as follows:

	Group	
	2008	2007
	US$'000	US$'000
Within one year	**79**	–
In the second to fifth year	**380**	–
Over five years	**543**	188
	1,002	188

Movements in the obligations during the year are as follows:

	Group	
	2008	2007
	US$'000	US$'000
At 1 April	**188**	374
Current service costs	**12**	26
Interest cost	**7**	14
Long service payments made	**(9)**	(18)
Actuarial gains of long service payment obligations	**(39)**	(208)
Acquisition of subsidiary – Nanyang	**843**	–
At 31 March	**1,002**	188

The amounts recognised in the consolidated statement of recognised income and expense are as follows:

	Group	
	2008	2007
	US$'000	US$'000
Cumulative amount of actuarial gains at the beginning of the year	**557**	349
Net actuarial gains during the year	**39**	208
Cumulative amount of actuarial gains at the end of the year	**596**	557

32 LONG-TERM LIABILITIES *(Continued)*

Notes: (c) (Continued)

The amounts recognised in the consolidated income statement were as follows:

	Group	
	2008	2007
	US$'000	US$'000
Current service costs	**12**	26
Interest cost	**7**	14
Total included in employee benefit expense *(note 13)*	**19**	40

The principal actuarial assumptions used were as follows:

	Group	
For long service payment obligations	**2008**	2007
Average future working lifetime (in years)	**16**	15
Discount rate	**2.6%**	4.25%
Expected rate of return of assets	**4%-7%**	4%-6%
Expected rate of future salary increases		
2008 (2007: 2007 to 2008)	**3%**	3%
2009 and onwards	**4%**	4%

	Group	
For obligations under the Malaysia Scheme	**2008**	2007
Discount rate	**6.4%**	–
Expected inflation of price	**3.5%**	–
Expected rate of salary increases	**7.0%**	–

	2008	2007
	US$'000	US$'000
At 31 March		
Present value of retirement benefit obligations	**1,002**	188
Experience (losses)/gains on the long service payment obligations	**(60)**	161

33 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Cash generated from operations

	Group	
	2008	2007
	US$'000	US$'000
Operating profit	**44,471**	27,921
Fair value losses on financial assets at fair value through profit or loss	**322**	47
Depreciation of property, plant and equipment	**7,614**	6,430
Amortisation of leasehold land and land use rights	**448**	506
Amortisation of intangible assets	**506**	373
Provision for impairment and written-off of receivables	**2,232**	945
Provision for inventory obsolescence	**113**	86
Loss on disposal of other investment	**–**	14
Negative goodwill arising on the acquisition of Nanyang	**(13,094)**	–
Provision for impairment of goodwill and intangible assets	**5,393**	–
Dividend income	**(11)**	(10)
Interest income	**(2,153)**	(1,890)
(Gain)/loss on disposals of property, plant and equipment, leasehold land and land use rights – net	**(308)**	74
Liquidation of a subsidiary	**–**	(2)
Share compensation costs on share options granted by a listed subsidiary	**229**	333
Pension income	**(32)**	(3)
Provision for long service payments	**19**	40
Operating profit before working capital changes	**45,749**	34,864
(Increase)/decrease in inventories	**(8,317)**	16,522
Increase in trade and other receivables	**(2,015)**	(4,398)
Increase in trade and other payables	**1,735**	5,417
Cash generated from operations	**37,152**	52,405

33 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

(b) Analysis of changes in financing during the year

	Dividend payable		Short-term and long-term bank loans		Obligations under finance leases		Share capital and share premium	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
At 1 April	**–**	–	**17,170**	27,411	**1,089**	1,529	**18,685**	83,174
Exchange differences	**–**	–	**633**	1,339	**103**	49	**–**	–
Net cash outflow/(inflow) from financing	**(8,868)**	(10,812)	**(12,887)**	(11,580)	**531**	(489)	**(748)**	(165)
Transfer to retained earnings	**–**	–	**–**	–	**–**	–	**–**	(64,350)
Exercise of share options	**–**	–	**–**	–	**–**	–	**39**	26
Dividends	**8,868**	10,812	**–**	–	**–**	–	**–**	–
Acquisition of subsidiary – Nanyang	**–**	–	**29,686**	–	**–**	–	**–**	–
At 31 March	**–**	–	**34,602**	17,170	**1,723**	1,089	**17,976**	18,685

(c) Major non-cash transactions

(i) As disclosed in note 29(a), 506,667,259 shares and 268,839,186 shares were deemed to have been issued on 31 March 2008 for the acquisition of the remaining equity interest from the minority shareholders of Sin Chew and for the 100% equity interest in Nanyang respectively. All the deemed issues had been credited to the capital reserve at fair values at the balance sheet date and were transferred to share capital and share premium on 23 April 2008, the actual shares issuance date.

(ii) During the year ended 31st March 2008, minority interests decreased by US$65,041,000 to reflect the adjustment as disclosed in (i) above.

(d) In the cash flow statement, proceeds from disposals of property, plant and equipment, leasehold land and land use rights comprise:

	2008	2007
	US$'000	US$'000
Net book value		
Property, plant and equipment *(note 15)*	**230**	189
Leasehold land and land use rights *(note 17)*	**263**	–
	493	189
Gain/(loss) on disposals of property, plant and equipment, leasehold land and land use rights – net	**308**	(74)
Proceeds from disposals of property, plant and equipment, leasehold land and land use rights	**801**	115

34 BANKING FACILITIES AND PLEDGE OF ASSETS

At 31 March 2008, the Group's banking facilities were secured by the following:

(a) certain machinery and printing equipment with net book value of US$18,950,000 at 31 March 2008 (2007: US$18,774,000);

(b) first legal charges on certain of the Group's freehold and leasehold land and buildings and land use rights with an aggregate carrying value of US$22,963,000 at 31 March 2008 (2007: US$23,628,000) and assignment of rental income derived therefrom;

(c) first legal charges on certain of the Group's publishing titles;

(d) general security agreements under which all the assets of certain subsidiaries with net book value of US$18,752,000 at 31 March 2008 (2007: US$15,026,000) were pledged to certain banks, including US$3,181,000 (2007: US$2,865,000) attributable to freehold properties disclosed under note (b) above; and

(e) corporate guarantees issued by the Company.

35 DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under liability method using rates of taxation prevailing in the countries in which the Group operates. The taxation rate used for the Group's Hong Kong operations is 17.5% and for the Group's Malaysian operations is 25% (2007: 17.5% in Hong Kong, 26% in Malaysia).

