世界華文

2010/11

Media Chinese International Limited
Annual Report

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

世界華文媒體 MEDIA CHINESE

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

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Mr TIONG Kiu King
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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

STOCK CODE

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

WEBSITE

www.mediachinesegroup.com

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Fax: (603) 7965 8689

REGISTERED OFFICE IN BERMUDA

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22 Victoria Street
Hamilton HM12
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Malaysia
Tel: (603) 7841 8000
Fax: (603) 7841 8199

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
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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
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 77, 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, 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. He is the founder of an English newspaper named *The National* in Papua New Guinea. He is currently the President of The Chinese Language Press Institute Limited. 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 contribution to commerce, community and charitable organisations. In 2010, he was awarded "Malaysia Business Leadership Award 2010 — The Lifetime Achievement Award" by the Kuala Lumpur Malay Chamber of Commerce in recognition of his entrepreneurship and his contribution to the country.

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 trustee 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 (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.

Mr TIONG Kiu King

Executive Director

Australian, aged 76, 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.

丹斯里拿督張曉卿爵士

集團執行主席

馬來西亞公民，77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、林業及其他業務。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。他是在巴布亞新幾內亞出版的英文報章《*The National*》之創辦人，也是世界中文報業協會有限公司的現任會長。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、社會及慈善機構的貢獻。他也於二零一零年榮獲吉隆坡馬來商聯會頒授「二零一零年度馬來西亞商業領袖大獎—終生成就獎」，以表揚他的企業成就及對國家的貢獻。

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(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，也是張裘昌先生的遠房親戚，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。

張鉅卿先生

執行董事

澳洲公民，76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、林業及中國內地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。

Dato' Sri Dr TIONG Ik King

Executive Director

Malaysian, aged 60, 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 2011, 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 (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.

Mr TIONG Kiew Chiong

Executive Director and Group Chief Executive Officer

Malaysian, aged 51, 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 currently serves as an executive director of RH Petrogas Limited (stock code: T13), a listed company in Singapore and also sits on the board 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.

拿督斯里張翼卿醫生

執行董事

馬來西亞公民，60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。

截至二零一一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(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。

張裘昌先生

執行董事兼集團行政總裁

馬來西亞公民，51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幾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。張先生目前為新加坡上市公司常青石油及天然氣有限公司(股份代號：T13)之執行董事。他亦出任本公司多間附屬公司及數間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。

Profile of Board of Directors

Ms SIEW Nyoke Chow

Executive Director

Malaysian, aged 55, 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 the Company. She is also the Deputy Managing Director of Sin Chew. Ms SIEW obtained her high school certificate from Tunku Abdul Rahman College, Malaysia in 1977, and 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 a 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 at the World Chinese Media Research Centre of Beijing University. In 2011, she received "The Most Outstanding Malaysian Women Award — Loving & Caring Ambassador" from The Malaysian Ministry of Women, Family and Community Development for spearheading the charitable activities undertaken by the Group. 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 other private limited companies in Malaysia.

蕭依釗女士

執行董事

馬來西亞公民，55歲，於二零零八年三月二十日獲委任為本公司執行董事。她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集團總編輯，同時也是星洲媒體的副董事總經理。蕭女士於一九七七年在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。於二零一一年，她榮獲由馬來西亞婦女、家庭及社會發展部所主辦的「傑出華裔女性巾幗獎 — 愛心大使獎」，以表揚她帶動本集團推展慈善活動。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。

Ms SIM Sai Hoon

Executive Director

Malaysian, aged 51, 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. 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 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 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.

沈賽芬女士

執行董事

馬來西亞公民，51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，以及星洲媒體的執行董事。沈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。沈女士是馬來西亞婦女企業家協會成員，亦曾為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。她創辦了戰略運用中心(CENSE)，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的研究，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。

Mr LEONG Chew Meng

Non-executive Director (Non-independent)

Malaysian, aged 55, 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 2011, Mr LEONG had been and resigned as an 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.

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

梁秋明先生

非執行董事（非獨立）

馬來西亞公民，55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公會的特許會計師及紐西蘭特許會計師公會的特許會計師。他是一名專業會計師，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。

截至二零一一年三月三十一日的前三年期間，梁先生曾任南洋報業的獨立非執行董事，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）。

他是本集團高級管理層成員拿督劉鑑銓的女婿。

Profile of Board of Directors

Mr David YU Hon To

Independent Non-executive Director

Chinese, aged 63, was appointed as an independent non-executive director of the Company on 30 March 1999. He is the Chairman of the Audit Committee, and 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 2011, Mr YU had been and subsequently resigned as an independent non-executive director of a Hong Kong-listed company, 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), Synergis Holdings Limited (stock code: 2340), Sateri Holdings Limited (stock code: 1768) and China Datang Corporation Renewable Power Co., Limited (stock code: 1798), all of which are listed companies in Hong Kong.

Tan Sri Dato' LAU Yin Pin

Independent Non-executive Director

Malaysian, aged 62, 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 2011, Tan Sri Dato' LAU had been and subsequently resigned as an independent non-executive director of Nanyang and Tenaga Nasional Berhad (stock code: 5347) effective from 30 April 2008 and 15 September 2010 respectively. 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 an independent non-executive director of two other listed companies in Malaysia, namely YTL Power International Berhad (stock code: 6742) and Ahmad Zaki Resources Berhad (stock code: 7078).

俞漢度先生

獨立非執行董事

中國公民，63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。

截至二零一一年三月三十一日的前三年期間，俞先生曾任並已辭任於香港上市的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)的獨立非執行董事。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)、新昌管理集團有限公司(股份代號：2340)、賽得利控股有限公司(股份代號：1768)及中國大唐集團新能源股份有限公司(股份代號：1798)的獨立非執行董事，該等公司均為香港上市公司。

丹斯里拿督劉衍明

獨立非執行董事

馬來西亞公民，62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。

截至二零一一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及國家能源有限公司(股份代號：5347)的獨立非執行董事，並分別於二零零八年四月三十日及二零一零年九月十五日辭任。他亦曾任星報(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。他目前是兩家馬來西亞上市公司楊忠禮國際電力有限公司(股份代號：6742)及阿末查基資源有限公司(股份代號：7078)的獨立非執行董事。

Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH

Independent Non-executive Director

Malaysian, aged 68, 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 2011, 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 15 July 2011 and on pages 45 to 50 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 2011 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，68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，任砂拉越聯邦政府秘書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)拿督勛銜。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。

截至二零一一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，有關詳情載於二零一一年七月十五日刊發之通函及年報第45至50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。

董事於截至二零一一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 73, was appointed as Chairman of the Group Executive Committee on 15 September 2009. He was appointed as an 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 Malaysian Executive Committee of the Group 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 is a former member of the Advisory Council of the Malaysian National News Agency (BERNAMA) and is currently the Advisor to the World Chinese Media Research Centre of Beijing University. In appreciation of his contribution to journalism in Malaysia, he was honoured as the Tokoh Wartawan Negara, or the National Eminent Journalist in 2010, the first recipient from the Chinese press in Malaysian journalism history. In the same year, he also received the coveted "Hsing Yun Journalism Award — Malaysia Region" in Taiwan.

拿督劉鑑銓，馬來西亞公民，73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總經理。同時，他也是本集團馬來西亞行政委員會主席，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。為了表揚他對馬來西亞報業的貢獻，他於二零一零年榮獲馬來西亞最高的新聞獎「國家報人獎」，並為第一位華文報人，獲得這項殊榮。同年，他亦榮獲台灣星雲大師頒予星雲真善美新聞傳播馬來西亞地區傳播貢獻獎。

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.

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。

Mr ONG See Boon, Malaysian, aged 60, joined the Group in 1997. He is a member of the Group Executive Committee and the Hong Kong Executive Committee of the Group. He is also the Hong Kong Group Editorial Director and Special Assistant to the Group Executive Chairman. He holds directorships in various subsidiaries of the Company. Mr ONG, who started his career as a journalist in Sin Chew, has over 35 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.

翁昌文先生，馬來西亞公民，60歲，於一九九七年加入本集團，為本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，以及本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35年。於加入本公司之前，他曾為常青集團於中國內地的公司擔任多個重要職位及董事。

Mr NG Chek Yong, Malaysian, aged 54, joined the Group in 1988. He is an executive director of Sin Chew, and is a member of the Malaysian Executive Committee of the Group. 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 *Sin Chew Daily* in East Malaysia. He began his career as a reporter/feature writer with *See Hua Daily News* in 1979. In 1988, he joined *TO-DAY News Sabah* as the Chief Reporter. He then took up the position of a reporter in Sin Chew. From 1980 to 1988, he was the Secretary-General and Chairman of Sarawak Constellation Poetical Society. Moreover, he was the President of Federation of Sarawak Journalists Association as well as the President of Kuching Division Journalists Association in Malaysia from 1990 to 1991.

黃澤榮先生，馬來西亞公民，54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集團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，他出任砂拉越星座詩社秘書及主席。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協會主席及古晉省新聞從業員協會主席。

Mr NG Kait Leong, Malaysian, aged 59, joined the Group in 2007. He is an executive director of Nanyang, and is a member of the Malaysian Executive Committee of the Group. 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 and Project Consultant from 2002 to 2006.

伍吉隆先生，馬來西亞公民，59歲，於二零零七年加入本集團。他是南洋報業的執行董事，也是本集團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。

Mr CHEUNG Kin Bor, Chinese, aged 56, 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 33 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.

張健波先生，中國公民，56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33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。

Mr Keith KAM Woon Ting, Chinese, aged 54, 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 Newspaper Society of Hong Kong and a committee member of The Chinese Language Press Institute Limited.

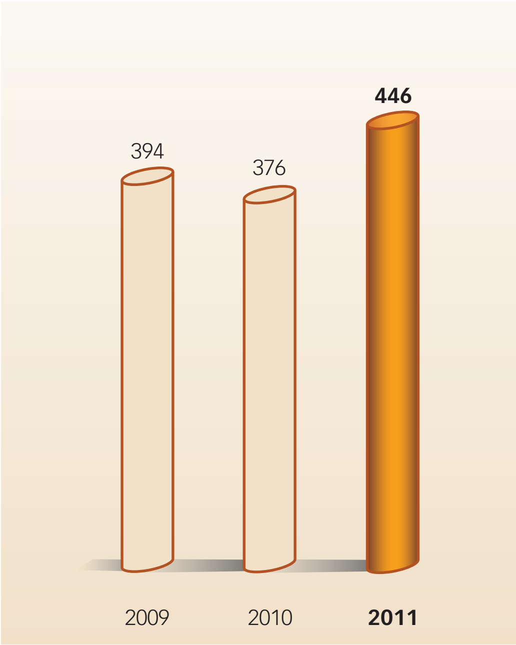
甘煥騰先生，中國公民，54歲，於一九九五年加入本集團。他是明報集團有限公司及明報網站有限公司之營運總裁，同時也是香港行政委員會成員。甘先生自一九七六年起已從事傳媒及報業。加入本集團前，他曾在多間廣告及市場推廣公司擔任多個職位，並在一間報章出版公司快報有限公司任職。甘先生於報章及傳媒產品之出版、廣告及發行方面擁有豐富管理經驗。甘先生現為香港報業公會主席，同時也是世界中文報業協會有限公司的委員會成員。

Mr LAM Pak Cheong, Chinese, aged 42, joined the Group in 2000. He is the Head of Finance and a member of the Hong Kong Executive Committee of the Group. He is also an executive director and the Chief Executive Officer of OMG. Mr LAM has extensive experience in corporate development, financial management, mergers and acquisitions, corporate governance and investor relations. He is an associate of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. Mr LAM obtained a Master of Business Administration in Financial Services jointly from the University of Manchester and the University of Wales, Bangor in the United Kingdom and a Master of Corporate Governance from the Hong Kong Polytechnic University.

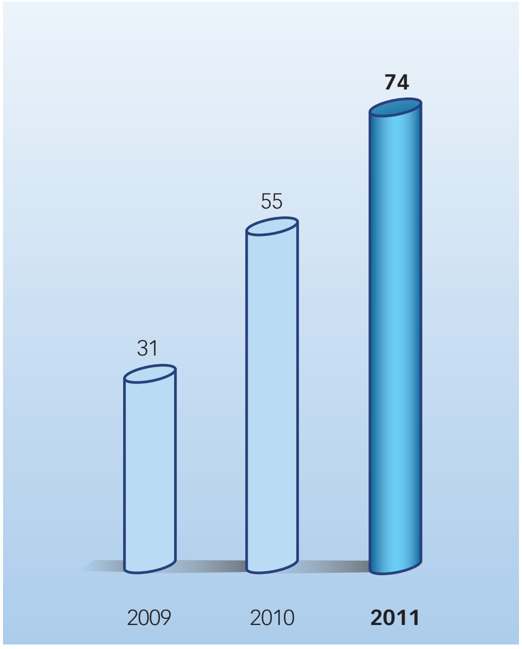
林栢昌先生，中國公民，42歲，於二零零零年加入本集團，為集團之財務總裁，同時也是香港行政委員會成員以及萬華媒體的執行董事及行政總裁。林先生在企業發展、財務管理、收購合併、企業管治及投資者關係方面擁有豐富經驗。他是香港特許秘書公會以及英國特許秘書及行政人員公會會員。林先生獲英國曼徹斯特大學及威爾斯大學（班戈）聯合頒授財務服務學工商管理碩士學位，以及香港理工大學頒授之公司管治碩士學位。

Chairman's Statement

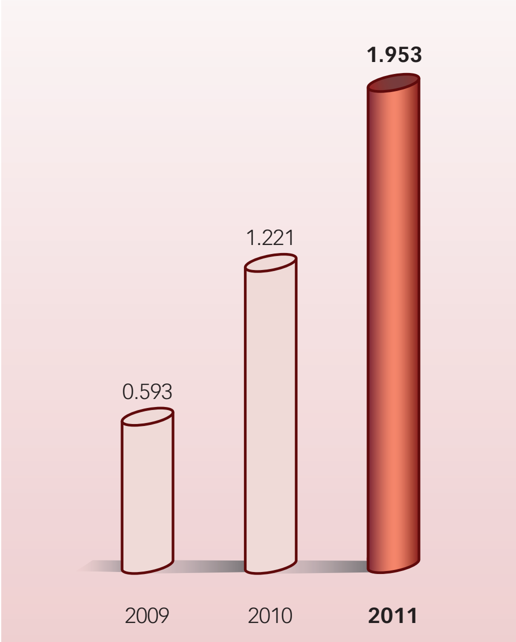
Turnover
(US$ million)



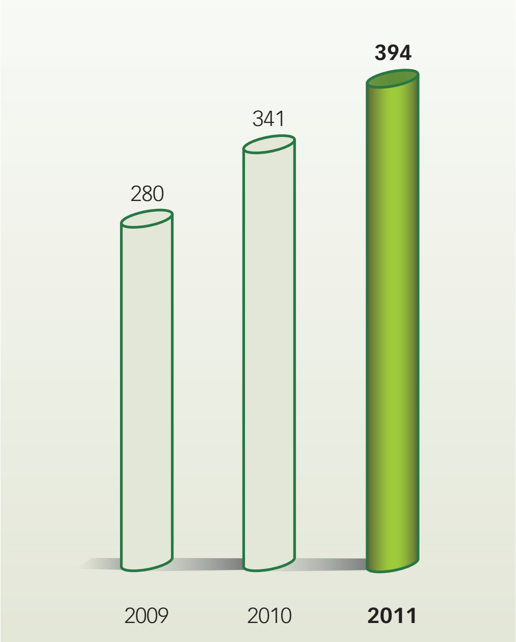
Profit Before Income Tax
(US$ million)



Dividend per Share
(US cents)



Equity Attributable to Equity Holders of the Company
(US$ million)



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 2011.

