

# 世界華文

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

Media Chinese International Limited  
Annual Report 2009/10

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

# Contents

Corporate Information	2
Profile of Board of Directors	4
Profile of Senior Management	11
Chairman's Statement	13
Management Discussion and Analysis	17
Corporate Social Responsibility	22
Major Awards of the Year	24
Significant Events	30
Statement on Corporate Governance	34
Statement on Internal Control	48
Audit Committee Report	49
Report of the Directors	56
Statement of Directors' Responsibilities in relation to the Financial Statements	70
Independent Auditor's Report	71
Consolidated Income Statement	72
Consolidated Statement of Comprehensive Income	73
Consolidated Balance Sheet	74
Balance Sheet	76
Consolidated Statement of Changes in Equity	77
Consolidated Cash Flow Statement	79
Notes to the Financial Statements	80
Additional Compliance Information	155
Five-Year Financial Summary	156
Additional Information	157
Analysis of Shareholdings	165
List of Properties, Leasehold Land and Land Use Rights	169
Notice of the 20th Annual General Meeting	174
Statement Accompanying Notice of Annual General Meeting	178

天下事

Global Affairs

華人情

Chinese Perspective

## EXECUTIVE DIRECTORS

Tan Sri Datuk Sir TIONG Hiew King (*Group Executive Chairman*)  
Mr TIONG Kiu King  
Dato' Sri Dr TIONG Ik King  
Mr TIONG Kiew Chiong (*Group Chief Executive Officer*)  
Ms SIEW Nyoke Chow  
Ms SIM Sai Hoon

## NON-EXECUTIVE DIRECTOR

Mr LEONG Chew Meng

## INDEPENDENT NON-EXECUTIVE DIRECTORS

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

## GROUP EXECUTIVE COMMITTEE

Dato' LIEW Chen Chuan (*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*)  
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  
Temenggong Datuk Kenneth Kanyan  
ANAK TEMENGGONG KOH  
Mr TIONG Kiew Chiong  
Ms SIM Sai Hoon

## NOMINATION COMMITTEE

Temenggong Datuk Kenneth Kanyan  
ANAK TEMENGGONG KOH (*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  
RHB Bank Berhad  
HSBC Bank Malaysia Berhad  
OCBC Bank (Malaysia) Berhad

## AUDITOR

PricewaterhouseCoopers, Hong Kong

## STOCK CODE

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

## WEBSITE

<http://www.mediachinesegroup.com>

## HONG KONG HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

15th Floor, Block A  
Ming Pao Industrial Centre  
18 Ka Yip Street, Chai Wan  
Hong Kong  
Tel: (852) 2595 3111  
Fax: (852) 2898 2691

## MALAYSIA HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 19, Jalan Semangat  
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

Level 8, Symphony House  
Block D13, Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia  
Tel: (603) 7841 8000  
Fax: (603) 7841 8199

## PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (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

Tricor Investor Services Sdn Bhd  
(formerly known as Tenaga Koperat Sdn Bhd)  
Level 17, The Gardens North Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Malaysia  
Tel: (603) 2264 3883  
Fax: (603) 2282 1886

## Profile of Board of Directors

### Tan Sri Datuk Sir TIONG Hiew King

#### Group Executive Chairman

Malaysian, aged 76, 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 comprising of timber harvesting, processing and manufacturing of timber products, tree-planting plantations and other businesses around the world. Tan Sri Datuk Sir TIONG Hiew King has extensive experience in a number of industries, including media and publishing, timber, oil palm, plantations and mills, 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 Chairman of The Chinese Language Press Institute. He was bestowed the Knight Commander of the Most Excellent Order of the British Empire (K.B.E.) by Queen Elizabeth II of the United Kingdom in June 2009 in recognition of his services to commerce, community and charitable organisation.

Tan Sri Datuk Sir TIONG Hiew King is the Executive Chairman of Sin Chew Media Corporation Berhad ("Sin Chew"), a wholly-owned subsidiary of the Company in Malaysia. He is the Chairman of the Board of Trustees of Yayasan Sin Chew, and currently serves as the Executive Chairman of Rimbunan Sawit Berhad (stock code: 5113), a listed company in Malaysia and RH Petrogas Limited (previously known as Tri-M Technologies (S) Limited, stock code: T13), a listed company in Singapore. He also serves as a director of other private limited companies.

He is the brother of Mr TIONG Kiu King and Dato' Sri Dr TIONG Ik King, and a distant relative of Mr TIONG Kiew Chiong, all of whom are directors of the Company. In addition, Dato' Sri Dr TIONG Ik King is a substantial shareholder of the Company.

### 丹斯里拿督張曉卿爵士

#### 集團執行主席

馬來西亞公民，76歲，於一九九五年十月二十日獲委任為世界華文媒體有限公司（「本公司」）主席，他同時兼任馬來西亞大型多元化綜合企業常青集團的執行主席，該集團在全球擁有採伐、加工及製造木材產品、林木種植及其他業務。丹斯里拿督張曉卿爵士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、漁業、資訊科技及製造業等。他在巴布亞新畿內亞出版英文報章《The National》，也是世界中文報業協會的現任會長。他於二零零九年六月獲英女皇伊利沙伯二世冊封爵級司令勳章(K.B.E.)，以嘉許他對商界、社會及慈善機構作出的貢獻。

丹斯里拿督張曉卿爵士是本公司馬來西亞全資附屬公司星洲媒體集團有限公司（「星洲媒體」）的執行主席，也是星洲日報基金會信託人理事會的主席，現任馬來西亞上市公司常青油棕有限公司（股份代號：5113）及新加坡上市公司常青石油及天然氣有限公司（前稱太安科技（新加坡）有限公司，股份代號：T13）之執行主席。他也出任多間其他私人有限公司的董事。

丹斯里拿督張曉卿爵士是張鉅卿先生及拿督斯里張翼卿醫生的胞兄，也是張裴昌先生的遠房親戚，他們均為本公司董事。此外，拿督斯里張翼卿醫生為本公司的主要股東。

## Mr TIONG Kiu King

### Executive Director

Australian, aged 75, was appointed as an executive director of the Company on 20 October 1995. He is 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: 426) 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 other private limited companies.

He is the brother of Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King, and a distant relative of Mr TIONG Kiew Chiong, all of whom are directors of the Company. In addition, Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are substantial shareholders of the Company.

## Dato' Sri Dr TIONG Ik King

### Executive Director

Malaysian, aged 59, 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. Dato' Sri Dr TIONG graduated from National University of Singapore with an M.B.B.S. Degree in 1975 and became a member of the Royal College of Physicians, United Kingdom (M.R.C.P.) in 1977. He was conferred the datukship title of Dato' Sri by the Sultan of Pahang, Malaysia on 24 October 2008 in recognition of his contribution to the country.

During the three-year period immediately preceding 31 March 2010, Dato' Sri Dr TIONG had been and subsequently resigned as a non-independent non-executive director of Sin Chew effective from 2 May 2008 when it merged with Nanyang Press Holdings Berhad ("Nanyang") and Ming Pao Enterprise Corporation Limited on 30 April 2008 to form the Company. Dato' Sri Dr TIONG sits on the boards of several listed companies, namely Jaya Tiasa Holdings Berhad (stock code: 4383) and EON Capital Berhad (stock code: 5266) in Malaysia; and RH Petrogas Limited (previously known as Tri-M Technologies (S) Limited, stock code: T13) in Singapore.

He is the brother of Tan Sri Datuk Sir TIONG Hiew King and Mr TIONG Kiu King, and a distant relative of Mr TIONG Kiew Chiong, all of whom are directors of the Company. In addition, Tan Sri Datuk Sir TIONG Hiew King is a substantial shareholder of the Company.

## 張鉅卿先生

### 執行董事

澳洲公民，75歲，於一九九五年十月二十日獲委任為本公司執行董事，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」）（自二零零五年十月起在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：426）的主席。張鉅卿先生於一九六四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。他也出任本公司多間附屬公司及私人有限公司的董事。

他是丹斯里拿督張曉卿爵士的胞弟及拿督斯里張翼卿醫生的胞兄，也是張裘昌先生的遠房親戚，他們均為本公司董事。此外，丹斯里拿督張曉卿爵士及拿督斯里張翼卿醫生是本公司的主要股東。

## 拿督斯里張翼卿醫生

### 執行董事

馬來西亞公民，59歲，於一九九五年十月二十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。拿督斯里張翼卿醫生於一九七五年畢業於新加坡國立大學，獲頒醫學學士學位，並於一九七七年取得英國皇家內科醫師學會會員資格。拿督斯里張翼卿醫生獲馬來西亞彭亨州蘇丹於二零零八年十月二十四日頒授拿督斯里封號，以表揚他對國家的貢獻。

截至二零一零年三月三十一日的前三年期間，拿督斯里張翼卿醫生曾任星洲媒體非獨立非執行董事，他隨著星洲媒體、南洋報業控股有限公司（「南洋報業」）及明報企業有限公司於二零零八年四月三十日合併後，於二零零八年五月二日辭任。拿督斯里張翼卿醫生同時也是多間上市公司的董事，包括馬來西亞的常成控股有限公司（股份代號：4383）、國貿資本有限公司（股份代號：5266）及新加坡的常青石油及天然氣有限公司（前稱太安科技（新加坡）有限公司，股份代號：T13）。

他是丹斯里拿督張曉卿爵士及張鉅卿先生的胞弟，也是張裘昌先生之遠房親戚，他們均為本公司董事。此外，丹斯里拿督張曉卿爵士為本公司的主要股東。



## Profile of Board of Directors (Continued)

### Mr TIONG Kiew Chiong

*Executive Director and Group Chief Executive Officer*

Malaysian, aged 50, 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, a subsidiary of the Company which has been publicly listed on the main board of the HK Stock Exchange (stock code: 426) since October 2005. 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 Degree of Business Administration (Honours) from York University, Toronto, Canada in 1982. Mr. TIONG was appointed as an executive director of RH Petrogas Limited (previously known as Tri-M Technologies (S) Limited, stock code: T13) a listed company in Singapore, on 28 July 2009. He also serves as a director of various subsidiaries of the Company and several private limited companies.

He is the distant nephew of Tan Sri Datuk Sir TIONG Hiew King, Mr TIONG Kiu King and Dato' Sri Dr TIONG Ik King, all of whom are directors of the Company. In addition, Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are substantial shareholders of the Company.

### Ms SIEW Nyoke Chow

*Executive Director*

Malaysian, aged 54, 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 operation. She is also the Deputy Managing Director and Group Editor-In-Chief of 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 (former publisher of *Sin Chew Daily*) 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.

Ms Siew is currently the council member of the Malaysian National News Agency (BERNAMA), an Advisor to the World Chinese Culture Research Centre of Fudan 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. She also holds directorships in a number of subsidiaries of the Company and several private limited companies in Malaysia.

### 張裘昌先生

*執行董事兼集團行政總裁*

馬來西亞公民，50歲，於一九九八年五月二日獲委任為本公司執行董事。目前為集團行政總裁，也是本公司的集團行政委員會及薪酬委員會成員。張裘昌先生也是萬華媒體的副主席。該公司是本公司附屬公司，自二零零五年十月起在香港聯交所主板上市（股份代號：426）。他在傳媒及出版業擁有豐富經驗。他於一九九三年在巴布亞新畿內亞參與創辦英文報章《The National》。張裘昌先生於一九八二年畢業於加拿大多倫多約克大學，獲頒工商管理學士（榮譽）學位。張先生於二零零九年七月二十八日獲委任為新加坡上市公司常青石油及天然氣有限公司（前稱太安科技（新加坡）有限公司，股份代號：T13）之執行董事。他亦出任多間本公司附屬公司及私人有限公司之董事。

他是丹斯里拿督張曉卿爵士、張鉅卿先生及拿督斯里張翼卿醫生的遠房侄子。他們均為本公司董事。此外，丹斯里拿督張曉卿爵士及拿督斯里張翼卿醫生為本公司主要股東。

### 蕭依釗女士

*執行董事*

馬來西亞公民，54歲，於二零零八年三月二十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兼東南亞區業務之總編輯，同時也是本公司於馬來西亞之全資附屬公司星洲媒體的副董事總經理兼集團總編輯。蕭依釗女士於一九七七年於馬來西亞拉曼學院考獲高級劍橋文憑；其後於一九八三年在馬尼拉獲新聞專業課程證書。她於一九七八年加入星系報業（馬來西亞）私人有限公司（《星洲日報》前出版人）擔任記者，展開她的新聞工作生涯，更於一九九二年獲擢升為星洲媒體文教部主任；其後於一九九五年升任為副總編輯。

她現任馬來西亞國家新聞社理事會理事、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的特約研究員。蕭女士為星洲日報基金會及國際公正世界組織信託人，也是本公司多間附屬公司及其他馬來西亞的私人有限公司的董事。

## Profile of Board of Directors (Continued)

### Ms SIM Sai Hoon

*Executive Director*

Malaysian, aged 50, 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. On 15 December 2009, she has been appointed as a member of the Malaysia Healthcare Travel Council Advisory Committee. In April 2010, she was appointed as a panel member in assisting SME Corp Malaysia to formulate entrepreneurship programmes for women entrepreneurs. She recently co-founded CENSE (Centre for Strategic Engagement), a niche, non-political thinktank, which works on policy analysis, industry research and effective advocacy tools to enhance businesses in a challenging environment. She sits on the Board of Yayasan Sin Chew as a Trustee and holds directorships in several private limited companies in Malaysia.

### Mr LEONG Chew Meng

*Non-executive Director (Non-independent)*

Malaysian, aged 54, 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 30 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.

During the three-year period immediately preceding 31 March 2010, Mr LEONG had been and resigned as a non-independent non-executive director of Nanyang effective from 30 April 2008. He had also resigned as an independent non-executive director of two listed companies in Malaysia, namely Sunrise Berhad (stock code: 6165) on 28 October 2008 and Pulai Springs Berhad (stock code: 5059) on 1 September 2009.

He is a son-in-law of Dato' LIEW Chen Chuan who is a member of the senior management of the Group.

### 沈賽芬女士

*執行董事*

馬來西亞公民，50歲，於二零零八年三月二十日獲委任為本公司執行董事，同時也是本公司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（榮譽），主修化學及管理。其後在英國倫敦艾林（Ealing）學院取得中文深造文憑。她在製造業及公用事業方面，擁有與海外合夥人成立合營企業的豐富經驗。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。於二零零九年十二月十五日她獲委任為大馬保健旅遊諮詢理事會成員。在二零一零年四月，她獲委任為馬來西亞中小型企業機構的理事會成員，協助發展婦女企業家計劃。她近來創辦了CENSE（戰略運用中心），為一個專門及非政治智庫，進行政策分析、行業調查及效率提倡工具，以在充滿挑戰的環境中提升業務。她現為星洲日報基金會信託人，以及多間馬來西亞私人有限公司的董事。

### 梁秋明先生

*非執行董事（非獨立）*

馬來西亞公民，54歲，於二零零八年四月十四日獲委任為本公司非執行董事，同時也是本公司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，取得學士學位，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，為一名專業會計師，在馬來西亞擁有超過30年的工作經驗。在晉身商界、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總監一職。

截至二零一零年三月三十一日的前三年期間，梁先生曾任南洋報業的非獨立非執行董事，他在二零零八年四月三十日辭任，另也曾任及其後辭任兩間於馬來西亞上市公司的獨立非執行董事，分別為陽光有限公司（股份代號：6165，於二零零八年十月二十八日辭任）及蒲萊泉有限公司（股份代號：5059，於二零零九年九月一日辭任）。

他是本集團一位高級管理層成員拿督劉鑑銓的女婿。



## Profile of Board of Directors (Continued)

### Mr David YU Hon To

#### *Independent Non-executive Director*

British, aged 62, 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, a subsidiary of the Company which has been publicly listed on the main board of the HK Stock Exchange (stock code: 426) since October 2005. 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, auditing and corporate management. Mr Yu is the Vice Chairman of MCL Partners Limited, a Hong Kong based financial advisory and investment firm.

During the three-year period immediately preceding 31 March 2010, Mr YU had been and subsequently resigned as an independent non-executive director of three companies listed in Hong Kong, namely Shun Cheong Holdings Limited (stock code: 650) (resigned on 23 October 2007), BALtrans Holdings Limited (stock code: 562 and was withdrawn from listing on the HK Stock Exchange on 9 April 2008) (resigned on 21 February 2008) and Cinda International Holdings Limited (formerly known as Hantec Investment Holdings Limited) (stock code: 111) (resigned on 23 December 2008). He currently serves as an independent non-executive director of Great China Holdings Limited (stock code: 141), Playmates Holdings Limited (stock code: 635), TeleEye Holdings Limited (stock code: 8051), VXL Capital Limited (stock code: 727), Haier Electronics Group Co., Limited (stock code: 1169), Hong Kong Energy (Holdings) Limited (stock code: 987) and Synergis Holdings Limited (stock code: 2340), all of which are listed companies in Hong Kong. He also sits on the boards of several private companies.

### 俞漢度先生

#### *獨立非執行董事*

英國公民，62歲，於一九九九年三月三十日獲委任為本公司獨立非執行董事，同時也是本公司的審核委員會主席，以及薪酬委員會及提名委員會成員。另外，他也是萬華媒體的獨立非執行董事。該公司是本公司附屬公司，自二零零五年十月起於香港聯交所主板上市（股份代號：426）。俞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。他是一間國際會計師事務所的前合夥人，擁有豐富的企業融資、審核及企業管理相關經驗。他為偉業資本有限公司的副董事長，該公司專門在香港從事財務顧問及投資等活動。

截至二零一零年三月三十一日的前三年期間，俞先生曾任並已辭任三間香港上市公司的獨立非執行董事，包括順昌集團有限公司（股份代號：650，於二零零七年十月二十三日辭任）、保昌控股有限公司（股份代號：562，於二零零八年二月二十一日辭任，該公司已於二零零八年四月九日撤回於香港聯交所上市地位）及信達國際控股有限公司（前稱亨達國際控股有限公司）（股份代號：111，於二零零八年十二月二十三日辭任）。他目前是大中華集團有限公司（股份代號：141）、彩星集團有限公司（股份代號：635）、千里眼控股有限公司（股份代號：8051）、卓越金融有限公司（股份代號：727）、海爾電器集團有限公司（股份代號：1169）、香港新能源（控股）有限公司（股份代號：987）及新昌管理集團有限公司（股份代號：2340）的獨立非執行董事，該等公司均為香港上市公司。他同時也出任多間私人公司之董事。

### **Tan Sri Dato' LAU Yin Pin**

#### *Independent Non-executive Director*

Malaysian, aged 61, 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 the 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 appointed as Senator of Dewan Negara for a three-year term commencing 25 November 2002 by Seri Paduka Baginda Yang di-Pertuan Agong, Malaysia until his voluntary resignation in March 2004.

During the three-year period immediately preceding 31 March 2010, Tan Sri Dato' LAU had been and subsequently resigned as an independent non-executive director of Nanyang effective from 30 April 2008. He had also resigned as the Chairman of Star Publications (Malaysia) Berhad (stock code: 6084) effective from 25 February 2009. Tan Sri Dato' LAU is currently a director of two listed companies in Malaysia, namely Tenaga Nasional Berhad (stock code: 5347) and YTL Power International Berhad (stock code: 6742).

### **丹斯里拿督劉衍明**

#### *獨立非執行董事*

馬來西亞公民，61歲，於二零零八年四月十四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一九七四年考獲馬來西亞拉曼學院商業文憑（特優）。他自一九七九年成為馬來西亞會計師公會會員；在一九八一年成為英國特許公認會計師公會的資深會員；在一九八七年成為英國特許秘書及行政人員公會畢業會員。他獲國家元首委任為上議員，任期從二零零二年十一月二十五日開始為期三年，直到二零零四年三月自願辭任。

截至二零一零年三月三十一日的前三年期間，丹斯里拿督劉衍明曾任南洋報業獨立非執行董事，其後於二零零八年四月三十日辭任，亦曾任星報（馬來西亞）有限公司（股份代號：6084）主席，其後於二零零九年二月二十五日辭任。他目前是兩間馬來西亞上市公司的董事，分別是國家能源有限公司（股份代號：5347）及楊忠禮電力國際有限公司（股份代號：6742）。

## Profile of Board of Directors (Continued)

### **Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH**

*Independent Non-executive Director*

Malaysian, aged 67, was appointed as an independent non-executive director of the Company on 20 March 2008. He is the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration 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 Federal Minister for Sarawak Affairs; 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 Datuk, Darjah Bintang Kenyalang Sarawak (PGBK) on 16 September 1988. He was also 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.

During the three-year period immediately preceding 31 March 2010, he had been and subsequently resigned as an independent non-executive director of Sin Chew effective from 2 May 2008. He serves as an independent director of Subur Tiasa Holdings Berhad (stock code: 6904) which is a listed company in Malaysia, and holds directorships in several private limited companies in Malaysia.

*Notes:*

#### **Conflict of interest**

Save for Tan Sri Datuk Sir TIONG Hiew King, Mr TIONG Kiu King, Dato' Sri Dr TIONG Ik King and Mr TIONG Kiew Chiong, who are related parties in some related party transactions with the Group, the details of which are set out in the circular dated 26 July 2010 and on pages 45 to 47 of this 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.

Record of attendance of directors for board meetings during the financial year ended 31 March 2010 is set out on page 35.

### **天猛公拿督肯勒甘雅安納天猛公柯**

*獨立非執行董事*

馬來西亞公民，67歲，於二零零八年三月二十日獲委任為本公司之獨立非執行董事。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。他畢業於愛爾蘭商業管理學院。他於一九六七年至一九七零年間出任馬來西亞砂拉越首席部長政治秘書；一九七零年至一九七四年，獲選為馬來西亞砂州議員；一九七四年至一九八一年，任沙撈越聯邦政府秘書(Political Secretary to Federal Minister for Sarawak Affairs)以及副首相及首相政治秘書；一九八一年至一九八七年，被委任為上議員。他於一九八八年九月十六日獲頒授Darjah Bintang Kenyalang Sarawak (PGBK)拿督勳銜。為了表揚他對伊班族之貢獻，砂拉越政府於二零零三年亦委任他為加帛省天猛公，即伊班族之最高領袖。

截至二零一零年三月三十一日的前三年期間，他曾任星洲媒體的獨立非執行董事，其後於二零零八年五月二日辭任。他是常豐控股有限公司(馬來西亞上市公司，股份代號：6904)的獨立董事，亦擔任馬來西亞多間私人有限公司的董事。

*附註：*

#### **利益衝突**

除丹斯里拿督張曉卿爵士、張鉅卿先生、拿督斯里張翼卿醫生及張裘昌先生(為本集團若干關連方交易中之有關連方，有關詳情載於二零一零年七月二十六日刊發之通函及年報第45至47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。

董事於截至二零一零年三月三十一日止財政年度之董事會會議出席記錄載於第35頁。

## Profile of Senior Management

**Dato' LIEW Chen Chuan**, Malaysian, aged 72, was appointed as Chairman of the Group Executive Committee on 15 September 2009. He was appointed as the executive director of Sin Chew on 1 April 1991, and was redesignated 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 the Group Executive Chairman of the Company. He joined Sin Poh (Star News) Amalgamated Malaysia Sdn Berhad (former publisher of *Sin Chew Daily*) in 1961 as a reporter, and was made Editor-In-Chief in 1981. He was the member of Advisory Council of the Malaysian National News Agency (BERNAMA) and is currently 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. He is the father-in-law of Mr LEONG Chew Meng, a non-executive director of the Company.

**Mr ONG See Boon**, Malaysian, aged 59, joined the Group in 1997. He is 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 Group Executive 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 34 years of experience in the newspaper industry in Hong Kong and Malaysia. Before joining the Company, he held various key positions and directorships in companies of the Rimbunan Hijau Group in Mainland China.

**Mr NG Chek Yong**, Malaysian, aged 53, joined the Group in 1988. He is an executive director of Sin Chew, and is a member of the Malaysian 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.

**Mr NG Kait Leong**, Malaysian, aged 58, joined the Group in 2007. He is an executive director of Nanyang, and is a member of the Malaysian 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.

**拿督劉鑑銓**，馬來西亞公民，72歲，於二零零九年九月十五日被委任為集團行政委員會主席。他自一九九一年四月一日起任星洲媒體執行董事，於二零零四年九月一日升任董事經理。同時，他也是星洲媒體行政委員會主席，兼任本公司集團執行主席的資深顧問。他於一九六一年加入星系報業（馬來西亞）私人有限公司（《星洲日報》前出版人）為記者，於一九八一年升任為總編輯。他是馬來西亞國家新聞社諮詢理事會前理事，並現任北京大學世界華人媒體研究中心的顧問。他是星洲日報基金會信託人，以及數間私人有限公司的董事。他是本公司非執行董事梁秋明先生的岳父。

**翁昌文先生**，馬來西亞公民，59歲，於一九九七年加入本集團，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，以及集團執行主席的特別助理。他也出任本公司多間附屬公司的董事。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34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。

**黃澤榮先生**，馬來西亞公民，53歲，於一九八八年加入本集團。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。他於一九七九年加入《詩華日報》當記者／專題作家，於一九八八年加入《沙巴今日新聞》擔任首席記者，其後加入星洲媒體當記者。於一九八零年至一九八八年期間，他出任砂拉越詩藝協會秘書長兼主席。此外，他也於一九九零年至一九九一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。

**伍吉隆先生**，馬來西亞公民，58歲，於二零零七年加入本集團。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圖像複製高級證書。他於一九七四年至一九八三年期間，任職南洋報業生產經理，並於一九八三年擢升為高級生產經理，及後於一九八六年至一九八九年期間出任生產部總經理。他於一九九零年加入星洲媒體擔任技術及項目顧問，於一九九三年轉投曼羅蘭亞太出任地區技術董事，及後於二零零二年至二零零六年期間重返星洲媒體出任集團技術及項目顧問。

## Profile of Senior Management (Continued)

**Mr CHEUNG Kin Bor**, Chinese, aged 55, 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 32 years of publishing and editorial experience in Hong Kong. Before joining the Group, he had worked with *Hong Kong Economic Journal Monthly* and *Hong Kong Economic Journal*. He was the Chairperson of the Hong Kong News Executives Association in 2000.

**Mr Keith KAM Woon Ting**, Chinese, aged 53, 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.

**Mr LAM Pak Cheong**, Chinese, aged 41, joined the Group in 2000. He is the Head of Finance of the Group. 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.

**張健波先生**，中國公民，55歲，於一九八六年加入本集團。他是《明報》的總編輯，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。張先生畢業於香港中文大學，持有工商管理學士學位，在香港擁有超過32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。在二零零零年，他出任香港新聞行政人員協會主席一職。

**甘煥騰先生**，中國公民，53歲，於一九九五年加入本集團。他是明報集團有限公司及明報網站有限公司之營運總裁，同時也是香港行政委員會成員。甘先生自一九七六年起已從事傳媒及報業。加入本集團前，他曾在多間廣告及市場推廣公司擔任多個職位，並在一間報章出版公司快報有限公司任職。甘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。甘先生現為香港報業公會主席，同時也是世界中文報業協會的委員會成員。

**林栢昌先生**，中國公民，41歲，於二零零零年加入本集團，為集團之財務總裁，同時也是香港行政委員會成員以及萬華媒體的財務總裁及公司秘書。林先生在財務管理、收購合併、企業融資、企業發展、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會員。林先生獲英國曼徹斯特大學及威爾斯大學(班戈)聯合頒授財務服務學工商管理碩士學位，以及香港理工大學頒授之公司企業管治碩士學位。





**Tan Sri Datuk Sir TIONG Hiew King**  
*Group Executive Chairman*  
丹斯里拿督張曉卿爵士  
集團執行主席

Dear Shareholders,

I am pleased to present the annual results of Media Chinese International Limited and its subsidiaries (the "Group") for the year ended 31 March 2010.

## FINANCIAL RESULTS

It has been a challenging but satisfactory year for the Group in which we have weathered the global financial crisis well.

For the year ended 31 March 2010, the Group achieved a profit before income tax of US\$55,113,000, a significant increase of 78% or US\$24,078,000 over that of the previous financial year.

Most of the improvement in the results has come from the publishing and printing segment, which achieved a significant increment in profit before income tax of US\$23,633,000 or 73% in the current year.

In the first half of the financial year, the Group was facing great uncertainty and volatility in its advertising revenue, which affected its performance in that period. However, with the steady recovery of the global economy and increasing consumer confidence, the Group's revenue picked up strongly in the second half of the financial year, resulting in a mild decline of 5% for the full year.

各位股東：

本人欣然提呈世界華文媒體有限公司及其附屬公司（「本集團」）截至二零一零年三月三十一日止年度之年度業績。

## 財務業績

年內挑戰重重，但本集團穩渡環球金融危機，因此亦屬令人欣喜之一年。

截至二零一零年三月三十一日止年度，本集團除所得稅前溢利達55,113,000美元，較上一個財政年度顯著增加78%或24,078,000美元。

業績改善大部分歸因於出版及印刷分部，有關分部之除所得稅前溢利於本年度大幅增加至23,633,000美元或73%。

於財政年度上半年，本集團廣告收入面對多項不明朗因素及波動，影響該期間之表現。然而，隨著環球經濟穩定復蘇及消費信心攀升，本集團於財政年度下半年之收入大幅回升，以致全年僅錄得5%之溫和跌幅。



## Chairman's Statement (Continued)

According to Nielsen Media Research Report, total gross advertising spending in Malaysia for the period commencing from April 2009 to March 2010 grew by 13% to RM6.9 billion (equivalent to US\$2.0 billion) despite challenging economic conditions. Total gross advertising revenue for newspapers grew 9% to RM3.5 billion (equivalent to US\$1.0 billion) which makes up 51% of the total gross advertising revenue for all media. Further, Chinese newspapers garnered 29.9% of the total gross advertising revenue for newspapers.

In Hong Kong, according to AdmanGo's survey, total gross advertising spending on newspapers for the year from April 2009 to March 2010 amounted to HK\$21 billion (equivalent to US\$2.7 billion), an increase of 10% year-on-year. Chinese language newspapers took up the largest share of the total gross advertising spending on newspapers - 70% compared to 72% in the same period last year. The slight decrease was due to keen competition from other media as well as the free newspapers.

The impressive growth in profit was driven by lower newsprint costs and operating expenses incurred during the year. The Group took pre-emptive measures last year to buffer ourselves from the impact of the economic downturn such as controlling headcounts and operating costs, as well as slashing budgets across the board.

Despite a decrease in the travel segment's turnover of 16%, the loss for this segment was narrowed to US\$42,000 from US\$148,000 in the last year.

Basic earnings per share were US\$2.44 cents, representing an increase of 144% compared with that of the previous year.

As at 31 March 2010, the Group's net assets stood at US\$350 million, 21% higher than the previous year's US\$288 million.

### STRENGTHS

The Group has built up strong business competencies over the years. Our strengths are:

#### Strong market leader with different market segmentations

The Group has 5 major newspapers in Malaysia, Hong Kong and North America with each newspaper having a different market position in its own respective market. The Group's publications dominate a wide spectrum of readers, including students, housewives, businessmen, scholars and professionals. Nearly 63% of Chinese readers in Malaysia read at least one copy of the Group's newspapers every day. According to the latest research conducted by the Chinese University of Hong Kong, *Ming Pao Daily News* has been ranked "the most credible Chinese newspaper" in Hong Kong.

根據尼爾森媒體研究報告 (Nielsen Media Research Report)，儘管經濟環境極具挑戰，自二零零九年四月起至二零一零年三月止期間，馬來西亞之廣告開支總額增加13%至69億馬幣 (相當於20億美元)。報章廣告收入總額增長9%至35億馬幣 (相當於10億美元)，佔所有媒體廣告收入總額51%。此外，華文報章更佔報章廣告收入總額29.9%。

在香港方面，根據AdmanGo之調查，自二零零九年四月起至二零一零年三月止年度，報章廣告開支總額為210億港元 (相當於27億美元)，按年上升10%。華文報章佔報章廣告開支總額最大份額70%，去年同期則佔72%。報章廣告開支總額百分比輕微下跌乃因與其他媒體及免費報章激烈競爭所致。

年內，白報紙成本及經營支出下降，帶動溢利錄得驕人增長。本集團去年採取措施緩和經濟下滑之影響，如控制員工人數、經營成本以及削減預算。

儘管旅遊分部營業額減少16%，此分部之虧損由去年之148,000美元收窄至42,000美元。

每股基本盈利為2.44美仙，較上一年度增加144%。

於二零一零年三月三十一日，本集團資產淨值為350,000,000美元，較上一年288,000,000美元上升21%。

### 優勢

本集團多年來建立穩固之業務競爭優勢，當中包括：

#### 多個市場分部之市場領導

本集團於馬來西亞、香港及北美擁有五大報章，各份報章在各自市場之定位均有所不同。本集團之出版刊物坐擁廣大讀者群，包括學生、家庭主婦、商界人士、學者及專業人士。馬來西亞近63%華文讀者每日最少閱讀本集團一份報章，而根據香港中文大學進行之最新調查，《明報》亦名列香港「最具公信力之華文報章」。

## Strong focus on core competence of content provision

The Group has been involved in print publishing since 1929 with one of the Group's flagship papers, *Sin Chew Daily*, just celebrating its 80th anniversary in 2009. Over the years, the Group has built up its expertise and strengthened its operations resulting in it becoming more efficient and cost effective. This has helped the Group achieve better operating profit from its core business. The Group will continue to review its workflows and improve its efficiency in order to become truly a content provider for all media platforms.

## Delivering superior editorial contents

A major criterion for any publication company to be able to survive and continue to survive throughout decades of intense market competition is that its content must meet the demands of its readers. As readers become more educated and sophisticated, their demands change rapidly. One of the core strengths of the Group is the ability of our editorial teams in being able to understand the needs of our readers and tailor the content of the Group's publications to meet those ever changing needs. The Group's editorial teams are committed to delivering publications that are useful, entertaining and informative to all of our readers.

## CHALLENGES AND OPPORTUNITIES

Our vision is that customers will choose our Group publications for their news and entertainment needs in any place and in any form. Our mission is to serve the global Chinese literate communities with high-quality journalism so that our news and entertainment contents will remain the top choice of our customers across all media platforms. Our strategy is to grow a robust digital business while maintaining and enhancing our core business.