The movements in net deferred income tax liabilities during the year were as follows:

	Group	
	2008	2007
	US$'000	US$'000
At 1 April	**1,461**	1,020
Deferred income tax charged to the consolidated income statement *(note 9)*	**1,110**	403
Acquisition of subsidiary – Nanyang	**2,506**	–
Exchange adjustments	**123**	38
At 31 March	**5,200**	1,461

35 DEFERRED INCOME TAX *(Continued)*

The components of deferred income tax liabilities/(assets) recognised in the consolidated balance sheet and the movements (prior to offsetting of the balances within the same tax jurisdiction) during the year are as follows:

	Accelerated tax depreciation	General provision for doubtful debts	Provision for employee benefits	Decelerated tax depreciation	Tax losses	Revaluation on other properties	Provision for liabilities	Unutilised reinvestment allowance	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 April 2006	5,780	(82)	(62)	(20)	(4,321)	(275)	–	–	1,020
Charged/(credited) to consolidated income statement	466	25	(103)	6	26	(17)	–	–	403
Exchange adjustments	293	(3)	(10)	–	(242)	–	–	–	38
At 31 March 2007	6,539	(60)	(175)	(14)	(4,537)	(292)	–	–	1,461
At 1 April 2007	**6,539**	**(60)**	**(175)**	**(14)**	**(4,537)**	**(292)**	**–**	**–**	**1,461**
(Credited)/charged to consolidated income statement	**(84)**	**(211)**	**(13)**	**1**	**1,434**	**(17)**	**–**	**–**	**1,110**
Acquisition of subsidiary – Nanyang	**3,841**	**(21)**	**(206)**	**(672)**	**–**	**2,336**	**(549)**	**(2,223)**	**2,506**
Exchange adjustments	**330**	**(7)**	**(14)**	**–**	**(186)**	**–**	**–**	**–**	**123**
At 31 March 2008	**10,626**	**(299)**	**(408)**	**(685)**	**(3,289)**	**2,027**	**(549)**	**(2,223)**	**5,200**

Deferred income tax assets are recognised for tax loss carried forwards to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group has unrecognised tax losses of US$55,301,000 (2007: US$45,712,000) to carry forward against future taxable income.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off and that the deferred income taxes relate to the same tax jurisdiction. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet.

35 DEFERRED INCOME TAX *(Continued)*

	Group	
	2008	2007
	US$'000	US$'000
Deferred income tax assets:		
to be recovered within 12 months	**(213)**	(343)
to be recovered after 12 months	**(3,417)**	(4,246)
	(3,630)	(4,589)
Deferred income tax liabilities:		
to be recovered within 12 months	**320**	53
to be recovered after 12 months	**8,510**	5,997
	8,830	6,050

36 COMMITMENT

(a) Operating lease commitments

At 31 March 2008, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2008	2007
	US$'000	US$'000
Within one year	**2,103**	1,238
Later than one year and not later than five years	**1,497**	967
Later than five years	**28**	–
	3,628	2,205

36 COMMITMENT *(Continued)*

(b) Capital commitments

Capital commitments outstanding at the balance sheet date were as follows:

	Group	
	2008	2007
	US$'000	US$'000
Property, plant and equipment		
Approved and contracted for	**734**	818
Approved but not contracted for	**4,913**	–
	5,647	818

37 BUSINESS COMBINATION

Pursuant to the merger as disclosed in notes 1 and 29(a), 268,839,186 ordinary shares of the Company of HK$0.1 each were deemed to have been issued on 31 March 2008 for the acquisition of 100% equity interest in Nanyang. If the acquisition had occured on 1 April 2007, the Group's revenue and net profit would have been US$92,347,000 and US$5,786,000 respectively. These amounts have been calculated by adjusting the results of Nanyang using the Group's accounting policies. The acquisition has been recorded using the purchase method.

Details of the net assets acquired and negative goodwill are as follows:

	US$'000
Purchase consideration	
Fair value of shares issued *(note a)*	59,511
Direct costs relating to the acquisition	2,994
Total purchase consideration	62,505
Fair value of net assets acquired	(75,599)
Negative goodwill arising on the acquisition of Nanyang *(note b)*	(13,094)

Notes:

(a) The fair value of the shares issued was based on the closing share price of the Company as quoted by the HK Stock Exchange at 31 March 2008.

(b) The negative goodwill is attributable to the improved viability of Nanyang's operations as a result of its managements' strategic plans. The negative goodwill was recognised directly in the consolidated income statement.

37 BUSINESS COMBINATION *(Continued)*

The assets and liabilities arising from the acquisition of Nanyang are as follows:

	Fair value	Acquiree's carrying amount
	US$'000	US$'000
Property, plant and equipment	46,974	39,460
Investment properties	5,487	5,487
Leasehold land and land use rights	1,830	361
Archives, mastheads and publishing rights and computer softwares (included in intangible assets) *(note 18)*	21,119	603
Deferred income tax assets	84	84
	75,494	45,995
Current assets	48,289	48,286
Current liabilities	(42,130)	(42,130)
Long-term liabilities	(3,391)	(3,391)
Deferred income tax liabilities	(2,590)	(255)
	75,672	48,505
Minority interests	(73)	
Net assets acquired	75,599	
Cash and cash equivalents in Nanyang acquired		5,194
Direct costs paid for the acquisition		(1,718)
		3,476

38 RELATED PARTY TRANSACTIONS AND BALANCES

At 31 March 2008, the directors regarded Conch Company Limited ("Conch"), a company incorporated in British Virgin Islands, as being the ultimate holding company.

Upon the issue of shares on 23 April 2008 as disclosed in note 29(a), Conch is no longer the ultimate holding company as its shareholding in the Company has been reduced to approximately 14.97%.

(a) Transactions with related parties

	Group	
	2008	2007
	US$'000	US$'000
Advertising sales received from a director's related companies	**110**	379
Motor vehicle insurance premium paid to a director's related companies	**2**	1
Newsprint purchases from a director's related companies	**28,375**	26,540
Rental expenses paid to a director's related companies	**1,186**	996
Purchases of air tickets from a director's related companies	**8**	7

All the transactions above have been entered into in the normal course of business and have been charged at pre-determined rates agreed mutually by the parties involved.

(b) Key management compensation

	Group	
	2008	2007
	US$'000	US$'000
Basic salaries, discretionary bonuses, other allowances and benefits in kind	**1,582**	1,408
Contributions to pension scheme	**130**	118
Share compensation costs on share options granted by a listed subsidiary	**45**	70
	1,757	1,596

(c) Related party balances

At 31 March 2008, there is no balance due from or to any related party (2007: A loan of US$71,000 was due from Mr Keith Kam Woon Ting, a director of certain subsidiaries of the Company. The loan was unsecured, interest-bearing from 4% to 4.5% per annum and repayable by monthly installments. No interest was due for the amount outstanding at 31 March 2007.).

39 FINANCIAL GUARANTEES

At 31 March 2008, the Company issued financial guarantees in favour of certain of its subsidiaries totalling US$23,439,000 (2007: US$22,911,000) in connection with general banking facilities granted to those subsidiaries. At 31 March 2008, total facilities utilised amounted to US$5,015,000 (2007: US$5,111,000).

40 CONTINGENT LIABILITIES

At 31 March 2008, there have been several outstanding defamatory litigations brought against the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings is still uncertain as of the date of these financial statements, the Directors are of the opinion that the respective ultimate liability, if any, will not have a material adverse impact upon the Group's financial position.

41 EVENTS AFTER THE BALANCE SHEET DATE

(a) On 23 April 2008, 1,015,976,055 new ordinary shares of the Company of HK$0.1 each were allotted to the shareholders of Sin Chew as consideration for the exchange of all the ordinary shares of RM0.5 each in the issued share capital of Sin Chew; and 268,839,186 new ordinary shares of the Company of HK$0.1 each were allotted to the shareholders of Nanyang as consideration for the exchange of all the ordinary shares of RM1 each in the issued share capital of Nanyang.

Also on 23 April 2008, the approval granted by the HK Stock Exchange for the listing of and permission to deal in up to a total of 1,294,408,797 new ordinary shares (assuming full exercise of the outstanding options issued under Nanyang's employee share option scheme before completion of the merger) issued to the shareholders of Sin Chew and Nanyang in exchange of all the issued shares in each of Sin Chew and Nanyang has become unconditional.

The Company's admission to the Official List of Bursa Securities and the listing of and quotation for the new shares on the main board of Bursa Securities took effect from 30 April 2008.