FINANCIAL RESULTS

The Group had an outstanding year as we achieved record revenue and profit.

We achieved a record profit before income tax of US$74,207,000, an impressive growth of 35% or US$19,094,000 over US$55,113,000 as reported in the previous year. The economic improvements in the Group's major markets have been the key of our success in this financial year. Both the Malaysian and Hong Kong economies have stabilised gradually during this financial year, in response to the respective governments' fiscal and monetary stimulus packages. This economic stimulus has helped trade to recover from the low point of the global crisis, and we have been well positioned to benefit from this recovery with our strong newspaper brands.

The Group achieved a record revenue of US$445,844,000 this year, representing an increase of 19% or US$69,843,000 compared to the previous year. Buoyed by solid advertising revenue growth from the Group's titles, the publishing and printing segment registered a 15% or US$50,839,000 increase in segment revenue to US$380,517,000.

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」)截至二零一一年三月三十一日止年度之年度業績。

財務業績

本集團於過去一年表現卓越，收入及盈利均創紀錄新高。

本集團的除所得税前溢利為74,207,000美元，為紀錄新高，較上年度之55,113,000美元增長35%或19,094,000美元。本集團大部分營運市場的經濟狀況獲得改善，是這財政年度取得成功的關鍵。在馬來西亞及香港政府實施財政與貨幣刺激政策的帶動下，兩地的經濟在本財政年度愈趨穩定。這些經濟刺激政策令在環球金融危機中跌至谷底的貿易逐漸復蘇過來，集團憑藉其強勁的報章品牌，也在這個復蘇過程中受惠。

於本年度，集團的收入錄得創新高之445,844,000美元，較上年度增加19%或69,843,000美元。由於本集團報刊廣告收入穩健增長，出版及印刷分部收入錄得15%或50,839,000美元的升幅，達380,517,000美元。

Chairman's Statement

According to the Nielsen Media Research Report, overall advertising spending in Malaysia (excluding pay TV) during the period from April 2010 to March 2011 grew by 14% to RM7.9 billion (equivalent to US$2.5 billion). Total advertising spending on newspapers enjoyed a 14% growth during the same period and took up the majority 51% of the total Adex.

根據尼爾森媒體研究報告(Nielsen Media Research Report)，自二零一零年四月起至二零一一年三月止期間，馬來西亞的廣告開支總額(收費電視除外)增加14%至79億馬幣(相當於25億美元)。同期的報章廣告開支總額增長14%，佔所有媒體廣告開支總額的51%。

Similarly, the steady recovery in the Hong Kong economy brings greater demand for advertisements in different media. With an expert sales force and effective sales efforts, the Group is well placed to benefit from this economic upturn and is able to drive higher advertising revenue during the year for both its print and online publications.

同樣地，香港經濟的穩步復蘇大為增加不同媒體的廣告需求。藉著專業的銷售團隊和有效的銷售策略，本集團得以在這次經濟回升中受惠，提升其印刷及線上出版兩方面的廣告收入。

Continuing strong growth in the demand for the Group's long-haul tours to Europe and North America destinations during the year helped the travel and travel related services segment post a 41% growth in turnover and achieved a turnaround in 2010/2011 with a profit of about US$1,892,000.

年內，本集團經營的歐洲及北美洲長線旅行團需求持續增長，令旅遊及與旅遊有關服務分部的營業額增幅達41%，並在二零一零／二零一一年度轉虧為盈，錄得溢利1,892,000美元。

The improved result has significantly strengthened the Group's financial position. As at 31 March 2011, the Group's net assets stood at about US$400 million, 14% higher than the previous year's US$350 million.

業績的改善顯著強化本集團的財政狀況。於二零一一年三月三十一日，本集團的淨資產約達4億美元，較上年度的3.5億美元高出14%。

Basic earnings per share were US3.26 cents, representing an increase of 34% compared with previous year's figure.

每股基本盈利為3.26美仙，較上年度增加34%。

SUSTAINABLE DEVELOPMENT

持續發展

We are fully committed to our objective of ensuring business sustainability and profitability. In order to achieve the same we will need to focus on the following:

我們竭誠實踐集團的目標，確保業務持續發展以及盈利能力得以維持。為此，我們將重點集中如下：

Customers

顧客

The Group's sustained growth will depend on the continuous support from our readers and advertisers. Hence, developing products that can meet the demands of the readers and advertisers is the primary concern for the Group. In order to understand the customers' needs, the Group organises activities that enable frequent interactions with our customers. Through opportunities such as focus group discussions with readers and visits to advertisers, the Group is able to gather feedback from its customers and incorporate that into our business strategies.

本集團的持續成長，有賴讀者及廣告客戶的不斷支持。因此，本集團特別著重發展可滿足讀者和廣告客戶需求的產品。本集團不時舉辦能與客戶作頻繁交流的活動，以深切了解他們的需求。本集團透過讀者專題小組討論及拜訪廣告客戶，收集他們的反饋意見，並將之融入集團的業務策略當中。

Adapting to Changes

In order to be a lean and efficient organisation, the Group is constantly reviewing its work processes to ensure that it can meet the challenges of the current operating environment. Adaptation is the key to survival of businesses and with globalisation and technological advances, the business environment has become more competitive. Hence, work processes are constantly reviewed and improved to ensure that the Group's businesses remain competitive and viable.

適應轉變

為了維持集團架構精簡高效，我們不時檢討工作流程，以確保能應付當前經營環境所面臨的挑戰。適應轉變，是所有企業賴以生存的必要法門。尤其在全球化和科技高速發展的趨勢下，營商環境的競爭已變得更為激烈。因此，本集團不斷審視和改善工作流程，以維持業務的競爭力，並確保可持續發展。

Innovation

The Group keeps abreast of the new development in the market in order to ensure that our products are always ahead of the curve. The world of publications, which is our core business, is changing tremendously. Hence, the Group places importance on research and development and has units which continuously study and analyse data on the ever changing needs and demands of readers, the changing dynamics of the advertising market and the development of technology in the platforms for publication.

創新

本集團緊貼市場的最新動向，以確保我們的產品走在行業的最前線。本集團的核心業務 — 出版業現正經歷重大的轉變。因此，本集團十分著重研究和發展，並設有專責部門，針對讀者不斷轉變的需要和需求、廣告市場的動態及出版技術的平台發展，不時作出探討和分析。

People/Talent

People is an important cornerstone for the Group. Investing in our people is an important priority for the Group. It is clear that we can fulfill our strategic initiatives only with a highly skilled and dedicated work force that is willing to go the extra mile for our readers and advertisers. The Group believes in training our people to ensure that their skills can meet the challenges of an ever changing economy.

人力／人才

人才是本集團的重要基石，投資於人力資源是本集團的首要事項。只有透過技能熟練和全誠投入的員工，為讀者及廣告客戶付出多一點心力，才能達成我們的策略目標。本集團相信透過培訓，以確保其員工汲取所需的技能，能面對經濟轉變所帶來的挑戰。

DIVIDEND

The Board of Directors has declared a second interim dividend, in lieu of final dividend, of US1.153 cents per share to be paid on 2 August 2011. Together with the first interim dividend of US0.800 cents per share paid during the year, the total payout of US1.953 cents per share represents an increase of 60% from that of the last financial year.

股息

董事會宣布於二零一一年八月二日派發第二次中期股息每股1.153美仙，以代替末期股息。連同年度內派發的第一次中期股息每股0.800美仙，合共派發每股1.953美仙，較上一個財政年度增加60%。

Chairman's Statement

PROSPECTS

Economic indicators in the Group's major markets are showing positive trends in 2011, and we expect the Group to fully leverage on this positive economic sentiment to drive revenue growth.

The newsprint market has resumed its upward spiral in 2010 and is a source of concern; however, our inventory management would help offset some of the upward newsprint cost pressure. Adding to this, the Group is in the process of renegotiating some of the collective agreements for some of its subsidiaries. Coupled with the escalating global inflation, this creates huge pressure on the Group's labour costs.

Nevertheless, the Group will continue to adopt an optimistic yet prudent approach in managing our business and to ensure sustainable cost efficiency and profitability in the coming financial year.

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
30 May 2011

展望

本集團主要經營市場的經濟數據，正顯示在二零一一年的正面發展。我們期待集團能充份利用這樂觀的經濟趨勢，推動收入增長。

白報紙市場於二零一零年重拾升軌，這是本集團關注的重點。不過，我們庫存的管理可幫助抵銷部分白報紙成本上漲的壓力。此外，本集團個別附屬公司正對員工集體協議展開重新商討。加上全球通脹升溫，對本集團員工成本構成了沉重的壓力。

儘管如此，本集團將繼續以審慎樂觀的態度，做好業務管理工作，確保下一個財政年度成本效益能夠持續，盈利得以維持。

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。本人亦衷心感謝讀者、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
二零一一年五月三十日

FINANCIAL HIGHLIGHTS

(in US$'000)	For the year ended 31 March 2011	2010	Change
Turnover	**445,844**	376,001	19%
Profit before income tax	**74,207**	55,113	35%
Profit for the year	**55,785**	41,442	35%
Profit attributable to equity holders of the Company	**54,825**	41,136	33%
Basic earnings per share (US cents)	**3.26**	2.44	34%

OVERALL REVIEW OF OPERATIONS

The continued buoyancy of the economies in its major markets helped the Group achieved another record year. For the year ended 31 March 2011, the Group reported a profit before income tax of US$74,207,000, a significant increase of 35% or US$19,094,000 over that of the previous financial year.

Adding to this, the Group also achieved another record-breaking growth in turnover with an increase of 19% to reach US$445,844,000. Improvement was seen across the board with steady growth in advertising revenue from all publishing operations as well as a strong tour revenue.

The ongoing strengthening of the Ringgit Malaysia and the Canadian dollar against the US dollar also had a favourable impact on both the Group's revenue and profit. The Group's turnover and profit before income tax for the year under review were positively impacted by about US$27,802,000 and US$6,266,000 respectively.

During the year, the publishing and printing segment, which accounts for around 85% of the Group's revenue, achieved a 15% increase in revenue. The segment's profit before income tax, meanwhile, soared US$17,222,000 or 31% to US$73,103,000 from last year's US$55,881,000.

The travel segment also saw its revenue grew by 41% and achieved a profit of about US$1,892,000. This improvement in result was driven by robust demand for long-haul tour products that the Group specialises in.

During the year, the goodwill on the acquisition of a subsidiary was impaired by US$4,132,000 as the annual assessment performed indicated that the carrying value of the goodwill exceeded its recoverable amount. This was primarily attributable to the challenging business conditions faced by the subsidiary.

Excluding the impact of this impairment charge, the Group's profit before income tax for the year would have been US$78,339,000, an increase of 42% or US$23,226,000 over that of last year.

Basic earnings per share were US3.26 cents, up by US0.82 cents or 34% from US2.44 cents in the previous financial year. As at 31 March 2011, the Group had US$110,519,000 of cash and cash equivalents and the net assets per share attributable to equity holders of the Company stood at US23.41 cents.

Management Discussion and Analysis

SEGMENTAL REVIEW

Publishing and Printing

Malaysia and other Southeast Asian countries

In tandem with the recovery in the Malaysian economy, the Malaysian operations' profit before income tax continued to expand strongly by 23% or US$11,844,000 to reach US$64,390,000 as compared with US$52,546,000 achieved in the previous year. Much of this growth was contributed by effective sales effort leading to an encouraging increase in revenue.

During the year, the Malaysian operations' revenue totaled US$276,185,000, representing an increase of 18% over US$234,386,000 achieved in the previous year. The growth came mainly from higher advertising sales with strong growth in advertising volumes and enhanced yield.

The segment results also benefited significantly from the stronger Ringgit Malaysia against the US dollar.

The Malaysian operations' remarkable results highlighted the ongoing strength of the Group as the largest Chinese language media group in Malaysia with four newspapers, a tabloid and 21 magazine titles.

The Group's four newspapers in Malaysia have a total combined average daily readership of 2,634,000 according to the latest Nielsen Media Research survey, accounting for 94% of all Peninsular Malaysia Chinese newspaper readers aged 15 and above. These numbers affirm the Group's position as a market leader in the Malaysian Chinese media which contributes to its successful efforts in increasing its advertising sales income.

The Malaysian operations' efforts over the past year were concentrated on investing and improving the quality of the Group's titles, tight control of costs and further revenue initiatives. Substantial effort has been devoted to improving efficiency and laying the basis for continuing cost discipline in all business operations. The printing facilities at some of the Group's regional plants have been upgraded to ensure that the print quality and flexibility in configuration will be able to cater the needs of our readers and advertisers.

The management further improved the advertising performance through (i) optimising yields, (ii) greater emphasis on effective sales training and development programmes, and (iii) cross selling among the Group's newspapers, magazines and digital media. The results of these efforts were clearly reflected in this year's results.

During the year, a considerable investment has been made to improve the editorial contents of the Group's titles. This has resulted in noticeably higher circulation volumes and readership. As a result of our commitment to excellence, we clinched numerous accolades this year, including prestigious awards at the WANIFRA Asia Media Awards, MPA Magazine Awards and Datuk WONG Kee Tat Journalism Awards.

Sin Chew Daily continues to be the country's most-read Chinese newspaper, maintaining its unique position of attracting over 1,184,000 readers every day and a 42% market share. Its number one market position continues to be supported by ongoing strengthening of the editorial contents across key areas of news, business, features and commentaries coupled with innovative cultural initiatives which touch the hearts of its readers.

China Press continues to enjoy the second-largest readership among all Chinese daily newspapers in Malaysia. It was read by a daily average of 939,000 readers according to the latest Nielsen Media Research survey, an increase of 2% compared with the figure of 924,000 readers for the previous year.

In the northern region, *Guang Ming Daily* is a mainstream daily paper which is well received by the northern readers. *Guang Ming Daily* also has a central edition which differs slightly from its northern edition as it focuses more on social and entertainment news.

During the year, *Nanyang Siang Pau* has been repositioned with the paper's editorial direction now focused on business and economic related information. Apart from a total revamp of its page design, emphasis was placed on reaching professionals, managers, executives and businessmen by adding a special write-up on different industries everyday and supplementing the newspaper with a new high quality magazine known as *Xuan*. The early response to this new repositioning has been positive and the newspaper has since attracted many new readers.

The Group has transferred most of its magazine business in the Malaysian operations to a unit known as Life Magazines this year. The move is to streamline its magazine operations and increase efficiencies. Life Magazines has performed very well, with strong revenue and profit growth.

In addition, the Group continues to leverage on the strength of the Group's titles as a springboard to organise a wide range of exhibitions and consumer fairs. These included Malaysia's largest consumer fairs such as "My Wedding Bridal Fair", "International Health Fair", "Angling & Outdoor Recreational Fair 2010" and "Nanyang Education Fair".

The Group's flagship website in Malaysia, Sinchew-i.com, maintains its position as the most popular Chinese news website in Malaysia. The site is profitable with more than 8.6 million page impressions delivered each week to more than 690,000 browsers. Sinchew-i.com continues to innovate with a number of first-in-the-market initiatives including the first Chinese newspaper iPhone, iPad and Smart TV applications in Malaysia.

Hong Kong and Mainland China

During the year, the operations in Hong Kong and Mainland China have maintained the growth momentum with a revenue increase of 6% from US$70,230,000 in the last financial year to US$74,542,000. Besides revenue growth, the operations' ongoing cost-containment efforts have also contributed to the segment's significant 39% growth in profit before income tax from US$3,777,000 in the previous financial year to US$5,245,000 in the current financial year.