Our newspapers and magazines will continue to bring in the bulk of revenues and profits while the Group will strive to grow beyond print media. In order to stay relevant, we must be poised to face the challenges brought about by the rapid changes in technology. Hence, we must be ready to deliver our contents in whichever platform our readers choose to read from. During the year, the Group has invested in two technology companies as part of our move into the digital media era.

In November 2009, the Group has made inroads in Mainland China's vast e-book reading community through the acquisition of a 25.44% interest in the China-based mobile reading platform provider ByRead Inc. ("ByRead"). ByRead is one of the leading mobile reading and mobile social networking services ("SNS") community providers in Mainland China and currently there are more than 25 million registered users using ByRead's SNS community services. Our investment in ByRead will help create a digital platform for our contents to reach a wider audience and also help strengthen our capabilities in digital publication and mobile reading businesses, as well as allow us to further develop our businesses in Mainland China.

## 專注於提供內容之核心能力

本集團自一九二九年起參與印刷出版業務，其中一份旗艦報章《星洲日報》剛於二零零九年慶祝創刊80週年。本集團多年來不斷累積專業知識並不斷鞏固其業務，藉此提高效率及成本效益，有助本集團核心業務爭取更理想之經營溢利。本集團將繼續檢討其工作流程及改善效率，務求真正成為所有媒體平台之內容供應商。

## 提供優質編採內容

任何出版公司之生存之道及在數十年競爭激烈之市場中繼續存活之關鍵在於其內容必須迎合讀者需求。隨著讀者教育程度更高和見識更廣，他們之需求不斷轉變。本集團其中一項主要優勢為編採團隊擁有瞭解讀者需要之能力，能夠對變化多端之需求度身編採本集團出版刊物之內容。本集團之編採團隊致力對所有讀者提供實用、具娛樂性及資訊性的出版刊物。

## 挑戰及機遇

本集團之目標為無論在任何地方及以任何形式客戶均會選擇本集團出版之刊物，以滿足他們對新聞及娛樂之需求。本集團之使命乃為全球華人文化界提供高質素新聞，使其新聞及娛樂內容將繼續於芸芸媒體平台中成為客戶首選。本集團之策略為大力發展數碼業務，同時維持及加強其核心業務。

本集團之報章及雜誌將繼續帶來龐大收入及利潤，同時本集團亦將致力於印刷媒體以外之增長。為與時並進，本集團須面對科技日新月異帶來之挑戰。因此，本集團必須準備好於讀者所選擇之任何閱讀平台提供內容。年內，本集團投資於兩間科技公司，標誌著踏進數碼媒體時代。

於二零零九年十一月，本集團透過收購中國內地流動電話閱讀平台供應商ByRead Inc. (「ByRead」) 25.44%權益，進軍中國龐大電子閱讀社群。ByRead為中國內地流動電話閱讀及流動電話社交網絡服務(「SNS」)社區供應商龍頭公司之一，現時超過25,000,000名登記用戶採用SNS社區服務。於ByRead之投資有助本集團為其內容建立數碼平台，以覆蓋更多客戶，亦有助加強於數碼出版及流動電話閱讀業務之實力，讓本集團進一步發展中國內地業務。

In the last quarter of the financial year, we launched our first mobile eBookstore on the iPhone platform. The results are very encouraging. We have also recently launched another application on the iPhone platform – Ming Pao Financial News. Since the first week of its debut launch, this application has already been well-recognised as one of the prominent applications under financial category in Hong Kong.

As such, we can strive to realise the full potential of our contents by leveraging on our existing strengths to extend our reach to new customers, products, markets and channels.

## DIVIDEND

The Board of Directors has declared a second interim dividend, in lieu of final dividend, of US0.771 cents per share to be paid on 6 August 2010. Together with the first interim dividend of US0.450 cent per share paid during the year, the total payout of US1.221 cents per share represents an increase of 106% compared to the last financial year.

## PROSPECTS

The Board anticipates that the operating environment for the next financial year will remain competitive and challenging in the light of higher newsprint prices and stiff market competition.

Given the strength of the Group's position and the improving market conditions, the Group is expected to achieve satisfactory results in the next financial year. Adding to this, the Group will continue to monitor costs and strive towards becoming an integrated content provider with multiple delivery platforms.

## DIRECTORATE

On behalf of the Board, I would like to record our thanks and appreciation to our former Executive Director, Dato' Leong Khee Seong, for his contribution to the Group since 20 March 2008 and to our former Independent Non-Executive Director, Mr Victor Yang, for his contribution to the Group since 23 September 2004.

## APPRECIATION

I would like to thank the management and staff of the Group for performing their tasks with high standards of integrity and full dedication. I would also like to sincerely thank our readers, advertisers, customers, suppliers and shareholders for their continuous support.

**Tan Sri Datuk Sir TIONG Hiew King**  
Group Executive Chairman  
25 June 2010

於財政年度最後一季，本集團於iPhone平台推出其首間流動電子書店，成績令人鼓舞。本集團最近亦於iPhone平台推出另一項應用程式——明報財經分析。此應用程式登場首星期，已獲公認為香港最卓越財經類別應用程式之一。

因此，本集團可憑藉現有優勢，充分發揮其內容之潛力，藉此開拓新客戶、產品、市場及渠道。

## 股息

董事會宣布於二零一零年八月六日派發第二次中期股息每股0.771美仙，以代替末期股息。連同年內派發之第一次中期股息每股0.450美仙，合共派發每股1.221美仙，較上一個財政年度增加106%。

## 展望

鑑於白報紙價格上升及市場競爭激烈，董事會估計下一個財政年度之經營環境將繼續充滿競爭及挑戰。

由於本集團地位之優勢及市況改善，本集團預期於下一個財政年度可達致令人滿意之業績。此外，本集團將繼續控制成本及致力成為具備多個傳送平台之綜合資訊供應商。

## 董事

本人謹代表董事會感謝前執行董事拿督梁棋祥及前獨立非執行董事楊岳明先生分別自二零零八年三月二十日及二零零四年九月二十三日以來一直對本集團作出之貢獻。

## 致謝

本人謹此感謝本集團管理層及員工於履行職務時之真誠投入及悉心努力。本人亦感謝讀者、廣告商、客戶、供應商及股東一直以來之鼎力支持。

**丹斯里拿督張曉卿爵士**  
集團執行主席  
二零一零年六月二十五日

## FINANCIAL HIGHLIGHTS

(in US\$'000)	For the year ended 31 March		
	2010	2009	Change
Turnover	376,001	394,303	-5%
Profit before income tax	55,113	31,035	+78%
Profit for the year	41,442	17,355	+139%
Profit attributable to equity holders of the Company	41,136	16,790	+145%
Basic earnings per share (US cents)	2.44	1.00	+144%

## OVERALL REVIEW OF OPERATIONS

For the year ended 31 March 2010, the Group achieved a profit before income tax of US\$55,113,000, a significant increase of 78% or US\$24,078,000 over that of the previous financial year.

This good result was achieved through effective cost management and productivity improvements, as well as lower newsprint prices during the financial year.

In the first half of the financial year, the Group was facing great uncertainty and volatility in its advertising revenue which affected its performance. However, with the steady recovery of the global economy and increasing consumer confidence, the Group was able to catch up on its revenue in the second half of the financial year, which led to only a mild decline of 5 % in total annual revenue.

Basic earnings per share were US2.44 cents, up by US1.44 cents or 144% from US1.00 cent in the previous financial year. As at 31 March 2010 the Group had US\$77,635,000 of cash and cash equivalents and the net assets per share stood at US20.27 cents.

## SEGMENTAL REVIEW

### *Publishing and Printing*

#### **Malaysia and other Southeast Asian countries**

The Malaysian operations produced an impressive performance year-on-year with profit before income tax of US\$52,546,000, which was 44% or US\$15,961,000 higher than that of the previous year.

The outstanding performance of the Malaysian operations in 2009/2010 was achieved in spite of difficult economic conditions. In 2009, the Malaysian economy registered a GDP contraction of about 1.7%. This affected the Malaysian operations which reported flat revenue growth in 2009/2010.

A major contributing factor to the strong results from the Malaysian operations for the current year was the reduction in newsprint costs of about 14% when compared to last year, driven by lower newsprint price and the tight controls on consumption. The average newsprint price fell about 12% in the current year.

The uncertainty and volatility of the advertising market were noted in the first half year. Nevertheless, improvement in the market sentiment in the second half year has helped maintain the operations' revenue at last year's level.

## Management Discussion and Analysis (Continued)

According to Nielsen Media Research, total advertising expenditure in Malaysia grew by 13% to RM6.9 billion for the period from April 2009 to March 2010 as compared to RM6.1 billion in the corresponding period last year.

In the newspapers category, advertising expenditure rose 9% to RM3.5 billion from last year's RM3.2 billion. Although newspapers have been enjoying the lion's share of the advertising pie, their share of the total advertising expenditure shrunk by 2% in 2009/2010 to 51% from 53% in last year; while free-to-air TV saw its advertising expenditure share grow to 38% from 36%, an indication of its increasing threat to the print media.

The encouraging advertising growth demonstrated that the Malaysian economy, although still subjected to some volatility, has rebounded from the economic downturn experienced during the financial crisis in late 2008.

The Group is the largest Chinese publisher in Malaysia with *Sin Chew Daily*, *Guang Ming Daily*, *China Press* and *Nanyang Siang Pau* which are all market leaders in their respective segments.

Our journalistic excellence and credibility earned the trust of Chinese language readers in Malaysia. The Group's newspaper titles account for 19% of all the newspapers sold in Malaysia. It has 73% of total circulation of the Chinese language newspaper market and reach over 63% of the Chinese adults who read Chinese newspapers daily.

Against this backdrop, the mass circulation of our titles continues to generate significant reach and to provide a large and appealing audience to advertisers. Almost three quarters of total advertising spending on Chinese newspapers in Malaysia goes to our titles.

The Group is also the largest Chinese magazine publisher in Malaysia with one tabloid and 23 magazine titles under its portfolio.

During the year, the magazine segment reported satisfactory advertising growth and maintained its market share. The Group will continue to leverage its market leading brands to expand its preprint advertising revenue particularly in the community markets.

Quality journalism is the key to success, and our newspapers and magazines have been consistently awarded. In 2009, we won many important awards in a number of prestigious reporting and journalism contests.

The Group also operates a range of exhibitions and consumer fairs. These include Malaysia's largest consumer fairs, "My Wedding Bridal Fair" and "International Health Fair". Both fairs saw another record year in terms of number of visitors and stand spaces leased.

The Group operates and owns 14 online enterprises in Malaysia that work closely with the Group's newspapers and magazine titles. The flagship website, *Sin Chew-i.com* maintained its position as one of the most popular Chinese news website in Malaysia. The Group will continue to leverage its publications' contents online.

## Hong Kong and Mainland China

For the operations in Hong Kong and Mainland China, the financial year 2009/2010 saw a very slow start in the first two quarters. Market conditions gradually improved when the economy started to stabilise since the third quarter. For the financial year 2009/2010, revenue from this business segment declined by 7% to US\$70,230,000. Nevertheless, this segment reported a profit of US\$3,777,000 for the year, representing a modest turnaround from the US\$175,000 loss made in the previous year, mainly driven by lower newsprint costs and the ongoing efforts in optimising efficiency and productivity.

*Ming Pao Daily News* has been adhering to its mission and long standing editorial direction in providing comprehensive and accurate coverage of social, political and economic issues in Hong Kong and Mainland China. According to a media credibility survey conducted by the Chinese University of Hong Kong in 2009, *Ming Pao Daily News* was accredited as the most credible Chinese language newspaper in Hong Kong.

Mingpao.com continued to operate and fulfill its promise as a trusted and reliable online source of news and information to the Chinese community around the globe.

The Group's lifestyle magazine publication unit in the Greater China region, One Media Group ("OMG"), also experienced a slow revival since the last quarter of the financial year. Although expenditure budgets from most of the major advertisers have started to pick up again, the amount was still lower than previous year's figure. Turnover of OMG Hong Kong operation during the year was therefore still below that of the last financial year by 19%. Nevertheless, revenue from OMG's magazines in Mainland China grew 26% in 2009/2010, driven by the strong Chinese economy.

## North America

The Group's newspaper operations in Vancouver, Toronto and New York were still affected by the weak economies on the continent, albeit less severe than the situation experienced during the first half of the financial year under review. Nevertheless, this segment's result improved during the year with its loss narrowed down significantly to US\$442,000 from US\$4,162,000 in the previous year, despite a 14% decrease in turnover when compared to the previous year. This was attributable to the savings from lower newsprint costs as well as reduction in other operating expenses as a result of the Group's restructuring of its USA operations in early 2009.

The Canadian economy is now on the track of a gradual recovery as indicated by an improving consumer sector, the declining of unemployment rate as well as the strengthening of the Canadian dollar.

The situation in the USA follows a similar pattern, albeit with more uncertainties as major growth indicators occasionally indicates conflicting trends. Nevertheless, the Group's only publication in the USA, *Ming Pao (NY) Free Daily*, continues to experience a pick-up momentum.

## Travel

The Group's travel business, via Charming Holidays and Delta Group, continued to be affected by the sluggish global economy, especially that of the USA. Turnover declined year-over-year by 16% to US\$46,323,000 due to weak market conditions and keen price competition. Nevertheless, the travel segment achieved a near break-even position for the year compared to the previous year's loss of US\$148,000.

## DIGITAL MEDIA

In November 2009, the Group made a major inroad in China's vast mobile e-book reading community by acquiring a 25.44% shareholding in the China-based mobile reading platform provider, ByRead Inc. ("ByRead"). This project was another key milestone of the Group's expansion from print media to digital media. It created a platform for our content to reach a wider circle of readers and also helped strengthen our capabilities in digital publication and mobile reading business.



## Management Discussion and Analysis (Continued)

ByRead develops mobile software, operates and provides social networking solutions and mobile reading platforms for mobile device users in China to read e-books and e-magazines, to play both online and standalone games, and to connect and interact with other users through mobile devices. This move propels ByRead's forthcoming full-fledged development, namely, development of its backbone e-book reading software and supporting architecture. It therefore can access to the Group's rich, high-quality, new and archival Chinese language content that will help facilitate enrolment of paid users. ByRead's number of registered users has reached 25 million by the time of this report.

In January 2010, the Group launched a Chinese language eBook applications "MediaChinese iPhone App", allowing discerning readers and followers of the Group's well-regarded books to enjoy reading on a newer, better and up-to-date medium by using a unique interface mechanism. The initial responses are very encouraging. The Group plans to extend this platform with more e-books in the near future.

During the year, the Group has also subscribed convertible bonds issued by latopia.com Limited ("latopia.com"), a technology provider of its own patented technologies. latopia.com allows the Group to use and exploit its content management technologies to develop, create, protect and maintain the Group's digital content archives. As such, the Group can strive to realise the full potential of its rich contents by leveraging on its existing strengths to extend its reach to new customers, products, markets and channels.

### OUTLOOK

The advertising market in Hong Kong and Malaysia has stabilised and begun to register positive growth with the impacts of the global financial crisis receding in these economies. The Group's advertising sales have improved in recent months and are expected to grow in tandem with the rebounding economy in 2010.

Circulation sales are expected to remain at sustainable levels, albeit some organic growth is expected as private consumption and investment continue to drive consumer sentiments further.

Newsprint prices are expected to rise significantly in the ensuing year due to tightening of supply and rising raw material costs. However, the Group's stock holding position will help mitigate some of the increases in production costs.

Moving forward, the Group will continue with its cost control measures and effort to improve the efficiencies for its core business.

Barring unforeseen circumstances, the Directors expect overall performance of the Group for the next year to be satisfactory.

### PLEDGE OF ASSETS

Details of the pledge of the Group's assets are set out in note 37 to the financial statements.

## FINANCIAL GUARANTEES

As at 31 March 2010, the Company issued financial guarantees in favour of certain of its subsidiaries totalling US\$15,969,000 (31 March 2009: US\$20,099,000) in connection with general banking facilities granted to those subsidiaries. As at 31 March 2010, total facilities utilised amounted to US\$5,488,000 (31 March 2009: US\$4,878,000). The Directors of the Company do not consider that it is probable that a claim will be made against the Company under the financial guarantees. The maximum liability of the Company at the balance sheet date under the financial guarantees was the facilities drawn down by its subsidiaries. No provision was therefore made in this respect as at 31 March 2010.

## 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, Renminbi, Canadian dollar, HK\$ and US\$. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The assets and liabilities of each entity within the Group are mostly denominated in its own functional currency and do not have material impact on profit or loss for the year.

## LIQUIDITY, FINANCIAL RESOURCES AND TOTAL BORROWINGS TO SHAREHOLDERS' FUNDS RATIO

As at 31 March 2010, the Group's net current assets amounted to US\$129,909,000 (31 March 2009: US\$100,979,000). The shareholders' funds were US\$341,309,000 (31 March 2009: US\$279,818,000). Total bank borrowings and finance lease obligations were US\$32,620,000 (31 March 2009: US\$20,516,000). The ratio of total borrowings to shareholders' funds was 0.096 (31 March 2009: 0.073).

As at 31 March 2010, total cash and cash equivalents was US\$77,635,000 (31 March 2009: US\$70,205,000) and net cash position was US\$45,015,000 (31 March 2009: US\$49,689,000) after deducting the total borrowings.

## CAPITAL STRUCTURE

During the year, the Company repurchased a total of 1,000 shares at an aggregate purchase consideration of approximately HK\$1,180 (equivalent to US\$153). Details of the repurchase are set out in note 32 to the financial statements.

## EMPLOYEES AND EMOLUMENT POLICY

At 31 March 2010, the Group has approximately 4,659 employees (2009: approximately 4,780 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 regularly, 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 59 to 62 of the Report of the Directors.

# Corporate Social Responsibility

Being a newspapers and magazines publisher, the Group has always been in the forefront of corporate social responsibility, as part of the missions of running a newspaper is to serve the community and to enhance public awareness of social and environmental issues. Below are some of the examples of our Group's contribution to the community.

## MARKETPLACE

Over the years, the Group has built close connections with its readers in various markets of its operations. Various events such as health talks, business seminars, educational programmes, carnivals and social events celebrating festivals such as Chinese New Year, Mother's Day, and Mid-autumn Festival are held to reach out to the readers of the Group.

As a company who values the services of its business partners, *Sin Chew Daily* had organised dialogues between the police and its newspaper vendors at certain districts to highlight the security issues that they were facing.

In Hong Kong, Hong Kong Corporate Branding Award 2009 ("香港驕傲企業品牌2009") is co-organised by *Ming Pao Daily News* and the Chinese University of Hong Kong to appreciate the devotion and innovation of the well recognisable local brands in demonstrating their brands' value that helped strengthen Hong Kong's position as an international hub for business.

Aimed at encouraging literary creation and promoting Chinese writing worldwide, "Hong Kong in My Heart" Global Chinese Prose Writing Competition (我心中的香港 — 全球華文散文大賽), is organised jointly by *Ming Pao Monthly*, World Chinese Travel Literature Association and Hong Kong Writers. A total of more than 7,000 entries were received. Besides, heavy weight authors, including Mr NI Kuang (倪匡先生) and Mr CHUA Lam (蔡瀾先生) were invited to share their writing experience with the public at a sharing session.

## ENVIRONMENT

The Group understands the importance of preserving the environment for our future generation. Hence, the newsprint it uses is made mainly from recycled paper. The Group also has waste treatment plants which process the waste water and uses some of the recycled water for washing purposes. In addition, one of its plants in Kuala Lumpur was built with rain water catchment facilities and the rain water is used for washing purposes.

The Malaysian operation has also launched a "Green Campaign" recently where its staff was encouraged to reduce usage of energy and recycle all items that are reusable.

The Hong Kong operation has participated in the "Carbon Audit • Green Partner"(碳審計 • 綠色機構) programme, which was initiated by the Environmental Protection Department of the HKSAR, for three consecutive years. It has enhanced staff's awareness on energy saving and greenhouse gas (GHG) emissions arising from electricity consumption.

## WORKPLACE

### Sports

Our Group believes in maintaining a balance between work and play. Thus it encourages its employees to bond with each other through sporting events held by its sports clubs within the respective operating companies. The Group provides assistance in providing space for activities such as table tennis, dancing, yoga and "taichi" etc.

## Training

In order to ensure that its employees are continuously improving their skills, the Group organises training sessions such as “Creating Performance for Growth”, “Business Writing Skills” and “Accounting and Corporate Finance for Senior Managers” etc through its subsidiaries. These training sessions not only enhance the productivity of the Group, but also serve to motivate its employees towards self-development.

## Safety

Safety is a priority in the Group especially in the printing plants. In Malaysia, the Group has an “Occupational Safety and Health Committee” to look into the safety requirements of its workplace. In addition, fire drills are conducted at both workplaces in Malaysia and Hong Kong and the staff is trained to operate fire fighting equipment.

## Health

Our Group provides medical and hospitalisation benefits for the staff. In addition, health checks such as “eye checks” are conducted by professionals brought in by the Company.

## COMMUNITY

One of the core strengths of the Group is its close connection with the community. As a testimony of its commitment to serve the people, the Company has set up two foundations, namely Yayasan Sin Chew and Yayasan Nanyang Press in Malaysia to help the needy and the unfortunate in our society.

Through these two foundations, the Group has raised funds for the unfortunate and needy such as persons who are in dire need of medical funds or single mothers who face difficulties in raising their children. Yayasan Sin Chew has an “Adopt A Child” programme both in Malaysia and overseas in countries like China and Myanmar where readers are encouraged to adopt unfortunate children by donating towards their education. *China Press*, through its “Happy Hearts Car Team”, has helped many needy families achieve their dreams via funds raising. *Nanyang Siang Pau* has organised carnivals throughout the country to raise funds for some schools as well as to celebrate the 60th year Chinese New Villages celebrations.

The Group believes education is the tool to eradicate poverty and build a developed nation, hence the Group places great emphasis on education. *Sin Chew Daily* and *Nanyang Siang Pau* had tied-up with the higher education institutions to award scholarships to students to pursue degree courses.

What’s more, *Ming Pao Daily News* has implemented the “Ming Pao Student Reporter Scheme”(明報校園記者計劃) for thirteen years in a roll in Hong Kong. This comprehensive programme, consists of a series of lectures, tutorials and workshops, provides professional training to participating students so that they can have a better understanding of the media industry. Moreover, interviews with senior government officials have been arranged to widen the horizon of the students.

Further, an online education platform on liberal studies known as “Symposium on Liberal Studies”(論盡通識) was conducted by mingpao.com in Hong Kong. Experts from various industry categories and celebrities are invited to share their views on specific social issues. This programme is designated to broaden students’ knowledge base and enhance their social awareness of their own city.

## Major Awards of the Year (Hong Kong)

### FOCUS AT THE FRONTLINE 2009

— Hong Kong Press Photographers Association

#### Spot News

Winner: *Ming Pao Daily News*



#### General News

Honourable Mention: *Ming Pao Daily News*

#### People Portraits

Winner: *Ming Pao Daily News*



#### Sports

2nd Runner-up: *Ming Pao Daily News*

#### Nature and Environment

1st Runner-up: *Ming Pao Daily News*

2nd Runner-up: *Ming Pao Daily News*



#### Photo Essay

2nd Runner-up: *Ming Pao Weekly*

Honourable Mention: *Ming Pao Daily News*



### THE 14TH ANNUAL HUMAN RIGHTS PRESS AWARDS 2009

— Hong Kong Journalists Association, The Foreign Correspondents' Club, Hong Kong and Amnesty International Hong Kong

#### General News (Chinese newspapers)

Prize: *Ming Pao Daily News*

#### Features (Chinese newspapers)

2 Prizes: *Ming Pao Daily News*



### THE SOPA 2010 AWARDS FOR EDITORIAL EXCELLENCE

— The Society of Publishers in Asia

#### Excellence in Investigative Reporting

Award for Excellence: *Yazhou Zhoukan*

Honourable Mention: *Ming Pao Daily News*

#### Excellence in Human Rights Reporting

Award for Excellence: *Yazhou Zhoukan*

Honourable Mention: *Yazhou Zhoukan*

#### Excellence in Reporting on the Environment

Honourable Mention: *Yazhou Zhoukan*

#### Excellence in Special Coverage

Award for Excellence: *MING*

#### Excellence in Editorial Cartooning

Award for Excellence: *Yazhou Zhoukan*

#### Excellence in Magazine Design

Award for Excellence: *MING*

### The Scoop Award

Honourable Mention: *Yazhou Zhoukan*

### Journalist of the Year

Award for Excellence: *Yazhou Zhoukan*

### HONG KONG NEWS AWARDS 2009

— The Newspaper Society of Hong Kong

#### Best Scoop

2nd Runner-up: *Ming Pao Daily News*

#### Best News Reporting

Merit: *Ming Pao Daily News*

#### Best Science News Reporting

Winner: *Ming Pao Daily News*

#### Best Headline (Chinese)

Winner: *Ming Pao Daily News*

Merit: *Ming Pao Daily News*



#### Best Photograph (News)

1st Runner-up: *Ming Pao Daily News*

2nd Runner-up: *Ming Pao Daily News*

#### Best Photograph (Features)

2nd Runner-up: *Ming Pao Daily News*

#### Best Business News Writing (Chinese)

1st Runner-up: *Ming Pao Daily News*

2nd Runner-up: *Ming Pao Daily News*

Merit: *Ming Pao Daily News*

#### Best Business News Reporting

Winner: *Ming Pao Daily News*





### THE 1ST ANNUAL KAM YIU-YU PRESS FREEDOM AWARDS 2009

— Hong Kong Journalists Association

**Print Media Award:** *Ming Pao Daily News*

### THE 10TH CONSUMER RIGHTS REPORTING AWARDS 2010

— Hong Kong Consumer Council, Hong Kong Journalists Association and Hong Kong Press Photographers Association

#### News

Silver Award: *Ming Pao Daily News*

Merit: *Ming Pao Daily News*



### MERITORIOUS WEBSITE CONTEST 2009

— Hong Kong Television and Entertainment Licensing Authority

**Meritorious Website:** [mingpao.com](http://mingpao.com)

### THE 8TH ASIA MEDIA AWARDS 2009

— WAN — IFRA

#### Best in Newspaper Special Coverage Award

Silver Award: *Ming Pao Daily News*

#### Best in Newspaper Overall Design Award

Bronze Award: *Ming Pao Daily News*

#### Best in Newspaper Front Page Design Award

Bronze Award: *Ming Pao Daily News*

▼ *Ming Pao Daily News* won 12 prizes in the **Hong Kong News Awards 2009**.





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

### DATUK WONG KEE TAT JOURNALISM AWARDS 2008

– Editors' Association of Chinese Medium of Malaysia



#### Tan Sri Teong Teck Leng Commentary Award

Excellence Prize: *Sin Chew Daily*  
Outstanding Prize: *Sin Chew Daily*

#### Tan Sri Datuk Ng Teck Fong News Writing Award

Excellence Prize: *Sin Chew Daily*  
Outstanding Prize: *Sin Chew Daily*

#### Dato' P.C. Koh Business News Reporting Award

2 Outstanding Prizes: *Sin Chew Daily*

#### Datuk Wong Kee Tat News Editing Award (News Section)

Excellence Prize: *Guang Ming Daily*  
2 Outstanding Prizes: *Guang Ming Daily*

#### Datuk Wong Kee Tat News Editing Award (Feature Section)

Excellence Prize: *Sin Chew Daily*  
2 Outstanding Prizes: *Sin Chew Daily*, *Guang Ming Daily*

#### Datuk Tan Leong Ming News Photography Award

Excellence Prize: *Sin Chew Daily*  
2 Outstanding Prizes: *Sin Chew Daily*



### THE INSTITUTION OF SURVEYORS MALAYSIA (ISM) AWARDS

Outstanding Journalist on Property and Construction: *Sin Chew Daily*



### KINABALU SHELL PRESS AWARDS 2009

#### Feature and News Feature Journalism Award

2 First Prizes: *Sin Chew Daily*



### PENANG CONSUMERS' PROTECTION ASSOCIATION AWARD 2008

– Penang Consumers' Protection Association

Special Media Award: *Guang Ming Daily*

### THE 5TH PENANG TEONG GUAN ASSOCIATION JOURNALISM AWARDS 2009

– Penang Teong Guan Association



#### Dato' Lim Yam Koi Cultural News Award

Champion: *Guang Ming Daily*  
2nd Runner-up: *Sin Chew Daily*

#### Ng Kok Leong Society Caring News Award

Champion: *Sin Chew Daily*  
2nd Runner-up: *Guang Ming Daily*

#### Khaw Teong Guan News Photography Award

1st Runner-up: *Guang Ming Daily*  
2nd Runner-up: *Guang Ming Daily*

### THE 7TH TAN SRI DATO' SERI LIM GAIT TONG PRESS AWARDS 2009

– Penang Press Club

#### Dato' Kang Chin Seng Commentary Award

Excellence Award: *Sin Chew Daily*



#### Dato' Seri H'ng Bok San Feature Award

Merit: *Sin Chew Daily*

#### Dato' Ong Choo Hoon Sport News Award

Excellence Award: *Sin Chew Daily*

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

(Continued)

## MALAYSIA'S 30 MOST VALUABLE BRANDS AWARD 2009

– 4As, The Edge and Interbrand

*Sin Chew Daily*



## THE BEST PHOTOGRAPHERS AWARDS 2009

– Sportswriters Association of Malaysia (SAM)

### The Best Photographer

Consolation Prize: *Sin Chew Daily*

## KENYALANG SHELL PRESS AWARDS 2009

– Sarawak State Government, Sarawak Shell Berhad and Federation of Sarawak Journalists Association

### General News Reporting Award

1st Prize: *Sin Chew Daily*  
2nd Prize: *Sin Chew Daily*  
3rd Prize: *Sin Chew Daily*

### Sports Reporting Award

1st Prize: *Sin Chew Daily*  
3rd Prize: *Sin Chew Daily*

### Feature & News Feature Reporting Award

2nd Prize: *Sin Chew Daily*  
3rd Prize: *Sin Chew Daily*

### Health News Reporting Award

1st Prize: *Sin Chew Daily*  
3rd Prize: *Sin Chew Daily*

### Environmental Journalism Award

2nd Prize: *Sin Chew Daily*

## THE 3RD SARAWAK MENTAL HEALTH ASSOCIATION AWARDS

– Sarawak Mental Health Association

### Chinese Media (Feature) Reporting Award

Winner: *Sin Chew Daily*



## THE 8TH ASIA MEDIA AWARDS 2009

– WAN – IFRA

### Best in Newspaper Print Quality Award

Gold Award: *Sin Chew Daily*

Bronze Award: *Guang Ming Daily*

▼ The group photo was taken in the **Kenyalang Shell Press Awards 2009** Presentation.





## Major Awards of the Year (Malaysia – Nanyang Group)

### DATUK WONG KEE TAT JOURNALISM AWARDS 2008

– Editors' Association of Chinese Medium of Malaysia



#### Dato' Kong Hon Kong Sports News Award

Excellence Prize: *Nanyang Siang Pau*  
Outstanding Prize: *Nanyang Siang Pau*



#### Dato' Yap Yong Seong Feature Writing Award

Excellence Prize: *Nanyang Siang Pau*  
Outstanding Prize: *China Press*



#### Tan Sri Teong Teck Leng Commentary Award

Outstanding Prize: *Nanyang Siang Pau*

#### Dato' P.C. Koh Business News Reporting Award

Excellence Prize: *Nanyang Siang Pau*

#### Tan Sri Datuk Ng Teck Fong Feature Writing Award

Outstanding Prize: *Feminine*



# Major Awards of the Year (Malaysia – Nanyang Group)

(Continued)

## THE 8TH ASIA MEDIA AWARDS 2009

– WAN – IFRA

**Best in Newspaper Print Quality Award**  
Silver Award: *Nanyang Siang Pau*

## MPA MAGAZINE AWARDS 2009

– Magazine Publishers Association, Malaysia

**Home/Lifestyle Magazine Cover (Chinese)**  
Bronze Award: Life Publishers

**Special Interest/Niche Magazine Cover (Bahasa)**  
Bronze Award: Life Publishers

**Special Interest/Niche Magazine Cover (Chinese)**  
Bronze Award: Life Publishers

## THE 7TH TAN SRI DATO' SERI LIM GAIT TONG PRESS AWARDS 2009

– Penang Press Club

**Dato' Seri Kelvin Kiew Kwong Sen Business News Award**  
Excellence Award: *Nanyang Siang Pau*  
Merit: *Nanyang Siang Pau*

**Dato' Kang Chin Seng Commentary Award**  
Merit: *Nanyang Siang Pau*

**Dato' Ong Choo Hoon Sports News Award**  
Merit: *Nanyang Siang Pau*

**Dato' Khor Teng How Blog Award**  
Excellence Award: *Nanyang Siang Pau*

**Dato' Seri Tan Khooon Hai Photography Award**  
Excellence Award: *China Press*

## PETRONAS MALAYSIAN JOURNALISM AWARDS 2009

– Malaysian Press Institute and Petroleum Nasional Berhad

**Best Photo Essay Award:** *Nanyang Siang Pau*



▼ The group photo was taken in the **Datuk Wong Kee Tat Journalism Awards 2008** Presentation.





## Significant Events (Hong Kong)

### Ming Pao Daily News

#### "The 13th Ming Pao Student Reporter Scheme"

1. Mr CHEUNG Kin Bor (left), Chief Editor of *Ming Pao Daily News*, presented a souvenir to Mr WONG Yan Lung (right), Secretary for Justice, in the opening ceremony.
2. Ming Pao Primary Student Reporters broadened their horizon by joining the experience camp held in a university campus.
3. Interview with Ms Eva CHENG Yu Wah (front row 3rd from left), Secretary for Transport and Housing, was done by the Student Reporters.
4. Mr Jasper TSANG Yok Sing (front row 3rd from left), President of Legislative Council, and the Student Reporters took a photo inside the Legislative Council Building.



### Ming Pao Daily News

#### "潮選e生活2009"

1. *Ming Pao Daily News* organised "潮選e生活2009" to appreciate the contributions of digital products and services. The judges panel and winners shared their joy in the presentation ceremony.

### Ming Pao Daily News

#### "自遊拍·競靚相" Photography Contest

1. The judges panel gathered with winners for a group photo in the "自遊拍·競靚相" Photography Contest Presentation Ceremony.
2. Champion photo of "Pure Photography" category.
3. 1st runner-up photo of "Pure Photography" category.
4. 2nd runner-up photo of "Pure Photography" category.