As such, from 30 April 2008, shareholders are entitled to trade the shares on both the HK Stock Exchange and Bursa Securities.

(b) Winmax Resources Limited ("Winmax") is owned as to 85.027% and 14.973% by Starsome Limited ("Starsome"), an indirect wholly-owned subsidiary of the Company, and RGM Ventures Limited ("RGM"). Winmax is the registered holder of 295,600,000 shares of OMG ("OMG Shares") representing approximately 73.9% of the issued share capital of OMG.

Pursuant to an agreement dated 18 March 2008 entered into among i) the Company, ii) Starsome, iii) Redgate Media Inc., iv) Redgate Media (HK) Limited, v) RGM, vi) Peter Bush BRACK, vii) Robert William Hong-San YUNG and viii) ZHU Ying, Starsome and RGM had agreed to undertake an internal restructuring of Winmax such that Winmax would be wound up by way of the members' voluntary winding up.

On 26 May 2008, Winmax was dissolved. The distribution of the assets of Winmax to its shareholders is in the process. On the basis that Winmax holds 295,600,000 OMG Shares, 251,339,812 OMG Shares will be distributed to Starsome and 44,260,188 OMG Shares will be distributed to RGM.

(c) On 14 July 2008, Sin Chew entered into a land acquisition agreement with Rimbunan Hijau Estate Sdn Bhd pursuant to which Sin Chew conditionally agreed to acquire the land and building on the land known as PN 3694, Lot 50 Seksyen 13, Bandar Petaling Jaya, Daerah Petaling Jaya, Malaysia at a consideration of RM46,000,000.

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES

(a) Particulars of principal subsidiaries at 31 March 2008 that are incorporated in Hong Kong are as follows:

Name of subsidiary	Particulars of issued and fully paid share capital/registered capital	Effective equity interest %	Principal activities
Centricon Enterprises Limited	2 ordinary shares of HK$1 each	100	Property investment
Charming Holidays Limited	1,000,000 ordinary shares of HK$1 each	100	Provision of travel and travel related services
Cheerlane Development Limited	2 ordinary shares of HK$1 each	100	Property investment
Holgain Limited	2 ordinary shares of HK$10 each	100	Property investment
Intelligent Printing Limited	2 ordinary shares of HK$1 each	100	Investment holding
Intelligent Publications (China) Limited	1,000,000 ordinary shares of HK$1 each	100	Investment holding
Kin Ming Printing Company Limited	100 ordinary shares of HK$100 each	100	Provision of printing services
Maribo Brief Limited	2 ordinary shares of HK$1 each	100	Property investment
Media2U Company Limited	101 ordinary shares of HK$1 each	62.83	Magazines advertising & operation
Ming Pao Holdings Limited	900 ordinary shares of HK$1,000 each and 100 non-voting deferred shares of HK$1,000 each	100	Investment holding
Ming Pao Holdings (North America) Limited	2 ordinary shares of HK$1 each	100	Investment holding
Ming Pao Magazines Limited	165,000 ordinary shares of HK$10 each	62.83	Magazine publishing
Ming Pao Newspapers Limited	2 ordinary shares of HK$1 each	100	Newspaper publishing
Ming Pao Publications Limited	10 ordinary shares of HK$1 each	100	Books publishing
Mingpao.com Limited	2 ordinary shares of HK$1 each	97.78	Internet related businesses
Perfect Gain Development Limited	2 ordinary shares of HK$1 each	100	Property investment
Yazhou Zhoukan Limited	9,500 ordinary shares of HK$1 each	100	Magazine publishing

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

(b) Particulars of principal subsidiaries at 31 March 2008 that are incorporated in Malaysia are as follows:

Name of subsidiary	Place of incorporation and operation	Particulars of issued and fully paid share capital/ registered capital	Effective equity interest %	Principal activities
The China Press Berhad	Malaysia	4,246,682 ordinary shares of RM1 each	99.75	Publication of a daily newspaper and provision of printing services
CittaBella (Malaysia) Sdn Bhd	Malaysia	1,000,000 ordinary shares of RM1 each	100	Publication and distribution of magazines
Guang-Ming Ribao Sdn Bhd	Malaysia	4,000,000 ordinary shares of RM1 each	100	Publishing, printing and distribution of newspaper "*Guang Ming Daily*" and distribution of magazines and other publications
Life Publishers Berhad	Malaysia	9,000,000 ordinary shares of RM1 each	100	Publication of newspaper and magazines
Media Communications Sdn Bhd	Malaysia	100,000 ordinary shares of RM1 each	100	Publishing and distribution of magazines
Mulu Press Sdn Bhd	Malaysia	500,000 ordinary shares of RM1 each	100	Newspaper circulation and distribution agent and providing editorial and advertising services
Nanyang Online Sdn Bhd	Malaysia	10,000,000 ordinary shares of RM1 each	100	Electronic commerce activities through the internet and multimedia
Nanyang Press Holdings Berhad	Malaysia	80,306,138 ordinary shares of RM1 each *(note 2)*	100	Investment holding, letting of properties and provision of management services
Nanyang Press Marketing Sdn Bhd	Malaysia	1,000,000 ordinary shares of RM1 each	100	Provision of marketing service of newspaper products
Nanyang Siang Pau Sdn Bhd	Malaysia	60,000,000 ordinary shares of RM1 each	100	Publishing and selling of newspapers and magazines
Sinchew-i Sdn Bhd	Malaysia	4,500,000 ordinary shares of RM1 each	100	Providing contents to web and mobile users, web hosting and designing, web advertising, and web audio video broadcasting
Sin Chew Media Corporation Berhad	Malaysia	302,000,000 ordinary shares of RM0.50 each	100	Investment holding, publishing, printing and distribution of newspaper "*Sin Chew Daily*", printing of newspapers for other publishers and distribution of magazines

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

(c) Particulars of principal subsidiaries at 31 March 2008 that are incorporated outside Hong Kong and Malaysia are as follows:

Name of subsidiary	Place of incorporation and operation	Particulars of issued and fully paid share capital/ registered capital	Effective equity interest %	Principal activities
Beijing OMG M2U Advertising Company Limited	The People's Republic of China	RMB30,000,000	62.83	Magazines advertising
Beijing Times Resource Advertising Company Limited *(notes (3) & (5))*	The People's Republic of China	RMB3,500,000	62.83	Magazines advertising
Beijing Times Resource Technology Consulting Limited *(notes (3) & (5))*	The People's Republic of China	RMB3,000,000	62.83	Magazines operation
Delta Tour & Travel Services (Canada), Inc.	Canada	850,000 common shares at no par value for CAD530,000	100	Provision of travel and travel related services
Delta Tour & Travel Services (New York), Inc.	The United States of America	20 common shares at no par value for US$10,000	100	Provision of travel and travel related services
Delta Tour & Travel Services, Inc.	The United States of America	461,500 common shares at no par value for US$300,500	100	Provision of travel and travel related services
First Collection Limited	British Virgin Islands	1 ordinary share of US$1	100	Investment holding
Guangzhou Kin Ming Printing Limited *(notes (4) & (5))*	The People's Republic of China	HK$25,000,000	100	Provision of printing services

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

(c) Particulars of principal subsidiaries at 31 March 2008 that are incorporated outside Hong Kong and Malaysia are as follows: *(Continued)*