As always, *Ming Pao Daily News* adheres to the highest standards of quality journalism and provides comprehensive and accurate coverage of social, political and economic issues in Hong Kong and Mainland China. According to the latest survey conducted by the Chinese University of Hong Kong in October 2010, *Ming Pao Daily News* continued to hold the honour of being the most credible Chinese language newspaper in Hong Kong.

Mingpao.com continues to provide users around the world with a comprehensive source of high quality Chinese online news content, covering a wide spectrum of subjects including news, current affairs, finance, health, education, technology, travel, entertainment and lifestyle.

One Media Group, the Group's lifestyle magazine publication unit in the Greater China region, reported an improvement in revenue of 10% and a remarkable increase in profit before income tax of 181% compared to previous year's results. This is attributable to the improving consumer sentiment and cost control benefits. The operations in Mainland China, while remaining steady on the top line revenue, exhibited a healthy improvement in operating results.

North America

The Group's newspaper operations in North America have also benefited from the improving economies and the steady growth in the housing and retail markets in Canada, especially in Vancouver. Segment turnover increased by 19% to US$29,790,000 and segment profit before income tax reached US$3,468,000, against a loss of US$442,000 in the previous financial year.

Travel

The Group's travel business, via Charming Holidays and Delta Group, delivered an outstanding performance during the year with turnover surged 41% or US$19,004,000 year-on-year to US$65,327,000. Segment profit before income tax was US$1,892,000, a significant improvement from the loss of US$42,000 made in the previous financial year.

This encouraging performance is fueled by continuing improving economies which boosted both business and leisure travels. In addition, the appreciation of Canadian dollar and Asian currencies against the US dollar have helped prompt high demands for long-haul and high-end tour packages to Europe and North America destinations that Charming specialises in.

Digital Media

The Group continues to invest in digital media which is achieving good organic growth. Leveraging its digitised rich Chinese content archives, the Group is ready to expand its content delivery from the traditional print publications to multi-media platform and more recently, to "smart-media", capitalising the increasing popularity of smart media reading devices like smart phones on iPhone, Android or Symbian operating systems, or tablet computers including iPads and other models.

Modest achievements have been made to distribute the Group's text, pictures and video contents to readers via major news portals and social networking websites accessed on mobile devices. The Group will continue to invest more resources into the development of this business, which is considered to be promising as a platform for future growth opportunities.

OUTLOOK

The coming financial year will be a very challenging one as escalating global inflation and soaring crude oil prices will inflict a negative impact on the cost components of all businesses. Newsprint prices have risen in the last financial year and this upward trend is expected to continue in the ensuing year. Adding to this, the Group is under the pressure of increasing operating costs, in particular labour costs, caused by the climbing inflation.

As such, the Group is cautiously optimistic about the continuing growth momentum in the major markets where it operates in and will continue to monitor the market developments closely. At the same time, the Group will persist in productivity enhancement and cost containment while continuously explore means to become a popular integrated content provider with multiple delivery platforms.

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 2011, the Company issued financial guarantees in favour of certain of its subsidiaries totalling US$27,799,000 (31 March 2010: US$15,969,000) in connection with general banking facilities granted to those subsidiaries. As at 31 March 2011, total facilities utilised amounted to US$2,318,000 (31 March 2010: US$5,488,000). The directors of the Company do not consider it 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 facility drawn down by its subsidiaries. No provision was therefore made in this respect as at 31 March 2011.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Ringgit Malaysia ("RM"), Renminbi, 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.

During the year ended 31 March 2011, the Group is particularly exposed to movements in the US$ to RM exchange rate as a major part of the Group's operations is located in Malaysia, and an increase in the exchange fluctuation reserve of US$23,255,000 was recognised largely due to the changes in the exchange rate of US$ to RM.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 31 March 2011, the Group's net current assets amounted to US$160,561,000 (31 March 2010: US$129,909,000) and the shareholders' funds were US$394,408,000 (31 March 2010: US$341,309,000). Total bank borrowings and finance lease obligations were US$15,589,000 (31 March 2010: US$32,620,000). The gearing ratio, which is calculated as the ratio of total borrowings less cash and cash equivalents and then divided by equity, was zero (31 March 2010: zero).

As at 31 March 2011, total cash and cash equivalents was US$110,519,000 (31 March 2010: US$77,635,000) and net cash position was US$94,930,000 (31 March 2010: US$45,015,000) after deducting the total bank borrowings and finance lease obligations.

CAPITAL STRUCTURE

During the year, the Company repurchased a total of 1,000 shares at an aggregate purchase consideration of HK$2,000 (equivalent to US$257); and 300,000 shares, 360,000 shares and 30,000 shares were issued at HK$1.80 per share, HK$1.592 per share and HK$1.32 per share respectively as a result of the exercise of the Company's share options. Details of the repurchases and issue of shares are set out in note 32 to the financial statements.

EMPLOYEES AND EMOLUMENT POLICY

At 31 March 2011, the Group has approximately 4,639 employees (2010: approximately 4,659 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, is involved in dealing with his own remuneration. The Group has share option schemes as an incentive to directors and eligible employees.

Corporate Social Responsibility

Corporate social responsibility is a concept which is in line with some of the missions of running a news organisation, namely addressing issues that require immediate concern and serving our society. As such, the Group places great emphasis in building a corporate culture that promotes conducting business in an ethically, socially and environmentally sustainable environment. To achieve the same, the Group has taken various initiatives covering different aspects such as community, workplace, marketplace and environment.

COMMUNNITY

Charity

The needs of the community are one of the primary concerns of the Group. The Group has, through its foundations namely Yayasan Sin Chew and Yayasan Nanyang Press in Malaysia, reached out to the needies and the unfortunates in our society. Over the years, these foundations have continuously raised funds for those who have medical needs but do not have sufficient means to seek medical help. Yayasan Sin Chew has run an "Adopt A Child" programme across Malaysia and in other countries like China, Cambodia and Myanmar where readers are encouraged to adopt unfortunate children by donating towards their education and daily needs. The Group has also made a concerted effort to alleviate the burden of victims of natural disasters both in Malaysia and overseas through collections of relief aid. For example, Yayasan Sin Chew has raised funds for schools that are affected by the flood in the state of Johor, Malaysia and has organised aid and funds for the victims of the earthquake and tsunami in Japan whilst Yayasan Nanyang Press has donated funds to flood victims in Thailand and volcanic eruption victims in Yogyakarta, Indonesia.

In Hong Kong, the Group also extends a helping hand to the less fortunate. The Group has involved in fundraising campaigns and redirected readers' donations to the families in need in both Hong Kong and Mainland China. The Group has also made donations such as books, magazines and daily necessities to charitable organisations and hospitals periodically.

Education

Building a stronger next generation has always been the Group's corporate philosophy. In Malaysia, the Group is committed to educational efforts and reaches out to needy children in Telugan Sabah, Malaysia via an educational project organised by Yayasan Nanyang Press. Yayasan Sin Chew has also launched the "WeCare — Sponsor-A-Child Programme" since 2005 to support the children from impoverished family background.

In Hong Kong, the "Ming Pao Student Reporter Scheme" has been running into its 14th year. Every year, about 300 outstanding high school students are selected from those nominated by the principals of their schools to join this comprehensive programme. Aiming to widen their horizon and to stimulate their independent thinking and analytical skills, a series of lectures and trainings on basic journalistic skills as well as reporting opportunities with senior government officials and public figures have been scheduled for these student reporters.

To enhance students' understanding and interests towards China's diplomatic affairs and to promote national education, *Ming Pao Daily News* continues to co-organise "The 4th Hong Kong Cup Diplomatic Knowledge Contest" which has extended to primary schools in education sector this year. Over 8,000 entries from the public sector and close to 1,000 entries from the school sector have participated in this year's contest.

Ming Pao Daily News has been supporting "The Guangdong Province Remote Area Education Relief Fund" and more than 170 schools in remote areas in Guangdong, China have been benefited from this programme. During this year, approximately HK$1 million (equivalent to US$129,000) was donated to schools in hill areas.

WORKPLACE

The Group believes that the key to motivate employees to deliver high performance is by providing them with a conducive and vibrant working environment. To achieve this, various activities such as those listed below are carried out.

Being Together

Promoting good rapport among the staff is an important objective for the management. Events such as "Annual Dinner" are held where employees gather together for a meal while being entertained by performances of our colleagues. In addition to that, we also hold other festive gatherings to celebrate occasions such as Christmas, Chinese New Year, Mid-autumn Festival and Winter Solstice.

Good Health

The health of employees is also a paramount concern of the Group. It has organised health checks such as eye checks, hearing tests and free glucose and cholesterol checks for some of its staff as well as health talks to raise health awareness among the staff. In addition, the Group regularly organises sports activities and recreational activities through its sports clubs aimed at fostering closer teamwork among employees as well as to encourage a work-life balance and healthy living.

Enhancing Skills of Workforce

The Group aims to provide a supportive working environment in which the employees receive relevant training to their work to enable them to effectively perform their duties as well as prepare them for career progression. Apart from in-house training, our employees are encouraged to attend the Group's sponsored external seminars and workshops to keep them updated with the latest developments.

MARKETPLACE

Being a market leader, the Group organises many activities to interact with its advertisers and readers.

Interaction with Advertisers

To cheer on the business leaders for their outstanding entrepreneurship, *Nanyang Siang Pau* organises the "Golden Bull Award", which is a coveted award among the business community in Malaysia. To encourage and reward the creativity efforts of the advertising sector, the annual "Nanyang Siang Pau & China Press Chinese New Year Greeting Advertisement Awards" is held.

In Hong Kong, *Yazhou Zhoukan* organised the "Asia Excellence Brand Award 2010" in order to celebrate the successful branding saga of Asian entrepreneurship. Last year, 13 enterprises received the award, covering a variety of business sectors including banking, property and energy, etc.

Ming Pao Daily News and the Chinese University of Hong Kong have co-organised "Hong Kong Corporate Branding Award 2010" to appreciate the devotion and innovation of reputable local brands in demonstrating their brands' value that helped reinforce Hong Kong as an international business hub.

The Group also, through its numerous publications, creates opportunities for its advertisers to interact and reach out to its readers by holding exhibitions and fairs such as "My Wedding Bridal Fair", "International Health Fair", "Angling & Outdoor Recreational Fair 2010" and "Nanyang Education Fair".

Interaction with Readers

As an effort to reach out to its readers, the Group has organised competitions such as "Miss Sunshine Girl", "National On-line Quiz", "National Talent Search" and "Dynamic Dance Competition". In order to cultivate the familiarity with the Group's publications among the younger generation, some of the Group's publications such as *Sin Chew Daily* has organised road shows at schools with campaigns like "Live for Life" to educate school children on how to deal with stress and "Anti-Dengue Campaign" to create awareness on the importance of fighting dengue fever.

ENVIRONMENT

Environmental protection has become the central tenet of the business world. The Group has embarked on a journey to protect the environment long ago and the Group's motto, "Reduce, Recycle and Reuse", underlines our strong commitment towards environmental sustainability. The Group uses newsprint made from recycled paper for most of its publications. In addition, some subsidiaries in the Group have started a paperless working environment. The Group has also built rain catchment contraptions in some of its plants in Malaysia in order to reduce water usage.

The operations in Hong Kong have also committed to reducing greenhouse gas impact through promoting energy saving and green office practice in daily office operations. Energy audit has been conducted and measures have been taken to improve the energy-efficiency and reduce electricity use. Over the past three years, a reduction of 17% of energy consumption has been achieved.

Major Awards of the Year — Hong Kong

HONG KONG NEWS AWARDS 2010 — The Newspaper Society of Hong Kong

Ming Pao Daily News **won 11 awards in 15 categories**

Best Scoop
Best Business News Reporting


經濟
天匯九成單位過期未交易

Best Business News Writing (Chinese)


money
青啤到友邦 港股走向國際

Photographic Section (Features)

1st Runner-up	Best Scoop
	Best Business News Writing (Chinese)
2nd Runner-up	Best News Reporting
Merit	Best News Reporting
	Best Business News Writing (Chinese)
	Best Headline (Chinese)

Photographic Section (News)

THE 15TH ANNUAL HUMAN RIGHTS PRESS AWARDS 2010

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

Ming Pao Daily News **won 8 awards**

General News (Chinese Language)	— Prize and Merit
Newspaper Feature (Chinese Language)	— Merit
Photojournalism (Feature)	— Prize
Photojournalism (Spot News)	— Prize and 3 Merits

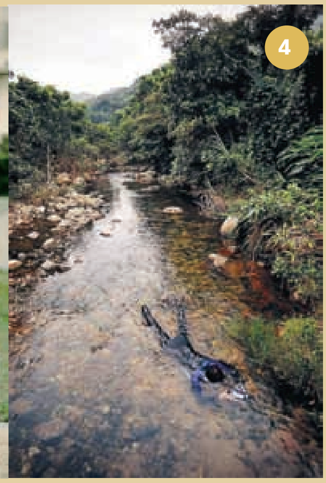
THE 2ND ANNUAL KAM YIU-YU PRESS FREEDOM AWARDS 2010

— KAM Yiu-Yu Foundation

Ming Pao Daily News **has been the winner in "Print Media" category for two consecutive years**

"FOCUS AT THE FRONTLINE 2010" PHOTO CONTEST — Hong Kong Press Photographers Association

Ming Pao Daily News **received 4 awards**



(Picture 1) Champion photo of "People"
(Picture 2) 2nd Runner-up photo of "Spot News"

(Picture 3) Honourable Mention photo of "Feature"
(Picture 4) Honourable Mention photo of "Nature and Environment"

THE SOPA 2011 AWARDS FOR EDITORIAL EXCELLENCE

— The Society of Publishers in Asia

Excellence in Feature Photography
Award for Excellence: *Ming Pao Daily News*

Excellence in Editorial Cartooning
Award for Excellence: *Ming Pao Daily News*

Excellence in Human Rights Reporting
Honourable Mention: *Ming Pao Daily News*

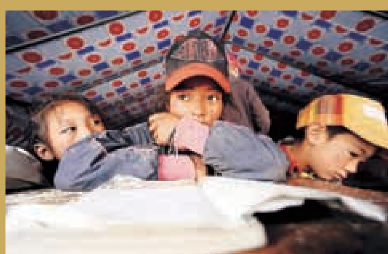
The Scoop Award
Award for Excellence: *Yazhou Zhoukan*

Excellence in Investigative Reporting
Award for Excellence: *Yazhou Zhoukan*

Excellence in Reporting Breaking News
Award for Excellence: *Yazhou Zhoukan*

Excellence in Opinion Writing
Honourable Mention: *Yazhou Zhoukan*

Excellence in Reporting on the Environment
Honourable Mention: *Yazhou Zhoukan*



Award for Excellence photo of "Excellence in Feature Photography"

Honourable Mention winner of "Excellence in Opinion Writing" — Mr YAU Lop Poon (left), Chief Editor of *Yazhou Zhoukan*

明報

劉曉波囑千萬獎金公用

Honourable Mention article of "Excellence in Human Rights Reporting"

Major Awards of the Year — Malaysia

Tan Sri Datuk Sir TIONG Hiew King
"MALAYSIA BUSINESS LEADERSHIP AWARD 2010 — THE LIFETIME ACHIEVEMENT AWARD" Winner

The "Malaysia Business Leadership Award 2010" was the 2nd annual event organised by the Kuala Lumpur Malay Chamber of Commerce and *The Leaders*, a leading business magazine in the country. The Award was designed to recognise the outstanding performances and innovations made by selected corporate business leaders and in appreciation of their great contributions towards the country's post recession economic development.

Tan Sri Datuk Sir TIONG Hiew King, Group Executive Chairman, was among the three awardees of "The Lifetime Achievement Award".