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## Ming Pao Publications

1. 台星潮 (Taiwan Artists Series) attracted youngsters in the Hong Kong Book Fair 2009.
2. Mr CHING Cheong, a senior journalist, shared his reading experience with readers.
3. The author and guests took a photo in the new book launching party.
4. Mr WONG Yi Hing, a renowned writer, disclosed his writing techniques during his new book signing event.

## Ming Pao Monthly

1. Mr NI Kuang (centre), famous novelist, and Mr CHUA Lam (right), food critic, chatted at a literature seminar.
2. Mr POON Yiu Ming (1st from right), Chief Editor of *Ming Pao Monthly*, and guests officiated the "Hong Kong in My Heart – Chinese Prose Writing Competition" Presentation Ceremony.



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## Yazhou Zhoukan

1. More than a thousand representatives of Chinese entrepreneurs from 35 countries participated in "The 6th World Summit of Chinese Entrepreneurs" which took place in Macau.
2. Wuji Ensemble performed Chinese music in the 22nd Anniversary Cocktail Reception.
3. Mr YAU Lop Poon (1st from right), Chief Editor of *Yazhou Zhoukan*, and the panel members attended the "中國怎樣才高興" (How Can Mainland China Be Happy) Symposium.



## Significant Events (Malaysia)

### Community Charities

1. Tan Sri Datuk Sir TIONG Hiew King (left), Group Executive Chairman, presented the plaque to the headmaster of Guang Ming Daily Primary School in Long Xing, Sichuan, Mainland China.
2. The Management of *Sin Chew Daily* shared their joy with teachers and students of Sin Chew Daily Primary School at its opening ceremony in Sichuan, Mainland China.
3. Representatives of tertiary institutions and the Management of *Sin Chew Daily* attended "The 7th Sin Chew Daily Education Fund" Scholarship Awarding Ceremony.



### The 80th Anniversary Cultural Night Road Show of *Sin Chew Daily*

1. Tan Sri Datuk Sir TIONG Hiew King (4th from left), Group Executive Chairman, and guests officiated "The Cultural Night Road Show" Opening Ceremony in East Malaysia.
2. The Management of *Sin Chew Daily* took a group photo with the variety show performers from Malaysia and Mainland China.

### Cultural Activities

1. The Management of *Sin Chew Daily*, judges panel and winners attended "The 10th Floral Trail (Hua Zong) Literature Awards" Presentation Ceremony.
2. Tan Sri Datuk Sir TIONG Hiew King (4th from left), Group Executive Chairman, and Ms SIEW Nyoke Chow (5th from left), Group Editor-in-Chief of Sin Chew Daily Group, visited the booth of *Sin Chew Daily* during the "International Conference on Chinese Literature" Opening Ceremony.



## Significant Events (Malaysia) (Continued)



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### Nanyang Siang Pau

1. "Yayasan Nanyang Press" made donation to the victims of Typhoon Morakot in Taiwan.
2. "I come from New Village" Carnival was held to celebrate the 60 years establishment of the "Chinese New Village".
3. "The 11th Nanyang Edufair" promoted further education local and overseas as well as technical education.
4. Tan Sri Datuk Sir TIONG Hiew King (2nd from left), Group Executive Chairman, and guests officiated the opening ceremony of "The 11th World of Chinese Book Fair".

### China Press

1. "Five Hearts Car Team" brought love and care to the Chinese community.
2. "China Press Futsal Charity Cup 2009" promoted soccer sports among the youths.



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2



3

### Life Publishers

1. To celebrate its 30th Anniversary, *Feminine* organised a Club Med vacation for readers.
2. "The 6th International Health Fair" was organised to promote healthy lifestyle to Malaysians. During the Fair, "The Healthy Angel" Contest was held the first time.
3. Finalists took a photo in "The Hottest Hunks in Malaysia 2009" Contest organised by *Newicon for Him* and *Newtide*.

# Statement on Corporate Governance

## INTRODUCTION

The Board is resolute that the prime responsibility to develop good corporate governance lies with the Board. On this note, the Board is committed in ensuring that the Group adheres to the principles recommended by 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 Board is fully aware that a strong commitment to good corporate governance is essential to the sustainability of the Group's business and can enhance shareholders' value.

Set out in this statement is a description of how the Group has applied the principles and best practices of the Malaysian Code and the Hong Kong Code throughout the financial year ended 31 March 2010.

## 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) The Board

The composition of the Board is in line with the Listing Requirements of Bursa Malaysia Securities Berhad (the "Bursa Securities Listing Requirements") and the HK Listing Rules. The principal functions of the Board are to:

- Review and adopt strategies for the Group;
- Oversee the business of the Group to ensure that it is properly managed;
- Review the adequacy and integrity of the Group's internal control systems;
- Identify principal risks and ensure implementation of proper systems to manage such risks; and
- Ensure that there are proper succession plans.

The current structure of the Board ensures that no single individual or group dominates the decision making process.



# Statement on Corporate Governance (Continued)

## (b) Board balance

The Board comprises of ten directors including six executive directors, one non-executive director and three independent non-executive directors ("INEDs"). The current composition of the Board complies with both the Bursa Securities Listing Requirements and the HK Listing Rules.

The executive directors have direct responsibility for the business operations while the non-executive directors are responsible for bringing independent judgment and scrutiny to decisions taken by the Board and providing objective challenge to the management.

The directors contribute greatly to the Group through their business acumen and their wide range of functional knowledge. They are drawn from differing backgrounds such as accountancy and business. The profile of each director and his/her relationship with other directors and substantial shareholders (if any) is set out on pages 4 to 10.

Board meetings are scheduled at least four times a year with a formal schedule of matters specifically reserved for its decision. Additional meeting will be convened if necessary. These meetings are scheduled in advance at the beginning of the new calendar year for the early planning of the directors. Five board meetings were held during the financial year ended 31 March 2010. The attendance record of each director during the year is as follows:

Name	Number of meetings attended	Percentage of attendance
<i>Executive directors</i>		
Tan Sri Datuk Sir TIONG Hiew King ( <i>Group Executive Chairman</i> )	5/5	100%
Mr TIONG Kiu King	5/5	100%
Dato' Sri Dr TIONG Ik King	5/5	100%
Dato' LEONG Khee Seong (resigned on 15 September 2009)	1/3	33%
Mr TIONG Kiew Chiong ( <i>Group Chief Executive Officer</i> )	5/5	100%
Ms SIEW Nyoke Chow	5/5	100%
Ms SIM Sai Hoon	5/5	100%
<i>Non-executive director</i>		
Mr LEONG Chew Meng	5/5	100%
<i>Independent non-executive directors</i>		
Mr David YU Hon To	4/5	80%
Mr Victor YANG (resigned on 1 October 2009)	3/3	100%
Tan Sri Dato' LAU Yin Pin	5/5	100%
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	5/5	100%

# Statement on Corporate Governance (Continued)

## (c) Sub-committees

To assist the Board in discharging its overseeing functions, various sub-committees have been formed, namely, the Group Executive Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee. To promote smooth running of the sub-committees, each sub-committee shall adhere to the terms of reference approved by the Board. The Board reviews the sub-committees' authorities and terms of reference from time to time. The chairmen of the sub-committees report the outcome of the committee meetings to the Board.

The authorities, functions, composition and duties of each sub-committee and the attendance records of the sub-committee meetings for the year ended 31 March 2010 (save and except for the Audit Committee of which attendance is set out in page 53) are set out below:

Member	Number of meetings attended and percentage of attendance		Group Executive Committee	Remuneration Committee	Nomination Committee
Group Executive Committee					
Dato’ LEONG Khee Seong <sup>(1)</sup>	1/2	50%			
Dato’ LIEW Chen Chuan <i>(Chairman)</i> <sup>(2)</sup>	4/4	100%			
Mr TIONG Kiew Chiong	4/4	100%			
Ms SIEW Nyoke Chow	4/4	100%			
Ms SIM Sai Hoon	4/4	100%			
Mr ONG See Boon	4/4	100%			
Remuneration Committee					
Tan Sri Dato’ LAU Yin Pin <i>(Chairman)</i>	2/2	100%			
Mr David YU Hon To	2/2	100%			
Mr Victor YANG <sup>(3)</sup>	1/1	100%			
Temenggong Datuk Kenneth Kanyan					
ANAK TEMENGGONG KOH <sup>(4)</sup>	N/A	N/A			
Mr TIONG Kiew Chiong	2/2	100%			
Ms SIM Sai Hoon	2/2	100%			
Nomination Committee					
Mr Victor YANG <sup>(3)</sup>	1/1	100%			
Temenggong Datuk Kenneth Kanyan					
ANAK TEMENGGONG KOH <i>(Chairman)</i> <sup>(4)</sup>	1/1	100%			
Mr David YU Hon To	2/2	100%			
Tan Sri Dato’ LAU Yin Pin	2/2	100%			
Mr LEONG Chew Meng	2/2	100%			

<sup>(1)</sup> He resigned as an executive director and Chairman of the Group Executive Committee on 15 September 2009.

<sup>(2)</sup> He was appointed as Chairman of the Group Executive Committee on 15 September 2009 and was invited to attend all the meetings of Group Executive Committee before his appointment.

<sup>(3)</sup> He resigned as an INED, Chairman of the Nomination Committee, a member of the Audit Committee and a member of the Remuneration Committee on 1 October 2009.

<sup>(4)</sup> He was appointed as Chairman of the Nomination Committee on 1 October 2009 and as a member of the Remuneration Committee on 26 June 2010.



# Statement on Corporate Governance (Continued)

## Group Executive Committee

The Group Executive Committee was established on 25 March 2008 with specific terms of reference that specify its authorities and duties. The Group Executive Committee currently has five members, namely, Dato' LIEW Chen Chuan (Chairman), Mr TIONG Kiew Chiong, Ms SIEW Nyoke Chow, Ms SIM Sai Hoon and Mr ONG See Boon. The Group Executive Committee's responsibilities include:

- Monitoring and reviewing the operations in Hong Kong, Mainland China, North America, Malaysia and other Southeast Asian countries;
- Performing duties delegated by the Board and exercising the authorities and rights authorised by the same pursuant to written guidelines.

## Remuneration Committee

The Remuneration Committee was established on 25 May 2005 with specific terms of reference that specify its authorities and duties. The Remuneration Committee currently has five members, namely, Tan Sri Dato' LAU Yin Pin (Chairman), Mr David YU Hon To, Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH, Mr TIONG Kiew Chiong and Ms SIM Sai Hoon. Except for Mr TIONG Kiew Chiong and Ms SIM Sai Hoon who are executive directors, the rest of the members are all INEDs. The Remuneration Committee is responsible for:

- Reviewing the Company's policies and structure for remuneration of the directors and senior management and recommending the improvements, if any, to the Board;
- Establishing a formal and transparent procedure for developing the policy of 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 15 to the financial statements and under the paragraph "Share option schemes" in the Report of the Directors.

## Nomination Committee

The Nomination Committee was established on 25 May 2005 with specific terms of reference that specify its authorities and duties. The Nomination Committee currently has four members, namely, Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH (Chairman), 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 of the members are all INEDs. The Nomination Committee's responsibilities include:

- Assessing the Board on its overall effectiveness;
- Assisting the Board in reviewing the required mix of skills, experience and knowledge of the Board and making recommendations to the Board regarding any proposed changes;
- Reviewing the Group's nomination policy and procedures and recommending improvements, if any, to the Board.

## Statement on Corporate Governance (Continued)

### Audit Committee

The Audit Committee was established on 30 March 1999 with specific terms of reference that specify its authorities and duties. The Audit Committee currently has four members, namely Mr David YU Hon To (Chairman), 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 of the members are all INEDs.

Further detailed information in relation to the Audit Committee is described in the Audit Committee Report set out on pages 49 to 55 of this Annual Report.

### (d) Independence of INEDs

Pursuant to the requirements of the HK Listing Rules, 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.

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

There is a clear division of responsibilities between the Group Executive Chairman and the Group Chief Executive Officer. The Group Executive Chairman of the Board is responsible for leadership of the Board, ensuring its effectiveness and establishing a clear business and financial strategy for the Group, while the Group Chief Executive Officer's role is to manage the Group's business and to ensure the delivery of the objectives and strategies set by the Board within the authority limits delegated by the Board.

### (f) Supply of information

The Board has full access to all information pertaining to the Group's business affairs to enable the Board to discharge its responsibilities effectively. The agenda, board papers and minutes of previous board meetings are circulated in advance to the Board to enable the Board to have sufficient time to review the contents of the meetings.

The Board also has full access to advice and services of the company secretary. The 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.

Senior management as well as external advisors are invited to attend Board meetings from time to time to provide insight and clarify issues on the subject matter concerned.

Directors may, as they deem necessary and appropriate, seek legal or other independent professional advice on any matter connected with the discharge of their responsibilities at the expense of the Company.

### (g) Appointments to the Board

The Nomination Committee scrutinizes the sourcing and nominates suitable candidates for appointment as a director of the Company, before making recommendations to the Board for approval. The Nomination Committee evaluates candidates for appointment based on criteria such as their qualification, skills, functional knowledge, integrity and professionalism to ensure that the candidates will contribute significantly to the effectiveness of the Board.

# Statement on Corporate Governance (Continued)

## (h) Re-election

In accordance with the Company's Bye-Laws, one third of the directors (save for the Chairman) for the time being are required to retire from office at each annual general meeting. This is done on a rotation basis and subject to re-election. Further, in accordance with the HK Listing Rules, all directors (including the Chairman) 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 held following their appointments.

All non-executive directors are appointed for a specific term of two years commencing from 1 April 2010 to 31 March 2012 and are subject to retirement and re-election by rotation at the annual general meeting under the Company's Bye-Laws.

## (i) Directors remuneration

### (i) Level and make-up of remuneration

The Remuneration Committee is responsible for reviewing the remuneration of the executive directors, non-executive directors and senior management. The executive directors who are full time employees of the Group receive no additional compensation for services as a director of the Board but they are remunerated in the form of salaries and bonuses. All non-executive directors and executive directors who are not full time employees of the Group are paid fixed annual directors' fees as members of the Board and the level of remuneration reflects the level of responsibilities undertaken by them. The Remuneration Committee makes the required recommendation to the Board for a final decision by 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 and any increase in the annual fees of the directors are subject to the approval of shareholders of the Company at its annual general meeting.

### (iii) Disclosure

The aggregate remuneration of the directors, including the non-executive directors and the directors who resigned during the year, for the financial year ended 31 March 2010 is as follows:

	<b>Fees</b>	<b>Salaries &amp; other</b>	<b>Total</b>
	<b>US\$'000</b>	<b>emoluments</b>	<b>US\$'000</b>
		<b>US\$'000</b>	<b>US\$'000</b>
Executive directors	327	905	1,232
Non-executive directors	112	1	113

## Statement on Corporate Governance (Continued)

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\$14,449 to US\$28,897 (equivalent to RM50,001 to RM100,000)	2	4
from US\$43,345 to US\$57,793 (equivalent to RM150,001 to RM200,000)	—	1
from US\$72,242 to US\$86,690 (equivalent to RM250,001 to RM300,000)	1	—
from US\$216,726 to US\$231,174 (equivalent to RM750,001 to RM800,000)	1	—
from US\$245,622 to US\$260,070 (equivalent to RM850,001 to RM900,000)	1	—
from US\$303,416 to US\$317,864 (equivalent to RM1,050,001 to RM1,100,000)	1	—
from US\$317,865 to US\$332,313 (equivalent to RM1,100,001 to RM1,150,000)	1	—

### DIRECTORS' TRAINING

All directors have completed the Mandatory Accreditation Programme prescribed by Bursa Securities. Directors are kept conversant with relevant new laws and regulations through regular updates by both internal or external legal counsels of the Company. Directors are also periodically informed of external courses, forums or seminars organised for directors to which they are encouraged to attend. During the financial year, the Board members attended conferences, seminars, forums and/or briefings to keep abreast with general economic, industry and technical developments.

### SHAREHOLDERS

#### (a) Communications between the Company and investors

The Board acknowledges that the Group should engage in regular, effective and fair communication with its shareholders. It recognises the need to provide timely updates on all material information relating to the Group. The Group also ensures timely release of all financial results and briefings with analysts are held twice a year to explain the Group's directions and performance. The Company communicates with its shareholders through various accessible channels such as corporate announcements made through Bursa Securities and the HK Stock Exchange, circulars, website of the Company, press conferences, press releases, analyst briefings, annual reports, special general meetings as well as through its annual general meetings. However, whilst the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price sensitive information.

At the 2009 annual general meeting, procedure for voting by poll has been read out by the Chairman, separate resolution was proposed by the Chairman in respect of each separate issue, including re-election of directors, and voted by way of poll. The Company announced the results of the poll in the manner prescribed under the HK Listing Rules and the Chairman of the Board has attended the 2009 annual general meeting to ensure effective communication with shareholders.

#### (b) Annual general meeting

The annual general meeting ("AGM") is the principal opportunity for the Board to meet shareholders of the Company and update the shareholders on the progress and performance of the Company. It is also an opportunity for shareholders to seek clarification on all material business matters affecting the Group. The AGM is held via video conferencing connecting shareholders in Malaysia and Hong Kong. Separate resolutions are proposed at general meetings for substantially separate issues and the shareholders participate in the deliberation of resolutions being proposed. The Chairman declares the outcome of each resolution after proposal and secondment are done by the shareholders. A press conference is also held immediately after the AGM where the Group Chief Executive Officer and executive directors will meet the media to answer queries related to the Group and its performance.

The Board, senior management and its external auditor are available to respond to shareholders' questions during the AGM.

# Statement on Corporate Governance (Continued)

## (c) Website

To ensure that its shareholders and the general public are always kept updated on its performance and operations, the Group has established a website at <http://www.mediachinesegroup.com>. Shareholders can access corporate information, annual reports, circulars, announcements, press releases and investor relations briefings on the same.

## (d) Implications of the dual primary listings on the Company's investors in Hong Kong

On 30 April 2008, the Company's admission to the Official List of Bursa Securities and the listing of and quotation for the Company's shares on the main market of Bursa Securities took effect. As a result, shareholders of the Company are entitled to trade the shares on both the HK Stock Exchange and Bursa Securities. Certain additional obligations which they are subject to as shareholders of an entity listed in Malaysia, among others, are set out as follows.

### (i) Trading of the Company's shares

If a shareholder chooses to trade his shares in the Company on Bursa Securities, there is a stamp duty of RM1 for RM1,000 or fractional part of value of securities (payable by both buyer and seller) chargeable on the transaction and the maximum stamp duty to be paid is RM200. For the trading in Hong Kong, stamp duty on sale or purchase of the Company's shares is charged at a rate of 0.1% of the amount of the consideration or of its value on every sold note and every bought note together with a transfer deed stamp duty of HK\$5. The applicable brokerage and clearing fees would also be payable by the seller and the buyer.

### (ii) Transfer of shares from Bursa Securities to the HK Stock Exchange and vice versa

If a shareholder (including a Hong Kong investor), whose shares are deposited in Bursa Malaysia Depository Sdn Bhd (i.e. the central depository of the Bursa Securities) ("Bursa Depository"), wishes to withdraw his shares from Bursa Depository and deposit them into the Hong Kong securities system for trading in Hong Kong, the share transfer form will be subject to Malaysian stamp duty. The stamp duty payable on such share transfer form is a nominal sum of RM10 pursuant to Item 32(i) First Schedule to the Malaysian Stamp Act 1949 on the basis that no beneficial interest passes in such transfer as the transfer is made by a bare trustee (i.e. Bursa Depository) to a beneficiary (i.e. the investor).

For the share transmission between the Hong Kong branch share register and the Malaysian branch share register, a Company's shareholder has to pay approximately RM211 or HK\$442 to the relevant share registrar as administrative fees for registration and issuance of new share certificates. Such fees are subject to revision from time to time.

## ACCOUNTABILITY AND AUDIT

### (a) Financial reporting

The Board aims to provide a clear, balanced and comprehensive assessment of the Group's financial performance and prospects through the annual audited financial statements, interim financial statements, quarterly results announcements and corporate announcements on significant developments affecting the Group in accordance with the Bursa Securities Listing Requirements and the HK Listing Rules. The Board is assisted by the Audit Committee to oversee that the Group's financial reporting processes comply with the regulatory reporting requirements. The Group's financial statements are prepared in accordance with applicable International Financial Reporting Standards.



## Statement on Corporate Governance (Continued)

### (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.

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

The directors have overall responsibilities to take such steps as are reasonably available to them to safeguard the assets of the Group and to implement and maintain adequate accounting and internal control systems for the prevention and detection of fraud and other irregularities.

### (c) Internal controls

The Board is aware that the ultimate responsibility for ensuring a sound internal control system and reviewing the effectiveness of those systems lies with the Board. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. Any system can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board is also responsible for ensuring that there is a system of internal control and compliance controls, and risk management policies. In line with this, the management of each business unit is responsible for internal control and for ensuring necessary compliance. The Board is assisted by the Audit Committee to discharge its internal control review responsibilities. These systems will continue to be reviewed, added on or updated to provide for changes in the operating environment. In addition, the directors have considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget. The Statement on Internal Control set out on page 48 of this Annual Report provides an overview on the state of internal controls within the Group.

### (d) Relationship with auditor

The Audit Committee discusses with the external and internal auditors the nature and scope of the audit and reporting obligations before audit commences. The Audit Committee ensures that management will provide timely responses on any material queries raised by the external auditors after the audit in respect of accounting records, financial accounts or systems of control.

The Audit Committee meets the external auditor on a half yearly and annual basis to discuss audit findings and makes recommendations for the Board's approval.

The Company's external auditor is PricewaterhouseCoopers, Hong Kong. The total fees for audit services and non-audit services provided by other external auditors to the subsidiaries of the Group were approximately US\$8,000 and US\$64,000 respectively.

## Statement on Corporate Governance (Continued)

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)	540
– Non-audit services	
(a) Tax services	121
(b) Other advisory services	1
	<hr/>
	662

PricewaterhouseCoopers, Hong Kong will retire and offer itself for re-appointment at the annual general meeting of the Company to be held in August 2010.

A statement by PricewaterhouseCoopers, Hong Kong 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 page 71.

### COMPLIANCE STATEMENT

Since its listing on Bursa Securities effective from 30 April 2008, the Board is satisfied that the Company has complied with the best practices of the Malaysian Code save for the appointment of a senior independent non-executive director and the deviation in the establishment of Remuneration Committee which requires wholly or mainly of its members being non-executive directors. Reason for such deviation is given as below.

The Company has adopted all the code provisions in the Hong Kong Code as its own code on corporate governance practices. During the year, the Company met the code provisions as set out in the Hong Kong Code except for a deviation from code provision B.1.1 which requires that the majority members of the remuneration committee should be independent non-executive directors. Reason for the deviation is given as below.

On 1 October 2009, Mr Victor YANG resigned as an independent non-executive director, the Chairman of the Nomination Committee, and a member of the Audit Committee and Remuneration Committee of the Company. Following his resignation, the composition of the Remuneration Committee was below the requirements of the Malaysian Code and the code provision B.1.1 of the Hong Kong Code. On 26 June 2010, Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH was appointed as a member of the Remuneration Committee, immediately after the appointment, the Company has complied with both the Malaysia Code and the code provision B.1.1 of the Hong Kong Code.

### 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 ended 31 March 2010 are set out on page 57.

#### (b) Exercise of options, warrants or convertible securities

During the financial year ended 31 March 2010, no share option was exercised and the Company did not issue any warrants or convertible securities.

## Statement on Corporate Governance (Continued)

### **(c) American Depositary Receipt ("ADR") or Global Depositary Receipt ("GDR Programme")**

The Company has not sponsored any ADR or GDR Programme during the financial year ended 31 March 2010.

### **(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 ended 31 March 2010.

### **(e) Variation in results**

The audited results of the Company and of the Group for the financial year ended 31 March 2010 did not vary by 10% or more from the unaudited results announced to Bursa Securities on 26 May 2010.

### **(f) Profit guarantee**

The Company did not issue any profit guarantee during the financial year ended 31 March 2010.

### **(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 2010 and as at the date of this Annual Report save for the following:

- The land acquisition agreement dated 14 July 2008 and supplemental land acquisition agreement dated 11 September 2008 entered into between Sin Chew and Rimbunan Hijau Estate Sdn Bhd in relation to the acquisition of land and construction of the new office building. The said transaction was completed on 31 March 2010.

Further details of the above transaction are set out under the "Continuing Connected Transactions" paragraph in the Report of the Directors on pages 66 to 67.

### **(h) Revaluation policy**

The Company's revaluation policy on landed properties is disclosed in note 2.6 to the financial statements.

## Statement on Corporate Governance (Continued)

### (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 2010		Nature of relationship
			RM'000	US\$'000	
1 Malaysian Newsprint Industries Sdn Bhd ("MNI")	Sin Chew Group Nanyang Group	(i) Purchase of newsprint from MNI:			R. H. Development Corporation Sdn Bhd ("RHDC") and Rimbunan Hijau Estate Sdn Bhd ("RHE") are the substantial shareholders (pursuant to the Malaysian Companies Act, 1965 (the "Act")) of MNI.  Tan Sri Datuk Sir TIONG Hiew King ("TSTHK") is both a major shareholder and a director of the Company. He is a major shareholder of RHE and RHDC, and a director of Sin Chew.  Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is (pursuant to the Act) a substantial shareholder of RHDC.
		– Sin Chew Group	75,614	21,862	
		– Nanyang Group	70,572	20,394	
		(ii) Disposal of newsprint scraps to MNI:			
		– Sin Chew Group	2,322	673	
		– Nanyang Group	3,318	962	
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	3,600	1,040	Rimbunan Hijau Southeast Asia Sdn Bhd ("RHSA") is a major shareholder of RHE and a shareholder of the Company.  TSTHK is a major shareholder of RHE and a director of Sin Chew. He is both a major shareholder and a director of the Company and RHSA.  Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is a shareholder of RHE.
3 Pacific Hijau Sdn Bhd ("PHSB")	Sin Chew	Sin Chew's tenancy of No. 15, Jalan Mewah Satu, Taman Mewah, 12100 Butterworth, Pulau Pinang, Malaysia from PHSB as landlord	6	2	TSTHK is both a major shareholder and a director of the Company and PHSB. He is a director of Sin Chew.  Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is a shareholder of PHSB.
4 PHSB	Guang-Ming Ribao Sdn Bhd ("GMRSB")	GMRSB's tenancy of No. 15, Jalan Mewah Satu, Taman Mewah, 12100 Butterworth, Pulau Pinang, Malaysia from PHSB as landlord	6	2	TSTHK is both a major shareholder and a director of the Company and PHSB. He is a director of Sin Chew (the holding company of GMRSB).  Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is a shareholder of PHSB.

## Statement on Corporate Governance (Continued)

Related parties	Contracting parties	Nature of transaction	Transacted value for the financial year ended 31 March 2010		Nature of relationship
			RM'000	US\$'000	
5	Tiong Toh Siong & Sons Sendirian Berhad	Mulu Press Sdn Bhd ("MPSB")	46	13	<p>Tiong Toh Siong Holdings Sdn Bhd ("TTSH") is a holding company of Tiong Toh Siong &amp; Sons Sendirian Berhad.</p> <p>TSTHK is both a major shareholder and a director of the Company and TTSH. He is also a director of Tiong Toh Siong &amp; Sons Sendirian Berhad and Sin Chew (the holding company of MPSB).</p> <p>Dato' Sri Dr TIONG Ik King is a major shareholder and a director of the Company. He is also a director and a shareholder of TTSH.</p>
6	Rimbunan Hijau Holdings Sdn Bhd ("RHH")	MPSB	12	4	<p>Teck Sing Lik Enterprise Sdn Bhd ("TSL") is a major shareholder of RHH and a shareholder of the Company.</p> <p>TSTHK is both a major shareholder and a director of the Company, TSL and RHH. He is a director of Sin Chew (the holding company of MPSB).</p> <p>Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is also a major shareholder of RHH.</p>
7	Everfresh Dairy Products Sdn Bhd ("Everfresh")	MPSB	6	2	<p>Tiong Toh Siong Enterprises Sdn Bhd ("TTSE") and TSL are major shareholders of Everfresh and shareholders of the Company.</p> <p>TSTHK is both a major shareholder and a director of Everfresh, TSL and the Company. TSTHK is a director of TTSE and Sin Chew (the holding company of MPSB).</p> <p>Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is also a major shareholder of TTSE.</p>



# Statement on Corporate Governance (Continued)

	Related parties	Contracting parties	Nature of transaction	Transacted value for the financial year ended 31 March 2010		Nature of relationship
				RM'000	Equivalent in US\$'000	
8	Evershine Agency Sdn Bhd ("EA")	MPSB	MPSB purchases motor vehicle insurance from EA	2	1	<p>Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS") is a shareholder of the Company and a major shareholder of EA.</p> <p>Pertumbuhan Abadi Asia Sdn Bhd ("PAA"), TSL and TTSE are major shareholders of RHS and shareholders of the Company.</p> <p>TSTHK is a major shareholder of EA and a director of Sin Chew (the holding company of MPSB). He is both a major shareholder and a director of the Company, RHS, PAA and TSL. He is also a director of TTSE.</p> <p>Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is a major shareholder of TTSE and, pursuant to the Act, a substantial shareholder of EA.</p>
9	R.H. Tours & Travel Agency Sdn Bhd ("RHTT")	the Group	Purchasing of air tickets from RHTT	64	19	<p>RHS is a shareholder of the Company and a major shareholder of RHTT.</p> <p>TSL, PAA and TTSE are major shareholders of RHS and shareholders of the Company.</p> <p>TSTHK is both a major shareholder and a director of the Company, RHTT, RHS, PAA and TSL. He is a director of TTSE.</p> <p>Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is a major shareholder of TTSE and a shareholder of RHTT.</p>
10	RH Multimedia Broadcasting Corporation Sdn Bhd ("RH Multimedia")	Nanyang	RH Multimedia's tenancy of office from Nanyang as landlord	2	1	<p>TSTHK is both a major shareholder and a director of the Company.</p> <p>Tiong Chiong Ong (son of TSTHK) is both a major shareholder and a director of RH Multimedia and a shareholder of the Company.</p> <p>Wong Hee Joo @ Hee Yu (son-in-law of TSTHK) is both a major shareholder and a director of RH Multimedia.</p>

# Statement on Internal Control

## INTRODUCTION

This Statement on Internal Control is made in accordance 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.

## BOARD RESPONSIBILITY

The Board recognises the importance of sound controls to good corporate governance. The Board affirms its overall responsibility for the Group's system of internal controls and for reviewing the adequacy and integrity of the system, including compliance with the applicable laws and regulations. It should, however, be noted that such system is designed to manage rather than totally eliminate the risk of failure to achieve business objectives. Accordingly, the system can only provide reasonable but not absolute assurance against material misstatement, losses, fraud or breaches of laws and regulations.

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 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 and monthly financial reports are reviewed by the Group's management. This helps the Board and the executive management to monitor the Group's business operations and to plan on a prudent and timely basis.

## INTERNAL AUDIT

The Group's Internal Audit function independently reviews the internal controls in the key activities of the Group's business and reports to the Audit Committee on a quarterly basis. It provides continuous improvement to the control procedures. An annual internal audit plan is presented to the Audit Committee for approval. The Internal Audit findings are discussed at management level and actions are agreed in response to the Internal Audit's recommendations. The progress of implementation of the agreed actions is followed up and verified by the Internal Audit.

The Audit Committee reviews all internal audit findings, management responses and the effectiveness of the internal controls. Significant risk issues, if any, are referred to the Board for consideration. The Audit Committee also briefs the Board on the deliberations or recommendations made in the Audit Committee meetings.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

The external auditor has reviewed this Statement on Internal Control for the inclusion in the Group's annual report for the financial year ended 31 March 2010. The external auditor has reported to the Board that nothing has come to its attention that causes it to believe that the statement is inconsistent with its understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

# Audit Committee Report

The Board is pleased to present the Audit Committee Report for the year ended 31 March 2010.

## COMPOSITION

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

Mr David YU Hon To	<i>(Chairman/Independent Non-executive Director)</i>
Mr Victor YANG	<i>(Member/Independent Non-executive Director and resigned on 1 October 2009)</i>
Tan Sri Dato' LAU Yin Pin	<i>(Member/Independent Non-executive Director)</i>
Temenggong Datuk Kenneth Kanyan	<i>(Member/Independent Non-executive Director)</i>
ANAK TEMENGGONG KOH	
Mr LEONG Chew Meng	<i>(Member/Non-executive Director)</i>

## TERMS OF REFERENCE

### 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 among the Directors and shall consist of not less than three (3) members, all Audit Committee's members must be Non-Executive Directors, with a majority of them being Independent Directors. An alternate Director must not be appointed as a member of the Audit Committee.

The Board shall, within three (3) months of a vacancy occurring in the Audit Committee which results in the number of members reduced to below three (3), appoint such number of new members as may be required to make up the minimum number of three (3) 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/master/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; and
- e) Fulfills 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.

## Audit Committee Report (Continued)

### 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 themselves who shall be an Independent Non-Executive Director.

In the absence of the Chairman of the Audit Committee, the remaining members present shall elect one of themselves to chair the meeting 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 (4) times a year 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 auditor shall normally attend meetings of the Audit Committee. Other Board members shall also have the right of attendance.

However, at least twice a year the Audit Committee shall meet with the external auditor 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 the Audit Committee shall be decided by a majority of vote 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 (2) 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 shall elect another person as the secretary of the meeting.