Name of subsidiary	Place of incorporation and operation	Particulars of issued and fully paid share capital/ registered capital	Effective equity interest %	Principal activities
Media2U (Beijing) Company Limited	The People's Republic of China	US$70,000	62.83	Magazines operation
Media2U (BVI) Company Limited	British Virgin Islands	1 ordinary share of US$1	62.83	Investment holding
Mingpao.com Holdings Limited	Cayman Islands	717,735 ordinary shares of HK$0.1 each	97.78	Investment holding
Ming Pao Finance Limited	British Virgin Islands	10 ordinary shares of US$1 each	100	Publishing titles holding
Ming Pao Holdings (Canada) Limited	Canada	1 common share at no par value for CAD1	100	Investment holding
Ming Pao Holdings (USA) Inc.	The United States of America	1 common share of US$1	100	Investment holding
Ming Pao International Investment Limited	British Virgin Islands	10 ordinary shares of US$1 each	100	Investment holding
Ming Pao Investment (Canada) Limited	Canada	1 common share of CAD1	100	Investment holding
Ming Pao Investment (USA) L.P.	The United States of America	1,000 units for US$150,150	100	Newspaper publishing
Ming Pao Newspapers (Canada) Limited	Canada	1,001 common shares at no par value for CAD11	100	Newspaper publishing
Ming Pao (New York) Inc.	The United States of America	1 common share of US$1	100	Newspaper publishing
Ming Pao (San Francisco) Inc.	The United States of America	1 common share of US$1	100	Newspaper publishing
MP Printing Inc.	The United States of America	1 common share of US$1	100	Provision of printing services
One Media Group Limited	Cayman Islands	400,000,000 ordinary shares of HK$0.001 each	62.83	Investment holding

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

(c) Particulars of principal subsidiaries at 31 March 2008 that are incorporated outside Hong Kong and Malaysia are as follows: *(Continued)*

Name of subsidiary	Place of incorporation and operation	Particulars of issued and fully paid share capital/ registered capital	Effective equity interest %	Principal activities
One Media Holdings Limited	British Virgin Islands	20,000 ordinary shares of US$0.01 each	62.83	Investment holding
Starsome Limited	British Virgin Islands	10 ordinary shares of of US$1 each	100	Investment holding
Winmax Resources Limited	British Virgin Islands	100,000 ordinary shares of US$0.01 each	85.03	Investment holding
Yazhou Zhoukan Holdings Limited	British Virgin Islands	12,000 ordinary shares of HK$1 each	100	Investment holding

Notes:

(1) All companies operate in their respective places of incorporation, except for First Collection Limited, Media2U (BVI) Company Limited, Ming Pao Finance Limited, Ming Pao International Investment Limited, Mingpao.com Holdings Limited, One Media Group Limited, One Media Holdings Limited, Starsome Limited, Winmax Resources Limited and Yazhou Zhoukan Holdings Limited, which operate principally in Hong Kong.

(2) The issued and paid-up ordinary shares at 31 March 2008 included 4,198,763 shares held as treasury shares. 3,359,000 treasury shares were cancelled on 1 April 2008. An application would be made to the High Court of Malaya in relation to voiding the balance 839,763 treasury shares after the balance sheet date.

(3) Beijing Times Resource Advertising Company Limited (''TRA'') and Beijing Times Resource Technology Consulting Limited (''TRT'') are domestic enterprises in the People's Republic of China ("PRC") owned legally by PRC nationals. The Group has entered into contractual arrangements with the legal owners of these companies so that the decision-making rights, operating and financing activities of TRA and TRT are ultimately controlled by the Group. The Group is also entitled to substantially all of the operating profits and residual benefits generated by TRA and TRT under these arrangements. In particular, the legal owners of these companies are required under their contractual arrangements with the Group to transfer their interests in TRA and TRT to the Group or the Group's designee upon the Group's request at a pre-agreed nominal consideration. Further, the Group can receive the cash flow derived from the operations of TRA and TRT through the levying of service and consultancy fees. The ownership interests in TRA and TRT have also been pledged by the legal owners of these companies to the Group. Based on the above, the directors regard these companies as subsidiaries of the Company.

(4) The subsidiary was established in PRC in the form of a wholly-owned foreign enterprise.

(5) The subsidiaries have 31 December as their financial accounting year end date, which is not coterminous with that of the Group for the reason of compliance with local regulations.

The above table includes the subsidiaries of the Company which, in the opinion of the directors, principally affected the Group's results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Five-Year Financial Summary

The results of the Group for the last five financial years are as follows:

	For the year ended 31 March				
	2008	2007	2006	2005	2004
	US$'000	US$'000	US$'000	US$'000	US$'000
Turnover	**328,260**	304,563	280,118	255,255	210,388
Profit attributable to equity holders of the Company	**19,188**	11,489	15,928	13,559	11,652
Basic earnings per share (US cents)	**2.10**	1.26	1.76	1.50	1.29

The assets and liabilities of the Group for the last five financial years are as follows:

	As at 31 March				
	2008	2007	2006	2005	2004
	US$'000	US$'000	US$'000	US$'000	US$'000
Property, plant and equipment	**112,603**	63,558	60,797	60,428	71,131
Investment properties	**7,056**	1,455	1,353	1,321	1,320
Leasehold land and land use rights	**24,262**	22,479	21,782	22,104	7,635
Intangible assets	**22,022**	6,000	8,990	386	96
Goodwill	**62,450**	15,782	11,360	11,090	517
Interests in associated companies	**–**	–	–	2,858	2,789
Financial assets at fair value through profit or loss	**1,128**	972	–	–	–
Available-for-sale investments	**–**	–	264	258	258
Defined benefit plan assets	**579**	1,419	1,389	1,890	1,850
Deferred income tax assets	**3,630**	4,589	4,329	4,281	280
	233,730	116,254	110,264	104,616	85,876
Current assets	**207,666**	145,242	140,276	124,464	101,764
Current liabilities	**(96,885)**	(57,014)	(56,798)	(58,207)	(46,329)
Net current assets	**110,781**	88,228	83,478	66,257	55,435
Total assets less current liabilities	**344,511**	204,482	193,742	170,873	141,311
Minority interests	**(7,952)**	(59,367)	(54,169)	(40,663)	(26,005)
Long-term liabilities	**(6,453)**	(5,366)	(8,762)	(14,584)	(6,838)
Deferred income tax liabilities	**(8,830)**	(6,050)	(5,350)	(4,686)	(5,178)
Equity holders' funds	**321,276**	133,699	125,461	110,940	103,290

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2008

	2008 RM'000 (note)	2007 RM'000 (note)
Turnover	**1,049,184**	973,444
Cost of goods sold	**(678,141)**	(653,684)
Gross profit	**371,043**	319,760
Other income	**14,938**	12,843
Other gains, net	**4,478**	5,245
Negative goodwill arising on the acquisition of Nanyang	**41,851**	–
Selling and distribution expenses	**(160,734)**	(142,760)
Administrative expenses	**(97,631)**	(91,644)
Other operating expenses	**(31,806)**	(14,206)
Operating profit	**142,139**	89,238
Finance costs	**(2,270)**	(3,691)
Profit before income tax	**139,869**	85,547
Income tax expense	**(37,744)**	(21,108)
Profit for the year	**102,125**	64,439
Attributable to:		
Equity holders of the Company	**61,328**	36,718
Minority interests	**40,797**	27,721
	102,125	64,439
Earnings per share attributable to the equity holders of the Company		
Basic (RM sens)	**6.70**	4.02
Diluted (RM sens)	**6.70**	4.02
Gross dividends		
by the Company		
First interim dividend proposed and paid	**3,314**	4,989
Second interim dividend proposed	**49,893**	–
by Sin Chew		
First and final dividend proposed	**–**	24,870