Dato' LIEW Chen Chuan
"2010 NATIONAL EMINENT JOURNALIST (TOKOH WARTAWAN NEGARA) AWARD" Winner

Dato' LIEW Chen Chuan, Managing Director of Sin Chew Media Corporation Berhad, received the highest honour in Malaysian journalism — "The National Eminent Journalist (Tokoh Wartawan Negara) Award".

Since the inception of this Award in 1988, only 7 recipients who came from the Malay and English press have been awarded this prize. Dato' LIEW was the eighth recipient and the first one from the Chinese press who won the National Eminent Journalist Award.

Ms SIEW Nyoke Chow
"THE MOST OUTSTANDING MALAYSIAN WOMEN AWARD — LOVING & CARING AMBASSADOR" Winner

Ms SIEW Nyoke Chow, Group Editor-In-Chief of the Company and Deputy Managing Director of Sin Chew Media Corporation Berhad, received "The Most Outstanding Malaysian Women Award — Loving & Caring Ambassador" in recognition of her endeavours in social care and charity profession.

"The Most Outstanding Malaysian Women Award" was held in Malaysia in conjuction with the International Women's Day 100th Anniversary. 12 winners in 8 categories were rewarded to honour the contributions of Chinese women to the country.

Ms SIEW Nyoke Chow (2nd from the right)

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

DATUK WONG KEE TAT JOURNALISM AWARDS 2009

— Editors' Association of Chinese Medium of Malaysia

Datuk WONG Kee Tat News Editing Award (News Section)
Excellence Prize: *Sin Chew Daily*

Datuk WONG Kee Tat News Editing Award (Feature Section)
Excellence Prize: *Guang Ming Daily*
Outstanding Prize: *Guang Ming Daily*

Tan Sri TEONG Teck Leng Commentary Award
Excellence Prize: *Guang Ming Daily*
Outstanding Prize: *Sin Chew Daily*

Dato' TAN Leong Ming News Photography Award
Excellence Prize: *Guang Ming Daily*
Outstanding Prize: *Sin Chew Daily*

Tan Sri NG Teck Fong News Reporting Award
Outstanding Prize: *Guang Ming Daily*

Dato' P.C. KOH Business News Reporting Award
Outstanding Prize: *Sin Chew Daily*

Dato' LEE Travel News Reporting Award
Outstanding Prize: *Sin Chew Daily*

THE 4TH JOHOR STATE NEWS AWARDS 2009

— South Johor Chinese Press Club

Grand Straits Garden Seafood Restaurant News Photography Award
Excellence Prize: *Sin Chew Daily*

MOK Tai Dwan Best Commentary Award
Excellence Prize: *Sin Chew Daily*

THE 3RD SARAWAK CHIEF MINISTER'S ICT MEDIA AWARDS 2009

— Sarawak Chief Minister's Office

The Best ICT Feature Article Award (Chinese)
Sin Chew Daily

THE 10TH ASIA MEDIA AWARDS 2011

— The World Association of Newspapers and News Publishers

Best in Newspaper Print Quality Award
Silver Award: *Guang Ming Daily*

THE 3RD UPM MEDIA AWARDS 2010

— University Putra Malaysia

Highest Media Coverage Award (Chinese)
Sin Chew Daily

THE 9TH TAN SRI LIM GAIT TONG PRESS AWARDS 2010

— Penang Press Club

Dato' Sri H'NG Bok San Feature Award
Excellence Award: *Sin Chew Daily*
Merit Award: *Sin Chew Daily*

Dato' KHOR Teng How Blog Award
Excellence Award: *Sin Chew Daily*

Dato' Dr KANG Chin Seng Commentary Reporting Award
Merit Award: *Sin Chew Daily*

Dato' KHOR Chong Boon Breaking News Award
Merit Award: *Sin Chew Daily*

INTERNATIONAL NEWSPAPER COLOR QUALITY CLUB MEMBER 2010-2012

— The World Assocation of Newspapers and News Publishers

Sin Chew Daily
Guang Ming Daily

Major Awards of the Year — Malaysia

(Sin Chew Group)

KENYALANG SHELL PRESS AWARDS 2010

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

Sports Reporting Award
1st Prize: *Sin Chew Daily*
3rd Prize: *Sin Chew Daily*

Environmental Journalism Award
1st Prize: *Sin Chew Daily*

General News Reporting Award
2nd Prize: *Sin Chew Daily*
3rd Prize: *Sin Chew Daily*

Health News Reporting Award
2nd Prize: *Sin Chew Daily*

Photography Award
3rd Prize: *Sin Chew Daily*

(Nanyang Group)

THE 4TH JOHOR STATE NEWS AWARDS 2009

— South Johor Chinese Press Club

The Federation of Chinese Association Johor Feature Writing Award
First Prize: *China Press*
Excellence Prize: *Nanyang Siang Pau*

Johor Bharu Tiong Hua Association General News Award
First Prize: *China Press*
Excellence Prize: *Nanyang Siang Pau, China Press*

Johor Bharu Chinese Chamber of Commerce and Industry Commercial Business News Award
First Prize: *Nanyang Siang Pau*
Excellence Prize: *Nanyang Siang Pau*

Grand Straits Garden Seafood Restaurant News Photography Award
First Prize: *China Press*

DATUK WONG KEE TAT JOURNALISM AWARDS 2009

— Editors' Association of Chinese Medium of Malaysia

Dato' YAP Yong Seong Feature Writing Award
Excellence *Prize: China Press*
Outstanding Prize: *Nanyang Siang Pau, Feminine, Special Weekly*

Dato' KONG Hon Kong Sports News Award
Excellence Prize: *Nanyang Siang Pau*
Outstanding Prize: *Nanyang Siang Pau*

Dato' P.C. KOH Business News Reporting Award
Excellence Prize: *Nanyang Siang Pau*
Outstanding Prize: *Nanyang Siang Pau*

Tan Sri NG Teck Fong News Reporting Award
Excellence Prize: *Feminine*
Outstanding Prize: *Special Weekly*

Datuk WONG Kee Tat News Editing Award (News Section)
Outstanding Prize: *Nanyang Siang Pau, China Press*

Datuk WONG Kee Tat News Editing Award (Feature Section)
Outstanding Prize: *Nanyang Siang Pau*

Tan Sri TEONG Teck Leng Commentary Award
Outstanding Prize: *Nanyang Siang Pau*

Dato' TAN Leong Ming News Photography Award
Outstanding Prize: *Nanyang Siang Pau*

Dato' LEE Travel News Reporting Award
Outstanding Prize: *Nanyang Siang Pau*

Dato' Seri Joseph CHONG Journalism Award
Nanyang Siang Pau

Major Awards of the Year — Malaysia (Nanyang Group)

THE 10TH ASIA MEDIA AWARDS 2011
— The World Association of Newspapers and News Publishers

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

2010 MEDIA AWARDS OF THE MINISTRY OF HEALTH MALAYSIA
— Ministry of Health Malaysia

Anugerah Wartawan Kesihatan Terbaik (Akhbar Bahasa Cina)
Hadiah Utama: *Nanyang Siang Pau*
Hadiah Sagu Hati: *Nayang Siang Pau*

Aungerah Foto Kesihatan Terbaik (Akhbar Bahasa Cina)
Hadiah Sagu Hati: *Nayang Siang Pau*

Anugerah Wartawan Kesihatan Terbaik (Majalah Bahasa Cina)
Hadiah Utama: *Feminine*
Hadiah Sagu Hati: *Feminine, Special Weekly*

THE 9TH TAN SRI LIM GAIT TONG PRESS AWARDS 2010
— Penang Press Club

Dato' CHUAH Kooi Yong Business News Award
Excellence Award: *Nanyang Siang Pau*
Merit Award: *Nanyang Siang Pau*

Dato' Dr KANG Chin Seng Commentary Reporting Award
Excellence Award: *Nanyang Siang Pau*

Tan Sri LIM Gait Tong Literature Writing Award
Excellence Award: *Nanyang Siang Pau*

Dato' KHOR Chong Boon Breaking News Award
Excellence Award: *Nanyang Siang Pau*

THE 1ST TAN SRI TA KIN YAN JOURNALISM AWARDS 2010
— Negeri Sembilan Chinese Newspaper Journalists Association

News Reporting Award
Excellence Prize: *China Press*
Outstanding Prize: *China Press*

News Photography Award
Outstanding Prize: *China Press*

MPA MAGAZINE AWARDS 2010 (BEST COVER DESIGN)
— Magazine Publishers Association, Malaysia

Lifestyle category (Chinese)
Gold Award: *New Icon for Him*
Silver Award: *Sweet Home*
Bronze Award: *Sweet Home*

Women category (Chinese)
Bronze Award: *New Tide*

Special Interest/Niche category (Chinese)
Silver Award: *Pets*
Bronze Award: *Long Life*

Special Interest/Niche category (English)
Bronze Award: *Rod & Line*

Special Interest/Niche category (Bahasa)
Silver Award: *Pancing*

Significant Events — Hong Kong

Ming Pao Daily News — "The 14th Ming Pao Student Reporter Scheme"

Mr CHEUNG Kin Bor (front row 3rd from left), Chief Editor of *Ming Pao Daily News* and guests took a group photo with student reporters in "The 14th Ming Pao Student Reporter Scheme" opening and prize presentation ceremony.

Ms Sheren TANG, a famous television actress, shared her remarkable performance experience with the student reporters.

More than 20 student reporters visited Guangzhou Broadcasting Network in the summer holiday. They learnt about the techniques of news reporting and media writing of Mainland China.

Ming Pao Daily News — "潮選e生活2010"

"潮選e生活2010", organised by *Ming Pao Daily News*, aims to appreciate the contributions of digital products and services, as well as provide the industry players with a platform to recognise their outstanding and creative achievements.

Ming Pao Daily News — "Hong Kong Corporate Branding Award 2010"

"Hong Kong Corporate Branding Award" has been organised by *Ming Pao Daily News* for four consecutive years to appreciate the devotion and innovation of local brands. The judges panel and guests toasted in the "Hong Kong Corporate Branding Award 2010" presentation ceremony.

Ming Pao Publications — Launch of Mr HAN Han's New Book

Ming Pao Publications launched a new book of Mr HAN Han, a popular Mainland China author, during the Hong Kong Book Fair 2010. His seminar attracted nearly 1,800 Mainland China and local readers.

Ming Pao Monthly — "My Life as a Writer — Sharing by Mr ONG Yi Hing"

Mr ONG Yi Hing, a renowned writer, shared his writing experience with about 300 readers in "The Link FUN Academy" co-organised by *Ming Pao Monthly*.

Yazhou Zhoukan — "Asia Excellence Brand Award 2010"

Mr LEUNG Chun Ying (front row 5th from right), Convenor of the Non-official members of the Executive Council, and management of *Yazhou Zhoukan*, as well as award winners shot in the "Asia Excellence Brand Award 2010" presentation ceremony.

Yazhou Zhoukan — "Mainland Enterprises Listed in Hong Kong Ranking 2010"

Award winners and guests chatted up at the "Mainland Enterprises Listed in Hong Kong Ranking 2010" presentation ceremony.

The splendid string performance kicked off the "Mainland Enterprises Listed in Hong Kong Ranking 2010" presentation ceremony.

"hihoku" Entertainment Website — Press Conference

Management of the Group officiated the opening ceremony of the press conference of "hihoku" in Beijing, Mainland China.

Tan Sri Datuk Sir TIONG Hiew King, Group Executive Chairman, delivered a speech. The launch of "hihoku" marked a new milestone in digital media development of the Group.

Significant Events — Malaysia

(Sin Chew Group)

Cadet reporters of *Cahaya Sin Chew* welcome the student representatives from Beijing, Mainland China to visit the headquarters of *Sin Chew Daily*. They exchanged stories about their school lives and news reporting techniques with each other.

Since 1994, "Tiger-Sin Chew Chinese Education Charity Concert" has raised a total of RM 1.98 billion to benefit 430 schools in the country.

"The 4th *Sin Chew Daily* Charitable Recycling Campaign", with the aim to promote recycling, energy-saving and reduction of carbon emission, has been received enthusiastic support from readers in past 4 years.

Sin Chew Daily organised "The 11th Floral Trail (Hua Zong) Literature Awards". "Mass Media Culture from My Perspective" was one of the topics of cultural seminar series.

Yayasan Sin Chew and *Sin Chew Daily* co-organised the "Myanmar Children — Chinese New Year Gathering".

Sin Chew Daily and Fumakilla Malaysia co-organised the "Anti-Dengue" campaign. The nationwide 15 road-shows received overwhelming support from thousands of school students and the public.

Sin Chew Daily co-organised the "Ai Hua Jiao" Charity Concert to raise fund for the Chinese schools. YB Datuk Ir WEE Ka Siong (3rd from right), Deputy Minister of Education Malaysia, officiated the presentation ceremony.

80 sponsored students and their sponsors under the "WeCare — Sponsor-A-Child Programme" held by Yayasan Sin Chew celebrated the Chinese New Year together.

Significant Events — Malaysia (Nanyang Group)

Yayasan Nanyang Press and Agape Counselling Centre Malaysia co-organised the "2010 Conference on Counselling for School Teachers" to enhance the participating teachers' skills about remedial education.

Yayasan Nanyang Press distributed emergency materials including food, clothing and blankets to the flood victims in Ayutthaya, Thailand.

"Love Debate, Read Nanyang" debate, co-organised by *Nanyang Siang Pau* and AiFM Radio Broadcast, helped cultivating positive thinking among the young generation.

"Sa Sa Fashion on the Turf Day" was an annual Ladies Day event which beauty, fashion, style and charity met. *Citta Bella* was appointed as the official magazine.

Nanyang Siang Pau organised the "Post Budget — Property Investment" talk. Mr Gavin TEE (1st from right), a renowned property investment consultant, guided the participants to explore property investment opportunities.

Nanyang Siang Pau organised a seminar on tax issue. Dr CHOONG Kwai Fatt, an Associate Professor of the Faculty of Business & Accountancy in University of Malaya, answered the tax queries and gave smart tax saving tips to the participants.

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 HK Stock Exchange (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 2011.

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 financial 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 Main Market 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 is proper succession planning.

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

(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 judgement 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 journalism, 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 9.

Board meetings are scheduled at least four times a year with a formal schedule of matters specifically reserved for its decision. Additional meetings 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 2011. The attendance record of each director during the financial year is as follows:

Name	**Number of meetings attended**	**Percentage of attendance**
Executive directors		
Tan Sri Datuk Sir TIONG Hiew King *(Group Executive Chairman)*	4/5	80%
Mr TIONG Kiu King	4/5	80%
Dato' Sri Dr TIONG Ik King	3/5	60%
Mr TIONG Kiew Chiong *(Group Chief Executive Officer)*	5/5	100%
Ms SIEW Nyoke Chow	5/5	100%
Ms SIM Sai Hoon	5/5	100%
Non-executive director		
Mr LEONG Chew Meng	5/5	100%
Independent non-executive directors		
Mr David YU Hon To	5/5	100%
Tan Sri Dato' LAU Yin Pin	5/5	100%
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	5/5	100%

(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 2011 (save and except for the Audit Committee of which the attendance record is set out on page 52) are set out below:

	Number of meetings attended and percentage of attendance					
Member	**Group Executive Committee**		**Remuneration Committee**		**Nomination Committee**	
Group Executive Committee						
Dato' LIEW Chen Chuan *(Chairman)*	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 *(Chairman)*			2/2	100%		
Mr David YU Hon To			2/2	100%		
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH[1]			1/1	100%		
Mr TIONG Kiew Chiong			2/2	100%		
Ms SIM Sai Hoon			2/2	100%		
Nomination Committee						
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH *(Chairman)*					1/1	100%
Mr David YU Hon To					1/1	100%
Tan Sri Dato' LAU Yin Pin					1/1	100%
Mr LEONG Chew Meng					1/1	100%

(1) He was appointed as a member of the Remuneration Committee on 26 June 2010.