# Audit Committee Report (Continued)

## 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 auditor and internal auditor;
- e) The right to obtain independent professional or other advice;
- f) The right to convene meetings with the external auditor, the internal auditor or both, excluding the attendance of 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 auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard. The Audit Committee should discuss with the auditor the audit plan, audit nature and scope of the audit and reporting obligations before the audit commences;



## Audit Committee Report (Continued)

- 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:
  - (i) the audit plan;
  - (ii) the evaluation of the system of internal controls;
  - (iii) the audit report;
  - (iv) the assistance given by the employees of the Company to the external auditor;
- f) To monitor integrity of financial statements of the Company and the Company's annual report and accounts, half-yearly report, quarterly report 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 Audit Committee must liaise with the Company's Board and senior management and the Audit Committee must meet, at least twice a year, with the Company's auditor; and
  - (ii) the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts and must give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditor;
- h) To review the Company's financial controls, internal controls and risk management systems;
- i) To discuss with the management the system of internal controls and ensure that management has discharged its duty to have an effective internal control system including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget;
- 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;

# Audit Committee Report (Continued)

- 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 auditor's management letter, any material queries raised by the auditor to management in respect of the accounting records, financial accounts or system of controls and management's response;
- n) To ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- o) To report to the Board on the matters set out in provision of terms of reference of the Audit 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 cognizance 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

During the financial year under review, a total of five Audit Committee meetings were held and the details of attendance are as follows:

Members	Number of meetings attended	Percentage of attendance
Mr David YU Hon To	5/5	100%
Mr Victor YANG (resigned on 1 October 2009)	3/3	100%
Tan Sri Dato' LAU Yin Pin	5/5	100%
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	5/5	100%
Mr LEONG Chew Meng	5/5	100%

# Audit Committee Report (Continued)

The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification. At the invitation of the Audit Committee, the relevant Executive Directors, Group Chief Executive Officer, Head of Internal Audit Department and the Head of Finance Departments attended all meetings. Other senior management personnel of the Group attended upon invitation, as and when necessary.

The Head of Internal Audit Department was present to present the internal audit reports to the Audit Committee. Relevant management members of the auditee were invited to brief the Audit Committee on specific issues arising from the unsatisfactorily audit ratings.

The Group's external auditor attended two meetings during the financial year under review, where they were invited to discuss matters related to the audit and interim review for this period. They were also given the opportunity to raise areas of concern without the presence of the management.

## SUMMARY OF ACTIVITIES

The Audit Committee's activities during the financial year encompassed the following:

### 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 interim and annual financial statements of the Company and of the Group with the external auditor prior to submission to the Board for approval. The review was to ensure that the financial statements and disclosures were in accordance with the applicable Financial Reporting Standards in Hong Kong and Malaysia and other relevant legal and regulatory requirements.

### Internal audit

- a) Reviewed and approved the internal audit team's scope of work and audit plan;
- b) Reviewed the internal audit resource requirements;
- 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 auditor the audit plan, audit strategy and scope of work for the financial year under review;
- b) Reviewed with the external auditor the results of the annual audit and interim review, audit review report and management letter together with management's response to the findings of the external auditor;
- c) Reviewed the proposed audit fees for the external auditor for the financial year ended 31 March 2010;
- d) Evaluated the performance and effectiveness of the external auditor and made recommendations to the Board on its appointment and remuneration.

# Audit Committee Report (Continued)

## Others

- a) Reviewed all recurrent related party transactions or continuing connected transactions entered into by the Group to ensure that the transactions had been conducted at arm's length basis and on normal commercial terms and that the internal control procedures relating to such transactions were sufficient.
- b) Reviewed the circular to shareholders in respect of the proposed shareholders' mandate for recurrent related party transactions and proposed mandate for share buy-back.
- c) Reviewed the Audit Committee Report and Statement on Internal Control for inclusion in the annual report for the financial year under review.
- d) Reviewed the training programmes of the staff of the Group's accounting and financial reporting function.

## INTERNAL AUDIT FUNCTION

The Group has an in-house Internal Audit Department which is independent of management and of the activities it reviews. The Internal Audit function reports functionally and directly to the Audit Committee. Its role encompasses the assessment and evaluation of the adequacy and effectiveness of the Group's system of internal controls. It provides reasonable assurance to the Audit 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 function during the financial year ended 31 March 2010 are as follows:

- a) Prepared the annual internal audit plan of the Group 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 the Audit Committee meetings to table and discuss the audit reports, as well as take instructions on matters that fell under the internal audit function;
- d) Reported to Audit Committee on review of the adequacy, appropriateness and compliance with the procedures established to monitor recurrent related party transactions;
- e) Observed stock-take of raw materials to assess whether it had been conducted in accordance with approved procedures;
- f) Attended relevant courses to keep abreast with the current developments to improve professional skills in internal auditing.

The total costs incurred for the Internal Audit function for the financial year ended 31 March 2010 was US\$188,000.

Further details of the Internal Audit function are set out in the Statement on Internal Control on page 48.

## 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 of the Company.

# Report of the Directors

The directors present their report together with the audited financial statements of the Group for the year ended 31 March 2010.

## 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, Mainland China, North America, Malaysia and other Southeast Asian countries.

The activities of the Company's principal subsidiaries are set out in note 43 to the financial statements.

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

## RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 72.

A first interim dividend in respect of the current year of US0.450 cents (2009: US0.450 cents) per share on 1,683,897,241 ordinary shares of the Company amounting to US\$7,578,000 (2009: US\$7,578,000) was paid on 21 January 2010.

On 26 May 2010, the Board of Directors has declared a second interim dividend of US0.771 cents per ordinary share amounting to US\$12,983,000 (2009: US\$2,408,000) in lieu of a final dividend for the year ended 31 March 2010. The second interim dividend will be payable on 6 August 2010 to ordinary shareholders, whose names appear on the register of members of the Company at the close of business on 9 July 2010, in cash in RM or in HK\$ at exchange rates determined on 26 May 2010 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 26 May 2010 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	3.34	2.575 sens
US\$ to HK\$	7.80	HK6.014 cents

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

## RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in notes 33 and 34 to the financial statements.

## DONATIONS

Charitable and other donations made by the Group during the year amounted to US\$24,000.



# Report of the Directors (Continued)

## PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Movements in the property, plant and equipment and details of investment properties of the Group are disclosed in note 16 and note 17 to the financial statements respectively.

## SHARE CAPITAL

Movements in the share capital of the Company are set out in note 32 to the 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 Company's shares on 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 2010, calculated under the Companies Act of 1981 of Bermuda (as amended), amounted to US\$125,254,000 (2009: US\$121,674,000).

## 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 156.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year, the Company repurchased a total of 1,000 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		Aggregate purchase consideration HK\$	Equivalents in US\$
		Highest HK\$	Lowest HK\$		
September 2009	1,000	1.18	1.18	1,180	153

All the repurchased shares during the year were cancelled. 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 had purchased, sold or redeemed any of the Company's listed securities during the year.

# Report of the Directors (Continued)

## DIRECTORS

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

### Executive Directors

Tan Sri Datuk Sir TIONG Hiew King (*Group Executive Chairman*)

Mr TIONG Kiu King

Dato' Sri Dr TIONG Ik King

Dato' LEONG Khee Seong (resigned on 15 September 2009)

Mr TIONG Kiew Chiong (*Group Chief Executive Officer*)

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 (resigned on 1 October 2009)

Tan Sri Dato' LAU Yin Pin

Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH

In accordance with the Company's Bye-Laws, Mr TIONG Kiew Chiong, Ms SIEW Nyoke Chow, Ms SIM Sai Hoon and Mr LEONG Chew Meng shall retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Pursuant to the requirements of the HK Listing Rules, 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.

## COMPETING BUSINESS

Pursuant to the HK Listing Rules, the Company discloses that during the year under review, Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are the substantial shareholders and directors of the Company, and both of them hold directorships and/or ownerships in Pacific Star Limited and R.H. Tours & Travel Agency Sdn Bhd. Pacific Star Limited is engaged in the business of newspapers publishing in Papua New Guinea. R.H. Tours & 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.

In addition, Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are also deemed interested in 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 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.

# Report of the Directors (Continued)

## DIRECTORS' SERVICE CONTRACTS

Each of Mr LEONG Chew Meng, Mr David YU Hon To, Tan Sri Dato' LAU Yin Pin and Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH has entered into a service contract with the Company for a term of 2 years commencing from 1 April 2010 until 31 March 2012.

Save as disclosed therein, none of the directors who are proposed for re-election at the forthcoming annual general meeting have service contracts with the Company or any of its subsidiaries which are 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 "MCI 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.

#### (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 MCI Scheme. The maximum number of shares in respect of which options may be granted (together with options exercised and options then outstanding) under the MCI 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 MCI Scheme and other schemes; and (ii) any pro-rata entitlements to further shares issued in respect of those shares mentioned in (i). The MCI 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 MCI Scheme (i.e. 20 August 2011), whichever is earlier.

Pursuant to the requirements of HK Listing Rules governing share option schemes which came into effect on 1 September 2001, certain provisions of the MCI 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.

## Report of the Directors (Continued)

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

Grantee	Number of shares involved in share options					Percentage of issued ordinary shares at 31 March 2010	Exercise price per share HK\$	Date of grant	Exercisable period
	Balance at 1 April 2009	Granted during the year (note 1)	Exercised during the year (note 1)	Lapsed during the year (note 2)	Balance at 31 March 2010				
Directors:									
Tan Sri Datuk Sir TIONG Hiew King	300,000	–	–	–	300,000	0.018%	1.592	31/08/2001	01/09/2001–20/08/2011
Tan Sri Datuk Sir TIONG Hiew King	300,000	–	–	–	300,000	0.018%	1.800	15/09/2003	16/09/2003–20/08/2011
Mr TIONG Kiu King	300,000	–	–	–	300,000	0.018%	1.592	31/08/2001	01/09/2001–20/08/2011
Mr TIONG Kiu King	300,000	–	–	–	300,000	0.018%	1.800	15/09/2003	16/09/2003–20/08/2011
Dato' Sri Dr TIONG Ik King	300,000	–	–	–	300,000	0.018%	1.592	31/08/2001	01/09/2001–20/08/2011
Dato' Sri Dr TIONG Ik King	300,000	–	–	–	300,000	0.018%	1.800	15/09/2003	16/09/2003–20/08/2011
Mr TIONG Kiew Chiong	300,000	–	–	–	300,000	0.018%	1.592	31/08/2001	01/09/2001–20/08/2011
Mr TIONG Kiew Chiong	300,000	–	–	–	300,000	0.018%	1.800	15/09/2003	16/09/2003–20/08/2011
	2,400,000	–	–	–	2,400,000	0.144%			
Full time employees	1,121,000	–	–	(146,000)	975,000	0.058%	1.592	31/08/2001	01/09/2001–20/08/2011
Full time employees	779,000	–	–	(146,000)	633,000	0.038%	1.320	29/08/2003	30/08/2003–20/08/2011
Total	4,300,000	–	–	(292,000)	4,008,000	0.240%			

**Notes:**

- (1) No share option was granted, exercised or cancelled during the year.
- (2) During the year, 292,000 share options have lapsed by reason of a grantee ceased to be a full time employee 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 73.9% 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, executive 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.

## Report of the Directors (Continued)

(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 OMG listing date,

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



## Report of the Directors (Continued)

- (ii) As at 31 March 2010, 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					Percentage of issued ordinary shares of OMG at 31 March 2010	Exercise price per share HK\$	Date of grant	Exercisable period
	Balance at 1 April 2009	Granted during the year (note 2)	Exercised during the year (note 2)	Lapsed during the year	Balance at 31 March 2010				
Directors:									
Tan Sri Datuk Sir 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
Dato' Sri 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 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 & 4)	150,000	–	–	(150,000)	–	–	1.200	27/09/2005	18/10/2005–25/09/2015
	5,050,000	–	–	(150,000)	4,900,000	1.22%			
Full time employees (note 1a & 3)	6,600,000	–	–	(200,000)	6,400,000	1.60%	1.200	27/09/2005	18/10/2005–25/09/2015
Full time employees (note 1b & 3)	888,000	–	–	(32,000)	856,000	0.22%	1.200	27/09/2005	18/10/2005–25/09/2015
Total	12,538,000	–	–	(382,000)	12,156,000	3.04%			

### 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 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
  - b. 100% of the OMG's 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. 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) No share option was granted, exercised or cancelled during the year.
- (3) During the year, 232,000 share options have lapsed by reason of the grantees ceased to be full time employees of OMG and its subsidiaries.
- (4) The share options of Mr Victor YANG lapsed due to his resignation as an Independent Non-executive Director of the Company on 1 October 2009.

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.

# Report of the Directors (Continued)

## DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the Report of the Directors under "Continuing Connected Transactions" on pages 66 to 67 and in Statement on Corporate Governance under "Recurrent Related Party Transactions of a Revenue Nature or Trading Nature" on pages 45 to 47, 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 are as follows:

		Number of ordinary shares of HK\$0.1 each		
		As at 1 April 2009	Bought	As at 31 March 2010
<b>(i) The Company</b>				
<i>Direct interest in shares:</i>				
Tan Sri Datuk Sir TIONG Hiew King	86,509,058	—	—	86,509,058
Mr TIONG Kiu King	2,540,559	—	—	2,540,559
Dato' Sri Dr TIONG Ik King	9,406,189	—	—	9,406,189
Mr TIONG Kiew Chiong	4,796,483	—	—	4,796,483
Ms SIEW Nyoke Chow	2,000,072	—	—	2,000,072
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	135,925	—	—	135,925
<i>Indirect interest in shares:</i>				
Tan Sri Datuk Sir TIONG Hiew King	470,505,383	326,663,556	—	797,168,939 <sup>(3)</sup>
Mr TIONG Kiu King	147,000	—	—	147,000 <sup>(2)</sup>
Dato' Sri Dr TIONG Ik King	252,487,700	—	—	252,487,700 <sup>(1)</sup>
<b>(ii) Subsidiary – OMG</b>				
<i>Direct interest in shares:</i>				
Mr TIONG Kiew Chiong	3,750,000	250,000	—	4,000,000

Notes:

- (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.
- (3) Deemed interested by virtue of his spouse's interest and his interest in:
- (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");
  - (vii) 52,875,120 shares held by Madigreen Sdn Bhd ("Madigreen");
  - (viii) 326,663,556 shares held by Progresif Growth Sdn Bhd ("Progresif").

## Report of the Directors (Continued)

- (b) At 31 March 2010, 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

Name of director	Number of shares/underlying shares held					Aggregate interests	Percentage of issued ordinary shares at 31 March 2010
	Personal interests	Family interests	Corporate interests	Total interest in shares	Interests in underlying shares pursuant to share options (note 1)		
Tan Sri Datuk Sir TIONG Hiew King	86,509,058	234,566	796,934,373 (note 2)	883,677,997	600,000	884,277,997	52.51%
Mr TIONG Kiu King	2,540,559	147,000	—	2,687,559	600,000	3,287,559	0.20%
Dato' Sri Dr TIONG Ik King	9,406,189	—	252,487,700 (note 3)	261,893,889	600,000	262,493,889	15.59%
Mr TIONG Kiew Chiong	4,796,483	—	—	4,796,483	600,000	5,396,483	0.32%
Ms SIEW Nyoke Chow	2,000,072	—	—	2,000,072	—	2,000,072	0.12%
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	135,925	—	—	135,925	—	135,925	0.01%

Notes:

- (1) These represent share options granted by the Company to the relevant directors under the MCI Scheme to subscribe for shares of the Company.
- (2) The corporate interests of Tan Sri Datuk Sir TIONG Hiew King comprise:
- (i) 252,487,700 shares held by Conch;
  - (ii) 65,319,186 shares held by TSL;
  - (iii) 1,902,432 shares held by PAA;
  - (iv) 75,617,495 shares held by Ezywood;
  - (v) 15,536,696 shares held by RHS;
  - (vi) 6,532,188 shares held by RHSA;
  - (vii) 52,875,120 shares held by Madigreen;
  - (viii) 326,663,556 shares held by Progresif.

Tan Sri Datuk Sir 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, and 45% in Madigreen. He also directly and indirectly holds 45% interest in Progresif. The details of shares held by Conch are set out in note 3 below.

- (3) 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 Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King. In addition, Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King directly hold 25% and 22% of the interest in Conch respectively.

## Report of the Directors (Continued)

### (ii) Interests in shares and underlying shares in OMG

Name of director	Number of shares/underlying shares held						Percentage of issued ordinary shares of OMG at 31 March 2010
	Personal interests	Family interests	Corporate interests	Total interest in shares	Interests in underlying shares pursuant to share options (note)	Aggregate interests	
Tan Sri Datuk Sir TIONG Hiew King	–	–	–	–	1,250,000	1,250,000	0.31%
Mr TIONG Kiu King	–	–	–	–	1,250,000	1,250,000	0.31%
Dato' Sri Dr TIONG Ik King	–	–	–	–	1,000,000	1,000,000	0.25%
Mr TIONG Kiew Chiong	4,000,000	–	–	4,000,000	1,250,000	5,250,000	1.31%
Mr David YU Hon To	–	–	–	–	150,000	150,000	0.04%

*Note:* 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.

Save as disclosed above and those disclosed under “Share Option Schemes”, at 31 March 2010, 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.

Apart from the share option scheme, 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 directors 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 of 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.

# Report of the Directors (Continued)

## SUBSTANTIAL SHAREHOLDERS

The register of interests in shares and short positions maintained under Section 336 of the SFO shows that at 31 March 2010, 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 2010
Progresif Growth Sdn Bhd ( <i>note 1</i> )	326,663,556	19.40%
Conch Company Limited ( <i>note 2</i> )	252,487,700	14.99%
Zaman Pemimpin Sdn Bhd ( <i>note 3</i> )	154,219,783	9.16%

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

*Notes:*

- (1) Tan Sri Datuk Sir TIONG Hiew King directly and indirectly holds 45% interest in Progresif.
- (2) 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 Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King. In addition, Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King directly hold 25% and 22% of the interest in Conch respectively.
- (3) Zaman Pemimpin Sdn Bhd ("Zaman") owns 154,219,783 shares of the Company. 49% of the interest in Zaman is held by Globegate Alliance Sdn Bhd, a company jointly owned by Ms LU Mee Bing and Salmiah Binti SANI.

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 2010.

## CONTINUING CONNECTED TRANSACTIONS

Set out below is information regarding the continuing connected transactions which the Group is required to disclose in the Company's Annual Report pursuant to Chapter 14A of the HK Listing Rules.

On 14 July 2008, Sin Chew, a wholly-owned subsidiary of the Company, entered into a land acquisition agreement ("Land Acquisition Agreement") with Rimbunan Hijau Estate Sdn Bhd ("RHE") to acquire a piece of land known as PN 3694, Lot No. 50 Seksyen 13, Bandar Petaling Jaya, Daerah Petaling State of Selangor Darul Ehsan, Malaysia (the "Land") together with the buildings thereon for a cash consideration of RM46,000,000 (equivalent to US\$12,614,836).

Tan Sri Datuk Sir TIONG Hiew King, who is a substantial shareholder of the Company, together with family interests is interested in 100% of the issued share capital of RHE. RHE, being an associate of Tan Sri Datuk Sir TIONG Hiew King, is therefore a connected person of the Company.



## Report of the Directors (Continued)

Adding to this, Sin Chew has a tenancy agreement for the land and buildings thereon with RHE with a monthly rental of RM300,000 (equivalent to US\$86,690) for a term of three years commencing on 2 March 2007 with an option to extend for a further 3 years on the same terms. After completion of the acquisition of the Land, the Board believes that Sin Chew will have a saving in rental expenses of RM3,600,000 (equivalent to US\$1,103,448) per year. For the year ended 31 March 2010, the total rental expenses incurred by Sin Chew under the aforesaid tenancy agreement amounted to RM3,600,000 (equivalent to US\$1,040,280).

Based on the calculations of applicable percentage ratios on an annual basis and the annual consideration amounts, the tenancy agreement with RHE constitutes a continuing connected transaction ("CCT") of the Company as defined under Chapter 14A of the HK Listing Rules.

Subsequently, on 4 August 2008, the Company announced that both RHE and Sin Chew mutually agreed to re-negotiate the terms of the Land Acquisition Agreement due to the change in commercial circumstances.

On 11 September 2008, the Company announced that on even date Sin Chew and RHE had entered into a supplemental land acquisition agreement ("Supplemental Land Acquisition Agreement") which would supersede the Land Acquisition Agreement, pursuant to which Sin Chew conditionally agreed to acquire from RHE a portion of the Land together with buildings thereon (the "Sale Property") at a price of RM37,000,000 (equivalent to US\$10,146,716) and pay the additional building cost to RHE for the construction of a new office building estimated at RM5,000,000 (equivalent to US\$1,371,178) in cash.

Pursuant to an ordinary resolution passed at a special general meeting of the Company on 13 November 2008, subject to approvals of relevant authorities, the proposed acquisition of the Sale Property and the reimbursement of the cost of constructing the new office building to RHE were approved and confirmed. On 25 January 2010, the approval for the subdivision of master title for the Land has been obtained, the individual subdivided title of the Land were subsequently issued. On 31 March 2010, the consideration of the transaction was paid in full, hence the transaction was completed in accordance with terms and conditions of the Supplemental Land Acquisition Agreement.

Upon the completion of the transaction, the above CCT was terminated, and hence it will no longer constitute a continuing connected transaction of the Company.

The CCT has been reviewed by the Independent Non-executive Directors of the Company. The Independent Non-executive Directors have confirmed that the CCT has been entered into:

- (a) on normal commercial terms or on terms that are fair and reasonable so far as the equity holders of the Company are concerned;
- (b) in accordance with the terms of the agreement governing such transaction or on terms no less favourable than terms available to or from independent third parties; and
- (c) within the relevant cap amount as disclosed in the previous announcement.

In accordance with paragraph 14A.38 of the HK Listing Rules, the Board of Directors engaged the auditor of the Company to perform certain factual finding procedures on the above CCT in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported the factual findings on these procedures to the Board of Directors.

Save as disclosed above, there were no other continuing connected transactions or 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 3.8% 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\$1,514,000 at 31 March 2010 (31 March 2009: US\$1,226,000).

The most recent independent actuarial valuation of the Scheme (the "Valuation") was carried out as at 31 March 2010 by Towers Watson 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.

# Report of the Directors (Continued)

## 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 sold less than 30% of the total sales to its five largest customers for the year.

The percentage of purchases for the year attributable to the Group's major suppliers are as follows:

Purchase	
– the largest supplier	19%
– five largest suppliers combined	35%

Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are both directors and shareholders of the Company. They are also shareholders of R.H. Development Corporation Sdn Bhd and Rimbunan Hijau Estate Sdn Bhd, which are shareholders of one of the five largest suppliers, Malaysian Newsprint Industries Sdn Bhd.

## 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.

## AUDITOR

The financial statements have been audited by PricewaterhouseCoopers, Hong Kong who retires and, being eligible, offers itself for re-appointment.

On behalf of the Board

**TIONG Kiew Chiong**

*Director*

25 June 2010

# 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 page 71, 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.

# Independent Auditor's Report



羅兵咸永道會計師事務所

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

## TO THE SHAREHOLDERS OF MEDIA CHINESE INTERNATIONAL LIMITED

*(incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of Media Chinese International Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 72 to 154, which comprise the consolidated and company balance sheets as of 31 March 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 2010, 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, 25 June 2010



# Consolidated Income Statement

For the year ended 31 March 2010

		2010	2009
	Note	US\$'000	US\$'000
Turnover	5	376,001	394,303
Cost of goods sold	8	(228,401)	(263,286)
<b>Gross profit</b>		<b>147,600</b>	<b>131,017</b>
Other income	6	4,998	6,474
Other gains, net	7	2,684	1,503
Selling and distribution expenses	8	(58,548)	(59,524)
Administrative expenses	8	(35,054)	(36,976)
Other operating expenses	8	(5,729)	(10,168)
<b>Operating profit</b>		<b>55,951</b>	<b>32,326</b>
Finance costs	9	(754)	(1,291)
Share of loss of an associate	21	(84)	—
<b>Profit before income tax</b>		<b>55,113</b>	<b>31,035</b>
Income tax expense	10	(13,671)	(13,680)
<b>Profit for the year</b>		<b>41,442</b>	<b>17,355</b>
<b>Attributable to:</b>			
Equity holders of the Company		41,136	16,790
Minority interests		306	565
		<b>41,442</b>	<b>17,355</b>
<b>Earnings per share attributable to the equity holders of the Company</b>			
Basic (US cents)	12	2.44	1.00
Diluted (US cents)	12	2.44	1.00

The notes on pages 80 to 154 are an integral part of these financial statements.

<b>Dividends</b>	13	<b>20,561</b>	<b>9,986</b>
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# Consolidated Statement of Comprehensive Income

For the year ended 31 March 2010

	2010 US\$'000	2009 US\$'000
<b>Profit for the year</b>	<b>41,442</b>	17,355
<b>Other comprehensive income/(expense)</b>		
Currency translation differences	29,234	(33,627)
Actuarial gains/(losses) of defined benefit plan assets	260	(817)
Actuarial gains/(losses) of long service payment obligations	589	(462)
Revaluation gain recognised upon transfer of property held for own use to investment properties	301	—
<b>Other comprehensive income/(expense) for the year, net of tax</b>	<b>30,384</b>	(34,906)
<b>Total comprehensive income/(expense) for the year</b>	<b>71,826</b>	(17,551)
<b>Attributable to:</b>		
Equity holders of the Company	71,442	(18,106)
Minority interests	384	555
	<b>71,826</b>	(17,551)

The notes on pages 80 to 154 are an integral part of these financial statements.

# Consolidated Balance Sheet

As at 31 March 2010

	Note	2010 US\$'000	2009 US\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16	111,623	99,692
Investment properties	17	8,686	6,224
Leasehold land and land use rights	18	30,483	22,445
Intangible assets	19	77,466	69,481
Non-current assets held for sale		–	77
Deferred income tax assets	20	1,831	2,430
Defined benefit plan assets	35	258	–
Interest in an associate	21	2,739	–
Investment in convertible notes – debt portion	22	511	–
		<b>233,597</b>	<b>200,349</b>
<b>Current assets</b>			
Inventories	25	76,079	41,948
Available-for-sale financial assets	26	644	646
Financial assets at fair value through profit or loss	22	226	221
Trade and other receivables	27	67,608	58,980
Income tax recoverable		1,418	1,057
Cash and cash equivalents	28	77,635	70,205
		<b>223,610</b>	<b>173,057</b>
<b>Current liabilities</b>			
Trade and other payables	29	57,415	50,210
Income tax liabilities		4,240	2,787
Short-term bank loans	30	30,618	14,579
Bank overdrafts, secured	28	198	2,428
Current portion of long-term liabilities	31	1,230	2,074
		<b>93,701</b>	<b>72,078</b>
<b>Net current assets</b>		<b>129,909</b>	<b>100,979</b>
<b>Total assets less current liabilities</b>		<b>363,506</b>	<b>301,328</b>

# Consolidated Balance Sheet (Continued)

As at 31 March 2010

	Note	2010 US\$'000	2009 US\$'000
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	32	21,672	21,672
Share premium	32	280,160	280,160
Other reserves	33	(92,337)	(122,666)
Retained earnings	34	131,814	100,652
		<b>341,309</b>	279,818
<b>Minority interests</b>		<b>8,263</b>	8,189
<b>Total equity</b>		<b>349,572</b>	288,007
<b>Non-current liabilities</b>			
Other long-term liabilities	31	1,560	2,987
Defined benefit plan liabilities	35	—	85
Deferred income tax liabilities	20	12,374	10,249
		<b>13,934</b>	13,321
		<b>363,506</b>	301,328

**TIONG Kiu King**

Director

**TIONG Kiew Chiong**

Director

The notes on pages 80 to 154 are an integral part of these financial statements.

# Balance Sheet

As at 31 March 2010

	Note	2010 US\$'000	2009 US\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Interests in subsidiaries	23	<u>430,541</u>	<u>430,541</u>
<b>Current assets</b>			
Trade and other receivables	27	<u>48</u>	<u>1,025</u>
Cash and cash equivalents	28	<u>44</u>	<u>42</u>
		<u>92</u>	<u>1,067</u>
<b>Current liabilities</b>			
Trade and other payables	29	<u>4,113</u>	<u>7,923</u>
<b>Net current liabilities</b>		<u>(4,021)</u>	<u>(6,856)</u>
<b>Total assets less current liabilities</b>		<u><u>426,520</u></u>	<u><u>423,685</u></u>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	32	<u>21,672</u>	<u>21,672</u>
Share premium	32	<u>280,160</u>	<u>280,160</u>
Other reserves	33	<u>25,223</u>	<u>25,968</u>
Retained earnings	34	<u>99,465</u>	<u>95,885</u>
<b>Total equity</b>		<u><u>426,520</u></u>	<u><u>423,685</u></u>

**TIONG Kiu King**  
Director

**TIONG Kiew Chiong**  
Director

The notes on pages 80 to 154 are an integral part of these financial statements.

# Consolidated Statement of Changes in Equity

For the year ended 31 March 2010

	Attributable to equity holders of the Company					Minority interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Total US\$'000		
<b>At 1 April 2008</b>	5,167	12,809	196,554	106,746	321,276	7,952	329,228
Profit for the year	–	–	–	16,790	16,790	565	17,355
Other comprehensive (expense)/income:							
Currency translation differences	–	–	(33,640)	–	(33,640)	13	(33,627)
Actuarial losses of defined benefit plan assets	–	–	(817)	–	(817)	–	(817)
Actuarial losses of long service payment obligations	–	–	(439)	–	(439)	(23)	(462)
Total comprehensive (expense)/income for the year	–	–	(34,896)	16,790	(18,106)	555	(17,551)
Repurchase of ordinary shares ( <i>note 32</i> )	(31)	(541)	31	(31)	(572)	–	(572)
Shares issued as consideration for the exchange of all the ordinary shares of Sin Chew and Nanyang	16,534	267,877	(284,411)	–	–	–	–
Exercise of share options	2	15	–	–	17	–	17
Distribution of assets by a subsidiary	–	–	–	–	–	(47)	(47)
Share compensation costs on share options granted by a listed subsidiary	–	–	56	–	56	35	91
2007-2008 final dividend paid by a listed subsidiary	–	–	–	–	–	(191)	(191)
2007-2008 second interim dividend paid	–	–	–	(15,275)	(15,275)	–	(15,275)
2008-2009 interim dividend paid by a listed subsidiary	–	–	–	–	–	(115)	(115)
2008-2009 first interim dividend paid	–	–	–	(7,578)	(7,578)	–	(7,578)
<b>At 31 March 2009</b>	<u>21,672</u>	<u>280,160</u>	<u>(122,666)</u>	<u>100,652</u>	<u>279,818</u>	<u>8,189</u>	<u>288,007</u>



# Consolidated Statement of Changes in Equity (Continued)

For the year ended 31 March 2010

	Attributable to equity holders of the Company					Minority interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Total US\$'000		
<b>At 1 April 2009</b>	<b>21,672</b>	<b>280,160</b>	<b>(122,666)</b>	<b>100,652</b>	<b>279,818</b>	<b>8,189</b>	<b>288,007</b>
Profit for the year	–	–	–	41,136	41,136	306	41,442
Other comprehensive income:							
Currency translation differences	–	–	29,186	–	29,186	48	29,234
Actuarial gains of defined benefit plan assets	–	–	260	–	260	–	260
Actuarial gains of long service payment obligations	–	–	559	–	559	30	589
Revaluation gain recognised upon transfer of property held for own use to investment properties	–	–	301	–	301	–	301
Total comprehensive income for the year	–	–	30,306	41,136	71,442	384	71,826
Repurchase of ordinary shares <i>(note 32)</i>	–	–	–	–	–	–	–
Acquisition of additional interest in a subsidiary	–	–	–	–	–	(10)	(10)
Share compensation costs on share options granted by a listed subsidiary	–	–	23	–	23	17	40
2008-2009 final dividend paid by a listed subsidiary	–	–	–	–	–	(221)	(221)
2008-2009 second interim dividend paid	–	–	–	(2,396)	(2,396)	–	(2,396)
2009-2010 interim dividend paid by a listed subsidiary	–	–	–	–	–	(96)	(96)
2009-2010 first interim dividend paid	–	–	–	(7,578)	(7,578)	–	(7,578)
<b>At 31 March 2010</b>	<b>21,672</b>	<b>280,160</b>	<b>(92,337)</b>	<b>131,814</b>	<b>341,309</b>	<b>8,263</b>	<b>349,572</b>

The notes on pages 80 to 154 are an integral part of these financial statements.

# Consolidated Cash Flow Statement

For the year ended 31 March 2010

	Note	2010 US\$'000	2009 US\$'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	36(a)	35,863	59,001
Interest on bank loans and overdrafts		(732)	(1,208)
Interest element of finance lease payments		(22)	(83)
Profits tax paid		(11,148)	(9,934)
Long service payments made		(94)	(52)
Contributions to the defined benefit plan		(98)	(80)
Net cash generated from operating activities		23,769	47,644
<b>Cash flows from investing activities</b>			
Acquisition of an associate		(2,827)	—
Purchase of property, plant and equipment		(10,753)	(9,680)
Purchase of investment properties		—	(32)
Purchase of leasehold land and land use rights		(7,268)	(157)
Purchase of intangible assets		(609)	(236)
Investment in convertible notes		(580)	—
Proceeds from disposal of property, plant and equipment	36(b)	681	237
Proceeds from disposal of intangible assets		63	—
Proceeds from disposal of non-current assets held for sale		77	—
Interest received		711	1,673
Dividends received		45	11
Net cash used in investing activities		(20,460)	(8,184)
<b>Cash flows from financing activities</b>			
Repurchase of ordinary shares	32	—	(572)
Proceeds from exercise of share options		—	17
Distribution of assets by a subsidiary		—	(47)
Dividends paid		(9,974)	(22,853)
Dividends paid by a listed subsidiary to minority shareholders		(317)	(306)
Repayment of bank loans		(1,679)	(7,206)
Proceeds from drawdown of short-term bank loans		47,453	26,220
Repayment of short-term bank loans		(33,608)	(33,912)
Proceeds from capital element of finance lease payments		—	441
Capital element of finance lease payments		(466)	(614)
Net cash generated from/(used in) financing activities		1,409	(38,832)
<b>Net increase in cash and cash equivalents, and bank overdrafts</b>		4,718	628
Cash and cash equivalents, and bank overdrafts as at 1 April		67,777	73,597
Exchange adjustments on cash and cash equivalents, and bank overdrafts		4,942	(6,448)
<b>Cash and cash equivalents, and bank overdrafts as at 31 March</b>	28	77,437	67,777

The notes on pages 80 to 154 are an integral part of these financial statements.

# Notes to the Financial Statements

For the year ended 31 March 2010

## 1 GENERAL INFORMATION

Media Chinese International 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, Mainland China, North America, Malaysia and other Southeast Asian countries. The shares of the Company have been listed on the main board of The Stock Exchange of Hong Kong Limited ("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.