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CONSOLIDATED BALANCE SHEET

As at 31 March 2008

	2008 RM'000 *(note)*	2007 RM'000 *(note)*
ASSETS		
Non-current assets		
Property, plant and equipment	**359,902**	203,144
Investment properties	**22,552**	4,650
Leasehold land and land use rights	**77,546**	71,847
Intangible assets	**70,386**	19,177
Goodwill	**199,603**	50,442
Financial assets at fair value through profit or loss	**3,605**	3,107
Defined benefit plan assets	**1,851**	4,535
Deferred income tax assets	**11,602**	14,667
	747,047	371,569
Current assets		
Inventories	**161,507**	63,146
Available-for-sale financial assets	**2,058**	1,934
Financial assets at fair value through profit or loss	**882**	805
Trade and other receivables	**245,776**	180,694
Income tax recoverable	**8,822**	2,030
Cash and cash equivalents	**244,697**	215,613
	663,742	464,222
Current liabilities		
Trade and other payables	**188,519**	125,406
Income tax liabilities	**12,998**	6,910
Short-term bank loans	**78,032**	30,297
Bank overdrafts, secured	**9,467**	8,102
Current portion of long-term liabilities	**20,647**	11,513
	309,663	182,228
Net current assets	**354,079**	281,994
Total assets less current liabilities	**1,101,126**	653,563
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	**16,515**	16,636
Share premium	**40,940**	43,085
Other reserves	**628,230**	71,845
Retained earnings		
– Proposed final dividend	**49,893**	24,870
– Others	**291,284**	270,890
	1,026,862	427,326
Minority interests	**25,417**	189,749
Total equity	**1,052,279**	617,075
Non-current liabilities		
Long-term liabilities	**20,625**	17,151
Deferred income tax liabilities	**28,222**	19,337
	1,101,126	653,563

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BALANCE SHEET

As at 31 March 2008

	2008 RM'000 *(note)*	2007 RM'000 *(note)*
ASSETS		
Non-current assets		
Interests in subsidiaries	**1,113,642**	191,059
Current assets		
Amounts due from subsidiaries	**275,864**	268,810
Trade and other receivables	**105**	294
Income tax recoverable	**336**	–
Cash and cash equivalents	**150**	20,810
	276,455	289,914
Current liabilities		
Trade and other payables	**7,060**	265
Income tax liabilities	**–**	38
	7,060	303
Net current assets	**269,395**	289,611
Total assets less current liabilities	**1,383,037**	480,670
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	**16,515**	16,636
Share premium	**40,940**	43,085
Other reserves	**991,947**	82,782
Retained earnings		
– Proposed final dividend	**49,893**	–
– Others	**283,742**	338,167
Total equity	**1,383,037**	480,670

Note: The presentation currency of these consolidated financial statements is US$. Supplementary information in RM for the year ended 31 March 2008 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM3.1962 ruling at 31 March 2008. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the year ended 31 March 2008

	2008 RM'000 *(note)*	2007 RM'000 *(note)*
Currency translation differences	**33,443**	23,543
Actuarial losses of defined benefit plan assets	**(3,011)**	(304)
Actuarial gains of long service payment obligations	**125**	665
Net income recognised directly in equity	**30,557**	23,904
Profit for the year	**102,125**	64,439
Total recognised income for the year	**132,682**	88,343
Attributable to:		
Equity holders of the Company	**77,070**	49,272
Minority interests	**55,612**	39,071
	132,682	88,343

Note: The presentation currency of these consolidated financial statements is US$. Supplementary information in RM for the year ended 31 March 2008 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM3.1962 ruling at 31 March 2008. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2008

	2008	2007
	RM'000	RM'000
	(note)	*(note)*
Cash flows from operating activities		
Cash generated from operations	**118,745**	167,492
Interest on bank loans and overdrafts	**(1,930)**	(3,442)
Interest element of finance lease payments	**(339)**	(249)
Profits tax paid	**(27,564)**	(13,884)
Long service payments made	**(29)**	(58)
Contributions to the defined benefit plan	**(224)**	(393)
Net cash generated from operating activities	**88,659**	149,466
Cash flows from investing activities		
Purchase of property, plant and equipment	**(18,528)**	(19,126)
Purchase of intangible assets	**(425)**	(2,877)
Purchase of financial assets at fair value through profit or loss	**(9,627)**	(3,203)
Proceeds from redemption of financial assets at fair value through profit or loss	**8,022**	–
Payment of leasehold land and land use rights	**–**	(1,946)
Proceeds from disposals of other investments	**–**	818
Net cash inflow in respect of the acquisition of Nanyang	**12,414**	–
Professional fees paid for the acquisition of equity interest from minority shareholders of Sin Chew	**(2,157)**	–
Proceeds from disposals of property, plant and equipment, leasehold land and land use rights	**2,560**	368
Interest received	**6,881**	6,041
Dividends received	**35**	32
Net cash used in investing activities	**(825)**	(19,893)
Cash flows from financing activities		
Proceeds from exercise of share options	**121**	83
Repurchase of ordinary shares	**(2,391)**	(527)
Dividends paid	**(3,314)**	(11,647)
Dividends paid by Sin Chew	**(24,870)**	(22,751)
Dividends paid by a listed subsidiary	**(160)**	(160)
New finance leases	**4,002**	–
Capital element of finance lease payments	**(2,304)**	(2,071)
Repayment of bank loans	**(38,428)**	(23,556)
Repayment of short-term bank loans	**(2,762)**	(13,456)
Net cash used in financing activities	**(70,106)**	(74,085)
Net increase in cash and cash equivalents, and bank overdrafts	**17,728**	55,488
Cash and cash equivalents, and bank overdrafts as at 1 April	**207,511**	146,341
Exchange adjustments on cash and cash equivalents, and bank overdrafts	**9,991**	5,682
Cash and cash equivalents, and bank overdrafts as at 31 March	**235,230**	207,511

Note: The presentation currency of these consolidated financial statements is US$. Supplementary information in RM for the year ended 31 March 2008 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM3.1962 ruling at 31 March 2008. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

Analysis of Shareholdings

As at 16 July 2008

Authorised share capital	:	HK$250,000,000 divided into 2,500,000,000 ordinary shares of HK$0.10 each
Issued and paid-up capital	:	HK$168,495,024.10
Class of shares	:	ordinary shares of HK$0.10 each
Voting rights	:	one vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	Number of shareholders	% of shareholders	Number of shares held	% of issued capital
Less than 100	237	2.43	10,820	–*
100 to 1,000	1,186	12.15	765,039	0.04
1,001 to 10,000	5,895	60.39	25,411,358	1.51
10,001 to 100,000	2,163	22.16	51,610,464	3.06
100,001 to less than 5% of issued shares	275	2.82	655,406,776	38.90
5% and above of issued shares	5	0.05	951,745,784	56.49
Total	9,761	100.00	1,684,950,241	100.00

* negligible

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORY OR REGISTER OF MEMBERS

	Name of shareholders	Number of shares held	% of issued capital
1	Tiong Toh Siong Holdings Sdn Bhd	326,663,556	19.39
2	HKSCC Nominees Limited	205,130,687	12.17
3	HSBC Nominees (Hong Kong) Limited	179,222,700	10.64
4	Zaman Pemimpin Sdn Bhd	154,219,783	9.15
5	TIONG Hiew King	86,509,058	5.13
6	Ezywood Options Sdn Bhd	75,617,495	4.49
7	Teck Sing Lik Enterprise Sdn Bhd	65,319,186	3.88
8	Huaren Management Sdn Bhd	60,394,191	3.58
9	Madigreen Sdn Bhd	52,875,120	3.14
10	Persada Jaya Sdn Bhd	40,695,560	2.42
11	Employees Provident Fund Board	36,975,017	2.19
12	Lembaga Tabung Angkatan Tentera	20,314,500	1.21
13	Rimbunan Hijau (Sarawak) Sdn Bhd	15,536,696	0.92
14	Wong Yiing Ngiik	14,315,059	0.85