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 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 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 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 policies and procedures and recommending improvements, if any, to the Board.

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 52 to 59.

(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 and 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.

(h) Re-election

In accordance with the Company's Bye-Laws, one third of the directors for the time being (save for the Chairman) are required to retire from office by rotation at each annual general meeting, and shall then be eligible for 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, for the financial year ended 31 March 2011 is as follows:

	Fees US$'000	Salaries & other emoluments US$'000	Total US$'000
Executive directors	392	998	1,390
Non-executive directors	118	4	122

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$15,927 to US$31,853 (equivalent to RM50,001 to RM100,000)	2	3
from US$47,780 to US$63,706 (equivalent to RM150,001 to RM200,000)	—	1
from US$254,826 to US$270,752 (equivalent to RM800,001 to RM850,000)	1	—
from US$286,679 to US$302,606 (equivalent to RM900,001 to RM950,000)	1	—
from US$366,312 to US$382,239 (equivalent to RM1,150,001 to RM1,200,000)	1	—
from US$414,092 to US$430,018 (equivalent to RM1,300,001 to RM1,350,000)	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 and 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 2010 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 2010 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 Group. 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 secondments 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 relating to the Group and its performance.

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

(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 www.mediachinesegroup.com. Shareholders can access corporate information, annual reports, circulars, announcements, press releases and corporate presentations on the said website.

(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 every 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.

(b) Statement of directors' responsibility in relation to the financial statements

The Board is responsible for ensuring that the 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 judgements 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 they 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 an effective system of internal controls, compliance controls and risk management procedures. The management of each business unit is responsible for the unit's internal controls 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 cater 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 budgets. The Statement on Internal Control set out on page 51 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 in respect of accounting records, financial accounts or systems of control.

The Audit Committee meets the external auditor at least twice a year to discuss audit findings and makes recommendations for the Board's approval.

The Company's external auditor is PricewaterhouseCoopers. The total fees for audit and non-audit services provided by other external auditors to the subsidiaries of the Group for the financial year ended 31 March 2011 were approximately US$6,000 and US$36,000 respectively.

During the year, PricewaterhouseCoopers and its member firms provided the following audit and non-audit services to the Group:

	US$'000
— Audit services (including interim review)	**596**
— Non-audit services	
Tax services	**109**
	705

PricewaterhouseCoopers will retire and offer itself for re-appointment at the annual general meeting of the Company to be held in August 2011.

A statement by PricewaterhouseCoopers about the reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 74 to 75.

COMPLIANCE STATEMENT

Since its listing on Bursa Securities on 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 that the Remuneration Committee should consist wholly or mainly non-executive directors. Reason for such deviation is given 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 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 code provision B.1.1 of the Hong Kong Code. On 26 June 2010, Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH, an independent non-executive director of the Company, was appointed as a member of the Remuneration Committee. Immediately after his appointment, the Company has complied with both the Malaysian Code and 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 2011 are set out on page 61.

(b) Exercise of options, warrants or convertible securities

During the financial year ended 31 March 2011, 690,000 share options were exercised and the Company did not issue any warrants or convertible securities.

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

The Company has not sponsored any ADR or GDR Programme during the financial year ended 31 March 2011.

(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 2011.

(e) Variation in results

The audited results of the Company and of the Group for the financial year ended 31 March 2011 did not vary by 10% or more from the unaudited results announced to Bursa Securities on 30 May 2011.

(f) Profit guarantee

The Company did not issue any profit guarantee during the financial year ended 31 March 2011.

(g) Material contracts involving directors and major shareholders

There were no material contracts outside the ordinary course of business entered into by the Company or its subsidiaries involving directors and major shareholders during the financial year ended 31 March 2011 and as at the date of this Annual Report.

(h) Revaluation policy

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

(i) Recurrent related party transactions of a revenue nature or trading nature (as defined under paragraph 10.09 of the Bursa Securities Listing Requirements)

No.	Related parties	Contracting parties	Nature of transaction	Transacted value for the financial year ended 31 March 2011 RM'000	Equivalent in US$'000	Nature of relationship
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.
			— Sin Chew Group	105,219	33,497	
			— Nanyang Group	42,349	13,504	
			(ii) Disposal of newsprint scraps to 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.
			— Sin Chew Group	2,751	882	
			— Nanyang Group	3,829	1,233	
						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.
2.	Tiong Toh Siong & Sons Sendirian Berhad ("TTS&S")	Mulu Press Sdn Bhd ("MPSB")	MPSB's tenancy of various properties from TTS&S as landlord	45	12	Tiong Toh Siong Holdings Sdn Bhd ("TTSH") is a holding company of TTS&S.
						TSTHK is both a major shareholder and a director of the Company and TTSH. He is also a director of TTS&S and Sin Chew (the holding company of MPSB).
						Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company and TTSH.

No.	Related parties	Contracting parties	Nature of transaction	Transacted value for the financial year ended 31 March 2011 RM'000	Equivalent in US$'000	Nature of relationship
3.	Rimbunan Hijau Holdings Sdn Bhd ("RHH")	MPSB	MPSB's tenancy of office at Lot 235–236, Kemena Commercial Centre, Jalan Tanjung Batu, 97000 Bintulu, Sarawak, Malaysia from RHH as landlord	12	4	Teck Sing Lik Enterprise Sdn Bhd ("TSL") is a major shareholder of RHH and a shareholder of the Company. 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). 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.
4.	Everfresh Dairy Products Sdn Bhd ("Everfresh")	MPSB	MPSB's tenancy of office at Lot 1054, Block 31, Kemena Commercial Centre, Jalan Tanjung Batu, 97000 Bintulu, Sarawak, Malaysia from Everfresh as landlord	6	2	Tiong Toh Siong Enterprises Sdn Bhd ("TTSE") and TSL are major shareholders of Everfresh and shareholders of the Company. TSTHK is both a major shareholder and a director of Everfresh, TTSE, TSL and the Company. TSTHK is a director of Sin Chew (the holding company of MPSB). 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.

No.	Related parties	Contracting parties	Nature of transaction	Transacted value for the financial year ended 31 March 2011 RM'000	Equivalent in US$'000	Nature of relationship
5.	Evershine Agency Sdn Bhd ("EA")	MPSB	MPSB purchases motor vehicle insurance from EA	5	1	Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS") is a shareholder of the Company and a major shareholder of EA. Pertumbuhan Abadi Asia Sdn Bhd ("PAA"), TSL and TTSE are major shareholders of RHS and shareholders of the Company. 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, TSL and TTSE. 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.
6.	R.H. Tours & Travel Agency Sdn Bhd ("RHTT")	the Group	Purchasing of air tickets from RHTT	98	31	RHS is a shareholder of the Company and a major shareholder of RHTT. TSL, PAA and TTSE are major shareholders of RHS and shareholders of the Company. TSTHK is both a major shareholder and a director of the Company, RHTT, RHS, PAA, TSL and TTSE. 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.
7.	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	2	1	TSTHK is both a major shareholder and a director of the Company and PHSB. He is a director of Sin Chew.
8.	PHSB	Guang-Ming Ribao Sdn Bhd ("Guang Ming")	Guang Ming's tenancy of No. 15, Jalan Mewah Satu, Taman Mewah, 12100 Butterworth, Pulau Pinang, Malaysia from PHSB as landlord	2	1	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 Guang Ming).

No.	Related parties	Contracting parties	Nature of transaction	Transacted value for the financial year ended 31 March 2011 HK$'000	Equivalent in US$'000	Nature of relationship
9.	Ming Pao Magazines Limited ("MPM")	Ming Pao Finance Limited ("MPF")	Granting the rights and licenses by MPF to MPM to use the trademarks and past contents of various publications	10,885	1,400	MPM is a wholly-owned subsidiary of OMG. MPF is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of OMG. Mr Tiong Kiew Chiong is a director of both MPM and MPF. He is also a director and a shareholder of the Company and OMG. Mr Tiong Kiu King is a director of MPM, MPF and OMG. He is also a director and a shareholder of the Company.
10.	One Media Holdings Limited ("OMH")	Ming Pao Newspapers Limited ("MPN")	Provision of circulation support services and library support services by MPN to OMH and its subsidiaries	1,562	201	OMH is a wholly-owned subsidiary of OMG. MPN is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of OMG. Mr Tiong Kiew Chiong is a director of both OMH and MPN. He is also a director and a shareholder of the Company and OMG. Mr Tiong Kiu King is a director of OMH, MPN and OMG. He is also a director and a shareholder of the Company.
11.	OMH	Ming Pao Holdings Limited ("MPH")	Provision of IS programming support services, administrative support services and human resources, corporate communications and legal services by MPH and leasing of computer and office equipment from MPH to OMH and its subsidiaries	4,705	605	OMH is a wholly-owned subsidiary of OMG. MPH is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of OMG. Mr Tiong Kiew Chiong is a director of both OMH and MPH. He is also a director and a shareholder of the Company and OMG. Mr Tiong Kiu King is a director of OMH, MPH and OMG. He is also a director and a shareholder of the Company.
12.	OMH	Holgain Limited ("Holgain")	Leasing of parking space, office space and storage space inside Ming Pao Industrial Centre situated at 18 Ka Yip Street, Chaiwan, Hong Kong from Holgain as landlord to OMH and its subsidiaries	1,669	215	OMH is a wholly-owned subsidiary of OMG. Holgain is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of OMG. Mr Tiong Kiew Chiong is a director of both OMH and Holgain. He is also a director and a shareholder of the Company and OMG. Mr Tiong Kiu King is a director of OMH, Holgain and OMG. He is also a director and a shareholder of the Company.

No.	Related parties	Contracting parties	Nature of transaction	Transacted value for the financial year ended 31 March 2011 HK$'000	Equivalent in US$'000	Nature of relationship
13.	OMG Group	Charming Holidays Limited ("Charming")	Provision of services such as air tickets and accommodation arrangement services by Charming to OMG Group	426	55	Charming is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of OMG. Mr Tiong Kiew Chiong is a director of Charming. He is also a director and a shareholder of the Company and OMG. Mr Tiong Kiu King is a director of Charming and OMG. He is also a director and a shareholder of the Company.
14.	OMG Group	the Group	Provision of barter advertising services by the Group to OMG Group	1,274	164	The Company is a major shareholder and a substantial shareholder of OMG. Mr Tiong Kiew Chiong is a director and a shareholder of the Company and OMG. Mr Tiong Kiu King is a director of OMG. He is also a director and a shareholder of the Company.
15.	OMG Group	the Group	Receipt of barter advertising services by the Group from OMG Group	1,274	164	The Company is a major shareholder and a substantial shareholder of OMG. Mr Tiong Kiew Chiong is a director and a shareholder of the Company and OMG. Mr Tiong Kiu King is a director of OMG. He is also a director and a shareholder of the Company.

No.	Related parties	Contracting parties	Nature of transaction	Transacted value for the financial year ended 31 March 2011 HK$'000	Equivalent in US$'000	Nature of relationship
16.	Beijing OMG Advertising Company Limited ("Beijing OMG")	Guangzhou Kin Ming Printing Limited ("GZ Kin Ming")	Provision of printing services by GZ Kin Ming to Beijing OMG	9,804	1,261	Beijing OMG is a wholly-owned subsidiary of OMG. GZ Kin Ming is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of OMG. Mr Tiong Kiew Chiong is a director of both Beijing OMG and GZ Kin Ming. He is also a director and a shareholder of the Company and OMG. Mr Tiong Kiu King is a director of Beijing OMG, GZ Kin Ming and OMG. He is also a director and a shareholder of the Company.
17.	OMH	Kin Ming Printing Company Limited ("Kin Ming")	Provision of pre-press services by Kin Ming to OMH and its subsidiaries	79	10	OMH is a wholly-owned subsidiary of OMG. Kin Ming is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of OMG. Mr Tiong Kiew Chiong is a director of both OMH and Kin Ming. He is also a director and a shareholder of the Company and OMG. Mr Tiong Kiu King is a director of OMH, Kin Ming and OMG. He is also a director and a shareholder of the Company.

INTRODUCTION

The Board is committed to maintaining a sound system of internal controls to safeguard shareholders' investments and the Group's assets. 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.

BOARD RESPONSIBILITY

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. The system of internal controls covers, inter alia, governance, risk management, financial, organisational, operational and compliance controls. However, the Board recognises that this system is designed to manage rather than eliminate the risk of non-achievement of the Group's policies, goals and objectives. Therefore, the system provides reasonable, but not absolute, assurance against the occurrence of any material misstatement, losses, fraud or breaches of laws and regulations.

The Group has in place a continuous, proactive and systematic process for identifying, evaluating, monitoring and managing significant risks pertinent to the achievement of its overall corporate objectives.

INTERNAL CONTROL FRAMEWORK

The Group's internal control framework covers the setting of a defined organisational structure with clear reporting lines and formalised roles and responsibilities. Relevant executive directors and senior management have been delegated with respective limit of authorities and have specific accountability for monitoring the performance of business operating units. Annual business plans and budgets of the Group are reviewed and approved by the Board. The performance of each business unit is assessed against the respective approved budget, with explanation on significant variances provided to the Board on a periodic basis. This helps the Board and the senior management monitor the Group's business operations and plan on a prudent and timely basis.

INTERNAL AUDIT

The Group's Internal Audit Function undertakes regular reviews of the Group's operations and its system of internal controls. It provides continuous improvement to the controls and risk management procedures. An annual internal audit plan is presented to the Audit Committee for approval. The Internal Audit Function's findings are discussed at management level and actions are agreed in response to the Internal Audit Function's recommendations. The progress of implementation of the agreed actions is reviewed and verified by the Internal Audit Function through its follow-up reviews.

The Internal Audit Function has a clear reporting line to the Audit Committee. Thus, it is independent of the activities it reviews. The Internal Audit Function carries out the reviews with impartiality, proficiency and due professional care. 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 its inclusion in the Group's annual report for the financial year ended 31 March 2011. 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 internal controls of the Group.

Audit Committee Report

The Board is pleased to present the Audit Committee Report for the financial year ended 31 March 2011.

MEMBERSHIP

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

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

ATTENDANCE OF MEETINGS

The Audit Committee has held five meetings during the financial year ended 31 March 2011 and details of the attendance are as follows:

Members	**Number of meetings attended**	**Percentage of attendance**
Mr David YU Hon To	5/5	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%

The Group Chief Executive Officer, the relevant Executive Directors, Head of Internal Audit Function and Head of Finance Department were invited for each meeting. Other senior management would also be invited to attend whenever deemed necessary. The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification.

The Audit Committee has explicit right to convene meetings with both internal and external auditors excluding the attendance of other directors and management. The external auditors were invited to attend two of these meetings which were held on 23 June 2010 and 16 November 2010 to raise areas of concern and matters related to audit and interim review without the presence of management.

The Chairman of the Audit Committee submits a summary of matters discussed to the Board after each meeting. The Chairman is responsible to update the Board about the Audit Committee activities and make appropriate recommendations when necessary. This is to ensure that the Board is aware of matters that may significantly impact the financial condition or affairs of the business.

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 being 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) Fulfils such other requirements as prescribed or approved by the Bursa Securities.

f) Is an Independent Non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the HK Listing Rules.

3. Quorum

A quorum shall consist of a majority of Independent Non-executive Directors and shall not be less than two.

4. Chairman

The members of the Audit Committee shall elect a Chairman from among 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.