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 its new shares on Bursa Securities took effect. As such, from 30 April 2008, shareholders of the Company are entitled to trade the Company's 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 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 which is Malaysia's largest Chinese language magazine publisher, has 1 tabloid and 23 magazines under its portfolio.

These financial statements have been approved for issue by the Board of Directors on 25 June 2010.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (together the "Group") have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"), requirements of the Hong Kong Companies Ordinance and applicable disclosure requirements of the Rules Governing the Listing of Securities on the HK Stock Exchange.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, and financial assets at fair value through profit or loss.

# Notes to the Financial Statements *(Continued)*

For the year ended 31 March 2010

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### 2.1 Basis of preparation *(Continued)*

The preparation of financial statements in conformity with IFRSs 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.

#### (a) New and amended standards adopted by the Group

The Group has adopted the following new and amended IFRSs for the financial year ended 31 March 2010:

- IFRS 7, "Financial Instruments – Disclosures" (amendment). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.
- IAS 1 (revised), "Presentation of Financial Statements". The revised standard requires "non-owner changes in equity" to be presented separately from owner changes in equity in a statement of comprehensive income. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented to conform with the revised standard.
- IFRS 8, "Operating Segments". IFRS 8 replaces IAS 14, "Segment Reporting". It requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes and in a manner consistent with the internal reporting provided to the chief operating decision maker. This has resulted in a redesignation of the Group's reportable segments, but does not have any effect on the reported results or financial position of the Group.
- Improvements to IFRSs (2008) set out a number of amendments to various existing standards. Except for the amendment to IFRS 5 which is effective for annual periods beginning on or after 1 July 2009, the Group has adopted other amendments which are relevant to the Group's operations for the financial year ended 31 March 2010.
- IFRS 2 (amendment), "Share-based Payment". IFRS 2 (amendment) deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group and the Company have adopted IFRS 2 (amendment) from 1 April 2009. The amendment does not have a material impact on the Group's or the Company's financial statements.
- IAS 23 (revised), "Borrowing Costs". In respect of borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 April 2009, it is required to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. This change in accounting policy was due to the adoption of IAS 23 Borrowing costs (2007) in accordance with the transition provisions of the standard. The change in accounting policy has no material impact on the Group's or the Company's financial statements.

# Notes to the Financial Statements *(Continued)*

For the year ended 31 March 2010

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### 2.1 Basis of preparation *(Continued)*

- (b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The Group has not early adopted the following new and revised standards, amendments and interpretations to existing standards that have been issued but are not yet effective for the financial year ended 31 March 2010. The Group is in the process of making an assessment of the impact of these new IFRSs in their period of initial application.

		Effective for accounting period beginning on or after
IFRSs (amendments)	Amendments to IFRS 5 as part of Improvements to IFRSs 2008	1 July 2009
IFRSs (amendments)	Improvements to IFRSs 2009	1 July 2009 and 1 January 2010
IFRS 3 (revised)	Business Combination	1 July 2009
IAS 27 (revised)	Consolidated and Separate Financial Statements	1 July 2009
IFRIC – Int 17	Distribution of Non-cash Assets to Owners	1 July 2009
IFRS 2 (amendment)	Group Cash-settled Share-based Payment Transactions	1 January 2010
IFRIC – Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
IFRSs (amendments)	Improvements to IFRSs 2010	1 July 2010 and 1 January 2011
IAS 24 (revised)	Related Party Disclosures	1 January 2011
IFRIC – Int 14 (amendment)	Prepayments of a Minimum Funding Requirement	1 January 2011
IFRS 9	Financial Instruments	1 January 2013

- (c) Amendments to existing standards that are not yet effective and not relevant for the Group's operations

		Effective for accounting period beginning on or after
IAS 39 (amendment)	Eligible Hedged Items	1 July 2009
IFRS 1 (revised)	First-time Adoption of International Financial Reporting Standards	1 July 2009
IFRS 1 (amendment)	Additional Exemptions for First-time Adopters	1 January 2010
IAS 32 (amendment)	Classification of Rights Issues	1 February 2010
IFRS 1 (amendment)	Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	1 July 2010

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Consolidation

#### (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 de-consolidated 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 2.7(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.

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. Disposals to minority interests result in gains or losses which are recognised in the consolidated income statement. 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.

#### (c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Interest in an associate is accounted for using the equity method of accounting and is initially recognised at cost. The Group's interest in associate includes goodwill and intangible assets identified on acquisition, net of any accumulated impairment loss. See note 2.8 for the impairment of interest in an associate.



# Notes to the Financial Statements *(Continued)*

For the year ended 31 March 2010

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### 2.2 Consolidation *(Continued)*

#### (c) Associates *(Continued)*

The Group's share of its associate's post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in an associate. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet, the interest in an associate is stated at cost less provision for impairment losses (note 2.8). The results of an associated company is accounted for by the Company on the basis of dividend received and receivable.

### 2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who has been identified as the Group Executive Committee, is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions.

### 2.4 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. The functional currency of the Company is Ringgit Malaysia ("RM"). However, each entity within the Group can present its financial statements in any currency, which can be the same or different from the entity's functional currency. As the Group operates internationally, management considers that it is more appropriate to use US dollar ("US\$"), a globally recognised currency, as the presentation currency for the Group's consolidated financial statements. For the entity whose functional currency is not the presentation currency, i.e. US\$, its results and financial position have been translated into US\$.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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:

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Foreign currency translation (Continued)

#### (c) Group companies (Continued)

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

### 2.5 Property, plant and equipment

#### (a) Other properties

Other properties are interests in freehold land and buildings/leasehold buildings and are stated at cost.

Freehold land is not amortised. Buildings, which are situated on freehold land are depreciated on a straight-line basis over their expected useful lives to the Group, and the principal annual rates used for this purpose range 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 used for this purpose range from 2% to 5%.

#### (b) Plant and equipment

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

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

# Notes to the Financial Statements *(Continued)*

For the year ended 31 March 2010

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### 2.5 Property, plant and equipment *(Continued)*

#### (b) Plant and equipment *(Continued)*

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 to 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.

### 2.6 Investment properties

Investment properties, principally comprising leasehold land and office buildings, are held for long-term rental yields and are not occupied by the Group. Investment properties are carried at fair value, representing open market value determined annually by external valuers. Fair value is based on active market prices adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

### 2.7 Intangible assets

#### (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.

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 identified according to operating segment.

#### (b) Other intangible assets

Other intangible assets comprise costs of computer softwares, archives, mastheads and publishing rights that are acquired by the Group and are stated at cost less accumulated amortisation.

Amortisation of other intangible assets is charged to the consolidated income statement on a straight-line basis over the assets' estimated useful lives. The following other 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	40 years
Computer softwares	5-10 years

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.8 Impairment of investments in subsidiaries, associates and non-financial assets

Assets that have an indefinite useful life, for example goodwill, 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.

Impairment test of the investments in subsidiaries or associates is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary or associate in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

### 2.9 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) 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. The Group's loans and receivables comprise "trade and other receivables", "investment in convertible notes – debt portion" and "cash and cash equivalents" in the consolidated balance sheet.

#### (b) 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. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets. The Group's financial assets at fair value through profit or loss comprise "listed equity securities" and "investment in convertible notes – conversion portion" in the consolidated balance sheet.

#### (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. The Group's available-for-sale financial assets comprise "unlisted club debentures" in the consolidated balance sheet.

# Notes to the Financial Statements *(Continued)*

For the year ended 31 March 2010

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### 2.9 Financial assets *(Continued)*

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the assets. 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 subsequently 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 as other gains, net in the consolidated income statement in the period in which they arise.

The fair value 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.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

The Group assesses at the end of each reporting period 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 2.11.

### 2.10 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.

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.11 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.

### 2.12 Cash, cash equivalents and bank overdrafts

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

### 2.13 Trade payables

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

### 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.

### 2.15 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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.



# Notes to the Financial Statements *(Continued)*

For the year ended 31 March 2010

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### 2.15 Current and deferred income tax *(Continued)*

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 substantively 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.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same tax jurisdiction on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 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.

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.16 Employee benefits (Continued)

#### (c) Pension obligations

The Group operates two types of retirement 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 employee's salary) 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 the 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 eligible employees in Hong Kong, North America, Mainland China, Malaysia and other Southeast Asian countries.

##### *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 risks 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 Group.

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 balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligations at the balance sheet date less the fair value of plan assets, together with adjustments for actuarial gains and losses and unrecognised past-service costs. Defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields of Hong Kong Government's Exchange Fund Notes which 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 comprehensive income.

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.

# Notes to the Financial Statements *(Continued)*

For the year ended 31 March 2010

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### 2.16 Employee benefits *(Continued)*

#### (c) Pension obligations *(Continued)*

- (ii) The defined benefit plan for the Group's employees in Malaysia is not funded. The Group's obligation under the plan, 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.

#### (d) Long service payments

The Group's net obligation in respect of long service payments to its employees upon on cessation of their 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 schemes that are attributed to contributions made by the Group. The discount rate is the yield at balance sheet date of 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 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 comprehensive income.

#### (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.

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.17 Provisions and contingent liabilities

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.

### 2.18 Financial guarantees

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

An issuer shall assess at the end of each balance sheet date whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency shall be recognised in the consolidated income statement.

### 2.19 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.

### 2.20 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, business 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 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.

# Notes to the Financial Statements *(Continued)*

For the year ended 31 March 2010

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### 2.20 Revenue recognition *(Continued)*

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.

License fees and royalty income are recognised on an accrual basis in accordance with the substance of the relevant agreements.

Interest income is recognised 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 of the instrument, 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.

### 2.21 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 is recognised over the term of the lease on a straight-line basis.

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company'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. The Group's senior management identifies and evaluates financial risks in close co-operation with the Group's operating units.

#### (a) Price risk

- (i) Newsprint prices can be volatile as they are subject to, among others, demand and supply of pulp and fluctuations in energy prices. Newsprint costs account for approximately 31% (2009: 34%) 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.

The Group seeks to limit this risk through, inter-alia, keeping a close contact with its local and foreign suppliers in order to 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.

If the average newsprint price had increased by 10%, the Group's profit before income tax for the years ended 31 March 2010 and 2009 would have decreased by approximately US\$8,825,000 and US\$10,756,000 respectively.

- (ii) The Group is exposed to listed 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 its best estimate of the fair values of such securities. Details are set out in note 22. The investment committee monitors the investment portfolio and the related price risk.



# Notes to the Financial Statements *(Continued)*

For the year ended 31 March 2010

## 3 FINANCIAL RISK MANAGEMENT *(Continued)*

### 3.1 Financial risk factors *(Continued)*

#### (b) Interest rate risk

The Group's cash balances are placed with authorised financial institutions, which generate interest income for the Group. They are exposed to the cash flow interest rate risk. 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 income tax from possible changes in interest rates, the impact of an interest rate change was modeled on the floating rate of bank loans and obligation under finance leases while all other variables were held constant. Based on these assumptions, a hypothetical increase of 100 basis points, or 1% per annum, in interest rates would have reduced the Group's profit before income tax for the years ended 31 March 2010 and 2009 by approximately US\$324,000 and US\$180,000 respectively.

#### (c) Credit risk

Credit risk is the risk of a loss resulting from the failure of one of the Group's counterparties to discharge its 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 27. 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 individually significant 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 RM, Renminbi ("RMB"), Canadian dollars, Hong Kong dollars ("HK\$") and US dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The assets and liabilities of each entity within the Group are mostly denominated in its own functional currency and do not have material currency impact on profit or loss for the year.

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.1 Financial risk factors (Continued)

#### (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 cash flow and financing cash flow.

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	
	2010	2009	2010	2009
	US\$'000	US\$'000	US\$'000	US\$'000
Bank borrowings and finance lease liabilities				
within one year	31,989	19,056	—	—
in the second year	360	1,007	—	—
in the third to fifth year	379	590	—	—
	32,728	20,653	—	—
Trade and other payables				
within one year	42,306	37,053	1,545	1,584
Amounts due to subsidiaries				
within one year	—	—	2,568	6,339
	75,034	57,706	4,113	7,923

### 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 the year ended 31 March 2010, the Group's strategy was to maintain a gearing ratio below 10% (2009: same).

As at 31 March 2010, the Group's gearing ratio was zero (2009: zero).

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.3 Fair value estimation

Effective 1 April 2009, the Group adopted the amendment to IFRS 7 for financial instruments that are measured in the consolidated balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets that are measured at fair value at 31 March 2010.

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Financial assets at fair value through profit or loss				
– Conversion option embedded in convertible notes	–	41	–	41
– Listed equity securities	185	–	–	185
Available-for-sale financial assets				
– Unlisted club debentures	–	–	644	644
	<u>185</u>	<u>41</u>	<u>644</u>	<u>870</u>

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There was no transfer between level 1 and level 2 of the fair value hierarchy during the year. There was no change during the year attributable to level 3 of the fair value hierarchy.

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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/(liabilities)

Determination of the carrying amount of defined benefit plan assets/(liabilities) 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/(liabilities) are based in part on current market conditions. Additional information is disclosed in note 35.

### (b) Provision for long service payments

The provision for long service payments 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 31(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 either by independent valuation techniques or by reference to quotations provided by the issuers as the 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 2.7(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.

# Notes to the Financial Statements *(Continued)*

For the year ended 31 March 2010

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

### (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 on whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

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

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 and sub-optimal 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 32(c).

## 5 TURNOVER AND SEGMENT INFORMATION

The Group has determined the operating segments based on the reports that are reviewed and used by the Group Executive Committee for making strategic decisions.

The Group is organised operationally on a worldwide basis in four major operating segments:

Publishing and printing: Malaysia and other Southeast Asian countries  
Publishing and printing: Hong Kong and Mainland China  
Publishing and printing: North America  
Travel and travel related services

Publishing and printing segment is engaged in the publication of various newspapers and magazines in Chinese language, and other related printed and digital publications. It derives its revenue mainly from advertising and sales of newspapers and magazines. Travel and travel related services segment derives revenue from the sale of travel packages and provision of tour services.

The Group Executive Committee assesses the performance of the operating segments based on a measure of segment profit/(loss) before income tax as per internal financial report. Other information provided is measured in a manner consistent with that in the internal financial report.

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 5 TURNOVER AND SEGMENT INFORMATION (Continued)

The Group's turnover and results for the year ended 31 March 2010, analysed by operating segment, were as follows:

	Publishing and printing					
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
<b>Turnover</b>	<b>234,386</b>	<b>70,230</b>	<b>25,062</b>	<b>329,678</b>	<b>46,323</b>	<b>376,001</b>
<b>Segment profit/(loss) before income tax</b>	<b>52,546</b>	<b>3,777</b>	<b>(442)</b>	<b>55,881</b>	<b>(42)</b>	<b>55,839</b>
Net unallocated expenses						(642)
Share of loss of an associate						(84)
Profit before income tax						55,113
Income tax expense						(13,671)
<b>Profit for the year</b>						<b>41,442</b>
<b>Other information:</b>						
Interest income	642	79	–	721	2	723
Interest expense	(676)	(35)	(43)	(754)	–	(754)
Depreciation	(5,745)	(1,678)	(690)	(8,113)	(98)	(8,211)
Amortisation of leasehold land and land use rights	(207)	(339)	–	(546)	–	(546)
Amortisation of intangible assets	(688)	(29)	(9)	(726)	(1)	(727)

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 5 TURNOVER AND SEGMENT INFORMATION (Continued)

The Group's turnover and results for the year ended 31 March 2009, analysed by operating segment, were as follows:

	Publishing and printing				Travel and travel related services	Total
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	US\$'000	US\$'000
<b>Turnover</b>	<u>234,338</u>	<u>75,836</u>	<u>29,197</u>	<u>339,371</u>	<u>54,932</u>	<u>394,303</u>
<b>Segment profit/(loss) before income tax</b>	<u>36,585</u>	<u>(175)</u>	<u>(4,162)</u>	<u>32,248</u>	<u>(148)</u>	<u>32,100</u>
Net unallocated expenses						<u>(1,065)</u>
Profit before income tax						31,035
Income tax expense						<u>(13,680)</u>
<b>Profit for the year</b>						<u><u>17,355</u></u>
<b>Other information:</b>						
Interest income	1,167	478	2	1,647	26	1,673
Interest expense	(1,031)	(45)	(215)	(1,291)	–	(1,291)
Depreciation	(6,773)	(1,945)	(907)	(9,625)	(120)	(9,745)
Amortisation of leasehold land and land use rights	(308)	(339)	–	(647)	–	(647)
Amortisation of intangible assets	(791)	(9)	–	(800)	–	(800)



# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 5 TURNOVER AND SEGMENT INFORMATION (Continued)

The segment assets as at 31 March 2010 were as follows:

	Publishing and printing			Travel and travel related services	Elimination	Total
	Malaysia and other Southeast Asian countries	Hong Kong and Mainland China	North America			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Segment assets</b>	<b>360,702</b>	<b>75,603</b>	<b>12,786</b>	<b>449,091</b>	<b>7,881</b>	<b>(4,019)</b>
Unallocated assets						4,254
<b>Total assets</b>						<b>457,207</b>
<b>Total assets include:</b>						
Interest in an associate	–	2,739	–	2,739	–	–
Additions to non-current assets (other than financial assets, defined benefit plan assets, interest in an associate and deferred tax assets)	17,866	391	352	18,609	21	–
						18,630

The segment assets as at 31 March 2009 were as follows:

	Publishing and printing			Travel and travel related services	Elimination	Total
	Malaysia and other Southeast Asian countries	Hong Kong and Mainland China	North America			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Segment assets</b>	<b>279,014</b>	<b>76,478</b>	<b>11,896</b>	<b>367,388</b>	<b>5,567</b>	<b>(3,817)</b>
Unallocated assets						4,268
<b>Total assets</b>						<b>373,406</b>
<b>Total assets include:</b>						
Additions to non-current assets (other than financial assets, defined benefit plan assets, and deferred tax assets)	8,509	873	580	9,962	143	–
						10,105

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 5 TURNOVER AND SEGMENT INFORMATION (Continued)

The Company is domiciled in Bermuda while the Group operates its publishing and printing businesses mainly in Malaysia, other Southeast Asian countries, Hong Kong and Mainland China ("main operating countries"). Revenue from external customers of the Group's publishing and printing businesses in the main operating countries for the year ended 31 March 2010 amounted to US\$304,616,000 (2009: US\$310,174,000), and revenue from external customers in other countries amounted to US\$25,062,000 (2009: US\$29,197,000).

As at 31 March 2010, total non-current assets, other than financial assets, defined benefit plan assets and deferred tax assets, located in the main operating countries were US\$224,807,000 (2009: US\$192,101,000), and total non-current assets located in other countries were US\$6,190,000 (2009: US\$5,818,000).

The elimination between segments is intercompany receivables and payables between the segments.

Segment assets consist primarily of property, plant and equipment, investment properties, leasehold land and land use rights, intangible assets, non-current assets held for sale, interest in an associate, investment in convertible notes, inventories, trade and other receivables, and cash and cash equivalents. They exclude defined benefit plan assets, deferred income tax assets, available-for-sale financial assets, financial assets at fair value through profit or loss – listed equity securities, and income tax recoverable.

Turnover is derived from publishing, printing and distribution of Chinese language newspapers, magazines and books, and provision of travel and travel related services. Turnover recognised during the year was as follows:

	2010 US\$'000	2009 US\$'000
Advertising income, net of trade discounts	221,963	227,378
Sales of newspapers, magazines and books, net of trade discounts and returns	107,715	111,993
Travel and travel related services income	45,986	54,522
Travel agency commission income	337	410
	<b>376,001</b>	<b>394,303</b>

## 6 OTHER INCOME

	2010 US\$'000	2009 US\$'000
Scrap sales of old newspapers and magazines	3,254	3,805
Interest income	723	1,673
Rental and management fee income	698	483
License fee and royalty income	278	502
Dividend income	45	11
	<b>4,998</b>	<b>6,474</b>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 7 OTHER GAINS, NET

	2010 US\$'000	2009 US\$'000
Net exchange gain	559	319
Fair value gains on investment properties	398	101
Discount on acquisition of additional interest in a subsidiary ( <i>note</i> )	10	—
Fair value losses on financial assets at fair value through profit or loss	(77)	(1,184)
Others	1,794	2,267
	<b>2,684</b>	<b>1,503</b>

*Note:* On 24 February 2010, the Group acquired from a minority shareholder an additional 8% non-voting deferred shares of a subsidiary at a consideration of US\$0.13 (equivalent to HK\$1). The excess of the carrying amounts of the net assets of the subsidiary attributable to the interest over the cost of acquisition amounting to approximately US\$10,300 (equivalent to HK\$79,999) has been taken up in the consolidated income statement.

## 8 EXPENSES BY NATURE

	2010 US\$'000	2009 US\$'000
Amortisation of intangible assets	727	800
Amortisation of leasehold land and land use rights	546	647
Auditor's remuneration		
Current year	548	545
Under provision in prior years	7	11
Depreciation		
Owned property, plant and equipment	7,927	9,371
Leased property, plant and equipment	284	374
Direct cost of travel and travel related services	40,965	49,448
Employee benefit expense (including directors' emoluments) ( <i>note 14</i> )	92,136	100,927
Gain on disposal of property, plant and equipment – net ( <i>note 36(b)</i> )	(113)	(25)
Operating lease expenses		
Land and buildings	2,940	3,240
Machineries	18	19
Provision for impairment and written off of trade receivables	368	312
Provision for impairment of intangible assets	—	3,895
Provision for impairment of property, plant and equipment	42	—
Provision for inventory obsolescence	164	103
Raw materials and consumables used	99,900	120,092
Other expenses	81,273	80,195
Total cost of goods sold, selling and distribution expenses, administrative expenses, and other operating expenses	<b>327,732</b>	<b>369,954</b>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 9 FINANCE COSTS

	2010 US\$'000	2009 US\$'000
Interest on bank loans and overdrafts wholly repayable within five years	732	1,208
Interest element of finance lease payments wholly repayable within five years	22	83
	<b>754</b>	<b>1,291</b>

## 10 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit derived from Hong Kong for the year. Income tax for the Group's Malaysian operations is calculated at the tax rate of 25% (2009: 25%) 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:

	2010 US\$'000	2009 US\$'000
Hong Kong profits tax		
Current year	1,104	1,369
(Over)/under provision in prior years	(51)	14
Malaysian taxation		
Current year	10,633	9,047
(Over)/under provision in prior years	(244)	64
Other countries' taxation		
Current year	686	513
Over provision in prior years	(377)	(390)
Deferred income tax expense (note 20)	1,920	3,063
	<b>13,671</b>	<b>13,680</b>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 10 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:

	2010 US\$'000	2009 US\$'000
Profit before income tax	<b>55,113</b>	31,035
Tax calculated at domestic tax rates applicable to profits in the respective countries	<b>13,315</b>	7,319
Income not subject to tax	<b>(798)</b>	(385)
Expenses not deductible for tax purposes	<b>1,251</b>	2,639
Utilisation of previously unrecognised tax losses	<b>(826)</b>	(9)
Temporary differences not recognised	<b>498</b>	186
Utilisation of current year's reinvestment allowance	<b>(725)</b>	(187)
Utilisation of group tax relief	<b>(349)</b>	–
Over provision in prior years	<b>(672)</b>	(312)
Deferred tax assets unrecognised during the year	<b>1,977</b>	3,786
Recognition of deferred tax assets arising from previously unrecognised tax losses	–	(20)
Effect on deferred tax resulting from a change in tax rates	–	(11)
Under provision in prior years – deferred tax	–	674
Income tax expense	<b>13,671</b>	13,680

The weighted average applicable tax rate for the year was 24% (2009: 24%).

## 11 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company was dealt with in the financial statements of the Company to the extent of US\$13,554,000 (2009: profit of US\$14,384,000).

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 12 EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

### (a) 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 excluding ordinary shares repurchased by the Company.

	2010	2009
Profit attributable to equity holders of the Company (US\$'000)	<u>41,136</u>	<u>16,790</u>
Weighted average number of ordinary shares in issue	<u>1,683,897,666</u>	<u>1,684,618,455</u>
Basic earnings per share (US cents)	<u>2.44</u>	<u>1.00</u>

### (b) 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. In current year, the share options have no dilutive effect, as the exercise price of the share options is higher than the average share price for the year.

	2010	2009
Profit attributable to equity holders of the Company (US\$'000)	<u>41,136</u>	<u>16,790</u>
Weighted average number of ordinary shares in issue	<u>1,683,897,666</u>	<u>1,684,618,455</u>
Adjustments for share options	<u>—</u>	<u>152,209</u>
Weighted average number of ordinary shares used to compute diluted earnings per share	<u>1,683,897,666</u>	<u>1,684,770,664</u>
Diluted earnings per share (US cents)	<u>2.44</u>	<u>1.00</u>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 13 DIVIDENDS

	2010 US\$'000	2009 US\$'000
First interim, paid US0.450 cents (2008-2009: paid US0.450 cents) per ordinary share	7,578	7,578
Second interim, proposed US0.771 cents (2008-2009: proposed US0.143 cents) per ordinary share	12,983	2,408
	<b>20,561</b>	<b>9,986</b>

Notes:

- (a) The first interim dividend of US0.450 cents (2008-2009: US0.450 cents) per ordinary share amounting to US\$7,578,000 was paid on 21 January 2010.
- (b) On 26 May 2010, the Board of Directors has declared a second interim dividend of US0.771 cents per ordinary share in lieu of a final dividend for the year ended 31 March 2010. The dividend will be payable on 6 August 2010 in cash in RM or in HK\$ at exchange rates determined on 26 May 2010 by reference to the middle exchange rates applicable to US\$ at 12:00 noon as quoted by Bank Negara Malaysia to ordinary shareholders, whose names appear on the register of members of the Company at the close of business on 9 July 2010. No tax is payable on the dividend declared by the Company to be received by the shareholders in Malaysia as it is income from foreign source in accordance to paragraph 28 of Schedule 6 of Malaysian Income Tax Act 1967.

The middle exchange rates at 12:00 noon on 26 May 2010 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	3.34	2.575 sens
US\$ to HK\$	7.80	HK6.014 cents

- (c) The actual 2008-2009 second interim dividend, amounting to US\$2,396,000, was paid on 13 August 2009. The amount was different from the proposed 2008-2009 second interim dividend as disclosed in last year's annual report. This was caused by the fluctuations in exchange rates between the dividend declaration date and the dividend payment date.

## 14 EMPLOYEE BENEFIT EXPENSE

	2010 US\$'000	2009 US\$'000
Wages and salaries	72,033	81,207
Unutilised annual leave	110	557
Share compensation costs on share options granted by a listed subsidiary	40	91
Pension costs – defined contribution plans	5,406	5,720
Pension costs/(income) – defined benefit plan (note 35)	15	(71)
Long service payments (note 31(c))	24	239
Other staff costs	14,508	13,184
	<b>92,136</b>	<b>100,927</b>



# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 15 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Details of directors' emoluments for the years ended 31 March 2010 and 2009 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 costs on share options granted by a listed subsidiary US\$'000	Total US\$'000
<b>Executive directors</b>						
Tan Sri Datuk Sir TIONG Hiew King	289	—	36	—	5	330
Mr TIONG Kiu King	19	—	—	—	5	24
Dato' Sri Dr TIONG Ik King	19	—	—	—	4	23
Dato' LEONG Khee Seong (note 1)	—	83	—	—	—	83
Mr TIONG Kiew Chiong	—	285	—	14	5	304
Ms SIEW Nyoke Chow	—	174	43	33	—	250
Ms SIM Sai Hoon	—	156	36	26	—	218
<b>Non-executive director</b>						
Mr LEONG Chew Meng	18	—	—	—	—	18
<b>Independent non-executive directors</b>						
Mr David YU Hon To (note 2)	44	—	—	—	1	45
Mr Victor YANG (note 3)	11	—	—	—	—	11
Tan Sri Dato' LAU Yin Pin	20	—	—	—	—	20
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	19	—	—	—	—	19
Total for the year ended 31 March 2010	<b>439</b>	<b>698</b>	<b>115</b>	<b>73</b>	<b>20</b>	<b>1,345</b>
<b>Executive directors</b>						
Tan Sri Datuk Sir TIONG Hiew King	291	—	36	1	9	337
Mr TIONG Kiu King	19	—	—	—	9	28
Dato' Sri Dr TIONG Ik King	19	—	—	—	7	26
Dato' LEONG Khee Seong	—	203	44	—	—	247
Mr TIONG Kiew Chiong	—	276	27	14	9	326
Ms SIEW Nyoke Chow	—	165	23	28	—	216
Ms SIM Sai Hoon	—	152	20	23	—	195
<b>Non-executive director</b>						
Mr LEONG Chew Meng	17	—	—	—	—	17
<b>Independent non-executive directors</b>						
Mr David YU Hon To (note 2)	44	—	—	—	1	45
Mr Victor YANG	22	—	—	—	1	23
Tan Sri Dato' LAU Yin Pin	19	—	—	—	—	19
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	19	—	—	—	—	19
Total for the year ended 31 March 2009	<b>450</b>	<b>796</b>	<b>150</b>	<b>66</b>	<b>36</b>	<b>1,498</b>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 15 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

- (a) Details of directors' emoluments for the years ended 31 March 2010 and 2009 are set out below: (Continued)

Notes:

- 1 Dato' LEONG Khee Seong resigned as an executive director on 15 September 2009.
- 2 The director's fee for Mr David YU Hon To included his fee as an independent non-executive director of OMG, a listed subsidiary of the Company, in the amount of US\$18,000 (2009: US\$18,000).
- 3 Mr Victor YANG resigned as an independent non-executive director of the Company on 1 October 2009.
- 4 During the year, no option (2009: 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.
- 5 During the years ended 31 March 2010 and 2009, no option was granted to the directors under the Post-IPO Scheme of OMG.
- 6 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 2010 and 2009.

- (b) The five highest paid individuals during the year include two (2009: two) executive directors whose emoluments are reflected in the analysis presented above. The emoluments paid to the remaining three (2009: three) individuals during the year are as follows:

	2010 US\$'000	2009 US\$'000
Basic salaries, discretionary bonuses, other allowances and benefits in kind	825	868
Contributions to pension schemes	71	62
Share compensation costs on share options granted by a listed subsidiary	4	2
	<b>900</b>	<b>932</b>

The emoluments of the three (2009: three) individuals fell within the following bands:

	2010 Number of individuals	2009 Number of individuals
From US\$257,928 to US\$322,410	2	2
From US\$322,411 to US\$386,892	1	1
	<b>3</b>	<b>3</b>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 16 PROPERTY, PLANT AND EQUIPMENT

	Group							
	Other properties							
	Freehold land and buildings/leasehold buildings outside Hong Kong	Buildings held on long-term leases outside Hong Kong	Buildings held on medium-term leases in Hong Kong	Buildings held on medium-term leases outside Hong Kong	Leasehold improvements, furniture, fixtures and office equipment	Machinery and printing equipment	Motor vehicles	Construction in progress
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
								Total US\$'000
<b>Year ended 31 March 2009</b>								
Opening net book value	38,815	3,038	5,893	1,156	9,851	51,873	1,584	393
Additions	1,543	20	–	–	1,966	2,438	513	3,200
Exchange adjustments	(4,938)	(357)	14	(10)	(938)	(6,011)	(172)	(189)
Reclassifications	–	–	–	–	(8)	291	–	(316)
Disposals	–	–	–	–	(74)	(47)	(91)	–
Depreciation (note c)	(1,156)	(53)	(243)	(35)	(2,861)	(4,986)	(411)	–
Closing net book value	34,264	2,648	5,664	1,111	7,936	43,558	1,423	3,088
<b>At 31 March 2009</b>								
Cost or valuation	39,974	2,753	8,791	1,524	32,262	94,774	2,605	3,088
Accumulated depreciation	(5,710)	(105)	(3,127)	(413)	(24,326)	(51,216)	(1,182)	–
Net book value	34,264	2,648	5,664	1,111	7,936	43,558	1,423	3,088
<b>Year ended 31 March 2010</b>								
Opening net book value	34,264	2,648	5,664	1,111	7,936	43,558	1,423	3,088
Additions	5,413	6	–	–	1,350	3,343	330	311
Exchange adjustments	4,454	286	(9)	12	716	4,955	125	288
Reclassifications	2,646	–	–	–	16	566	33	(3,261)
Transferred to investment properties	(828)	–	–	–	–	–	–	–
Disposals	–	–	–	–	(158)	(188)	(222)	–
Depreciation (note c)	(1,201)	(57)	(244)	(34)	(2,565)	(3,671)	(439)	–
Impairment charge	–	–	–	–	–	(42)	–	–
Closing net book value	44,748	2,883	5,411	1,089	7,295	48,521	1,250	426
<b>At 31 March 2010</b>								
Cost or valuation	51,831	3,051	8,776	1,533	35,227	105,880	2,783	426
Accumulated depreciation	(7,083)	(168)	(3,365)	(444)	(27,932)	(57,359)	(1,533)	–
Net book value	44,748	2,883	5,411	1,089	7,295	48,521	1,250	426

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 16 PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- (a) The carrying values of machines and motor vehicles purchased under finance leases are US\$1,226,000 and US\$122,000 respectively (2009: US\$2,001,000 and US\$206,000).
- (b) Certain property, plant and equipment were pledged as securities for the Group's banking facilities. The details are set out in note 37 to the financial statements.
- (c) Depreciation expense of US\$3,684,000 (2009: US\$4,986,000) was included in cost of goods sold and US\$4,527,000 (2009: US\$4,759,000) was charged in other operating expenses.

## 17 INVESTMENT PROPERTIES

	Group	
	2010	2009
	US\$'000	US\$'000
<b>At 1 April</b>	<b>6,224</b>	7,056
Additions	—	32
Transferred from property, plant and equipment	<b>1,237</b>	—
Net gain from fair value adjustments	<b>398</b>	101
Reclassification to non-current assets held for sale	—	(77)
Exchange adjustments	<b>827</b>	(888)
<b>At 31 March</b>	<b>8,686</b>	6,224

The fair value of the Group's investment properties is analysed as follows:

	Group	
	2010	2009
	US\$'000	US\$'000
In Malaysia, held on:		
Freehold	<b>5,383</b>	4,626
Leases of over 50 years	<b>3,303</b>	1,598
	<b>8,686</b>	6,224

Investment properties are stated at fair values, which have been determined based on valuations performed by Raine & Horne International Zaki + Partners Sdn Bhd, an accredited independent valuer. 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.