Analysis of Shareholdings

As at 16 July 2008

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORY OR REGISTER OF MEMBERS *(Continued)*

	Name of shareholders	Number of shares held	% of issued capital
15	Citigroup Nominees (Asing) Sdn Bhd (Cb Spore Gw For Aubenas Overseas Corp)	11,921,739	0.71
16	DB (Malaysia) Nominee (Asing) Sdn Bhd (Connaux Invest And Trade Ltd (2265224002))	11,921,739	0.71
17	Suria Kilat Sdn Bhd	11,742,597	0.70
18	Insan Anggun Sdn Bhd	11,727,459	0.70
19	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For TIONG Thai King)	11,645,037	0.69
20	HSBC Nominees (Asing) Sdn Bhd (Lancelot Assets Limited)	11,090,025	0.66
21	Citigroup Nominees (Tempatan) Sdn Bhd (Exempt An For Prudential Fund Management Berhad)	11,058,901	0.66
22	Mayban Securities Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For TIONG Ik King (39B))	9,406,189	0.56
23	Saraju Holding Sdn Bhd	7,086,500	0.42
24	AM Nominees (Tempatan) Sdn Bhd (Employees Provident Fund Board (A/C1))	7,043,540	0.42
25	Rimbunan Hijau Southeast Asia Sdn Bhd	6,532,188	0.39
26	Nustinas Sdn Bhd	6,375,064	0.38
27	Asanas Sdn Bhd	6,312,172	0.37
28	Raya Abadi Sdn Bhd	6,124,065	0.36
29	TIONG Chiong Ong	5,359,105	0.32
30	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (NON PAR 1)	4,564,200	0.27
		1,473,699,128	87.48

DIRECTORS' INTEREST

Name of directors	Direct interest	% of issued capital	Indirect interest	% of issued capital	No. of share options granted
	Number of shares				
(a) The Company					
TIONG Hiew King	86,509,058	5.13	798,678,690[(1)]	47.40	600,000
			11,713,447[(2)]	0.70	–
TIONG Kiu King	2,454,559	0.15	147,000[(3)]	0.01	600,000
TIONG Ik King	9,406,189	0.56	252,487,700[(4)]	14.98	600,000
TIONG Kiew Chiong	5,088,783	0.30	–	–	600,000
SIEW Nyoke Chow	2,523,472	0.15	–	–	–
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	135,925	0.01	–	–	–

As at 16 July 2008

Name of directors	Number of shares: Direct interest	% of issued capital of OMG	Indirect interest	% of issued capital of OMG	No. of share options granted
(b) Subsidiary					
One Media Group Limited ("OMG")					
TIONG Hiew King	–	–	–	–	1,250,000
TIONG Kiu King	–	–	–	–	1,250,000
TIONG Ik King	–	–	–	–	1,000,000
TIONG Kiew Chiong	3,500,000	0.88	–	–	1,250,000
DAVID Yu Hon To	–	–	–	–	150,000
Victor YANG	–	–	–	–	150,000

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of shareholders	Number of shares: Direct interest	% of issued capital	Deemed interest	% of issued capital
TIONG Hiew King	86,509,058	5.13	798,678,690(1)	47.40
			11,713,447(2)	0.70
TIONG Ik King	9,406,189	0.56	252,487,700(4)	14.98
Tiong Toh Siong Holdings Sdn Bhd	326,663,556	19.39	–	–
Conch Company Limited	252,487,700	14.98	–	–
Zaman Pemimpin Sdn Bhd	154,219,783	9.15	–	–
Tech Sing Lik Enterprise Sdn Bhd	65,319,186	3.88	403,351,877(5)	23.94
Seaview Global Company Limited	–	–	252,487,700(6)	14.98
Sharifah Rokayah Binti WAN OTHMAN	353	–*	154,219,783(7)	9.15
Salleh Bin DELAMID	–	–	154,219,783(7)	9.15

* negligible

Notes:

(1) Deemed interested by virtue of his interests in Seaview Global Company Limited, Conch Company Limited, Teck Sing Lik Enterprise Sdn Bhd, Tiong Toh Siong Holdings Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd, Pertumbuhan Abadi Asia Sdn Bhd, Ezywood Options Sdn Bhd and Madigreen Sdn Bhd.

(2) Deemed interested by virtue of his family's interest.

(3) Deemed interested by virtue of his spouse's interest.

(4) Deemed interested by virtue of his interest in Conch Company Limited and Seaview Global Company Limited.

(5) Deemed interested by virtue of its interest in Tiong Toh Siong Holdings Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd and Madigreen Sdn Bhd.

(6) Deemed interested by virtue of its interest in Conch Company Limited.

(7) Deemed interested by virtue of his/her interest in Zaman Pemimpin Sdn Bhd.

List of Properties, Leasehold Land and Land Use Rights

As at 31 March 2008

LIST OF PROPERTIES

Details of the properties held by the Group are listed as follows:

	Location	Tenure	Approximate area (Sq ft)	Description	Approximate age of buildings	Net book value US$'000	Year of acquisition
Buildings held on medium term leases in Hong Kong							
1	Workshops 1-7 on G/F, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	17,857	Industrial	16 years	826	1992
2	Workshops 1-16, on 1/F, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	33,232	Storage	16 years	1,305	1992
3	Workshops 1-12 on 15/F of Block A, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	16,057	Office	16 years	840	1992
4	Workshops 1-12 on 16/F of Block A, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	16,057	Office	16 years	678	1992
5	Workshops 1-12 on 17/F of Block A, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	16,057	Office	16 years	678	1992
6	Workshops 1-12 on 18/F of Block A, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	16,057	Office	16 years	678	1992
7	Workshops 1-12 on 19/F and Flat Roofs and the External Wall of Roof Floor of Block A, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	21,357	Office	16 years	718	1992
8	Private Car & Light Van Parking Space Nos. P1, P2 and Lorry Parking Space Nos. L1-L4 on 1/F, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	N/A	Car parking	16 years	86	1997
9	Private Car & Light Van Parking Space No. P18-20 and Lorry Parking Space Nos. L18, L19 on 3/F, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	N/A	Car parking	16 years	63	1992