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 and internal auditors;

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;

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 the integrity of the Company's financial statements, 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 and regulatory 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 external 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;

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 Group; 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 function and that it has the necessary authority to carry out its work; 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 external 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 the terms of reference of the Audit Committee;

p) To review any related party transaction and conflict of interest situation that may arise within the Group 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 Function 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.

SUMMARY OF ACTIVITIES

During the year, the Audit Committee has carried out its duties as set out in its terms of reference. The main activities undertaken were as follows:

Financial results

a) Reviewed the Group's 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 applicable financial reporting standards in Hong Kong and Malaysia and other relevant legal and regulatory requirements.

Internal audit

a) Reviewed the internal audit plan ensuring the principal risk areas were adequately identified and covered in the plan;

b) Reviewed the scope and coverage of the audit of the activities of the respective operating units of the Group and the basis of assessment and risk rating of the proposed areas of audit;

c) Reviewed and deliberated on audit reports and follow-up reports conducted by internal auditor;

d) Reviewed the recommendations by internal auditor and appraised the adequacy and effectiveness of management response in resolving the audit issues reported;

e) Reviewed the corrective actions taken by management in addressing and resolving issues as well as enhancing the internal control system on a timely basis;

f) Reviewed the adequacy of resources and the competencies of staff within the internal audit function to execute the plan and the results of their work.

External audit

a) Reviewed with the external auditor the audit plan, audit strategy and scope of statutory audits of the Group's accounts for the financial year under review;

b) Reviewed with the external auditor the results and issues arising from 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 2011;

d) Reviewed the performance and effectiveness of the external auditor before recommending to the Board its re-appointment and remuneration.

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 statement in relation to the proposed renewal of share buy-back mandate;

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 Function which is independent of management and of the activities it reviews. The Internal Audit Function reports functionally and directly to the Audit Committee. Its primary role is to evaluate and improve the effectiveness of the Group's system of internal controls, risk management and governance processes. This is accomplished through a systematic and disciplined approach of regular reviews and appraisals of the management, control and governance processes based on the approved audit plan. The Internal Audit Function adopts a risk-based methodology in planning and conducting reviews by focusing on key risks areas.

During the financial year, the Internal Audit Function had undertaken the following activities:

a) Prepared the annual internal audit plan of the Group for approval by the Audit Committee;

b) Performed risk-based audit according to the approved audit plan, including follow-up review or matters from previous internal audit reports;

c) Issued internal audit reports to the management on risk management, control and governance issues identified from reviews performed together with recommendations for improvements in these processes.

d) 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;

e) Reported to the Audit Committee on review of the adequacy, appropriateness and compliance with the procedures established to monitor recurrent related party transactions;

f) Observed stock-take of raw materials to assess whether it had been conducted in accordance with approved procedures;

g) 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 2011 was approximately US$168,000.

Further details of the Internal Audit Function are set out in the Statement on Internal Control on page 51.

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 submit their report together with the audited financial statements of the Group for the year ended 31 March 2011.

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 76.

A first interim dividend in respect of the current year of US0.800 cents (2010: US0.450 cents) per share on 1,683,896,241 ordinary shares of the Company amounting to US$13,471,000 (2010: US$7,578,000) was paid on 30 December 2010.

On 30 May 2011, the Board of Directors has declared a second interim dividend of US1.153 cents per ordinary share in lieu of a final dividend for the year ended 31 March 2011. The dividend will be payable on 2 August 2011 in cash in RM or in HK$ at exchange rates determined on 30 May 2011 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 4 July 2011.

The middle exchange rates at 12:00 noon on 30 May 2011 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	3.02	3.482 sens
US$ to HK$	7.78	HK8.970 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$19,000.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of the movements in property, plant and equipment and details of investment properties of the Group are set out in note 16 and note 17 to the financial statements respectively.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 32 to the financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2011, calculated under the Companies Act of 1981 of Bermuda (as amended), amounted to US$124,803,000 (2010: US$125,254,000).

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 159.

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	Equivalents in
		Highest	Lowest		
		HK$	HK$	HK$	US$
August 2010	1,000	2.00	2.00	2,000	257

All the shares repurchased 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

DIRECTORS

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

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

In accordance with the Company's Bye-Laws, Mr TIONG Kiu King, Dato' Sri Dr TIONG Ik King, Tan Sri Dato' LAU Yin Pin and Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH will 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 boards of the aforesaid companies, the Group operates its business independently of, and at arm's length from, the businesses of the aforesaid companies.

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. In addition, Mr Tiong Kiu King and Mr Tiong Kiew Chiong are directors of the Company and OMG. OMG Group 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. As the contents and demographic readership of the publications of the Group and those of OMG Group are different, the directors consider that there is a clear delineation and no competition between the businesses of the Group and OMG Group and that the Group is carrying on its business independently of, and at arm's length with, OMG Group.

Save as disclosed above, none of the directors of the Company has any interest in a business which competes or is likely to compete with the business of the Group during the year.

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 above, 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 approved at the special general meeting of the Company held on 21 August 2001 (the "MCI Scheme") 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 Company 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.

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

	Number of shares involved in share options								
Grantee	Balance at 1 April 2010	Granted during the year *(note 1)*	Exercised during the year *(note 2)*	Lapsed during the year *(note 3)*	Balance at 31 March 2011	Percentage of issued ordinary shares at 31 March 2011	Exercise price per share HK$	Date of grant	Exercisable period
Directors:									
Tan Sri Datuk Sir TIONG Hiew King	300,000	—	(300,000)	—	—	—	1.592	31/08/2001	01/09/2001–20/08/2011
Tan Sri Datuk Sir TIONG Hiew King	300,000	—	(300,000)	—	—	—	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	—	(600,000)	—	1,800,000	0.108%			
Full time employees	975,000	—	(60,000)	—	915,000	0.054%	1.592	31/08/2001	01/09/2001–20/08/2011
Full time employees	633,000	—	(30,000)	(30,000)	573,000	0.034%	1.320	29/08/2003	30/08/2003–20/08/2011
Total	4,008,000	—	(690,000)	(30,000)	3,288,000	0.196%			

Notes:

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

(2) During the year, 300,000 shares, 360,000 shares and 30,000 shares of HK$0.10 each were issued at HK$1.800 per share, HK$1.592 per share and HK$1.320 per share respectively as a result of the exercise of the Company's share options. The weighted average of the closing prices of the Company's shares immediately before the dates on which the above share options were exercised was HK$2.69.

(3) During the year, 30,000 share options 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 73.18% at the 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.

(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.

(ii) As at 31 March 2011, 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:

	Number of shares involved in share options								
Grantee	Balance at 1 April 2010	Granted during the year *(note 2)*	Exercised during the year *(note 2)*	Lapsed during the year *(note 3)*	Balance at 31 March 2011	Percentage of issued ordinary shares of OMG at 31 March 2011	Exercise price per share HK$	Date of grant	Exercisable period
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
	4,900,000	—	—	—	4,900,000	1.22%			
Full time employees and directors of OMG *(note 1a)*	6,400,000	—	—	(1,900,000)	4,500,000	1.13%	1.200	27/09/2005	18/10/2005–25/09/2015
Full time employees *(note 1b)*	856,000	—	—	(48,000)	808,000	0.20%	1.200	27/09/2005	18/10/2005–25/09/2015
Total	12,156,000	—	—	(1,948,000)	10,208,000	2.55%			

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 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, 1,948,000 share options lapsed by reason of the grantees ceased to be a director and full time employees of OMG and its subsidiaries.

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

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in Statement on Corporate Governance under "Recurrent Related Party Transactions of a Revenue Nature or Trading Nature" on pages 45 to 50, no contracts of significance in relation to the Group's businesses to which the Company, any of 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 2010	Bought	Sold	As at 31 March 2011
(i)	**The Company**				
	Direct interest in shares:				
	Tan Sri Datuk Sir TIONG Hiew King	86,509,058	600,000	—	87,109,058
	Mr TIONG Kiu King	2,540,559	—	—	2,540,559
	Dato' Sri Dr TIONG Ik King	9,406,189	1,138,000	—	10,544,189
	Mr TIONG Kiew Chiong	4,796,483	—	1,550,000	3,246,483
	Ms SIEW Nyoke Chow	2,000,072	—	2,000,072	—
	Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	135,925	—	—	135,925
	Indirect interest in shares:				
	Tan Sri Datuk Sir TIONG Hiew King	797,168,939	—	200,000	796,968,939(3)
	Mr TIONG Kiu King	147,000	—	—	147,000(2)
	Dato' Sri Dr TIONG Ik King	252,487,700	—	—	252,487,700(1)
(ii)	**Subsidiary — OMG**				
	Direct interest in shares:				
	Mr TIONG Kiew Chiong	4,000,000	—	—	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 in 234,566 shares and his corporate interests in 796,734,373 shares. The details of corporate interests are set out in note 2 of paragraph (b)(i) "Interests in shares and underlying shares in the Company" on page 68.

(b) At 31 March 2011, 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

	Number of shares/underlying shares held						
Name of director	**Personal interests**	**Family interests**	**Corporate interests**	**Total interest in shares**	**Interests in underlying shares pursuant to share options** *(note 1)*	**Aggregate interests**	**Percentage of issued ordinary shares at 31 March 2011**
Tan Sri Datuk Sir TIONG Hiew King	87,109,058	234,566	796,734,373 *(note 2)*	884,077,997	—	884,077,997	52.48%
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	10,544,189	—	252,487,700 *(note 3)*	263,031,889	600,000	263,631,889	15.65%
Mr TIONG Kiew Chiong	3,246,483	—	—	3,246,483	600,000	3,846,483	0.23%
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 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) 326,463,556 shares held by Progresif Growth Sdn Bhd ("Progresif").

Tan Sri Datuk Sir TIONG Hiew King directly holds 84% interest in TSL and 99.99% interest in PAA. In addition, PAA directly holds 47.62% interest in both RHS and RHSA, and 45% in Madigreen. Tan Sri Datuk Sir TIONG Hiew King also directly and indirectly holds 45% interest in Progresif and 70% interest in Ezywood. 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.

(ii) Interests in shares and underlying shares in OMG

Name of director	Number of shares/underlying shares held: Personal interests	Family interests	Corporate interests	Total interest in shares	Interests in underlying shares pursuant to share options *(note)*	Aggregate interests	Percentage of issued ordinary shares of OMG at 31 March 2011
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 2011, none of the directors, chief executives and their associates had any interests in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO), which are required to be recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the HK Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders required to be kept under Section 336 of Part XV of the SFO shows that as at 31 March 2011, the Company had been notified of the following substantial shareholders' interest and short position, being 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 2011
Progresif Growth Sdn Bhd *(note 1)*	326,463,556	19.38%
Conch Company Limited *(note 2)*	252,487,700	14.99%
Zaman Pemimpin Sdn Bhd *(note 3)*	154,219,783	9.15%

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) The details of shares held by Conch are set out in note 3 of paragraph (b)(i) "Interests in shares and underlying shares in the Company" on page 68.

(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 as at 31 March 2011.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 March 2011, certain directors and companies controlled by certain directors entered into transactions with the Group which are disclosed in note 41 "Related party transactions" to the financial statements.

These related party transactions, which were carried out by the Group in the ordinary course of business and on normal commercial terms during the year ended 31 March 2011, did not constitute discloseable connected transactions or continuing connected transactions (as the case may be) under Chapter 14A of 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$1,503,000 at 31 March 2011 (31 March 2010: US$1,514,000).

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.

(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, and is determined based on actuarial computations by independent actuaries, through which the amount of benefit that employees have earned in return for their services in the current and prior years is estimated. That benefit is discounted in order to determine its present value.

Other countries

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

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the Group's five largest customers accounted for less than 30% of the total sales for the year.

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

— the largest supplier	24%
— five largest suppliers combined	34%

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 was no restriction against such rights under the laws in Bermuda.

SUFFICIENCY OF 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, it is confirmed that 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 who retires and, being eligible, offers itself for re-appointment.

On behalf of the Board

TIONG Kiew Chiong
Director

30 May 2011

Statement of Directors' Responsibilities in relation to the Financial Statements

The following statement, which should be read in conjunction with the Independent Auditor's Report set out on pages 74 to 75, 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 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.

pwc

羅兵咸永道

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 76 to 156, which comprise the consolidated and company balance sheets as at 31 March 2011, 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 information, as set out in notes 1 to 43.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 of the consolidated financial statements that give a true and fair view 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 state of affairs of the Company and of the Group as at 31 March 2011, and of the Group's profit 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 REPORTING RESPONSIBILITIES

The supplementary information set out in note 44 on page 157 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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, 30 May 2011

Consolidated Income Statement

	Note	For the year ended 31 March 2011 US$'000	2010 US$'000
Turnover	5	**445,844**	376,001
Cost of goods sold	8	**(265,271)**	(228,401)
Gross profit		**180,573**	147,600
Other income	6	**7,652**	4,998
Other gains, net	7	**2,108**	2,684
Selling and distribution expenses	8	**(64,233)**	(58,548)
Administrative expenses	8	**(40,026)**	(35,054)
Other operating expenses	8	**(10,682)**	(5,729)
Operating profit		**75,392**	55,951
Finance costs	9	**(831)**	(754)
Share of loss of an associate	21	**(354)**	(84)
Profit before income tax		**74,207**	55,113
Income tax expense	10	**(18,422)**	(13,671)
Profit for the year		**55,785**	41,442
Attributable to:			
Equity holders of the Company		**54,825**	41,136
Non-controlling interests		**960**	306
		55,785	41,442
Earnings per share attributable to the equity holders of the Company			
Basic (US cents)	12	**3.26**	2.44
Diluted (US cents)	12	**3.25**	2.44

The notes on pages 84 to 157 are an integral part of these consolidated financial statements.

		For the year ended 31 March 2011 US$'000	2010 US$'000
Dividends	13	**32,908**	20,561

Consolidated Statement of Comprehensive Income

	For the year ended 31 March	
	2011	2010
	US$'000	US$'000
Profit for the year	**55,785**	41,442
Other comprehensive income/(loss)		
Currency translation differences	**23,299**	29,234
Actuarial (losses)/gains of defined benefit plan assets	**(117)**	260
Actuarial (losses)/gains of long service payment obligations	**(9)**	589
Revaluation gain recognised upon transfer from property held for own use to investment properties	**699**	301
Other comprehensive income for the year, net of tax	**23,872**	30,384
Total comprehensive income for the year	**79,657**	71,826
Attributable to:		
Equity holders of the Company	**78,653**	71,442
Non-controlling interests	**1,004**	384
	79,657	71,826

The notes on pages 84 to 157 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

	Note	At 31 March 2011 US$'000	At 31 March 2010 US$'000 (Restated)	At 1 April 2009 US$'000 (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	*16*	**157,145**	139,962	119,929
Investment properties	*17*	**11,428**	8,686	6,224
Leasehold land and land use rights	*18*	**2,079**	2,144	2,208
Intangible assets	*19*	**79,300**	77,466	69,481
Non-current assets held for sale		**—**	—	77
Deferred income tax assets	*20*	**972**	1,831	2,430
Defined benefit plan assets	*35*	**277**	258	—
Interest in an associate	*21*	**2,379**	2,739	—
Investment in convertible notes — debt portion	*22*	**537**	511	—
		254,117	233,597	200,349
Current assets				
Inventories	*25*	**69,153**	76,079	41,948
Available-for-sale financial assets	*26*	**97**	644	646
Financial assets at fair value through profit or loss	*22*	**213**	226	221
Trade and other receivables	*27*	**68,911**	67,608	58,980
Income tax recoverable		**1,471**	1,418	1,057
Cash and cash equivalents	*28*	**110,519**	77,635	70,205
		250,364	223,610	173,057
Current liabilities				
Trade and other payables	*29*	**68,816**	57,415	50,210
Income tax liabilities		**5,671**	4,240	2,787
Short-term bank loans	*30*	**14,865**	30,618	14,579
Bank overdrafts, secured	*28*	**—**	198	2,428
Current portion of long-term liabilities	*31*	**451**	1,230	2,074
		89,803	93,701	72,078
Net current assets		**160,561**	129,909	100,979
Total assets less current liabilities		**414,678**	363,506	301,328

Consolidated Balance Sheet

	Note	**At 31 March 2011 US$'000**	At 31 March 2010 US$'000 (Restated)	At 1 April 2009 US$'000 (Restated)
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	*32*	**21,681**	21,672	21,672
Share premium	*32*	**280,299**	280,160	280,160
Other reserves	*33*	**(67,757)**	(92,337)	(122,666)
Retained earnings		**160,185**	131,814	100,652
		394,408	341,309	279,818
Non-controlling interests		**5,457**	8,263	8,189
Total equity		**399,865**	349,572	288,007
Non-current liabilities				
Other long-term liabilities	*31*	**1,267**	1,560	2,987
Defined benefit plan liabilities	*35*	**—**	—	85
Deferred income tax liabilities	*20*	**13,546**	12,374	10,249
		14,813	13,934	13,321
		414,678	363,506	301,328

The notes on pages 84 to 157 are an integral part of these consolidated financial statements.