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 17 INVESTMENT PROPERTIES (Continued)

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

	<b>Group</b>	
	<b>2010</b>	2009
	<b>US\$'000</b>	US\$'000
Rental income	<b>505</b>	334
Direct operating expenses arising from investment properties that generate rental income	<b>(107)</b>	(33)
	<b>398</b>	301

At 31 March 2010, the Group had future aggregate minimum rental receivables under non-cancellable operating leases as follows:

	<b>Group</b>	
	<b>2010</b>	2009
	<b>US\$'000</b>	US\$'000
No later than one year	<b>245</b>	231
Later than one year and no later than five years	<b>568</b>	401
Later than five years	<b>665</b>	—
	<b>1,478</b>	632

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 17 INVESTMENT PROPERTIES (Continued)

Particulars of the Group's investment properties as at 31 March 2010 are as follows:

	Location	Tenure/Expiry of lease	Uses	US\$'000
1	1 V5-09-05, Block 5, Sri Palma Villa, Jalan KL-Seremban, Bandar University Teknologi Lagenda, 71700 Mantin, Negeri Sembilan Darul Khusus, Malaysia	Freehold	Building (1 unit of service apartment)	34
2	PT12917 HS(D) 103390 (Ground Floor) Putra Indah A, Putra Nilai, 71800 Nilai, Negeri Sembilan Darul Khusus, Malaysia	Freehold	Commercial building	104
3	Lot 4173, Mukim Tebrau, 3, Jalan Riang 22/1, Taman Gembira, Tampoi, 81200 Johor Bahru, Johor Darul Takzim, Malaysia	Freehold	Office buildings and factory buildings	175
4	Lot 25, Rawang Integrated Industrial Park, Jalan Batu Arang, 48000 Rawang, Selangor Darul Ehsan, Malaysia	Freehold	Office buildings and single storey factory building	5,070
5	No. 76 Jalan University, Seksyen 13 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Leasehold / 2063	Office buildings	1,363
6	59-1-2, Jalan TMR 2, Taman Melaka Raya, 75000 Melaka, Malaysia	Leasehold / 2094	Commercial buildings	147
7	G-02, Ground Floor, Vista Impiana LP Apartment, Taman Bukit Serdang, Seksyen 10, Malaysia	Leasehold / 2095	Apartment	40
8	No. 11 Jalan Melor 1/4, Sungai Buloh Country Resort, 47000 Sungai Buloh, Selangor Darul Ehsan, Malaysia	Leasehold / 2095	Residential buildings	54
9	AR09-F3A0, Ara Ria 09, Jalan UTL 9, Bandar University Teknologi Lagenda, 71700 Mantin, Negeri Sembilan Darul Khusus, Malaysia	Leasehold / 2099	Residential buildings	24
10	No. 3, Lorong Kilang F, Kelombong, 88450 Kota Kinabalu, Sabah, Malaysia	Leasehold / 2920	Office buildings	1,675
				<hr/>
				<hr/> <b>8,686</b>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 18 LEASEHOLD LAND AND LAND USE RIGHTS

	Group	
	2010	2009
	US\$'000	US\$'000
Cost		
At 1 April	29,399	30,736
Additions	7,268	157
Exchange adjustments	1,486	(1,494)
At 31 March	38,153	29,399
Accumulated amortisation		
At 1 April	6,954	6,474
Charge for the year (note (a))	546	647
Exchange adjustments	170	(167)
At 31 March	7,670	6,954
Net book value		
At 31 March	30,483	22,445

Notes:

- (a) The Group's interests in leasehold land and land use rights represent prepaid operating lease payments to acquire lease-occupied properties. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis. Amortisation expense of US\$546,000 (2009: US\$647,000) was 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	
	2010	2009
	US\$'000	US\$'000
In Hong Kong, held on:		
Leases of between 10 to 50 years	10,453	10,753
In Malaysia, held on:		
Leases of between 10 to 50 years	10,456	2,709
Leases of over 50 years	7,430	6,775
In Mainland China, held on:		
Leases of between 10 to 50 years	1,638	1,692
Leases of over 50 years	506	516
	30,483	22,445

- (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 37 to the financial statements.



# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 19 INTANGIBLE ASSETS

	Group				
	Archives, mastheads and publishing rights US\$'000	Computer softwares US\$'000	Sub-total US\$'000	Goodwill US\$'000 (note (b))	Total US\$'000
<b>Year ended 31 March 2009</b>					
Opening net book value	20,516	1,506	22,022	62,450	84,472
Additions	–	236	236	–	236
Reclassification	–	33	33	–	33
Amortisation expense (note (a))	(477)	(323)	(800)	–	(800)
Impairment charge (note (b)(iv))	(3,895)	–	(3,895)	–	(3,895)
Exchange adjustments	(2,555)	(180)	(2,735)	(7,830)	(10,565)
Closing net book value	<u>13,589</u>	<u>1,272</u>	<u>14,861</u>	<u>54,620</u>	<u>69,481</u>
<b>At 31 March 2009</b>					
Cost	23,845	1,854	25,699	57,931	83,630
Accumulated amortisation and impairment	<u>(10,256)</u>	<u>(582)</u>	<u>(10,838)</u>	<u>(3,311)</u>	<u>(14,149)</u>
Net book value	<u>13,589</u>	<u>1,272</u>	<u>14,861</u>	<u>54,620</u>	<u>69,481</u>
<b>Year ended 31 March 2010</b>					
Opening net book value	<b>13,589</b>	<b>1,272</b>	<b>14,861</b>	<b>54,620</b>	<b>69,481</b>
Additions	–	<b>609</b>	<b>609</b>	–	<b>609</b>
Amortisation expense (note (a))	<b>(369)</b>	<b>(358)</b>	<b>(727)</b>	–	<b>(727)</b>
Disposals	–	<b>(63)</b>	<b>(63)</b>	–	<b>(63)</b>
Exchange adjustments	<b>1,578</b>	<b>135</b>	<b>1,713</b>	<b>6,453</b>	<b>8,166</b>
Closing net book value	<u><b>14,798</b></u>	<u><b>1,595</b></u>	<u><b>16,393</b></u>	<u><b>61,073</b></u>	<u><b>77,466</b></u>
<b>At 31 March 2010</b>					
Cost	<b>26,006</b>	<b>2,616</b>	<b>28,622</b>	<b>64,322</b>	<b>92,944</b>
Accumulated amortisation and impairment	<u><b>(11,208)</b></u>	<u><b>(1,021)</b></u>	<u><b>(12,229)</b></u>	<u><b>(3,249)</b></u>	<u><b>(15,478)</b></u>
Net book value	<u><b>14,798</b></u>	<u><b>1,595</b></u>	<u><b>16,393</b></u>	<u><b>61,073</b></u>	<u><b>77,466</b></u>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 19 INTANGIBLE ASSETS (Continued)

Notes:

- (a) Amortisation expense of US\$727,000 (2009: US\$800,000) was included in other operating expenses in the consolidated income statement.
- (b) Goodwill acquired through business combinations is allocated to cash-generating units ("CGUs") for the impairment testing. The allocation is made to those CGUs that are expected to benefit from the business combinations in which the goodwill arose.

The carrying amounts of goodwill are allocated to the following CGUs:

	<b>Group</b>	
	<b>2010</b>	2009
	<b>US\$'000</b>	US\$'000
Guang-Ming Ribao Sdn Bhd (note (i))	<b>12,268</b>	10,976
Mulu Press Sdn Bhd (note (i))	<b>556</b>	498
Sinchew-i Sdn Bhd (note (i))	<b>44</b>	39
Subsidiaries in Mainland China (note (ii))	<b>317</b>	262
Sin Chew Media Corporation Berhad (note (iii))	<b>47,888</b>	42,845
	<b>61,073</b>	54,620

The recoverable amount of each of these CGUs has been determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by management covering a five-year period. The projected growth rate does not exceed the long-term average growth rate for the business in which the CGU operates. Cash flows beyond the five-year period are extrapolated without considering any growth rate. Management determined budgeted gross margin based on past performance and its expectations for market development. The average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant CGUs.

Key assumptions used for the value-in-use calculations

	<b>Average growth rate</b>	<b>Pre-tax discount rate</b>
	<b>2010</b>	<b>2010</b>
Goodwill of Guang-Ming Ribao Sdn Bhd (note (i))	<b>2%</b>	<b>9.69%</b>
Goodwill of Mulu Press Sdn Bhd (note (i))	<b>2%</b>	<b>9.69%</b>
Goodwill of Sinchew-i Sdn Bhd (note (i))	<b>2%</b>	<b>9.69%</b>
Goodwill of subsidiaries in Mainland China (note (ii))	<b>18%</b>	<b>12.00%</b>
Goodwill of Sin Chew Media Corporation Berhad (note (iii))	<b>2%</b>	<b>9.69%</b>

The value-in-use calculations for all the CGUs are most sensitive to these key assumptions, which included discount rates, raw materials price inflation and market share during the budget period.

With regard to the assessment of the value-in-use, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGUs to materially exceed their respective recoverable amount.

- (i) The goodwill comes from the acquisition of Guang-Ming Ribao Sdn Bhd, Mulu Press Sdn Bhd and Sinchew-i Sdn Bhd by Sin Chew in 2004.
- (ii) The goodwill comes from the acquisition of the Group's subsidiaries in Mainland China in 2004.

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 19 INTANGIBLE ASSETS (Continued)

Notes: (Continued)

(b) (Continued)

- (iii) 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 as at 31 March 2008. At 31 March 2010, the goodwill amounted to US\$47,888,000 after an exchange adjustment of US\$1,130,000.
- (iv) During the year ended 31 March 2009, the masthead of *Nanyang Siang Pau* was impaired by US\$3,895,000 due to the diminution in its fair value at the balance sheet date. The determination of fair value and the impairment was 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 *Nanyang Siang Pau*.

## 20 DEFERRED INCOME TAX

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, were shown in the consolidated balance sheet.

	Group	
	2010	2009
	US\$'000	US\$'000
Deferred income tax assets:		
to be recovered within 12 months	(768)	(110)
to be recovered after 12 months	(1,063)	(2,320)
	<b>(1,831)</b>	<b>(2,430)</b>
Deferred income tax liabilities:		
to be realised within 12 months	44	89
to be realised after 12 months	12,330	10,160
	<b>12,374</b>	<b>10,249</b>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 20 DEFERRED INCOME TAX (Continued)

The movements in net deferred income tax liabilities during the year were as follows:

	Group	
	2010	2009
	US\$'000	US\$'000
At 1 April	7,819	5,200
Charged to the consolidated income statement (note 10)	1,920	3,063
Charged directly to equity	108	—
Exchange adjustments	696	(444)
<b>At 31 March</b>	<b>10,543</b>	<b>7,819</b>

The deferred income tax charged directly to equity of US\$108,000 (2009: Nil) was related to the revaluation gain recognised upon transfer of property held for own use to investment properties. Save as aforesaid, there was no deferred tax effect in respect of other comprehensive income recognised for the year.

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 were as follows:

	Group							
	Accelerated tax depreciation US\$'000	Provision for impairment of trade receivables US\$'000	Provision for employee benefits and other liabilities US\$'000	Decelerated tax depreciation US\$'000	Tax losses US\$'000	Revaluation on other properties US\$'000	Unutilised reinvestment allowance US\$'000	Total US\$'000
At 1 April 2008	10,626	(299)	(957)	(685)	(3,289)	2,027	(2,223)	5,200
Charged/(credited) to the consolidated income statement	1,759	69	(412)	130	431	(45)	1,131	3,063
Exchange adjustments	(1,162)	19	166	76	211	(1)	247	(444)
At 31 March 2009	11,223	(211)	(1,203)	(479)	(2,647)	1,981	(845)	7,819
At 1 April 2009	11,223	(211)	(1,203)	(479)	(2,647)	1,981	(845)	7,819
Charged/(credited) to the consolidated income statement	280	102	(93)	66	674	–	891	1,920
Charged directly to equity	–	–	–	–	–	108	–	108
Exchange adjustments	1,123	(21)	(144)	(52)	(165)	1	(46)	696
At 31 March 2010	12,626	(130)	(1,440)	(465)	(2,138)	2,090	–	10,543

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 20 DEFERRED INCOME TAX (Continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of US\$75,029,000 (2009: US\$75,460,000) to carry forward against future taxable income. Losses amounting to US\$36,372,000 (2009: US\$38,101,000) will expire within twenty years. Losses amounting to US\$1,505,000 (2009: US\$1,604,000) will expire within five years. The remaining tax losses amounting to US\$37,152,000 (2009: US\$35,755,000) can be carried forward indefinitely.

## 21 INTEREST IN AN ASSOCIATE

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Acquisition of an associate	<b>2,827</b>	—
Share of loss (including amortisation of trademark and customer list)	<b>(84)</b>	—
Exchange adjustments	<b>(4)</b>	—
	<b>2,739</b>	—

During the year ended 31 March 2010, the Group completed the acquisition of a 25.44% interest in an associate, namely ByRead Inc. at a consideration of US\$2,827,000 (equivalent to HK\$21,917,000).

As at 31 March 2010, interest in an associate included goodwill, trademark and customer list identified from the acquisition of ByRead Inc. of US\$1,751,000, US\$886,000 and US\$85,000 respectively. The useful lives for trademark and customer list are 30 years and 5 years respectively.

Particulars of the Group's associate at 31 March 2010 were as follows:

<b>Name of associate</b>	<b>Place of incorporation</b>	<b>Particulars of registered capital</b>	<b>Effective equity interest</b>	<b>Principal activities</b>
ByRead Inc.	The Cayman Islands	US\$50,000	25.44%	Investment holding

The principal activities of the subsidiaries of ByRead Inc. include provision of mobile value-added services such as entertainment, learning and multimedia application for individuals and enterprises in Mainland China.

The results of the associate and its aggregated assets and liabilities (excluding goodwill) at gross amounts are as follows:

### 2010

	<b>Assets</b>	<b>Liabilities</b>	<b>Revenues</b>	<b>Loss</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
ByRead Inc.	<b>2,486</b>	<b>411</b>	<b>110</b>	<b>270</b>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 22 INVESTMENT IN CONVERTIBLE NOTES/FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2010	2009
	US\$'000	US\$'000
Investment in convertible notes – debt portion ( <i>note (b)</i> )	<b>511</b>	–
Financial assets at fair value through profit or loss:		
Listed equity securities in Hong Kong, at market value ( <i>note (a)</i> )	<b>185</b>	221
Investment in convertible notes – conversion portion ( <i>note (b)</i> )	<b>41</b>	–
	<b>226</b>	221

### Notes:

(a) The listed equity securities purchased were designated as financial assets at fair value through profit or loss at inception. The fair values of listed equity securities were based on their current bid prices in an active market. Fair value losses on the listed equity securities at 31 March 2010 of US\$36,000 (2009: fair value losses of US\$56,000) were included under other gains, net in the consolidated income statement.

(b) The convertible notes ("CN") are held by MediaNet Investment Limited ("MIL"), a wholly owned subsidiary of the Group.

On 17 August 2009, MIL entered into an agreement to subscribe for CN of an aggregate principal amount of approximately US\$580,000 (equivalent to HK\$4,500,000) issued by IATOPIA.COM LIMITED ("IATOPIA") in three stages which will allow MIL to convert the principal amount of the CN into, in aggregate, no more than 21.7% of the issued ordinary shares of IATOPIA over a three-year period. On 17 August 2009, the first tranche CN was issued by IATOPIA and MIL paid the subscription price of approximately US\$290,000 (equivalent to HK\$2,250,000). On 22 October 2009, the second tranche CN was issued by IATOPIA and MIL paid the subscription price of approximately US\$145,000 (equivalent to HK\$1,125,000). On 22 February 2010, the third tranche CN was issued by IATOPIA and MIL paid the subscription price of approximately US\$145,000 (equivalent to HK\$1,125,000). The CN are non-interest bearing and will mature on 16 August 2012 ("maturity date").

Each CN will, at any time and from time to time, on or prior to the maturity date, be convertible, at the option of the holder into ordinary shares of IATOPIA, at a pre-determined conversion price subject to a potential 'reset' with reference to the amount of profit of IATOPIA for the preceding financial year. On the maturity date, IATOPIA will repay the unconverted portion of the principal amount of the CN to MIL in cash.

The debt portion of the CN is classified as loans and receivables and stated at amortised cost. The conversion portion of the CN is classified as financial assets at fair value through profit or loss and stated at fair value with any changes in fair value recognised in the consolidated income statement.

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 22 INVESTMENT IN CONVERTIBLE NOTES/FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Notes: (Continued)

(b) (Continued)

The fair value of the debt portion of the CN was determined by using discounted cash flow calculations. The effective interest rates for the debt portion of the first, second and third tranches CN were estimated at 5.657%, 5.445% and 4.759% per annum respectively at initial recognition. The fair value of the conversion portion of the CN was determined by using the Trinomial option pricing model. Key inputs into the Trinomial option pricing model at the respective issuance dates were as follows:

	First tranche at 17 August 2009	Second tranche at 22 October 2009	Third tranche at 22 February 2010
Stock price (HK\$)	2.100	7.649	12.109
Exercise price (HK\$)	50-100	50-100	50-100
Risk free rate (%)	1.922	0.830	0.832
Expected option period (Years)	3.000	2.819	2.482

As at 31 March 2010, the fair value of the conversion portion of the CN as valued by Roma Appraisals Limited, a firm of independent international asset valuers, amounted to approximately US\$41,000 (equivalent to HK\$316,000), resulting in losses arising from changes in fair values of US\$41,000 recognised as other gains, net in the consolidated income statement.

The maximum exposure to credit risk of the investment in convertible notes/financial assets at fair value through profit or loss at the reporting date is equal to the fair values of the respective assets.

## 23 INTERESTS IN SUBSIDIARIES

	Company	
	2010	2009
	US\$'000	US\$'000
Unlisted shares, at cost (note (a))	466,667	466,667
Less: provision for impairment	(36,126)	(36,126)
	<b>430,541</b>	<b>430,541</b>

Note:

- (a) On 1 April 2008, an amount of approximately US\$82,114,000 due by Ming Pao International Investment Limited ("MPII"), a wholly-owned subsidiary of the Company, was capitalised in exchange for new shares issued, allotted and credited as fully paid up by MPII to the Company. The amount was in nature a long-term funding to MPII as it had been long outstanding, unsecured and non-interest bearing.

Details of the Company's principal subsidiaries are set out in note 43 to the financial statements.



# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 24 FINANCIAL INSTRUMENTS BY CATEGORY

	Group				Company
	Loans and receivables US\$'000	Financial assets at fair value through profit or loss US\$'000	Available- for-sale financial assets US\$'000	Total US\$'000	Loans and receivables US\$'000
<b>Assets</b>					
<b>At 31 March 2010</b>					
Available-for-sale financial assets (note 26)	–	–	644	644	–
Investment in convertible notes-debt and conversion portions (note 22)	511	41	–	552	–
Trade receivables (note 27)	57,668	–	–	57,668	–
Deposits and other receivables excluding prepayments	5,946	–	–	5,946	48
Listed equity securities (note 22)	–	185	–	185	–
Cash and cash equivalents (note 28)	77,635	–	–	77,635	44
<b>Total</b>	<b>141,760</b>	<b>226</b>	<b>644</b>	<b>142,630</b>	<b>92</b>
<b>At 31 March 2009</b>					
Available-for-sale financial assets (note 26)	–	–	646	646	–
Trade receivables (note 27)	48,044	–	–	48,044	–
Deposits and other receivables excluding prepayments	6,929	–	–	6,929	46
Listed equity securities (note 22)	–	221	–	221	–
Amounts due from subsidiaries (note 27)	–	–	–	–	979
Cash and cash equivalents (note 28)	70,205	–	–	70,205	42
<b>Total</b>	<b>125,178</b>	<b>221</b>	<b>646</b>	<b>126,045</b>	<b>1,067</b>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 24 FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

	Group Financial liabilities at amortised cost US\$'000	Company Financial liabilities at amortised cost US\$'000
<b>Liabilities</b>		
<b>At 31 March 2010</b>		
Bank overdrafts, secured (note 28)	198	—
Short-term bank loans (note 30)	30,618	—
Bank loans, secured (note 31)	776	—
Obligations under finance leases (note 31)	1,028	—
Trade and other payables	42,306	1,545
Amounts due to subsidiaries (note 29)	—	2,568
<b>Total</b>	<b>74,926</b>	<b>4,113</b>
<b>At 31 March 2009</b>		
Bank overdrafts, secured (note 28)	2,428	—
Short-term bank loans (note 30)	14,579	—
Bank loans, secured (note 31)	2,296	—
Obligations under finance leases (note 31)	1,213	—
Trade and other payables	37,053	1,584
Amounts due to subsidiaries (note 29)	—	6,339
<b>Total</b>	<b>57,569</b>	<b>7,923</b>

## 25 INVENTORIES

	Group 2010 US\$'000	2009 US\$'000
Raw materials	75,291	41,311
Finished goods	788	637
	<b>76,079</b>	<b>41,948</b>

Raw materials and consumables recognised as expenses and included in cost of goods sold amounted to US\$99,900,000 (2009: US\$120,092,000).

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 26 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2010	2009
	US\$'000	US\$'000
At 1 April	646	644
Exchange adjustments	(2)	2
At 31 March	<u>644</u>	<u>646</u>

There were no additions, disposals or impairment provisions on available-for-sale financial assets during the years ended 31 March 2010 and 2009.

Available-for-sale financial assets comprised the following:

	Group	
	2010	2009
	US\$'000	US\$'000
Unlisted club debentures	<u>644</u>	<u>646</u>

Available-for-sale financial assets were denominated in the following currency:

	Group	
	2010	2009
	US\$'000	US\$'000
HK dollars	<u>644</u>	<u>646</u>

At 31 March 2010, the carrying value of the unlisted club debentures approximated their fair value.

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.

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 27 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2010	2009	2010	2009
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables	61,539	52,226	—	—
Less: provision for impairment of trade receivables	(3,871)	(4,182)	—	—
Trade receivables, net (note (a))	57,668	48,044	—	—
Deposits and prepayments (note (b))	7,423	6,929	48	46
Other receivables (note (b))	2,517	4,007	—	—
Amounts due from subsidiaries (note(c))	—	—	—	979
	<b>67,608</b>	<b>58,980</b>	<b>48</b>	<b>1,025</b>

At 31 March 2010, the carrying amounts of trade and other receivables approximated their fair values.

Note:

- (a) The Group allows in general a credit period ranging from 7 days to 120 days to its trade customers.

At 31 March 2010, the ageing analysis of the Group's net trade receivables was as follows:

	Group	
	2010	2009
	US\$'000	US\$'000
0 to 60 days	42,097	36,871
61 to 120 days	12,400	8,453
121 to 180 days	2,023	1,726
Over 180 days	1,148	994
	<b>57,668</b>	<b>48,044</b>

The carrying amounts of net trade receivables were denominated in the following currencies:

	Group	
	2010	2009
	US\$'000	US\$'000
Ringgit Malaysia	38,394	31,724
HK dollars	11,860	10,148
Canadian dollars	3,987	2,908
US dollars	1,285	1,655
Renminbi	1,968	1,430
Others	174	179
	<b>57,668</b>	<b>48,044</b>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 27 TRADE AND OTHER RECEIVABLES (Continued)

Note: (Continued)

(a) (Continued)

The Group has trade receivables from customers engaged in various industries and who 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 the Group's exposure to bad debts. The credit period on trade receivables, depending on the business area, is 7 to 120 days.

At 31 March 2010, trade receivables that were neither past due nor impaired amounted to US\$39,123,000 (2009: US\$29,956,000), which represented about 68% (2009: 62%) of the net trade receivables balance. These balances related to a wide range of customers for whom there was no recent history of default.

At 31 March 2010, the ageing analysis of net trade receivables that were past due but not impaired was as follows:

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Overdue by		
0 to 60 days	<b>10,712</b>	9,952
61 to 120 days	<b>6,702</b>	6,699
121 to 180 days	<b>826</b>	1,226
Over 180 days	<b>305</b>	211
	<b>18,545</b>	<b>18,088</b>

During the year ended 31 March 2010, the Group has recognised a net loss of US\$323,000 (2009: US\$245,000) for the impairment of its trade receivables and directly written off an amount of US\$45,000 (2009: US\$67,000) as bad debts. The loss was included in selling and distribution expenses in the consolidated income statement.

Movements in the provision for impairment of trade receivables were as follows:

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>US\$'000</b>	<b>US\$'000</b>
At 1 April	<b>4,182</b>	5,526
Provision for impairment of receivables	<b>1,704</b>	1,745
Receivables written off during the year as uncollectible	<b>(990)</b>	(968)
Unused amounts reversed	<b>(1,381)</b>	(1,500)
Exchange adjustments	<b>356</b>	(621)
At 31 March	<b>3,871</b>	<b>4,182</b>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 27 TRADE AND OTHER RECEIVABLES (Continued)

Note: (Continued)

(a) (Continued)

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.

The other classes within trade and other receivables did not contain impaired assets.

The maximum exposure to credit risk as at 31 March 2010 was the carrying value of trade and other receivables.

Certain trade receivables amounting to US\$8,034,000 (2009: US\$7,912,000) were secured by deposits and bank guarantees provided by the customers.

- (b) The deposits, prepayments and other receivables were neither past due nor impaired.
- (c) The amounts due from subsidiaries were unsecured, non-interest bearing and repayable on demand.

## 28 CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS

	Group		Company	
	2010	2009	2010	2009
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at bank and in hand	33,704	22,679	44	42
Short-term bank deposits	43,931	47,526	—	—
Cash and cash equivalents	<u>77,635</u>	<u>70,205</u>	<u>44</u>	<u>42</u>

The effective interest rates on short-term bank deposits ranged from 0.3% to 1.8% (2009: 1.5% to 2%) per annum; these deposits have an average maturity of 5 to 76 days (2009: 3 to 30 days).

Cash, cash equivalents and bank overdrafts included the following for the purpose of the consolidated cash flow statement.

	Group	
	2010	2009
	US\$'000	US\$'000
Cash and cash equivalents	77,635	70,205
Bank overdrafts, secured	(198)	(2,428)
	<u>77,437</u>	<u>67,777</u>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 28 CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS (Continued)

The carrying amounts of cash and cash equivalents were denominated in the following currencies:

	<b>Group</b>	
	<b>2010</b>	2009
	<b>US\$'000</b>	US\$'000
Ringgit Malaysia	<b>44,009</b>	40,392
HK dollars	<b>18,971</b>	23,100
US dollars	<b>9,465</b>	2,665
Renminbi	<b>2,734</b>	2,823
Canadian dollars	<b>1,797</b>	558
Others	<b>659</b>	667
	<b>77,635</b>	70,205

Included in the cash and cash equivalents of the Group were cash and bank deposits placed with banks in Malaysia and Mainland China amounting to US\$50,435,000 and US\$4,110,000 respectively (2009: US\$40,932,000 and US\$2,823,000 respectively), of which the currencies are subject to foreign exchange controls.

## 29 TRADE AND OTHER PAYABLES

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	2009	<b>2010</b>	2009
	<b>US\$'000</b>	US\$'000	<b>US\$'000</b>	US\$'000
Trade payables (note (a))	<b>17,763</b>	18,736	–	–
Accrued charges	<b>26,938</b>	20,191	<b>1,545</b>	1,584
Subscriptions received in advance	<b>12,714</b>	11,283	–	–
Amounts due to subsidiaries – interest-bearing (note b))	–	–	–	6,339
Amounts due to subsidiaries – non-interest bearing (note (c))	–	–	<b>2,568</b>	–
	<b>57,415</b>	50,210	<b>4,113</b>	7,923

At 31 March 2010, the carrying amounts of trade and other payables approximated their fair values.



# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 29 TRADE AND OTHER PAYABLES (Continued)

Note:

(a) At 31 March 2010, the ageing analysis of the Group's trade payables was as follows:

	Group	
	2010	2009
	US\$'000	US\$'000
0 to 60 days	15,074	15,257
61 to 120 days	1,604	1,853
121 to 180 days	313	391
Over 180 days	772	1,235
	<b>17,763</b>	<b>18,736</b>

(b) The amounts due to subsidiaries were unsecured, interest-bearing at 2.6% per annum and repayable on demand.

(c) The amounts due to subsidiaries were unsecured, non-interest bearing and repayable on demand.

## 30 SHORT-TERM BANK LOANS

	Group	
	2010	2009
	US\$'000	US\$'000
Trust receipt loans, secured	2,805	871
Bankers' acceptances, unsecured	20,374	7,875
Revolving credits, unsecured	7,439	5,833
	<b>30,618</b>	<b>14,579</b>

The carrying amounts of short-term bank loans were denominated in the following currencies:

	Group	
	2010	2009
	US\$'000	US\$'000
Ringgit Malaysia	27,813	13,708
US dollars	2,805	871
	<b>30,618</b>	<b>14,579</b>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 30 SHORT-TERM BANK LOANS (Continued)

Trust receipt loans have a term of up to 120 days. The effective interest rate on trust receipt loans was 1.50% (2009: 3.38%) per annum.

The bankers' acceptances were 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 2.82% (2009: 3.66%) per annum.

The revolving credits were unsecured, interest-bearing at rates ranging from 0.50% to 1.00% above the KLIBOR per annum.

At 31 March 2010, the carrying amounts of the short-term bank loans approximated their fair values.

## 31 OTHER LONG-TERM LIABILITIES

	Group	
	2010	2009
	US\$'000	US\$'000
Bank loans, secured ( <i>note (a)</i> )	776	2,296
Obligations under finance leases ( <i>note (b)</i> )	1,028	1,213
Retirement benefit obligations ( <i>note (c)</i> )	986	1,552
	2,790	5,061
Current portion of long-term liabilities	(1,230)	(2,074)
	<u>1,560</u>	<u>2,987</u>

Notes:

(a) At 31 March 2010, the Group's secured bank loans were repayable as follows:

	Group	
	2010	2009
	US\$'000	US\$'000
Within one year	776	1,602
In the second year	—	694
	<u>776</u>	<u>2,296</u>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 31 OTHER LONG-TERM LIABILITIES (Continued)

Notes: (Continued)

(a) (Continued)

The carrying amounts of secured bank loans were denominated in the following currency:

	Group	
	2010	2009
	US\$'000	US\$'000
Ringgit Malaysia	776	2,296

At 31 March 2010, the carrying amounts of the secured bank loans approximated their fair values.

The effective interest rates on the secured bank loans ranged from 5.95% to 6.80% per annum during the year ended 31 March 2010 (2009: 5.5% to 6.80%).

(b) At 31 March 2010, the Group's finance lease liabilities were repayable as follows:

	Group	
	2010	2009
	US\$'000	US\$'000
Finance lease liabilities minimum lease payment		
Within one year	385	443
In the second year	360	325
In the third to fifth year	379	580
	1,124	1,348
Future finance charges on finance leases	(96)	(135)
Present value of finance lease liabilities	1,028	1,213

The present value of finance lease liabilities was repayable as follows:

	Group	
	2010	2009
	US\$'000	US\$'000
Within one year	334	385
In the second year	328	273
In the third to fifth year	366	555
Present value of finance lease liabilities	1,028	1,213

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 31 OTHER LONG-TERM LIABILITIES (Continued)

Notes: (Continued)

(b) (Continued)

The carrying amounts of finance lease liabilities were denominated in the following currencies:

	Group	
	2010	2009
	US\$'000	US\$'000
Ringgit Malaysia	52	127
Canadian dollars	976	1,086
	<b>1,028</b>	<b>1,213</b>

The effective interest rates on the finance lease liabilities ranged from 2.35% to 2.6% per annum during the year ended 31 March 2010 (2009: 2.35% to 6.54%).

At 31 March 2010, the carrying amounts of finance lease liabilities approximated their fair value, which were based on cash flows discounted using rates based on the borrowing rates ranged from 2.35% to 2.6% per annum (2009: 2.35% to 6.54%).

(c) Retirement benefit obligations represent the present value of the Group's obligations under the following:

- (i) long service payment obligations and respective actuarial (gains)/losses for its employees in Hong Kong; and
- (ii) an unfunded defined benefit retirement benefit scheme (the "Malaysia Scheme") for its eligible employees in Malaysia.

Current service costs and interest on obligations have been recognised during the year and included in employee benefit expense (note 14).

The amounts recognised in the consolidated balance sheet were as follows:

	Group	
	2010	2009
	US\$'000	US\$'000
Present value of the retirement benefit obligations	<b>986</b>	<b>1,552</b>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 31 OTHER LONG-TERM LIABILITIES (Continued)

Notes: (Continued)

(c) (Continued)

Movements in the retirement benefit obligations during the year were as follows:

	Group	
	2010	2009
	US\$'000	US\$'000
<b>At 1 April</b>	<b>1,552</b>	<b>1,002</b>
Current service (benefits)/costs	(25)	198
Interest cost	49	41
Long service payments made	(94)	(52)
Actuarial (gains)/losses of long service payment obligations	(589)	462
Exchange adjustments	93	(99)
<b>At 31 March</b>	<b>986</b>	<b>1,552</b>

The amounts recognised in the consolidated statement of comprehensive income were as follows:

	Group	
	2010	2009
	US\$'000	US\$'000
Cumulative amount of actuarial gains at the beginning of the year	134	596
Net actuarial gains/(losses) during the year	589	(462)
Cumulative amount of actuarial gains at the end of the year	723	134

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

	Group	
	2010	2009
	US\$'000	US\$'000
Current service (benefits)/costs	(25)	198
Interest cost	49	41
Total included in employee benefit expense (note 14)	24	239

The principal actuarial assumptions used were as follows:

For long service payment obligations

	Group	
	2010	2009
Average future working lifetime (in years)	18	17
Discount rate	2.7%	1.9%
Expected inflation rate	2.5%	2.5%
Expected rate of return on plan assets	5%-7%	4%-7%
Expected rate of future salary increases 2010 and onwards	3%	4%

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 31 OTHER LONG-TERM LIABILITIES (Continued)

Notes: (Continued)

(c) (Continued)

For obligations under the Malaysia Scheme

	Group	
	2010	2009
Discount rate	6.0%	6.4%
Expected inflation rate	3.5%	3.5%
Expected rate of salary increases	7.0%	7.0%
	Group	
	2010	2009
	US\$'000	US\$'000
At 31 March		
Present value of retirement benefit obligations	986	1,552
Experience (losses)/gains on long service payment obligations	(481)	476

## 32 SHARE CAPITAL AND PREMIUM

	Group and Company			
	Number of ordinary shares	Issued share capital US\$'000	Share premium US\$'000	Total US\$'000
At 1 April 2008	401,475,000	5,167	12,809	17,976
Shares issued as consideration for the exchange of all the ordinary shares of Sin Chew and Nanyang (note (a))	1,284,815,241	16,534	267,877	284,411
Repurchase of ordinary shares (note (b))	(2,482,000)	(31)	(541)	(572)
Exercise of share options (note (c))	90,000	2	15	17
At 31 March 2009	1,683,898,241	21,672	280,160	301,832
Repurchase of ordinary shares (note (b))	(1,000)	—	—	—
At 31 March 2010	1,683,897,241	21,672	280,160	301,832

Number of authorised ordinary shares is 2,500 million shares (2009: 2,500 million shares) with a par value of HK\$0.10 per share. All issued shares are fully paid.