As at 31 March 2008

	Location	Tenure	Approximate area (Sq ft)	Description	Approximate age of buildings	Net book value US$'000	Year of acquisition
10	Private Car & Light Van Parking Space No. P11 and Lorry Parking Space Nos. L17 on 3/F, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	N/A	Car parking	16 years	21	1993
						5,893	
Freehold land and buildings outside Hong Kong							
1	5368 Parkwood Place, Richmond, Vancouver, British Columbia, Canada	Freehold	43,196	Industrial and office	17 years	1,816	1993
2	Suite 1105, 8248 Lansdowne Road, Richmond, Vancouver, Britsh Columbia, Canada	Freehold	1,116	Residential	13 years	206	1995
3	1355 Huntingwood Drive, Scarborough, Toronto, Canada	Freehold	122,150	Industrial and office	35 years	982	1993
4	1, Jalan SS7/2, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Freehold	269,892	Office buildings and factory building	14.25 years	13,343	1994
5	24, 24A, 24B Weld Quay 10300 Pulau Pinang, Malaysia	Freehold	4,164	Land & building (Double storey shophouse)	32.75 years	502	1975
6	224-226, Jalan Sultan Iskandar, 30000 Ipoh, Perak Darul Ridzuan, Malaysia	Freehold	16,400	Office buildings	32.75 years	471	1975
7	7, 7A-B Jalan Maju, Taman Maju Jaya 80400 Johor Bahru, Johor Darul Takzim, Malaysia	Freehold	1,783	Land & building (3 storey shophouse)	30.75 years	293	1977
8	6, Jalan Liku, Off Jalan Bangsar, 59100 Kuala Lumpur, Malyasia	Freehold	8,099	Factory buildings	19.75 years	562	1988
9	9 & 9A Jalan D, Off Jalan Tampoi, 81100 Johor Bahru, Johor Darul Takzim, Malaysia	Freehold	37,190	Factory buildings	16 years	816	2003
10	40 Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Malaysia	Leasehold 60 years expiring on 2064	10,486	Office buildings	40 years	375	1984

List of Properties, Leasehold Land and Land Use Rights

As at 31 March 2008

	Location	Tenure	Approximate area (Sq ft)	Description	Approximate age of buildings	Net book value US$'000	Year of acquisition
11	80, Jalan Riong, 59100 Kuala Lumpur, Malaysia	Freehold	42,716	Office buildings and factory building	32.75 years	3,595	1976
12	No. 76, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Leasehold expiry: 2063	189,240	Office and printing plant	18 years for office block and 3 years for the printing plant	9,887	2001
13	A4-12-20, Leisure Commerce Square, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Leasehold expiry: 2091	818	Office building	8 years	56	1999
14	A4-12-21, Leisure Commerce Square, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Leasehold expiry: 2091	818	Office building	8 years	56	1999
15	No. 2771, Mukim 1, Jalan Jelawat, Seberang Jaya Industrial Estate, 13700 Perai, Malaysia	Leasehold expiry: 2058	131,136	Office and printing plant	14 years	282	1998
16	Lot 1691, Seksyen 12 Bandar Georgetown Pulau Pinang, Malaysia	Freehold	15,736	Office building	45 years	1,171	2004
17	No. 19, Jalan Angkasa Mas 5, Kawasan Perindustrian Tebrau II, 81100 Johor Bahru, Johor Darul Takzim, Malaysia	Leasehold expiry: 2053	79,715	Printing plant and warehouse	10 years	932	1998
18	No. 12, Jalan Maju, Taman Maju Jaya, 80400 Johor Bahru, Johor Darul Takzim, Malaysia	Freehold	2,090	Office building	29 years	99	1998
19	Lot 02123, Section 66, Lorong 3, Jalan Semangat, Pending, Kuching, Sarawak, Malaysia	Leasehold expiry: 2047	217,172	Office and printing plant	11 years	707	1996
20	Lot 1865, Section 19, Seduan Land District, Upper Lanang Road, Sibu, Sarawak, Malaysia	Leasehold expiry: 2063	92,549	Office, printing plant and warehouse	8 years	865	2004
21	Lot 2620 (Part of 804), Block 4, Jalan Cattleya 3, Piasau Industrial Estate, Miri Concession Land District, Sarawak, Malaysia	Leasehold expiry: 2036	80,363	Office, printing plant and warehouse	2 years	1,697	2005

As at 31 March 2008

	Location	Tenure	Approximate area (Sq ft)	Description	Approximate age of buildings	Net book value US$'000	Year of acquisition
22	No. 38, Jalan Haji Abdul Aziz, 25000 Kuantan, Pahang Darul Makmur, Malaysia	Freehold	1,600	Office building	29 years	52	1998
23	109, Taman Melaka Raya, Jalan Merdeka, 75000 Melaka, Malaysia	Leasehold expiry: 2075	1,600	Office building	29 years	50	1998
						38,815	
Buildings held on long term leases outside Hong Kong							
1	Flat A-D, 3-6/F De Yun Court, Winking Garden, Tong He Road, Bai Yun District, Guangzhou, PRC	Leasehold 70 years expiring on 2062	17,008	Residential	15 years	215	1995
2	31 Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Malaysia	Leasehold 60 years expiring on 2066	46,866	Office buildings and factory building	38 years	2,823	2004
						3,038	
Buildings held on medium term leases outside Hong Kong							
1	Whole block of Yun Xing Bldg, Winking International Commercial Centre, Tong He Road, Bai Yun District, Guangzhou, PRC	Leasehold 50 years expiring on 2042	119,795	Industrial building	15 years	1,046	1993
2	11 Persiaran Sri Rapat, Off Jalan Lapangan Terbang, 31350 Ipoh, Perak Darul Riduan, Malaysia	Leasehold 60 years expiring on 2039	23,574	Factory building	25 years	110	1994
						1,156	

LIST OF LEASEHOLD LAND AND LAND USE RIGHTS

Details of the leasehold land and land use rights held by the Group are listed as follows:

	Location	Tenure	Net book value US$'000
Medium term lease leasehold land and land use rights in Hong Kong			
1	Workshops 1-7 on G/F, MP Industrial Centre, No.18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	2,742
2	Workshops 1-16, on 1/F, MP Industrial Centre, No.18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	2,663
3	Workshops 1-12 on 15/F of Block A, MP Industrial Centre, No.18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	946
4	Workshops 1-12 on 16/F of Block A, MP Industrial Centre, No.18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	946
5	Workshops 1-12 on 17/F of Block A, MP Industrial Centre, No.18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	946

List of Properties, Leasehold Land and Land Use Rights

As at 31 March 2008

Location		Tenure	Net book value
			US$'000
6	Workshops 1-12 on 18/F of Block A, MP Industrial Centre, No.18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	945
7	Workshops 1-12 on 19/F, Flat Roofs and the External Wall of Roof Floor of Block A, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	945
8	Private Car & Light Van Parking Space Nos. P1, P2 and Lorry Parking Space Nos. L1-L4 on 1/F, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	554
9	Private Car & Light Van Parking Space No. P18-20 and Lorry Parking Space Nos. L18, L19 on 3/F, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	199
10	Private Car & Light Van Parking Space No. P11 and Lorry Parking Space No. L17 on 3/F, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold expiry: 2047	120
			11,006

Medium term lease leasehold land and land use rights in Malaysia

1	11 Persiaran Sri Rapat, Off Jalan Lapangan Terbang, 31350 Ipoh, Perak Darul Riduan, Malaysia	Leasehold expiry: 2039	61
2	57-F Jalan Tun Ali, 75300 Melaka, Malaysia	Leasehold expiry: 2055	430
3	No.19, Jalan Angkasa Mas 5, Kawasan Perindustrian Tebrau II, 81100 Johor Bahru, Johor Darul Takzim, Malaysia	Leasehold expiry: 2053	424
4	No.19, Jalan Sungai Keladi 2, 42000 Port Klang, Selangor Darul Ehsan, Malaysia	Leasehold expiry: 2053	48
5	Lot 02123, Section 66, Lorong 3, Off Jalan Semangat, Pending, Kuching, Sarawak, Malaysia	Leasehold expiry: 2047	1,115
6	Lot 804, Block 4, Jalan Cattleya 3, Miri Concession Land District, Sarawak	Leasehold expiry: 2036	683
			2,761