The financial statements on pages 76 to 157 were approved by the Board of Directors on 30 May 2011 and were signed on its behalf by:

TIONG Kiu King
Director

TIONG Kiew Chiong
Director

Balance Sheet

		As at 31 March	
		2011	2010
	Note	**US$'000**	US$'000
ASSETS			
Non-current assets			
Interests in subsidiaries	*23*	**430,541**	430,541
Current assets			
Trade and other receivables	*27*	**50**	48
Cash and cash equivalents	*28*	**62**	44
		112	92
Current liabilities			
Trade and other payables	*29*	**4,938**	4,113
Net current liabilities		**(4,826)**	(4,021)
Total assets less current liabilities		**425,715**	426,520
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	*32*	**21,681**	21,672
Share premium	*32*	**280,299**	280,160
Other reserves	*33*	**24,721**	25,223
Retained earnings	*34*	**99,014**	99,465
Total equity		**425,715**	426,520

The notes on pages 84 to 157 are an integral part of these financial statements.

The financial statements on pages 76 to 157 were approved by the Board of Directors on 30 May 2011 and were signed on its behalf by:

TIONG Kiu King
Director

TIONG Kiew Chiong
Director

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company						
	Share capital US$'000	Share premium US$'000	Other reserves US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 April 2009	21,672	280,160	(122,666)	100,652	279,818	8,189	288,007
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 from property held for own use to investment properties	—	—	301	—	301	—	301
Other comprehensive income for the year, net of tax	—	—	30,306	—	30,306	78	30,384
Total comprehensive income for the year	—	—	30,306	41,136	71,442	384	71,826
Transactions with owners:							
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)
Total transactions with owners	—	—	23	(9,974)	(9,951)	(310)	(10,261)
At 31 March 2010	21,672	280,160	(92,337)	131,814	341,309	8,263	349,572

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company						
	Share capital US$'000	Share premium US$'000	Other reserves US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 April 2010	**21,672**	**280,160**	**(92,337)**	**131,814**	**341,309**	**8,263**	**349,572**
Profit for the year	—	—	—	54,825	54,825	960	55,785
Other comprehensive income/(loss):							
Currency translation differences	—	—	23,255	—	23,255	44	23,299
Actuarial losses of defined benefit plan assets	—	—	(117)	—	(117)	—	(117)
Actuarial losses of long service payment obligations	—	—	(9)	—	(9)	—	(9)
Revaluation gain recognised upon transfer from property held for own use to investment properties	—	—	699	—	699	—	699
Other comprehensive income for the year, net of tax	—	—	23,828	—	23,828	44	23,872
Total comprehensive income for the year	—	—	23,828	54,825	78,653	1,004	79,657
Transactions with owners:							
Exercise of share options	9	139	—	—	148	—	148
Acquisition of additional interest in a listed subsidiary	—	—	722	—	722	(2,429)	(1,707)
Disposal of interest in a listed subsidiary without loss of control	—	—	20	—	20	134	154
Share compensation costs on share options granted by a listed subsidiary	—	—	10	—	10	4	14
2009–2010 final dividend paid by a listed subsidiary	—	—	—	—	—	(1,413)	(1,413)
2009–2010 second interim dividend paid	—	—	—	(12,983)	(12,983)	—	(12,983)
2010–2011 interim dividend paid by a listed subsidiary	—	—	—	—	—	(106)	(106)
2010–2011 first interim dividend paid	—	—	—	(13,471)	(13,471)	—	(13,471)
Total transactions with owners	9	139	752	(26,454)	(25,554)	(3,810)	(29,364)
At 31 March 2011	**21,681**	**280,299**	**(67,757)**	**160,185**	**394,408**	**5,457**	**399,865**

The notes on pages 84 to 157 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

	Note	For the year ended 31 March 2011 US$'000	2010 US$'000 (Restated)
Cash flows from operating activities			
Cash generated from operations	*36(a)*	**111,897**	35,863
Interest on bank loans and overdrafts		**(807)**	(732)
Interest element of finance lease payments		**(24)**	(22)
Income tax paid		**(16,009)**	(11,148)
Long service payments made		**(106)**	(94)
Contributions to defined benefit plan		**(97)**	(98)
Net cash generated from operating activities		**94,854**	23,769
Cash flows from investing activities			
Acquisition of an associate		**—**	(2,827)
Purchase of property, plant and equipment		**(19,188)**	(18,021)
Purchase of intangible assets		**(738)**	(609)
Investment in convertible notes		**—**	(580)
Proceeds from disposal of property, plant and equipment	*36(b)*	**107**	681
Proceeds from disposal of investment properties		**85**	—
Proceeds from disposal of intangible assets		**—**	63
Proceeds from disposal of non-current assets held for sale		**—**	77
Interest received		**1,338**	711
Dividends received		**9**	45
Net cash used in investing activities		**(18,387)**	(20,460)
Cash flows from financing activities			
Proceeds from exercise of share options		**148**	—
Acquisition of additional interest in a listed subsidiary		**(1,707)**	—
Disposal of interest in a listed subsidiary without loss of control		**154**	—
Dividends paid		**(26,454)**	(9,974)
Dividends paid by a listed subsidiary to non-controlling interests		**(1,519)**	(317)
Repayment of bank loans		**(798)**	(1,679)
Proceeds from drawdown of short-term bank loans		**26,675**	47,453
Repayment of short-term bank loans		**(44,047)**	(33,608)
Capital element of finance lease payments		**(348)**	(466)
Net cash (used in)/generated from financing activities		**(47,896)**	1,409
Net increase in cash and cash equivalents, and bank overdrafts		**28,571**	4,718
Cash and cash equivalents, and bank overdrafts as at 1 April		**77,437**	67,777
Exchange adjustments on cash and cash equivalents, and bank overdrafts		**4,511**	4,942
Cash and cash equivalents, and bank overdrafts as at 31 March	*28*	**110,519**	77,437

The notes on pages 84 to 157 are an integral part of these consolidated financial statements.

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 30 April 2008, the Company's admission to the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities") and the listing of and quotation for the 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.

These financial statements are presented in US dollars, unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 30 May 2011.

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"), requirements of the Hong Kong Companies Ordinance and applicable disclosure requirements of the Rules Governing the Listing of Securities on the HK Stock Exchange (the "HK Listing Rules").

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.

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 financial statements, are disclosed in note 4.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(a) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 April 2010 and are relevant to the Group.

- IAS 17 (amendment), "Leases". The amendment deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of IAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under "Leasehold land and land use rights", and amortised over the lease term.

  IAS 17 (amendment) has been applied retrospectively for annual periods beginning 1 April 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 April 2010 on the basis of information existing at the inception of those leases, and recognised all leasehold land, except for those in Mainland China, as finance lease retrospectively. As a result of the reassessment, the Group has reclassified certain leasehold land from operating lease to finance lease.

  The effect of the adoption of this amendment is as follows:

	At 31 March 2011 US$'000	At 31 March 2010 US$'000	At 1 April 2009 US$'000
Increase/(decrease) in:			
Property, plant and equipment	**27,677**	28,339	20,237
Leasehold land and land use rights	**(27,677)**	(28,339)	(20,237)

- IAS 27 (revised), "Consolidated and Separate Financial Statements". The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains or losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group has applied IAS 27 (revised) prospectively to transactions with non-controlling interests from 1 April 2010.

  During the year, the Group acquired and disposed of certain issued and paid-up share capital in a listed subsidiary, where there were no changes in control. The impact on these transactions was recorded in equity. Details are set out in note 40.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(b) New and amended standards, interpretations mandatory for the financial year beginning 1 April 2010 but not currently relevant to the Group

		Effective for accounting period beginning on or after
IFRIC-Int 9	Reassessment of Embedded Derivatives and IAS 39, Financial Instruments: Recognition and Measurement	1 July 2009
IFRIC-Int 16	Hedges of a Net Investment in a Foreign Operation	1 July 2009
IFRIC-Int 17	Distribution of Non-cash Assets to Owners	1 July 2009
IFRS 1 (revised)	First-time Adoption of International Financial Reporting Standards	1 July 2009
IFRS 3 (revised)	Business Combinations	1 July 2009
IFRS 2 (amendment)	Scope of IFRS 2 and IFRS 3 (revised)	1 July 2009
IFRS 5 (amendment)	Non-current Assets Held for Sale and Discontinued Operations	1 July 2009
IAS 38 (amendment)	Additional Consequential Amendments Arising from IFRS 3 (revised) and Measuring the Fair Value of an Intangible Asset Acquired in a Business Combination	1 July 2009
IAS 39 (amendment)	Eligible Hedged Items	1 July 2009
IAS 1 (amendment)	Current/non-current classification of the liability component of convertible instruments	1 January 2010
IAS 7 (amendment)	Classification of Expenditures on Unrecognised Assets	1 January 2010
IAS 18 (amendment)	Determining Whether an Entity is Acting as a Principal or as an Agent	1 January 2010
IAS 36 (amendment)	Unit of accounting for goodwill impairment test	1 January 2010
IAS 39 (amendment)	Scope Exemption for Business Combination Contracts, Hedging Using Internal Contracts, Cash Flow Hedge Accounting and Treating Loan Prepayment Penalties as Closely Related Derivatives	1 January 2010
IFRS 1 (amendment)	Additional Exemptions for First-time Adopters	1 January 2010
IFRS 2 (amendment)	Group Cash-settled Share-based Payment Transactions	1 January 2010
IFRS 8 (amendment)	Disclosure of Information about Segment Assets	1 January 2010
IAS 32 (amendment)	Classification of Rights Issue	1 February 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(c) New standards, amendments and interpretations that have been issued but are not yet effective for the financial year beginning 1 April 2010 and have not been early adopted

The Group has not early adopted the following new standards, amendments and interpretations that have been issued but are not yet effective for the financial year beginning 1 April 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
IFRIC-Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
IFRS 1 (amendment)	Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	1 July 2010
IAS 24 (revised)	Related Party Disclosures	1 January 2011
IFRIC-Int 14 (amendment)	Prepayments of a Minimum Funding Requirement	1 January 2011
IFRSs (amendment)	Improvements to IFRSs 2010	1 January 2011
IFRS 1 (amendment)	Severe Hyper Inflation and Removal of Fixed Dates for First-time Adopters	1 July 2011
IFRS 7 (amendment)	Disclosures — Transfers of Financial Assets	1 July 2011
IAS 12 (amendment)	Deferred Tax: Recovery of Underlying Assets	1 January 2012
IAS 27	Separate Financial Statements	1 January 2013
IAS 28	Investment in Associates and Joint Ventures	1 January 2013
IFRS 9	Financial Instruments	1 January 2013
IFRS 10	Consolidated Financial Statements	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurements	1 January 2013

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 Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the net assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Consolidation *(Continued)*

(a) Subsidiaries *(Continued)*

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 non-controlling interests

The Group treats transactions with non-controlling interests as transactions with owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(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 an 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.

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 for impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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$.

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 the profit or loss for the year.

During the year ended 31 March 2011, the Group is particularly exposed to movements in the US$ to RM exchange rate as a major part of the Group's operation is located in Malaysia, and an increase in the exchange fluctuation reserve of US$23,255,000 was recognised largely due to the changes in the exchange rate of US$ to RM.

(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 consolidated income statement.

(c) Group companies

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

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

(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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.5 Property, plant and equipment

Freehold land is not amortised. Buildings, which are situated on freehold land, are stated at cost or fair value and 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%.

Leasehold land held for own use under a finance lease is stated at cost or fair value and amortised over the period of the lease on a straight-line basis.

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 land classified as finance lease	Shorter of remaining lease term or 1.22%–3.45%
Leasehold improvements	Shorter of remaining lease term or 7.5%–33.33%
Furniture, fixtures and office equipment	7.5%–33.33%
Machinery and printing equipment	5%–33.33%
Motor vehicles	10%–25%

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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

2.8 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Financial assets

The Group classifies its financial assets in the following categories: loans and receivables, financial assets at fair value through profit or loss 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Financial assets *(Continued)*

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 group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement. For assets classified as available for sale, a significant prolonged decline in the fair value below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in the consolidated income statement.

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.

2.11 Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.13 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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.

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

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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.16 Employee benefits

(a) Employee leave entitlements

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

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

(b) Profit sharing and bonus plans

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

(c) Pension obligations

The Group operates two types of retirement 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.16 Employee benefits *(Continued)*

(c) Pension obligations *(Continued)*

Defined benefit plans (Continued)

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.

(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 in Hong Kong upon 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.16 Employee benefits *(Continued)*

(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 based on the non-market vesting conditions. The Group recognises the impact of the revision of original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

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

2.17 Provisions 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

A financial guarantee (a kind of insurance contract) is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified customer fails to make payments when due in accordance with the original or modified terms of a debt instrument. The Group does not recognise liabilities for financial guarantees at inception, but performs a liability adequacy test at each reporting date by comparing the carrying amount of the net liability regarding the financial guarantee with its present legal or constructive obligation amount. If the carrying amount of the net liability is less than its present legal or constructive obligation amount, the entire difference is recognised in the consolidated income statement immediately.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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.

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.

Revenue from scrap sales of old newspapers and magazines is recognised on the date of delivery.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Leases *(Continued)*

(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.

2.22 Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are declared by the directors in the case of interim and special dividends or approved by the Company's shareholders in the case of final dividends.

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% (2010: 31%) 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 2011 and 2010 would have decreased by approximately US$9,909,700 and US$8,825,000 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 senior management monitors the investment portfolio and the related price risk.

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 2011 and 2010 by approximately US$156,000 and US$324,000 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.

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**	
	2011	2010	**2011**	2010
	US$'000	US$'000	**US$'000**	US$'000
Bank borrowings and finance lease liabilities				
within one year	**15,371**	31,989	**—**	—
in the second year	**349**	360	**—**	—
in the third to fifth year	**46**	379	**—**	—
	15,766	32,728	**—**	—
Trade and other payables within one year	**45,933**	42,306	**1,571**	1,545
Amounts due to subsidiaries within one year	**—**	—	**3,367**	2,568
	61,699	75,034	**4,938**	4,113

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 2011, the Group's strategy was to maintain a gearing ratio below 10% (2010: 10%).

As at 31 March 2011, the Group's gearing ratio was zero (2010: zero).