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 32 SHARE CAPITAL AND PREMIUM (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.

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 1,294,208,797 new shares (assuming full exercise of the outstanding options issued under Nanyang's employee share option scheme before completion of merger of the Company, Sin Chew and Nanyang) issued to the shareholders of Sin Chew and Nanyang in exchange for Sin Chew shares and Nanyang shares, respectively, 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 Bursa Securities took effect from 30 April 2008.

As such, from 30 April 2008, shareholders are entitled to trade the shares of the Company on both the HK Stock Exchange and Bursa Securities subject to the procedures as set out in the Company's circular dated 9 January 2008.

- (b) Details of the repurchase during the year ended 31 March 2010 are summarised as follows:

Month/Year	Number of ordinary shares repurchased	Purchase price per share		Aggregate purchase consideration HK\$	Equivalents in US\$
		Highest HK\$	Lowest HK\$		
September 2009	1,000	1.18	1.18	1,180	153

Details of the repurchases during the year ended 31 March 2009 are summarised as follows:

Month/Year	Number of ordinary shares repurchased	Purchase price per share		Aggregate purchase consideration HK\$	Equivalents in US\$
		Highest HK\$	Lowest HK\$		
April 2008	600,000	2.20	1.85	1,285,000	164,908
May 2008	50,000	2.00	2.00	100,000	12,821
June 2008	780,000	2.05	1.99	1,565,830	200,565
October 2008	1,050,000	1.54	1.22	1,526,546	193,713
December 2008	2,000	1.22	1.22	2,440	330
	2,482,000			4,479,816	572,337

- (c) Pursuant to a share option scheme (the "MCI 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.

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 32 SHARE CAPITAL AND PREMIUM (Continued)

Notes: (Continued)

(c) (Continued)

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 MCI Scheme. The maximum number of shares in respect of which options may be granted (together with options exercised and options then outstanding) under the MCI 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 MCI Scheme and other schemes; and (ii) any pro-rata entitlements to further shares issued in respect of those shares mentioned in (i). The MCI 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 MCI 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 MCI 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.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2010			2009		
	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	1.601	0.207	4,300,000	1.597	0.206	4,590,000
Exercised	—	—	—	1.411	0.182	(90,000)
Lapsed	1.456	0.188	(292,000)	1.592	0.205	(200,000)
At 31 March	1.611	0.208	4,008,000	1.601	0.207	4,300,000

No options were exercised during the year. Options exercised during the year ended 31 March 2009 resulted in 90,000 shares being issued at an average exercise price of HK\$1.411 (US\$0.182) each.

All of the 4,008,000 options outstanding at 31 March 2010 (2009: 4,300,000 options) expire on 20 August 2011 and are exercisable at the following prices:

Exercise price per share in HK\$	Equivalents in US\$	Number of outstanding share options	
		2010	2009
1.320	0.170	633,000	779,000
1.592	0.205	2,175,000	2,321,000
1.800	0.232	1,200,000	1,200,000
		4,008,000	4,300,000



# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 32 SHARE CAPITAL AND PREMIUM (Continued)

Notes: (Continued)

(c) (Continued)

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 Scheme") was approved and adopted by shareholders on 26 September 2005 ("Adoption Date"). Another share option scheme ("Post-IPO Scheme") was also approved on the same date, 26 September 2005, by the shareholders of OMG. 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 was the final Hong Kong dollar price per share at which shares of OMG were to be sold in an offer for sale in Hong Kong on its listing date; 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 Pre-IPO Scheme and Post-IPO Scheme, 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 OMG 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 Pre-IPO Scheme and Post-IPO Scheme 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.

Movements in the number of outstanding share options of OMG's Pre-IPO Scheme and the average exercise prices are as follows:

	2010			2009		
	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	1.200	0.155	12,538,000	1.200	0.155	13,778,000
Lapsed	1.200	0.155	(382,000)	1.200	0.155	(1,240,000)
At 31 March	1.200	0.155	12,156,000	1.200	0.155	12,538,000

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 9,896,000 share options being exercisable as at 31 March 2010 (2009: 7,878,000 share options).

The fair value of options granted under the Pre-IPO Scheme was determined using the Binomial Option valuation model and amounted to 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 rate of 4.16% (being the yield of 10-year fund note issued by the Hong Kong Monetary Authority as at 23 September 2005) and suboptimal exercise factor of 1.4 (being the factor to account for the early exercise behavior of the share option).

Share compensation costs on share options granted are amortised over the vesting periods of one year or five years in accordance with terms specified in the Pre-IPO Scheme. For the year ended 31 March 2010, US\$40,000 (2009: US\$91,000) was recognised in the consolidated income statement.

During the years ended 31 March 2010 and 2009, no option has been granted or agreed to be granted under the Post-IPO Scheme.

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 33 OTHER RESERVES

	Group								
	Capital redemption reserve US\$'000	Exchange fluctuation reserve US\$'000	Employee share-based payment reserve 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
At 1 April 2008	152	7,480	417	(92,647)	284,411	(2,168)	(1,693)	602	196,554
Currency translation differences	–	(33,640)	–	–	–	–	–	–	(33,640)
Actuarial losses of defined benefit plan assets	–	–	–	–	–	–	(817)	–	(817)
Actuarial losses of long service payment obligations	–	–	–	–	–	–	–	(439)	(439)
Repurchase of ordinary shares (note 32)	31	–	–	–	–	–	–	–	31
Shares issued as consideration for the exchange of all ordinary shares of Sin Chew and Nanyang	–	–	–	–	(284,411)	–	–	–	(284,411)
Share compensation costs on share options granted by a listed subsidiary	–	–	56	–	–	–	–	–	56
At 31 March 2009	183	(26,160)	473	(92,647)	–	(2,168)	(2,510)	163	(122,666)
At 1 April 2009	183	(26,160)	473	(92,647)	–	(2,168)	(2,510)	163	(122,666)
Currency translation differences	–	29,186	–	–	–	–	–	–	29,186
Actuarial gains of defined benefit plan assets	–	–	–	–	–	–	260	–	260
Actuarial gains of long service payment obligations	–	–	–	–	–	–	–	559	559
Repurchase of ordinary shares (note 32)	–	–	–	–	–	–	–	–	–
Revaluation gain recognised upon transfer of property held for own use to investment properties	–	–	–	–	–	301	–	–	301
Share compensation costs on share options granted by a listed subsidiary	–	–	23	–	–	–	–	–	23
At 31 March 2010	183	3,026	496	(92,647)	–	(1,867)	(2,250)	722	(92,337)

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 33 OTHER RESERVES (Continued)

	Capital redemption reserve US\$'000	Exchange fluctuation reserve US\$'000	Company Capital reserve US\$'000	Contributed surplus US\$'000	Total US\$'000
<b>At 1 April 2008</b>	152	–	284,411	25,789	310,352
Currency translation differences	–	(4)	–	–	(4)
Repurchase of ordinary shares (note 32)	31	–	–	–	31
Shares issued as consideration for the exchange of all ordinary shares of Sin Chew and Nanyang	–	–	(284,411)	–	(284,411)
<b>At 31 March 2009</b>	<u>183</u>	<u>(4)</u>	<u>–</u>	<u>25,789</u>	<u>25,968</u>
<b>At 1 April 2009</b>	183	(4)	–	25,789	25,968
Currency translation differences	–	(745)	–	–	(745)
Repurchase of ordinary shares (note 32)	–	–	–	–	–
<b>At 31 March 2010</b>	<u>183</u>	<u>(749)</u>	<u>–</u>	<u>25,789</u>	<u>25,223</u>

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 level, the contributed surplus is reclassified into its components of reserves of the underlying subsidiaries.

## 34 RETAINED EARNINGS

- (a) Movements in the Group's retained earnings for the years ended 31 March 2010 and 2009 are presented in the consolidated statement of changes in equity on pages 77 and 78.
- (b) Movements in the Company's retaining earnings for the years ended 31 March 2010 and 2009 are as follows:

	Company 2010 US\$'000	2009 US\$'000
<b>At 1 April</b>	<b>95,885</b>	104,385
Profit for the year	<b>13,554</b>	14,384
Repurchase of ordinary shares (note 32)	–	(31)
Second interim dividend paid in respect of 2008-2009 (2009: 2007-2008)	<b>(2,396)</b>	(15,275)
First interim dividend paid in respect of 2009-2010 (2009: 2008-2009)	<b>(7,578)</b>	(7,578)
<b>At 31 March</b>	<u><b>99,465</b></u>	<u>95,885</u>

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 35 DEFINED BENEFIT PLAN ASSETS/(LIABILITIES)

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 salary and service or accumulated employer's contributions with credited investment gains and losses, whichever is higher.
DB Member	–	benefits based on final salary and service only.

Regular Members and Special Members are 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 scheme 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 Towers Watson Hong Kong Limited, an independent qualified actuary, and the pension costs are charged to the consolidated income statement in accordance with its advice.

The amounts recognised in the consolidated balance sheet are determined as follows:

	<b>Group</b>	
	<b>2010</b>	2009
	<b>US\$'000</b>	US\$'000
Fair value of plan assets	<b>4,951</b>	3,811
Present value of the defined benefit obligations	<b>(4,693)</b>	(3,896)
Net assets/(liabilities) in the consolidated balance sheet	<b>258</b>	(85)

Movements in the fair value of the plan assets are as follows:

	<b>Group</b>	
	<b>2010</b>	2009
	<b>US\$'000</b>	US\$'000
<b>At 1 April</b>	<b>3,811</b>	5,972
Group contributions	<b>98</b>	80
Expected return on plan assets	<b>268</b>	411
Actual benefits paid	<b>(204)</b>	(223)
Actuarial gains/(losses) on plan assets	<b>985</b>	(2,443)
Exchange adjustments	<b>(7)</b>	14
<b>At 31 March</b>	<b>4,951</b>	3,811

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 35 DEFINED BENEFIT PLAN ASSETS/(LIABILITIES) (Continued)

### (b) Defined benefit scheme for Special Member and DB Member (Continued)

Movements in the present value of the defined benefit obligations are as follows:

	Group	
	2010	2009
	US\$'000	US\$'000
<b>At 1 April</b>	<b>3,896</b>	<b>5,393</b>
Current service costs	210	203
Interest cost	73	137
Actual benefits paid	(204)	(223)
Actuarial losses/(gains) on obligations	725	(1,626)
Exchange adjustments	(7)	12
<b>At 31 March</b>	<b>4,693</b>	<b>3,896</b>

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

	Group	
	2010	2009
	US\$'000	US\$'000
Current service costs	(210)	(203)
Interest cost	(73)	(137)
Expected return on plan assets	268	411
Total pension (costs)/income, included in employee benefit expense (note 14)	(15)	71

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

	Group	
	2010	2009
	US\$'000	US\$'000
Cumulative amount of actuarial losses at the beginning of the year	2,510	1,693
Actuarial (gains)/losses during the year	(260)	817
Cumulative amount of actuarial losses at the end of the year	2,250	2,510

The actual return on plan assets was US\$1,354,000 (2009: loss of US\$1,858,000).

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 35 DEFINED BENEFIT PLAN ASSETS/(LIABILITIES) (Continued)

### (b) Defined benefit scheme for Special Member and DB Member (Continued)

Movements in the net assets/(liabilities) recognised in the consolidated balance sheet:

	<b>Group</b>	
	<b>2010</b>	2009
	<b>US\$'000</b>	US\$'000
<b>At 1 April</b>	<b>(85)</b>	579
Total pension (costs)/income recognised in the consolidated income statement (note 14)	<b>(15)</b>	71
Actuarial gains/(losses) recognised in the consolidated statement of comprehensive income	<b>260</b>	(817)
Group contributions paid	<b>98</b>	80
Exchange adjustments	<b>—</b>	2
<b>At 31 March</b>	<b>258</b>	(85)

The principal actuarial assumptions used were as follows:

	<b>Group</b>	
	<b>2010</b>	2009
Discount rate	<b>2.7%</b>	1.9%
Expected inflation rate	<b>2.5%</b>	2.5%
Expected rate of return on plan assets	<b>7%</b>	7%
Expected rate of future salary increases 2010 and onwards	<b>3%</b>	4%

Expected Group contributions to the defined benefit plan for the year ending 31 March 2011 are US\$418,000.

Other disclosure figures for the current and previous years are as follows:

	<b>Group</b>				
	<b>As at 31 March</b>				
	<b>2010</b>	2009	2008	2007	2006
	<b>US\$'000</b>	US\$'000	US\$'000	US\$'000	US\$'000
Present value of defined benefit obligations	<b>(4,693)</b>	(3,896)	(5,393)	(4,623)	(3,865)
Fair value of the plan assets	<b>4,951</b>	3,811	5,972	6,042	5,254
Surplus/(deficit)	<b>258</b>	(85)	579	1,419	1,389
Experience (gains)/losses on the defined benefit obligations	<b>(1,074)</b>	1,874	92	(424)	(309)
Experience gains/(losses) on the plan assets	<b>984</b>	(2,445)	(255)	441	338

The plan assets are managed by independent investment managers and are invested in unit trusts based on the long-term benchmark allocation of 65% in equities and 35% in bonds. After allowing for the administration expenses, an expected long-term rate of return of 7% per annum is adopted.

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 36 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

### (a) Cash generated from operations

	Group	
	2010	2009
	US\$'000	US\$'000
Operating profit	55,951	32,326
Fair value losses on financial assets at fair value through profit or loss	77	1,184
Fair value gains on investment properties	(398)	(101)
Discount on acquisition of additional interest in a subsidiary	(10)	—
Depreciation of property, plant and equipment	8,211	9,745
Amortisation of leasehold land and land use rights	546	647
Amortisation of intangible assets	727	800
Provision for impairment of property, plant and equipment	42	—
Provision for impairment and written off of trade receivables	368	312
Provision for inventory obsolescence	164	103
Provision for impairment of intangible assets	—	3,895
Dividend income	(45)	(11)
Interest income	(723)	(1,673)
Gain on disposal of property, plant and equipment – net	(113)	(25)
Share compensation costs on share options granted by a listed subsidiary	40	91
Pension costs/(income)	15	(71)
Long service payments	24	239
Operating profit before working capital changes	64,876	47,461
(Increase)/decrease in inventories	(28,118)	3,680
(Increase)/decrease in trade and other receivables	(4,657)	12,155
Increase/(decrease) in trade and other payables	3,762	(4,295)
<b>Cash generated from operations</b>	<b>35,863</b>	<b>59,001</b>

### (b) In the consolidated cash flow statement, proceeds from disposal of property, plant and equipment comprise:

	Group	
	2010	2009
	US\$'000	US\$'000
Property, plant and equipment – net book value (note 16)	568	212
Gain on disposal of property, plant and equipment – net	113	25
Proceeds from disposal of property, plant and equipment	681	237

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 36 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

### (c) Major non-cash transactions

- (i) During the year ended 31 March 2010, a property held for own use with net book value of US\$828,000 was transferred to investment properties at a fair value of US\$1,237,000.
- (ii) During the year ended 31 March 2009, intangible assets were impaired by US\$3,895,000 due to the diminution in fair value of *Nanyang Siang Pau's* masthead.

## 37 BANKING FACILITIES, PLEDGE OF ASSETS AND FINANCIAL GUARANTEES

At 31 March 2010, the Group's banking facilities were secured by the following:

- (a) 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\$7,674,000 at 31 March 2010 (2009: US\$21,586,000) and assignment of rental income derived therefrom;
- (b) general security agreements under which all the assets of certain subsidiaries with net book value of US\$12,277,000 at 31 March 2010 (2009: US\$14,964,000) were pledged to certain banks, including US\$2,753,000 (2009: US\$2,354,000) attributable to freehold properties disclosed under note (a) above; and
- (c) corporate guarantees issued by the Company:

The Company issued financial guarantees in favour of certain of its subsidiaries totalling US\$15,969,000 (2009: US\$20,099,000) in connection with general banking facilities granted to those subsidiaries. At the balance sheet date, total facilities utilised amounted to US\$5,488,000 (2009: US\$4,878,000). The directors of the Company do not consider that it is probable that a claim will be made against the Company under the financial guarantees. The maximum liability of the Company as at 31 March 2010 under the financial guarantees was the facility drawn down by its subsidiaries. No provision was therefore made in this respect at 31 March 2010 and 2009.

The Group's banking facilities as at 31 March 2010 were not secured by any machinery and printing equipment (2009: net book value of US\$903,000).

## 38 CONTINGENCIES

There are several libel suits which involve claims against some companies in the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings was 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.



# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 39 COMMITMENTS

### (a) Capital commitments

Capital commitments outstanding at the balance sheet date were as follows:

	<b>Group</b>	
	<b>2010</b>	2009
	<b>US\$'000</b>	US\$'000
Property, plant and equipment and leasehold land and land use rights		
Authorised and contracted for	<b>3,422</b>	14,662
Authorised but not contracted for	<b>6,002</b>	4,210
	<b>9,424</b>	18,872
Authorised capital injection for a subsidiary contracted but not provided for	<b>439</b>	439

### (b) Operating lease commitments

The Group leases various offices under non-cancellable operating lease agreements. The majority of lease agreements are between one to five years and are renewable at the end of the lease period at market rate.

The Group also leases various machinery under cancellable operating lease agreements. The Group is required to give a one-month notice for the termination of these agreements. The operating lease expenses charged to the consolidated income statement during the year are disclosed in note 8.

At 31 March 2010, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	<b>Group</b>	
	<b>2010</b>	2009
	<b>US\$'000</b>	US\$'000
No later than one year	<b>2,121</b>	1,649
Later than one year and no later than five years	<b>671</b>	992
Later than five years	<b>16</b>	13
	<b>2,808</b>	2,654

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 40 RELATED PARTY TRANSACTIONS

### (a) Transactions with related parties

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Newsprint purchases from a related company of certain directors	<b>42,256</b>	58,978
Rental expenses paid to related companies of certain directors	<b>1,063</b>	1,138
Consultancy fee to a non-executive director	<b>42</b>	—
Purchases of air tickets from a related company of certain directors	<b>19</b>	8
Motor vehicle insurance premium paid to a related company of certain directors	<b>1</b>	1
Scrap sales of old newspapers and magazines to a related company of certain directors	<b>(1,635)</b>	(1,008)
Rental income received from a director's related company	<b>(1)</b>	(5)

All the transactions above have been entered into in the normal course of business and have been charged at predetermined rates agreed mutually by the parties involved.

### (b) Key management compensation

The remuneration of directors and other members of key management for the years ended 31 March 2010 and 2009 were as follows:

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Directors' fees, basic salaries, discretionary bonuses, other allowances and benefits in kind	<b>2,241</b>	2,153
Contributions to pension scheme	<b>184</b>	163
Share compensation costs on share options granted by a listed subsidiary	<b>16</b>	21
	<b>2,441</b>	2,337

### (c) Year-end balances with related parties

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Receivables from a director's related companies	<b>2,666</b>	3,944	—	—
Payables to a director's related companies	<b>(1)</b>	(6)	—	—
Receivables from subsidiaries	—	—	—	979
Payables to subsidiaries	—	—	<b>(2,568)</b>	(6,339)

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 40 RELATED PARTY TRANSACTIONS (Continued)

### (c) Year-end balances with related parties (Continued)

The receivables from a director's related companies mainly arise from scrap sales of old newspapers and magazines. The receivables are unsecured, interest-free and repayable on demand.

The payables to a director's related companies mainly arise from purchases of air tickets. The payables are unsecured, interest-free and repayable on demand.

The receivables from/(payables to) subsidiaries mainly arise from expenses paid by the Company on behalf of the subsidiaries (or vice versa). The receivables/(payables) are unsecured, interest-free and repayable on demand.

## 41 EVENT AFTER THE REPORTING PERIOD

On 4 June 2010, Comwell Investment Limited, a wholly-owned subsidiary of the Company, has accepted an offer from Redgate Media Group, a substantial shareholder of OMG, to acquire 44,260,188 ordinary shares of HK\$0.001 each in OMG at US\$0.04 (equivalent to HK\$0.30) per ordinary share for a total cash consideration of US\$1.7 million (equivalent to approximately HK\$13.28 million) (the "Transaction"). Prior to the Transaction, the Company was a substantial shareholder of OMG with an indirect shareholding of 251,339,812 shares, representing 62.83% of the entire issued and paid up capital in OMG. Upon completion of the Transaction, the Company holds 295,600,000 shares in OMG, representing 73.9% equity interest in OMG. The Transaction was completed on 11 June 2010.

## 42 COMPARATIVE FIGURES

As a result of the application of certain new or revised IFRSs, certain comparative figures have been restated to conform to current year's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009/2010.

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 43 PARTICULARS OF PRINCIPAL SUBSIDIARIES

(a) Particulars of principal subsidiaries at 31 March 2010 that are incorporated and operate in Hong Kong are as follows:

Name of subsidiary	Particulars of issued and fully paid share capital/registered capital	Effective equity interest	Principal activities
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 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
Media2U Company Limited	101 ordinary shares of HK\$1 each	62.83%	Magazines advertising & operation
Mingpao.com Limited	2 ordinary shares of HK\$1 each	97.78%	Internet related businesses
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 and provision of management services
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%	Publication and distribution of magazines
Ming Pao Newspapers Limited	2 ordinary shares of HK\$1 each	100%	Publication and distribution of newspaper
Ming Pao Publications Limited	10 ordinary shares of HK\$1 each	100%	Publication and distribution of books
Yazhou Zhoukan Limited	9,500 ordinary shares of HK\$1 each	100%	Publication and distribution of magazine

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 43 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(b) Particulars of principal subsidiaries at 31 March 2010 that are incorporated and operate in Malaysia are as follows:

Name of subsidiary	Particulars of issued and fully paid share capital/registered capital	Effective equity interest	Principal activities
The China Press Berhad	4,246,682 ordinary shares of RM1 each	99.75%	Publication of newspapers and provision of printing services
CittaBella (Malaysia) Sdn Bhd	1,000,000 ordinary shares of RM1 each	100%	Publication and distribution of magazines
Guang-Ming Ribao Sdn Bhd	4,000,000 ordinary shares of RM1 each	100%	Publication and distribution of newspaper and magazines
Life Publishers Berhad	9,000,000 ordinary shares of RM1 each	100%	Publication and distribution of newspaper and magazines
MCIL Multimedia Sdn Bhd	10,000,000 ordinary shares of RM1 each	100%	Electronic commerce activities through the internet and multimedia
Media Communications Sdn Bhd	100,000 ordinary shares of RM1 each	100%	Publication and distribution of magazines
Mulu Press Sdn Bhd	500,000 ordinary shares of RM1 each	100%	Distribution of newspapers and provision of editorial and advertising services
Nanyang Press Holdings Berhad	76,107,375 ordinary shares of RM1 each	100%	Investment holding, property investment and provision of management services
Nanyang Press Marketing Sdn Bhd	1,000,000 ordinary shares of RM1 each	100%	Provision of marketing services of newspaper products
Nanyang Siang Pau Sdn Bhd	60,000,000 ordinary shares of RM1 each	100%	Publication and distribution of newspapers and magazines
Sinchew-i Sdn Bhd	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	302,000,000 ordinary shares of RM0.50 each	100%	Publication and distribution newspaper and magazines, and provision of printing services

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 43 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

- (c) Particulars of principal subsidiaries at 31 March 2010 that are incorporated outside Hong Kong and Malaysia are as follows:

Name of subsidiary	Place of incorporation	Particulars of issued and fully paid share capital/ registered capital	Effective equity interest	Principal activities and place of operation
Beijing OMG Advertising Company Limited (note 2))	The People's Republic of China ("PRC")	RMB18,107,095	62.83%	Magazines operation in PRC
Beijing OMG M2U Advertising Company Limited (note 2))	PRC	RMB34,007,714	62.83%	Magazines advertising in PRC
Beijing Times Resource Technology Consulting Limited (notes (1)) & (2))	PRC	RMB3,000,000	62.83%	Magazines operation in PRC
Charming Holidays (Guangdong) Limited (note 2))	PRC	HK\$600,000	100%	Provision of travel and travel related services in PRC
Comwell Investment Limited	The British Virgin Islands ("BVI")	1 ordinary share at no par value for HK\$1	100%	Investment holding in Hong Kong
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 in Canada
Delta Tour & Travel Services, Inc.	The United States of America ("USA")	461,500 common shares at no par value for US\$300,500	100%	Provision of travel and travel related services in USA
First Collection Limited	BVI	1 ordinary share of US\$1	100%	Investment holding in Hong Kong
Guangzhou Kin Ming Printing Limited (notes 2))	PRC	HK\$25,000,000	100%	Provision of printing services in PRC
Media2U (BVI) Company Limited	BVI	1 ordinary share of US\$1	62.83%	Investment holding in Hong Kong
Media Chinese International Holdings Limited	BVI	1 ordinary share at no par value for HK\$1	100%	Investment holding in Hong Kong
Media Connect Investment Limited	BVI	1 ordinary share at no par value for HK\$1	100%	Investment holding in Hong Kong
MediaNet Resources Limited	BVI	1 ordinary share at no par value for HK\$1	100%	Investment holding in Hong Kong

# Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

## 43 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(c) (Continued)

Name of subsidiary	Place of incorporation	Particulars of issued and fully paid share capital/ registered capital	Effective equity interest	Principal activities and place of operation
Mingpao.com Holdings Limited	The Cayman Islands ("CI")	717,735 ordinary shares of HK\$0.1 each	97.78%	Investment holding in Hong Kong
Ming Pao Enterprise Corporation Limited	CI	1 ordinary share of US\$1	100%	Investment holding in Hong Kong
Ming Pao Finance Limited	BVI	10 ordinary shares of US\$1 each	100%	Publishing titles holding in Hong Kong
Ming Pao Holdings (Canada) Limited	Canada	1 common share at no par value for CAD1	100%	Investment holding in Canada
Ming Pao Holdings (USA) Inc.	USA	1 common share of US\$1	100%	Investment holding in USA
Ming Pao Investment (Canada) Limited	Canada	1 common share of CAD1	100%	Investment holding in Canada
Ming Pao Investment (USA) L.P.	USA	1,000 units for US\$150,150	100%	Publication and distribution of newspaper in USA
Ming Pao Newspapers (Canada) Limited	Canada	1,001 common shares at no par value for CAD11	100%	Publication and distribution of newspapers in Canada
One Media Group Limited	CI	400,000,000 ordinary shares of HK\$0.001 each	62.83%	Investment holding in Hong Kong
One Media Holdings Limited	BVI	20,000 ordinary shares of US\$0.01 each	62.83%	Investment holding in Hong Kong
Starsome Limited	BVI	10 ordinary shares of US\$1 each	100%	Investment holding in Hong Kong
Top Plus Limited	BVI	10 ordinary shares of US\$1 each	62.83%	Investment holding in Hong Kong

# Notes to the Financial Statements *(Continued)*

For the year ended 31 March 2010

## 43 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

(c) *(Continued)*

*Notes:*

- (1) Beijing Times Resource Technology Consulting Limited ("TRT") is a domestic enterprise 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 this company so that the decision-making rights, operating and financing activities of TRT are ultimately controlled by the Group. The Group is also entitled to substantially all of the operating profits and residual benefits generated by TRT under these arrangements. In particular, the legal owners of TRT are required under their contractual arrangements with the Group to transfer their interests in 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 TRT through the levying of service and consultancy fees. The ownership interests in TRT have also been pledged by the legal owners of this company to the Group. Based on the above, the directors regard TRT as a subsidiary of the Company.
- (2) 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.



# Additional Compliance Information

## STATUTORY DECLARATION

*Pursuant to Paragraph 4A.16 of the Listing Requirements of Bursa Malaysia Securities Berhad*

I, FU Shuk Kuen, being the person primarily responsible for the financial management of Media Chinese International Limited, do solemnly and sincerely declare that the financial statements set out on pages 72 to 154 are, to the best of my knowledge and belief, 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 the Laws of Hong Kong.

Subscribed and solemnly declared by FU Shuk Kuen  
at Hong Kong  
on 25 June 2010

Before me,

Notary Public

## Five-Year Financial Summary

The results of the Group for the last five financial years were as follows:

	For the year ended 31 March				
	2010 US\$'000	2009 US\$'000	2008 US\$'000	2007 US\$'000	2006 US\$'000
Turnover	<b>376,001</b>	394,303	328,260	304,563	280,118
Profit attributable to equity holders of the Company	<b>41,136</b>	16,790	19,188	11,489	15,928
Basic earnings per share (US cents)	<b>2.44</b>	1.00	2.10	1.26	1.76

The assets and liabilities of the Group for the last five financial years were as follows:

	As at 31 March				
	2010 US\$'000	2009 US\$'000	2008 US\$'000	2007 US\$'000	2006 US\$'000
Property, plant and equipment	<b>111,623</b>	99,692	112,603	63,558	60,797
Investment properties	<b>8,686</b>	6,224	7,056	1,455	1,353
Leasehold land and land use rights	<b>30,483</b>	22,445	24,262	22,479	21,782
Intangible assets	<b>77,466</b>	69,481	84,472	21,782	20,350
Non-current assets held for sale	—	77	—	—	—
Interest in an associate	<b>2,739</b>	—	—	—	—
Investment in convertible notes – debt portion	<b>511</b>	—	—	—	—
Financial assets at fair value through profit or loss	—	—	1,128	972	—
Available-for-sale investments	—	—	—	—	264
Defined benefit plan assets	<b>258</b>	—	579	1,419	1,389
Deferred income tax assets	<b>1,831</b>	2,430	3,630	4,589	4,329
	<b>233,597</b>	200,349	233,730	116,254	110,264
Current assets	<b>223,610</b>	173,057	207,666	145,242	140,276
Current liabilities	<b>(93,701)</b>	(72,078)	(96,885)	(57,014)	(56,798)
Net current assets	<b>129,909</b>	100,979	110,781	88,228	83,478
Total assets less current liabilities	<b>363,506</b>	301,328	344,511	204,482	193,742
Minority interests	<b>(8,263)</b>	(8,189)	(7,952)	(59,367)	(54,169)
Long-term liabilities	<b>(1,560)</b>	(3,072)	(6,453)	(5,366)	(8,762)
Deferred income tax liabilities	<b>(12,374)</b>	(10,249)	(8,830)	(6,050)	(5,350)
Equity holders' funds	<b>341,309</b>	279,818	321,276	133,699	125,461

# Additional Information

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2010

	2010 RM'000 (note)	2009 RM'000 (note)
Turnover	1,226,703	1,286,414
Cost of goods sold	(745,158)	(858,971)
<b>Gross profit</b>	<b>481,545</b>	<b>427,443</b>
Other income	16,306	21,121
Other gains, net	8,757	4,903
Selling and distribution expenses	(191,013)	(194,197)
Administrative expenses	(114,364)	(120,634)
Other operating expenses	(18,691)	(33,173)
<b>Operating profit</b>	<b>182,540</b>	<b>105,463</b>
Finance costs	(2,460)	(4,212)
Share of loss of an associate	(274)	—
<b>Profit before income tax</b>	<b>179,806</b>	<b>101,251</b>
Income tax expense	(44,602)	(44,631)
<b>Profit for the year</b>	<b>135,204</b>	<b>56,620</b>
<b>Attributable to:</b>		
Equity holders of the Company	134,205	54,777
Minority interests	999	1,843
	<b>135,204</b>	<b>56,620</b>
<b>Earnings per share attributable to the equity holders of the Company</b>		
Basic (sens)	7.96	3.26
Diluted (sens)	7.96	3.26
<b>Dividends</b>	<b>67,080</b>	<b>32,579</b>

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## Additional Information (Continued)

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2010

	2010 RM'000 (note)	2009 RM'000 (note)
<b>Profit for the year</b>	<b>135,204</b>	56,620
<b>Other comprehensive income/(expense)</b>		
Currency translation differences	95,376	(109,708)
Actuarial gains/(losses) of defined benefit plan assets	848	(2,665)
Actuarial gains/(losses) of long service payment obligations	1,922	(1,507)
Revaluation gain recognised upon transfer of property held for own use to investment properties	982	—
<b>Other comprehensive income/(expense) for the year, net of tax</b>	<b>99,128</b>	(113,880)
<b>Total comprehensive income/(expense) for the year</b>	<b>234,332</b>	(57,260)
<b>Attributable to:</b>		
Equity holders of the Company	233,079	(59,071)
Minority interests	1,253	1,811
	<b>234,332</b>	(57,260)

*Note:* The presentation currency of these financial statements is US\$. Additional information in RM for the year ended 31 March 2010 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.2625 ruling at 31 March 2010. 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.