Long term lease leasehold land and land use rights in Malaysia

1	40, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Malaysia	Leasehold expiry: 2064	241
2	31, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Malaysia	Leasehold expiry: 2066	1,098
3	No. 2771, Mukim 1, Jalan Jelawat, Seberang Jaya Industrial Estate, 13700 Perai, Malaysia	Leasehold expiry: 2058	470
4	No.76, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Leasehold expiry: 2063	5,803
5	Lot 3608 (Part of Lot 1865), Jalan Lanang Barat (formerly known as Upper Lanang Road). Off Jalan Lanang, Sibu, Sarawak, Malaysia	Leasehold expiry: 2063	621
			8,233

Medium term lease leasehold land and land use rights in Mainland China

1	Whole block of Yun Xing Bldg, Winking International Commercial Centre, Tong He Road, Bai Yun District, Guangzhou, PRC	Leasehold expiry: 2042	1,737
			1,737

Long term lease leasehold land and land use rights in Mainland China

1	Flat A-D, 3-6/F De Yun Court, Winking Garden, Tong He Road, Bai Yun District, Guangzhou, PRC	Leasehold expiry: 2062	525
			525

Notice of 18th Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting of Media Chinese International Limited will be held at (i) Nanyang Siang Pau Building, Ground Floor, No. 1, Jalan SS 7/2, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia; and (ii) Annapurna Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Wednesday, 27 August 2008 at 10:00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2008 together with the Directors' and Auditor's Reports thereon. — Ordinary Resolution 1

2. To approve the payment of Directors' remuneration for the financial year ended 31 March 2008. — Ordinary Resolution 2

3. To re-elect the following Directors who retire pursuant to Bye-Laws 99(A) and 102(B) of the Company:

i.	Mr TIONG Kiew Chiong	Ordinary Resolution 3
ii.	Mr Victor YANG	Ordinary Resolution 4
iii.	Dato' LEONG Khee Seong	Ordinary Resolution 5
iv.	Ms SIEW Nyoke Chow	Ordinary Resolution 6
v.	Ms SIM Sai Hoon	Ordinary Resolution 7
vi.	Mr LEONG Chew Meng	Ordinary Resolution 8
vii.	Tan Sri Dato' LAU Yin Pin; and	Ordinary Resolution 9
viii.	Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	Ordinary Resolution 10

4. To re-appoint Messrs PricewaterhouseCoopers as auditor of the Company for the ensuing year and to authorise the Directors to fix their remuneration. — Ordinary Resolution 11

AS SPECIAL BUSINESS

To consider and, if thought fit, pass with or without amendments the following Resolutions:

5. ORDINARY RESOLUTION

PROPOSED SHAREHOLDERS' RATIFICATION AND MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' RATIFICATION AND MANDATE")

"**THAT** approval is hereby given pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with those related parties as specified in the circular to shareholders dated 31 July 2008, subject further to the following: — Ordinary Resolution 12

(a) the transactions are necessary for the day to day operations of the Company and its subsidiaries (the "Group") and carried out in the ordinary course of business, on normal commercial terms, on arm's length basis and are on terms not more favourable than those generally available to the public and are not detrimental to the minority shareholders of the Company; and

(b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year.

THAT the approval given in the paragraph above shall only continue to be in force until:

(a) the conclusion of the next annual general meeting of the Company following the annual general meeting at which the Proposed Shareholders' Ratification and Mandate was passed, at which time the Proposed Shareholders' Ratification and Mandate will lapse, unless by an ordinary resolution passed at the general meeting, the authority is renewed;

(b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Bye-Laws of the Company to be held; or

(c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever is earlier.

AND **THAT** the Directors and/or any of them of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient and necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

6. ORDINARY RESOLUTION

PROPOSED GENERAL MANDATE FOR SHARE BUY-BACK

"**THAT**:

(a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited ("Stock Exchange"), Bursa Malaysia Securities Berhad ("Bursa Securities") or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong, the Stock Exchange and Bursa Securities for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, Listing Requirements of Bursa Securities or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved; Ordinary Resolution 13

(b) the aggregate nominal amount of shares of the Company which may be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

(c) for the purposes of this resolution, "Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Bye-Laws of the Company to be held; or

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting."

7. ORDINARY RESOLUTION

PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES

"**THAT**:

(a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK$0.10 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved; Ordinary Resolution 14

(b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company; (iii) an issue of shares as scrip dividends pursuant to the Bye-Laws of the Company from time to time; or (iv) an issue of shares under any option scheme or similar arrangement for the grant or issue of shares or rights to acquire shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution, "Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Bye-Laws of the Company to be held; or

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

"Right Issue" means an offer of shares open for a period fixed by the Directors of the Company to the holders of the shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company.)"

8. ORDINARY RESOLUTION

PROPOSED GENERAL MANDATE RELATING TO AN EXTENSION TO THE GENERAL MANDATE TO ISSUE NEW SHARES

"**THAT** subject to the passing of the resolution nos. 13 and 14 set out in the notice convening the meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to resolution no. 14 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 13 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as the date of the said resolution." Ordinary Resolution 15

By Order of the Board
MEDIA CHINESE INTERNATIONAL LIMITED
LAW Yuk Kuen
Company Secretary

31 July 2008

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy may but need not be a member of the Company.

2. When a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

3. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with i) the Hong Kong head office and principal place of business of the Company at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong; or ii) Malaysia Branch Share Registrar office at G-01, Ground Floor, Plaza Permata, Jalan Kampar off Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

4. Explanatory notes on special business:

   (a) The proposed Ordinary Resolution No. 12, if passed, will empower the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties in the ordinary course of business based on normal commercial terms which are not more favourable to the related parties than those generally available to the public which are necessary for the Group's day-to-day operations. Please refer to the circular to shareholders dated 31 July 2008 for more information.

   (b) The explanatory notes on Ordinary Resolution No. 13 are set out in the circular to shareholders dated 31 July 2008 accompanying the Annual Report.

   (c) The proposed Ordinary Resolution No. 14, if passed, will authorise the Directors to issue and allot shares up to 20% of the issued and paid-up capital of the Company for the time being for such purposes as the Directors would consider to be in the interest of the Company. This is to avoid any delay and cost involved in convening a general meeting to approve such an issue of shares. This authority, unless revoked or varied at a general meeting, will expire at the next conclusion of the annual general meeting of the Company.

Statement Accompanying Notice of Annual General Meeting

Mr TIONG Kiew Chiong, Mr Victor YANG, Dato' LEONG Khee Seong, Ms SIEW Nyoke Chow, Ms SIM Sai Hoon, Mr LEONG Chew Meng, Tan Sri Dato' LAU Yin Pin and Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH are the Directors standing for re-election at the forthcoming Eighteenth Annual General Meeting of the Company. Details of their respective further details are shown in the Annual Report as follows:

	Further details	**Page no.**
(a)	Age, nationality, qualification, and whether the position is an executive or non-executive one and whether such director is an independent director	4-10
(b)	The working experience and occupation	4-10
(c)	Any other directorships of public companies	4-10
(d)	The details of any interest in the Company and its subsidiaries	4-10
(e)	The family relationship with any director and/or major shareholder of the Company	10
(f)	Any conflict of interest that they have with the Company	10
(g)	The list of convictions for offences within the past 10 years other than traffic offences, if any	10

Details of attendance of directors at board meetings are set out on page 36 of the Annual Report.

Media Chinese International Limited
世界華文媒體有限公司

MALAYSIA

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HONG KONG

15/F, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chaiwan, Hong Kong Tel: (852) 2595 3111 Fax: (852) 2898 2691

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