## Additional Information (Continued)

### CONSOLIDATED BALANCE SHEET

As at 31 March 2010

	2010 RM'000 (note)	2009 RM'000 (note)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	364,170	325,245
Investment properties	28,338	20,306
Leasehold land and land use rights	99,451	73,227
Intangible assets	252,732	226,682
Non-current assets held for sale	—	251
Deferred income tax assets	5,974	7,928
Defined benefit plan assets	842	—
Interest in an associate	8,936	—
Investment in convertible notes – debt portion	1,667	—
	<b>762,110</b>	<b>653,639</b>
<b>Current assets</b>		
Inventories	248,208	136,855
Available-for-sale financial assets	2,101	2,108
Financial assets at fair value through profit or loss	737	721
Trade and other receivables	220,571	192,422
Income tax recoverable	4,626	3,448
Cash and cash equivalents	253,284	229,044
	<b>729,527</b>	<b>564,598</b>
<b>Current liabilities</b>		
Trade and other payables	187,316	163,810
Income tax liabilities	13,833	9,093
Short-term bank loans	99,891	47,564
Bank overdrafts, secured	646	7,921
Current portion of long-term liabilities	4,013	6,767
	<b>305,699</b>	<b>235,155</b>
<b>Net current assets</b>	<b>423,828</b>	<b>329,443</b>
<b>Total assets less current liabilities</b>	<b>1,185,938</b>	<b>983,082</b>

## Additional Information (Continued)

### CONSOLIDATED BALANCE SHEET (Continued)

As at 31 March 2010

	2010 RM'000 <i>(note)</i>	2009 RM'000 <i>(note)</i>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	70,705	70,705
Share premium	914,022	914,022
Other reserves	(301,249)	(400,198)
Retained earnings	430,042	328,377
	<b>1,113,520</b>	912,906
<b>Minority interests</b>	<b>26,958</b>	26,717
<b>Total equity</b>	<b>1,140,478</b>	939,623
<b>Non-current liabilities</b>		
Other long-term liabilities	5,090	9,745
Defined benefit plan liabilities	–	277
Deferred income tax liabilities	40,370	33,437
	<b>45,460</b>	43,459
	<b>1,185,938</b>	983,082

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## Additional Information (Continued)

### BALANCE SHEET

As at 31 March 2010

	2010 RM'000 (note)	2009 RM'000 (note)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Interests in subsidiaries	1,404,640	1,404,640
<b>Current assets</b>		
Trade and other receivables	157	3,344
Cash and cash equivalents	143	137
	300	3,481
<b>Current liabilities</b>		
Trade and other payables	13,419	25,849
<b>Net current liabilities</b>	(13,119)	(22,368)
<b>Total assets less current liabilities</b>	<b>1,391,521</b>	<b>1,382,272</b>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	70,705	70,705
Share premium	914,022	914,022
Other reserves	82,290	84,721
Retained earnings	324,504	312,824
<b>Total equity</b>	<b>1,391,521</b>	<b>1,382,272</b>

*Note:* The presentation currency of these financial statements is US\$. Additional information in RM for the year ended 31 March 2010 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.2625 ruling at 31 March 2010. 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.

## Additional Information (Continued)

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2010

	Attributable to equity holders of the Company					Minority interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	(note)	(note)	(note)	(note)	(note)	(note)	(note)
<b>At 1 April 2008</b>	16,857	41,789	641,257	348,259	1,048,162	25,943	1,074,105
Profit for the year	–	–	–	54,777	54,777	1,843	56,620
Other comprehensive (expense)/income:							
Currency translation differences	–	–	(109,751)	–	(109,751)	43	(109,708)
Actuarial losses of defined benefit plan assets	–	–	(2,665)	–	(2,665)	–	(2,665)
Actuarial losses of long service payment obligations	–	–	(1,432)	–	(1,432)	(75)	(1,507)
<b>Total comprehensive (expense)/income for the year</b>	<b>–</b>	<b>–</b>	<b>(113,848)</b>	<b>54,777</b>	<b>(59,071)</b>	<b>1,811</b>	<b>(57,260)</b>
Repurchase of ordinary shares	(101)	(1,765)	101	(101)	(1,866)	–	(1,866)
Shares issued as consideration for the exchange of all the ordinary shares of Sin Chew and Nanyang	53,942	873,949	(927,891)	–	–	–	–
Exercise of share options	7	49	–	–	56	–	56
Distribution of assets by a subsidiary	–	–	–	–	–	(153)	(153)
Share compensation costs on share options granted by a listed subsidiary	–	–	183	–	183	114	297
2007-2008 final dividend paid by a listed subsidiary	–	–	–	–	–	(623)	(623)
2007-2008 second interim dividend paid	–	–	–	(49,835)	(49,835)	–	(49,835)
2008-2009 interim dividend paid by a listed subsidiary	–	–	–	–	–	(375)	(375)
2008-2009 first interim dividend paid	–	–	–	(24,723)	(24,723)	–	(24,723)
<b>At 31 March 2009</b>	<b>70,705</b>	<b>914,022</b>	<b>(400,198)</b>	<b>328,377</b>	<b>912,906</b>	<b>26,717</b>	<b>939,623</b>



## Additional Information (Continued)

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the year ended 31 March 2010

	Attributable to equity holders of the Company					Minority interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	(note)	(note)	(note)	(note)	(note)	(note)	(note)
<b>At 1 April 2009</b>	<b>70,705</b>	<b>914,022</b>	<b>(400,198)</b>	<b>328,377</b>	<b>912,906</b>	<b>26,717</b>	<b>939,623</b>
Profit for the year	–	–	–	134,205	134,205	999	135,204
Other comprehensive income:							
Currency translation differences	–	–	95,220	–	95,220	156	95,376
Actuarial gains of defined benefit plan assets	–	–	848	–	848	–	848
Actuarial gains of long service payment obligations	–	–	1,824	–	1,824	98	1,922
Revaluation gain recognised upon transfer of property held for own use to investment properties	–	–	982	–	982	–	982
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>98,874</b>	<b>134,205</b>	<b>233,079</b>	<b>1,253</b>	<b>234,332</b>
Repurchase of ordinary shares	–	–	–	–	–	–	–
Acquisition of additional interest in a subsidiary	–	–	–	–	–	(33)	(33)
Share compensation costs on share options granted by a listed subsidiary	–	–	75	–	75	55	130
2008-2009 final dividend paid by a listed subsidiary	–	–	–	–	–	(721)	(721)
2008-2009 second interim dividend paid	–	–	–	(7,817)	(7,817)	–	(7,817)
2009-2010 interim dividend paid by a listed subsidiary	–	–	–	–	–	(313)	(313)
2009-2010 first interim dividend paid	–	–	–	(24,723)	(24,723)	–	(24,723)
<b>At 31 March 2010</b>	<b>70,705</b>	<b>914,022</b>	<b>(301,249)</b>	<b>430,042</b>	<b>1,113,520</b>	<b>26,958</b>	<b>1,140,478</b>

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## Additional Information (Continued)

### CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2010

	2010 RM'000 (note)	2009 RM'000 (note)
<b>Cash flows from operating activities</b>		
Cash generated from operations	117,003	192,490
Interest on bank loans and overdrafts	(2,388)	(3,941)
Interest element of finance lease payments	(72)	(271)
Profits tax paid	(36,370)	(32,409)
Long service payments made	(307)	(170)
Contributions to the defined benefit plan	(320)	(261)
Net cash generated from operating activities	77,546	155,438
<b>Cash flows from investing activities</b>		
Acquisition of an associate	(9,223)	—
Purchase of property, plant and equipment	(35,082)	(31,581)
Purchase of investment properties	—	(104)
Purchase of leasehold land and land use rights	(23,712)	(512)
Purchase of intangible assets	(1,987)	(770)
Investment in convertible notes	(1,892)	—
Proceeds from disposal of property, plant and equipment	2,222	773
Proceeds from disposal of intangible assets	206	—
Proceeds from disposal of non-current assets held for sale	251	—
Interest received	2,320	5,458
Dividends received	147	36
Net cash used in investing activities	(66,750)	(26,700)
<b>Cash flows from financing activities</b>		
Repurchase of ordinary shares	—	(1,866)
Proceeds from exercise of share options	—	55
Distribution of assets by a subsidiary	—	(153)
Dividends paid	(32,540)	(74,558)
Dividends paid by a listed subsidiary to minority shareholders	(1,034)	(998)
Repayment of bank loans	(5,478)	(23,510)
Proceeds from drawdown of short-term bank loans	154,815	85,543
Repayment of short-term bank loans	(109,646)	(110,638)
Proceeds from capital element of finance lease payments	—	1,439
Capital element of finance lease payments	(1,520)	(2,003)
Net cash generated from/(used in) financing activities	4,597	(126,689)
<b>Net increase in cash and cash equivalents, and bank overdrafts</b>	15,393	2,049
Cash and cash equivalents, and bank overdrafts as at 1 April	221,123	240,110
Exchange adjustments on cash and cash equivalents, and bank overdrafts	16,122	(21,036)
<b>Cash and cash equivalents, and bank overdrafts as at 31 March</b>	<b>252,638</b>	<b>221,123</b>

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# Analysis of Shareholdings

As at 9 July 2010

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\$168,389,724.10
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	462	4.90	20,807	—*
100 to 1,000	1,179	12.50	751,431	0.04
1,001 to 10,000	5,462	57.92	23,628,052	1.40
10,001 to 100,000	2,014	21.36	50,774,792	3.02
100,001 to less than 5% of issued shares	308	3.27	723,242,264	42.95
5% and above of issued shares	5	0.05	885,479,895	52.59
Total	<b>9,430</b>	<b>100.00</b>	<b>1,683,897,241</b>	<b>100.00</b>

\* 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	Progresif Growth Sdn Bhd	326,463,556	19.39
2	HSBC Nominees (Hong Kong) Limited	179,222,700	10.64
3	Zaman Pemimpin Sdn Bhd	154,219,783	9.16
4	HKSCC Nominees Limited	139,064,798	8.26
5	Tan Sri Datuk Sir TIONG Hiew King	86,509,058	5.14
6	Ezywood Options Sdn Bhd	75,617,495	4.49
7	Teck Sing Lik Enterprise Sdn Bhd	65,319,186	3.88
8	Employees Provident Fund Board	62,950,517	3.74
9	Huaren Management Sdn Bhd	60,394,191	3.59
10	Madigreen Sdn Bhd	52,875,120	3.14
11	Persada Jaya Sdn Bhd	40,695,560	2.42
12	HSBC Nominees (Asing) Sdn Bhd (Exempt AN For Credit Suisse (HK BR-TST-ASING))	23,843,478	1.42
13	Lembaga Tabung Angkatan Tentera	19,633,924	1.17
14	HSBC Nominees (Tempatan) Sdn Bhd (Nomura Asset Mgmt Malaysia for Employees Provident Fund)	16,638,500	0.99
15	Suria Kilat Sdn Bhd	16,184,697	0.96

# Analysis of Shareholdings (Continued)

As at 9 July 2010

## 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
16	Rimbunan Hijau (Sarawak) Sdn Bhd	15,536,696	0.92
17	Ms WONG Yiing Ngik	12,655,056	0.75
18	Insan Anggun Sdn Bhd	11,727,459	0.70
19	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Datuk TIONG Thai King)	11,645,037	0.69
20	HSBC Nominees (Asing) Sdn Bhd (Lancelot Assets Limited)	11,090,025	0.66
21	Mayban Securities Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Dato' Sri Dr TIONG Ik King (39B))	9,406,189	0.56
22	Mayban Nominees (Tempatan) Sdn Bhd Mayban Life Assurance Berhad (Par Fund)	9,000,000	0.53
23	Citigroup Nominees (Tempatan) Sdn Bhd (Exempt AN For Prudential Fund Management Berhad)	8,323,936	0.49
24	Bahagia Abadi Timber Industries Sdn Bhd	7,086,500	0.42
25	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LPF)	6,954,616	0.41
26	Rimbunan Hijau Southeast Asia Sdn Bhd	6,532,188	0.39
27	Ms WONG Siik Ngik	6,460,430	0.38
28	Nustinas Sdn Bhd	6,375,064	0.38
29	Asanas Sdn Bhd	6,312,172	0.37
30	Raya Abadi Sdn Bhd	6,124,065	0.36
		<u>1,454,861,996</u>	<u>86.40</u>

# Analysis of Shareholdings (Continued)

As at 9 July 2010

## DIRECTORS' INTEREST

Name of directors	Direct interest		Indirect interest		No. of share options granted
	Number of shares	% of issued capital	Number of shares	% of issued capital	
(a) The Company					
Tan Sri Datuk Sir TIONG Hiew King	86,509,058	5.14	798,478,690 <sup>(1)</sup> 10,642,595 <sup>(2)</sup>	47.42 0.63	600,000
Mr TIONG Kiu King	2,540,559	0.15	147,000 <sup>(3)</sup>	0.01	600,000
Dato' Sri Dr TIONG Ik King	9,406,189	0.56	252,487,700 <sup>(4)</sup>	14.99	600,000
Mr TIONG Kiew Chiong	4,474,583	0.27	—	—	600,000
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	135,925	0.01	—	—	—
Name of directors	Direct interest		Indirect interest		No. of share options granted
	Number of shares	% of issued capital of OMG	Number of shares	% of issued capital of OMG	
(b) Subsidiary – One Media Group Limited ("OMG")					
Tan Sri Datuk Sir TIONG Hiew King	—	—	—	—	1,250,000
Mr TIONG Kiu King	—	—	—	—	1,250,000
Dato' Sri Dr TIONG Ik King	—	—	—	—	1,000,000
Mr TIONG Kiew Chiong	4,000,000	1.00	—	—	1,250,000
Mr David YU Hon To	—	—	—	—	150,000

# Analysis of Shareholdings (Continued)

As at 9 July 2010

## SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of shareholders	Direct interest		Deemed interest	
	Number of shares	% of issued capital	Number of shares	% of issued capital
Tan Sri Datuk Sir TIONG Hiew King	86,509,058	5.14	798,478,690 <sup>(1)</sup> 10,642,595 <sup>(2)</sup>	47.42 0.63
Dato' Sri Dr TIONG Ik King	9,406,189	0.56	252,487,700 <sup>(4)</sup>	14.99
Progresif Growth Sdn Bhd	326,463,556	19.39	—	—
Conch Company Limited	252,487,700	14.99	—	—
Zaman Pemimpin Sdn Bhd	154,219,783	9.16	—	—
Pertumbuhan Abadi Asia Sdn Bhd	1,902,432	0.11	401,407,560 <sup>(5)</sup>	23.84
Seaview Global Company Limited	—	—	252,487,700 <sup>(6)</sup>	14.99
Salmiah Binti SANI	—	—	154,219,783 <sup>(7)</sup>	9.16
Ms LU Mee Bing	—	—	154,219,783 <sup>(7)</sup>	9.16
Globegate Alliance Sdn Bhd	—	—	154,219,783 <sup>(7)</sup>	9.16

### Notes:

- (1) Deemed interested by virtue of his interests in Seaview Global Company Limited, Conch Company Limited, Teck Sing Lik Enterprise 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, Madigreen Sdn Bhd and Progresif Growth 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 Progresif Growth Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd and Madigreen Sdn Bhd.
- (6) Deemed interested by virtue of its interest in Conch Company Limited.
- (7) Deemed interested by virtue of its/her interest in Zaman Pemimpin Sdn Bhd.

# List of Properties, Leasehold Land and Land Use Rights

As at 31 March 2010

## LIST OF PROPERTIES

Details of the Group's properties as at 31 March 2010 are as follows:

Location	Year of acquisition	Tenure/ Expiry of lease	Description	Approximate area (Sq ft)	Approximate age of buildings	Net book value US\$'000
<i>(a) HONG KONG</i>						
1 Workshops 1-7 on G/F, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	1992	Leasehold / 2047	Industrial	17,857	18 years	759
2 Workshops 1-16, on 1/F, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	1992	Leasehold / 2047	Storage	33,232	18 years	1,199
3 Workshops 1-12 on 15/F of Block A, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	1992	Leasehold / 2047	Office	16,057	18 years	771
4 Workshops 1-12 on 16/F of Block A, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	1992	Leasehold / 2047	Office	16,057	18 years	622
5 Workshops 1-12 on 17/F of Block A, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	1992	Leasehold / 2047	Office	16,057	18 years	622
6 Workshops 1-12 on 18/F of Block A, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	1992	Leasehold / 2047	Office	16,057	18 years	622
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	1992	Leasehold / 2047	Office	21,357	18 years	659
8 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	1992	Leasehold / 2047	Car parks	N/A	18 years	58
9 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	1993	Leasehold / 2047	Car parks	N/A	18 years	19
10 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	1997	Leasehold / 2047	Car parks	N/A	18 years	80

# List of Properties, Leasehold Land and Land Use Rights (Continued)

As at 31 March 2010

Location	Year of acquisition	Tenure/ Expiry of lease	Description	Approximate area (Sq ft)	Approximate age of buildings	Net book value US\$'000
<i>(b) MALAYSIA</i>						
1 24, 24A, 24B Weld Quay 10300 Pulau Pinang, Malaysia	1975	Freehold	Land & building (Double storey shophouse)	4,164	35 years	490
2 224-226, Jalan Sultan Iskandar, 30000 Ipoh, Perak Darul Ridzuan, Malaysia	1975	Freehold	Office buildings	16,400	35 years	439
3 80, Jalan Riong, 59100 Kuala Lumpur, Malaysia	1976	Freehold	Office buildings and factory building	42,716	35 years	3,446
4 7, 7A-B Jalan Maju, Taman Maju Jaya 80400 Johor Bahru, Johor Darul Takzim, Malaysia	1977	Freehold	Land & building (3 storey shophouse)	1,783	33 years	282
5 6, Jalan Liku, Off Jalan Bangsar, 59100 Kuala Lumpur, Malaysia	1988	Freehold	Factory buildings	8,099	22 years	541
6 1, Jalan SS7/2, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia	1994	Freehold	Office buildings and factory building	269,892	16 years	12,742
7 No. 38, Jalan Haji Abdul Aziz, 25000 Kuantan, Pahang Darul Makmur, Malaysia	1998	Freehold	Office building	1,600	31 years	39
8 No. 12, Jalan Maju, Taman Maju Jaya, 80400 Johor Bahru, Johor Darul Takzim, Malaysia	1998	Freehold	Office building	2,090	31 years	75
9 9 & 9A Jalan D, Off Jalan Tampoi, 81100, Johor Bahru, Johor Darul Takzim, Malaysia	2003	Freehold	Factory buildings	37,190	18 years	780
10 No. 67, Jalan Macalister, 10400 Penang, D1 Atas Lot 1691, Seksyen 12 Bandar Georgetown Pulau Pinang, Malaysia	2004	Freehold	Office building	20,064	47 years	1,118
11 No. A1-1307, Level 13, Block A1, Kempas Apartments, Genting View Resort, 69000 Genting Highlands, Pahang Darul Makmur, Malaysia	2009	Freehold	Condominium	829	21 years	26
12 No. 8, Jalan Puteri, 83000 Batu Pahat, Johor Darul Takzim, Malaysia	2009	Freehold	Land and 2-storey shop office	2,880	40 to 41 years	74
13 No. 24, Jalan Ibrahim, 85000 Segamat, Johor Darul Takzim, Malaysia	2009	Freehold	Land and 2-storey shop office	2,940	58 years	77
14 No. 3, Lorong 1, Medan Sri Intan, Jalan Sekolah, 36000 Teluk Intan, Perak Darul Ridzuan, Malaysia	2009	Freehold	Land and 3-storey shop office	3,386	19 to 20 years	120
15 No. 12, Taman Anson, Jalan Raja Omar, 32000 Sitiawan, Perak Darul Ridzuan, Malaysia	2009	Freehold	Land and 2-storey shop office	3,808	34 years	90
16 No. 240, Jalan Mersing, Taman Kurnia, 86000 Kluang, Johor Darul Takzim, Malaysia	2009	Freehold	Land and 3-storey shop office	4,074	33 years	95
17 No. 1025, Jalan Berjaya 3, Seberang Jalan Putra, 05150 Alor Setar, Kedah Darul Aman, Malaysia	2009	Freehold	Land and 3-storey shop office	4,198	19 to 21 years	73



# List of Properties, Leasehold Land and Land Use Rights (Continued)

As at 31 March 2010

Location	Year of acquisition	Tenure/ Expiry of lease	Description	Approximate area (Sq ft)	Approximate age of buildings	Net book value US\$'000
<i>(b) MALAYSIA (Continued)</i>						
18 No. 152, Jalan Petaling, 50000 Kuala Lumpur, Malaysia	2009	Freehold	Land and 2-storey shop office	4,760	72 years	366
19 No. 12, Jalan Dr. Krishnan, 70000 Seremban, Negeri Sembilan Darul Khusus, Malaysia	2009	Freehold	Land and 4 1/2-storey shop office	4,950	26 years	158
20 No. 45-67, Jalan Salleh, 84000 Muar, Johor Darul Takzim, Malaysia	2009	Freehold	Land and 3-storey shop office	5,379	17 years	118
21 No. 16, Lorong Gudang Nanas 2, 41400 Klang, Selangor Darul Ehsan, Malaysia	2009	Freehold	Land and 4 1/2-storey shop office	7,811	26 years	219
22 40 Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Malaysia	1984	Leasehold / 2064	Office buildings	10,486	42 years	354
23 11 Persiaran Sri Rapat, Off Jalan Lapangan Terbang, 31350 Ipoh, Perak Darul Ridzuan, Malaysia	1994	Leasehold / 2039	Factory building	23,574	27 years	102
24 Lot 2123, Section 66, Lorong 3, Jalan Semangat, Pending, Kuching, Sarawak, Malaysia	1996	Leasehold / 2047	Office and printing plant	44,950	13 years	2,474
25 No. 19, Jalan Angkasa Mas 5, Kawasan Perindustrian Tebrau II, 81100 Johor Bahru, Johor Darul Takzim, Malaysia	1998	Leasehold / 2053	Printing plant and warehouse	51,094	12 years	764
26 No. 2771, Mukim 1, Jalan Jelawat, Seberang Jaya Industrial Estate, 13700 Prai, Pulau Pinang Malaysia	1998	Leasehold / 2058	Office and printing plant	36,875	16 years	1,289
27 109, Taman Melaka Raya, Jalan Merdeka, 75000 Melaka, Malaysia	1998	Leasehold / 2075	Office building	1,600	31 years	38
28 A4-12-20, Leisure Commerce Square, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia	1999	Leasehold / 2091	Office building	818	10 years	46
29 A4-12-21, Leisure Commerce Square, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia	1999	Leasehold / 2091	Office building	818	10 years	46
30 No. 76, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2001	Leasehold / 2063	Printing plant	151,769	5 years	7,647
31 31 Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Malaysia	2004	Leasehold / 2066	Office buildings and factory building	46,866	40 years	2,676
32 Lot 1865, Section 19, Seduan Land District, Upper Lanang Road, Sibul, Sarawak, Malaysia	2004	Leasehold / 2063	Office, printing plant and warehouse	32,634	10 years	746
33 Lot 2620 (Part of 804), Block 4, Jalan Cattleya 3, Piasau Industrial Estate, Miri Concession Land District, Sarawak, Malaysia	2005	Leasehold / 2036	Office, printing plant and warehouse	32,826	4 years	1,516
34 Lot 50 & 51, Seksyen 13, Bandar Petaling, Jaya, Selangor Darul Ehsan, Malaysia	2008	Leasehold / 2059	Office buildings	150,470	1 year	5,343

# List of Properties, Leasehold Land and Land Use Rights (Continued)

As at 31 March 2010

Location	Year of acquisition	Tenure/ Expiry of lease	Description	Approximate area (Sq ft)	Approximate age of buildings	Net book value US\$'000
<i>(b) MALAYSIA (Continued)</i>						
35 No. 93, Jalan Leong Sin Nam, 30300 Ipoh, Perak Darul Ridzuan, Malaysia	2009	Leasehold / 2078	4-storey shop office	6,376	33 years	84
36 No. 6, Jalan Mawar 2, Taman Pekan Baru, 08000 Sungai Petani, Kedah Darul Aman, Malaysia	2009	Leasehold / 2091	4-storey shop office	5,988	19 years	92
<i>(c) CANADA</i>						
1 5368 Parkwood Place, Richmond, Vancouver, British Columbia, Canada	1993	Freehold	Industrial and office	43,196	19 years	1,785
2 1355 Huntingwood Drive, Scarborough, Toronto, Canada office	1993	Freehold	Industrial and office	122,150	37 years	955
3 Suite 1105, 8248 Lansdowne Road, Richmond, Vancouver, British Columbia, Canada	1995	Freehold	Residential	1,116	15 years	201
<i>(d) MAINLAND CHINA</i>						
1 Whole block of Yun Xing Bldg, Winking International Commercial Centre, Tong He Road, Bai Yun District, Guangzhou, PRC	1993	Leasehold / 2042	Industrial building	119,795	17 years	987
2 Flat A-D, 3-6/F De Yun Court, Winking Garden, Tong He Road, Bai Yun District, Guangzhou, PRC	1995	Leasehold / 2062	Residential	17,008	17 years	207

# List of Properties, Leasehold Land and Land Use Rights (Continued)

As at 31 March 2010

## LIST OF LEASEHOLD LAND AND LAND USE RIGHTS

Details of the Group's leasehold land and land use rights as at 31 March 2010 are as follows:

Location	Tenure/ Expiry of lease	Net book value US\$'000
<i>(a) HONG KONG</i>		
1 Workshops 1-7 on G/F, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold / 2047	2,604
2 Workshops 1-16 on 1/F, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold / 2047	2,530
3 Workshops 1-12 on 15/F of Block A, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold / 2047	898
4 Workshops 1-12 on 16/F of Block A, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold / 2047	898
5 Workshops 1-12 on 17/F of Block A, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold / 2047	898
6 Workshops 1-12 on 18/F of Block A, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	Leasehold / 2047	898
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 / 2047	898
8 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 / 2047	189
9 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 / 2047	114
10 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 / 2047	526
<i>(b) MALAYSIA</i>		
1 No. 19, Jalan Sungai Keladi 2, 42000 Port Klang, Selangor Darul Ehsan, Malaysia	Leasehold / 2031	41
2 Lot 2620 (Part of Lot 804), Block 4, Jalan Cattleya 3, Piasau Industrial Estate, Miri Concession Land District, Sarawak, Malaysia	Leasehold / 2036	603
3 11 Persiaran Sri Rapat, Off Jalan Lapangan Terbang, 31350 Ipoh, Perak Darul Ridzuan, Malaysia	Leasehold / 2039	55
4 Lot 2123, Section 66, Lorong 3, Jalan Semangat, Pending, Kuching, Sarawak, Malaysia	Leasehold / 2047	1,016
5 No. 19, Jalan Angkasa Mas 5, Kawasan Perindustrian Tebrau II, 81100 Johor Bahru, Johor Darul Takzim, Malaysia	Leasehold / 2053	392
6 57-F Jalan Tun Ali, 75300 Melaka, Malaysia	Leasehold / 2055	403
7 No. 2771, Mukim 1, Jalan Jelawat, Seberang Jaya Industrial Estate, 13700 Prai, Malaysia	Leasehold / 2058	436
8 Lot 50 & 51, Seksyen 13, Bandar Petaling Jaya, Selangor Darul Ehsan, Malaysia	Leasehold / 2059	7,510
9 No. 76, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Leasehold / 2063	5,421
10 Lot 1865, Section 19, Seduan Land District, Upper Lanang Road, Sibu, Sarawak, Malaysia	Leasehold / 2063	581
11 40, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Malaysia	Leasehold / 2064	227
12 31, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Malaysia	Leasehold / 2066	1,029
13 93, Jalan Leong Sin Nam 30000 Ipoh, Perak Darul Ridzuan, Malaysia	Leasehold / 2078	148
14 No. 6 Jalan Mawar 2, Taman Pekan Baru, 08000 Sg Petani, Kedah Darul Aman, Malaysia	Leasehold / 2091	24
<i>(c) MAINLAND CHINA</i>		
1 Whole block of Yun Xing Bldg, Winking International Commercial Centre, Tong He Road, Bai Yun District, Guangzhou, PRC	Leasehold / 2042	1,638
2 Flat A-D, 3-6/F De Yun Court, Winking Garden, Tong He Road, Bai Yun District, Guangzhou, PRC	Leasehold / 2062	506

# Notice of the 20th Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting ("AGM") of Media Chinese International Limited will be held at (i) Sin Chew Media Corporation Berhad, Activity Centre, No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia; and (ii) 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong on Wednesday, 25 August 2010 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 2010 together with the Directors' and Independent Auditor's Reports thereon.   | Ordinary Resolution 1 |
| 2. | i. To approve the payment of Directors' fees for the financial year ended 31 March 2010 in the amount of US\$439,000.  | Ordinary Resolution 2 |
|    | ii. To approve the proposed increase of Directors' fees for the financial year ending 31 March 2011 by approximately US\$42,100 from US\$439,000 to US\$481,100. | Ordinary Resolution 3 |
| 3. | To re-elect the following Directors who retire pursuant to the Company's Bye-Laws:   |                       |
|    | i. Mr TIONG Kiew Chiong  | Ordinary Resolution 4 |
|    | ii. Ms SIEW Nyoke Chow   | Ordinary Resolution 5 |
|    | iii. Ms SIM Sai Hoon   | Ordinary Resolution 6 |
|    | iv. Mr LEONG Chew Meng   | Ordinary Resolution 7 |
| 4. | To re-appoint Messrs PricewaterhouseCoopers, Hong Kong as auditor of the Company for the ensuing year and to authorise the Directors to fix its remuneration.    | Ordinary Resolution 8 |

## AS SPECIAL BUSINESS

To consider and, if thought fit, pass with or without amendments the following resolutions:

### 5. ORDINARY RESOLUTION

PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

**"THAT**, subject to the provisions of Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with specific classes of Related Parties (as set out in Section 2 of Part A of the circular to shareholders dated 26 July 2010), which are necessary for the day to day operations of the Company and its subsidiaries, in the ordinary course of business on terms not more favourable than those generally available to the public and are not detrimental to the minority shareholders of the Company;

Ordinary Resolution 9

**THAT** such an approval shall only continue to be in force until:

- (a) the conclusion of the next AGM of the Company at which time it will lapse, unless the mandate is renewed by an ordinary resolution passed at the next AGM;
- (b) the expiration of the period within which the next AGM of the Company is required by any applicable laws or the Bye-Laws of the Company to be held; or

## Notice of the 20th Annual General Meeting (Continued)

- (c) the date on which the approval set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting,

whichever is the earliest.

AND **THAT** the Directors of the Company be and are hereby authorised to take all steps and to do all such acts and deeds as they may consider expedient or 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** subject always to the rules, regulations, orders made pursuant to the Malaysian Companies Act, 1965 (the "Act"), provisions of the Company's Bye Laws, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), the Listing Requirements of Bursa Securities or of any other stock exchange and any other relevant authority or approval for the time being in force or as amended from time to time, and paragraph (a) below, the Directors of the Company be hereby authorised to repurchase ordinary shares of HK\$0.10 each in the Company's issued and paid-up ordinary share capital as may be determined by the Directors from time to time through The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), 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, upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

Ordinary Resolution 10

- (a) the aggregate nominal amount of shares of the Company which may be repurchased pursuant to the approval in the paragraph above shall not exceed 10% of the aggregate nominal amount of the total issued and paid up ordinary share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings and share premium reserves of the Company at the time of the said purchase(s); and
- (c) the authority conferred by this resolution shall commence immediately upon the passing of this resolution and continue to be in force during the Relevant Period.

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 AGM of the Company following the passing of the Share Buy-Back Resolution, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM 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.

**THAT** upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to cancel all the shares so purchased pursuant to Rule 10.06(5) of the Hong Kong Listing Rules and/or to deal with the shares in any other manner as may be allowed or prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Hong Kong Listing Rules and Listing Requirements of Bursa Securities.

## Notice of the 20th Annual General Meeting (Continued)

AND **THAT** the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the aforesaid purchase(s) of shares with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company."

### 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;
- (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 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
- (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 AGM of the Company;
  - (ii) the expiration of the period within which the next AGM 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.

Ordinary Resolution 11

"Rights 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.)"

# Notice of the 20th Annual General Meeting (Continued)

## 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 resolutions Nos. 10 and 11 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. 11 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. 10 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 12

By Order of the Board  
**MEDIA CHINESE INTERNATIONAL LIMITED**  
**LAW Yuk Kuen**  
*Company Secretary*

26 July 2010

#### Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one proxy (but not more than two) to attend and vote instead of him. A proxy may but need not be a member of the Company.  
  
When a member appoints more than one proxy (but not more than two), the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
2. 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) Malaysia Branch Share Registrar office at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia; or (ii) 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, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Explanatory notes on ordinary/special business:
  - (a) The proposed Ordinary Resolution No. 3, if passed, will empower the Company to increase the amounts of Directors' fees for the financial year ending 31 March 2011 payable to (i) Tan Sri Datuk Sir TIONG Hiew King by RM100,000 (equivalent to approximately US\$30,700) from RM1,000,000 to RM1,100,000; (ii) each of Mr TIONG Kiu King, Dato' Sri Dr TIONG Ik King and Mr David YU Hon To by HK\$15,000 (equivalent to approximately US\$1,900) from HK\$150,000 to HK\$165,000; (iii) each of Mr LEONG Chew Meng, Tan Sri Dato' LAU Yin Pin and Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH by RM6,150 (equivalent to approximately US\$1,900) from RM61,500 to RM67,650, the aforesaid Directors' fees do not include any additional fees payable to non-executive Directors serving as chairmen of the Audit Committee, Remuneration Committee and Nomination Committee which shall remain unchanged. The total of the proposed increase in Directors' fees for the financial year ending 31 March 2011 will be approximately US\$42,100.
  - (b) The proposed Ordinary Resolution No. 9, 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 26 July 2010 for more information.
  - (c) The explanatory notes on Ordinary Resolution No. 10 are set out in the circular to shareholders dated 26 July 2010 accompanying the Annual Report.
  - (d) The Company has not issued any new shares under the general mandate for issuance and allotment of shares up to 10% of the issued and paid-up capital of the Company, which was approved at the 19th AGM held on 26 August 2009 and which will lapse at the conclusion of the 20th AGM to be held on 25 August 2010. A renewal of this mandate is sought at the 20th AGM under proposed Ordinary Resolution 11.

The proposed Ordinary Resolution No. 11, if passed, will authorise the Directors to issue and allot shares up to 10% 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 by an ordinary resolution of the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

## Statement Accompanying Notice of Annual General Meeting

Mr TIONG Kiew Chiong, Ms SIEW Nyoke Chow, Ms SIM Sai Hoon and Mr LEONG Chew Meng are the Directors standing for re-election at the forthcoming Twentieth 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	4–10
(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 35 of the Annual Report.



世界華文媒體有限公司  
Media Chinese International Limited

MALAYSIA

No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia Tel: (603) 7965 8888 Fax: (603) 7965 8689

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

Website: <http://www.mediachinesegroup.com>

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