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

— 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 2011.

	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	**—**	**—**	**—**	**—**
— Listed equity securities	**213**	**—**	**—**	**213**
Available-for-sale financial assets				
— Unlisted club debentures	**—**	**—**	**97**	**97**
	213	**—**	**97**	**310**

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
	185	41	644	870

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.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

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.

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) 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.

(b) 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 current and deferred tax assets and liabilities in the period in which such determination is made.

(c) 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.

(d) Fair value of investment properties

Investment properties are stated at fair values which have been determined by an accredited independent valuer.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(e) 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.

(f) 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.

(g) 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.

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's 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.

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The Group's turnover and results for the year ended 31 March 2011, 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
Turnover	276,185	74,542	29,790	380,517	65,327	445,844
Segment profit before income tax	64,390	5,245	3,468	73,103	1,892	74,995
Net unallocated expenses						(434)
Share of loss of an associate						(354)
Profit before income tax						74,207
Income tax expense						(18,422)
Profit for the year						55,785
Other information:						
Interest income	1,240	124	—	1,364	2	1,366
Interest expense	(773)	(34)	(24)	(831)	—	(831)
Depreciation	(7,388)	(1,645)	(551)	(9,584)	(85)	(9,669)
Amortisation of leasehold land and land use rights	—	(60)	—	(60)	—	(60)
Amortisation of intangible assets	(776)	(52)	(69)	(897)	(4)	(901)
Impairment of an intangible asset	(4,132)	—	—	(4,132)	—	(4,132)

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:

	(Restated) 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
Turnover	234,386	70,230	25,062	329,678	46,323	376,001
Segment profit/(loss) before income tax	52,546	3,777	(442)	55,881	(42)	55,839
Net unallocated expenses						(642)
Share of loss of an associate						(84)
Profit before income tax						55,113
Income tax expense						(13,671)
Profit for the year						41,442
Other information:						
Interest income	642	79	—	721	2	723
Interest expense	(676)	(35)	(43)	(754)	—	(754)
Depreciation	(5,952)	(1,959)	(690)	(8,601)	(98)	(8,699)
Amortisation of leasehold land and land use rights	—	(58)	—	(58)	—	(58)
Amortisation of intangible assets	(688)	(29)	(9)	(726)	(1)	(727)

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The segment assets as at 31 March 2011 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$'000	Elimination US$'000	Total US$'000
Segment assets	**406,079**	**74,122**	**14,680**	**494,881**	**9,233**	**(2,775)**	**501,339**
Unallocated assets							**3,142**
Total assets							**504,481**
Total assets include:							
Interest in an assoicate	**—**	**2,379**	**—**	**2,379**	**—**	**—**	**2,379**
Additions to non-current assets (other than interest in an associate, defined benefit plan assets, financial assets and deferred income tax assets)	**18,906**	**725**	**223**	**19,854**	**72**	**—**	**19,926**

The segment assets as at 31 March 2010 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$'000	Elimination US$'000	Total US$'000
Segment assets	360,702	75,603	12,786	449,091	7,881	(4,019)	452,953
Unallocated assets							4,254
Total assets							457,207
Total assets include:							
Interest in an assoicate	—	2,739	—	2,739	—	—	2,739
Additions to non-current assets (other than interest in an associate, defined benefit plan assets, financial, assets and deferred income tax assets)	17,866	391	352	18,609	21	—	18,630

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 2011 amounted to US$350,727,000 (2010: US$304,616,000), and revenue from external customers in other countries amounted to US$29,790,000 (2010: US$25,062,000).

As at 31 March 2011, total non-current assets, other than financial assets, defined benefit plan assets and deferred tax assets, located in the main operating countries were US$246,346,000 (2010: US$224,807,000), and total non-current assets located in other countries were US$5,985,000 (2010: US$6,190,000).

The elimination between segments represented 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:

	2011 **US$'000**	2010 US$'000
Advertising income, net of trade discounts	**264,004**	221,963
Sales of newspapers, magazines and books, net of trade discounts and returns	**116,513**	107,715
Travel and travel related services income	**65,327**	46,323
	445,844	376,001

6 OTHER INCOME

	2011 **US$'000**	2010 US$'000
Scrap sales of old newspapers and magazines	**5,009**	3,254
Interest income	**1,366**	723
Rental and management fee income	**1,012**	698
License fee and royalty income	**256**	278
Dividend income	**9**	45
	7,652	4,998

7 OTHER GAINS, NET

	2011 US$'000	2010 US$'000
Net exchange gain	**364**	559
Discount on acquisition of additional interest in a subsidiary *(note)*	**—**	10
Fair value (losses)/gains on investment properties	**(7)**	398
Fair value losses on financial assets at fair value through profit or loss	**(10)**	(77)
Provision for impairment of available-for-sale financial assets	**(546)**	—
Others	**2,307**	1,794
	2,108	2,684

Note: On 24 February 2010, the Group acquired from a non-controlling interest 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

	2011 US$'000	2010 US$'000 (Restated)
Amortisation of intangible assets	**901**	727
Amortisation of leasehold land and land use rights	**60**	58
Auditor's remuneration		
Current year	**602**	548
Under provision in prior years	**41**	7
Depreciation	**9,669**	8,699
Direct cost of travel and travel related services	**57,547**	40,965
Employee benefit expense (including directors' emoluments) *(note 14)*	**105,189**	92,136
Losses/(gains) on disposal of property, plant and equipment — net *(note 36(b))*	**7**	(113)
Loss on disposal of investment properties	**11**	—
Loss on disposal of intangible assets	**1**	—
Operating lease expenses		
Land and buildings	**1,824**	2,940
Machineries	**18**	18
Provision for impairment and written off of trade receivables	**344**	368
Provision for impairment of property, plant and equipment	**—**	42
Provision for impairment of available-for-sale financial assets	**546**	—
Provision for inventory obsolescence	**137**	164
Impairment of an intangible asset *(note 19)*	**4,132**	—
Raw materials and consumables used	**109,910**	99,900
Other expenses	**89,273**	81,273
Total cost of goods sold, selling and distribution expenses, administrative expenses, and other operating expenses	**380,212**	327,732

9 FINANCE COSTS

	2011 US$'000	2010 US$'000
Interest on bank loans and overdrafts wholly repayable within five years	**807**	732
Interest element of finance lease payments wholly repayable within five years	**24**	22
	831	754

10 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2010: 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% (2010: 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:

	2011 US$'000	2010 US$'000
Hong Kong taxation		
Current year	**1,522**	1,104
Over provision in prior years	**(3)**	(51)
Malaysian taxation		
Current year	**14,510**	10,633
Over provision in prior years	**(599)**	(244)
Other countries' taxation		
Current year	**1,602**	686
Over provision in prior years	**(37)**	(377)
Deferred income tax expense *(note 20)*	**1,427**	1,920
	18,422	13,671

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:

	2011	2010
	US$'000	US$'000
Profit before income tax	**74,207**	55,113
Tax calculated at domestic tax rates applicable to profits in the respective countries	**18,221**	13,315
Income not subject to tax	**(189)**	(798)
Expenses not deductible for tax purposes	**2,174**	1,251
Utilisation of previously unrecognised tax losses	**(509)**	(826)
Temporary differences not recognised	**233**	498
Utilisation of current year's reinvestment allowance	**(2,055)**	(725)
Utilisation of group tax relief	**(369)**	(349)
Over provision in prior years	**(639)**	(672)
Deferred tax assets unrecognised during the year	**1,442**	1,977
Recognition of deferred tax assets arising from previously unrecognised tax losses	**(46)**	—
Under provision in prior years — deferred tax	**159**	—
Income tax expense	**18,422**	13,671

The weighted average applicable tax rate for the year was 25% (2010: 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$26,003,000 (2010: profit of US$13,554,000).

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.

	2011	2010
Profit attributable to equity holders of the Company (US$'000)	**54,825**	41,136
Weighted average number of ordinary shares in issue	**1,683,914,726**	1,683,897,666
Basic earnings per share (US cents)	**3.26**	2.44

(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 previous year, the share options had no dilutive effect, as the exercise price of the share options was higher than the average price for the year.

	2011	2010
Profit attributable to equity holders of the Company (US$'000)	**54,825**	41,136
Weighted average number of ordinary shares in issue	**1,683,914,726**	1,683,897,666
Adjustment for share options	**641,295**	—
Weighted average number of ordinary shares used to compute diluted earnings per share	**1,684,556,021**	1,683,897,666
Diluted earnings per share (US cents)	**3.25**	2.44

13 DIVIDENDS

	2011 US$'000	2010 US$'000
First interim, paid of US0.800 cents (2009–2010: paid US0.450 cents) per ordinary share	**13,471**	7,578
Second interim, proposed after the end of the reporting period of US1.153 cents (2009–2010: paid US0.771 cents) per ordinary share	**19,437**	12,983
	32,908	20,561

The aggregate amounts of the dividends paid and proposed during 2011 and 2010 have been disclosed in the consolidated income statement in accordance with the Hong Kong Companies Ordinance.

Notes:

(a) The first interim dividend of US0.800 cents (2009–2010: US0.450 cents) per ordinary share amounting to US$13,471,000 was paid on 30 December 2010.

(b) On 30 May 2011, the Board of Directors has declared a second interim dividend of US1.153 cents per ordinary share in lieu of a final dividend for the year ended 31 March 2011. The dividend will be payable on 2 August 2011 in cash in RM or in HK$ at exchange rates determined on 30 May 2011 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 4 July 2011. 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 30 May 2011 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	3.02	3.482 sens
US$ to HK$	7.78	HK8.970 cents

(c) The 2009–2010 second interim dividend represented a dividend of US0.771 cents per ordinary share in respect of the year ended 31 March 2010 and was paid to shareholders of the Company on 6 August 2010.

14 EMPLOYEE BENEFIT EXPENSE

	2011 US$'000	2010 US$'000
Wages and salaries	**79,113**	72,033
Unutilised annual leave	**63**	110
Share compensation costs on share options granted by a listed subsidiary	**14**	40
Pension costs — defined contribution plans	**6,589**	5,406
Pension (income)/costs — defined benefit plans *(note 35(b))*	**(39)**	15
Long service payments *(note 31)*	**35**	24
Other staff costs	**19,414**	14,508
	105,189	92,136

15 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Details of directors' emoluments for the years ended 31 March 2011 and 2010 are set out below:

Name of Director	Fees	Salaries, allowances and benefits in kind	Bonuses	Employer's contributions to pension schemes	Share compensation costs on share options granted by a listed subsidiary	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Executive directors						
Tan Sri Datuk Sir TIONG Hiew King	**350**	**—**	**64**	**—**	**2**	**416**
Mr TIONG Kiu King	**21**	**—**	**—**	**—**	**2**	**23**
Dato' Sri Dr TIONG Ik King	**21**	**—**	**—**	**—**	**1**	**22**
Mr TIONG Kiew Chiong	**—**	**291**	**73**	**15**	**2**	**381**
Ms SIEW Nyoke Chow	**—**	**198**	**57**	**38**	**—**	**293**
Ms SIM Sai Hoon	**—**	**176**	**48**	**31**	**—**	**255**
Non-executive director						
Mr LEONG Chew Meng	**22**	**1**	**—**	**—**	**—**	**23**
Independent non-executive directors						
Mr David YU Hon To *(note 1)*	**48**	**1**	**—**	**—**	**—**	**49**
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	**24**	**1**	**—**	**—**	**—**	**25**
Tan Sri Dato' LAU Yin Pin	**24**	**1**	**—**	**—**	**—**	**25**
Total for the year ended 31 March 2011	**510**	**669**	**242**	**84**	**7**	**1,512**
Executive directors						
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 2)*	—	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
Non-executive director						
Mr LEONG Chew Meng	18	—	—	—	—	18
Independent non-executive directors						
Mr David YU Hon To *(note 1)*	44	—	—	—	1	45
Mr Victor YANG *(note 3)*	11	—	—	—	—	11
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	19	—	—	—	—	19
Tan Sri Dato' LAU Yin Pin	20	—	—	—	—	20
Total for the year ended 31 March 2010	439	698	115	73	20	1,345

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

(a) Details of directors' emoluments for the years ended 31 March 2011 and 2010 are set out below: *(Continued)*

Notes:

1 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$21,000 (2010: US$18,000).

2 Dato' LEONG Khee Seong resigned as an executive director on 15 September 2009.

3 Mr Victor YANG resigned as an independent non-executive director of the Company on 1 October 2009.

4 During the year, no option (2010: 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 2011 and 2010, 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 2011 and 2010.

(b) The five highest paid individuals during the year include two (2010: two) executive directors whose emoluments are reflected in the analysis presented above. The emoluments paid to the remaining three (2010: three) individuals during the year are as follows:

	2011	2010
	US$'000	US$'000
Basic salaries, bonuses, other allowances and benefits in kind	**935**	825
Contributions to pension schemes	**73**	71
Share compensation costs on share options granted by a listed subsidiary	**1**	4
	1,009	900

The emoluments of the three (2010: three) individuals fell within the following bands:

	Number of individuals	
	2011	2010
From US$257,222 to US$321,527 (equivalent to HK$2,000,001 to HK$2,500,000)	**1**	2
From US$321,528 to US$385,832 (equivalent to HK$2,500,001 to HK$3,000,000)	**2**	1
	3	3

16 PROPERTY, PLANT AND EQUIPMENT

	Group								
	Other properties								
	Freehold/ leasehold land and buildings outside Hong Kong	Buildings held on long-term leases outside Hong Kong	Leasehold land and 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	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 April 2009									
Cost as previously reported	39,974	2,753	8,791	1,524	32,262	94,774	2,605	3,088	185,771
Effect of adoption of IAS 17 (amendment)	10,876	—	15,390	—	—	—	—	—	26,266
Cost as restated	50,850	2,753	24,181	1,524	32,262	94,774	2,605	3,088	212,037
Accumulated depreciation, as previously reported	(5,710)	(105)	(3,127)	(413)	(24,326)	(51,216)	(1,182)	—	(86,079)
Effect of adoption of IAS 17 (amendment)	(1,392)	—	(4,637)	—	—	—	—	—	(6,029)
Accumulated depreciation, as restated	(7,102)	(105)	(7,764)	(413)	(24,326)	(51,216)	(1,182)	—	(92,108)
Net book amount, as restated	43,748	2,648	16,417	1,111	7,936	43,558	1,423	3,088	119,929
Year ended 31 March 2010									
Opening net book value, as previously reported	34,264	2,648	5,664	1,111	7,936	43,558	1,423	3,088	99,692
Effect of adoption of IAS 17 (amendment)	9,484	—	10,753	—	—	—	—	—	20,237
Opening net book value, as restated	43,748	2,648	16,417	1,111	7,936	43,558	1,423	3,088	119,929
Additions	5,413	6	7,268	—	1,350	3,343	330	311	18,021
Exchange adjustments	4,435	286	1,332	12	716	4,955	125	288	12,149
Reclassifications	2,646	—	—	—	16	566	33	(3,261)	—
Transferred to investment properties	(828)	—	—	—	—	—	—	—	(828)
Disposals	—	—	—	—	(158)	(188)	(222)	—	(568)
Depreciation, as restated *(note c)*	(1,482)	(57)	(451)	(34)	(2,565)	(3,671)	(439)	—	(8,699)
Impairment charge	—	—	—	—	—	(42)	—	—	(42)
Closing net book value	53,932	2,883	24,566	1,089	7,295	48,521	1,250	426	139,962
At 31 March 2010									
Cost as previously reported	51,831	3,051	8,776	1,533	35,227	105,880	2,783	426	209,507
Effect of adoption of IAS 17 (amendment)	19,664	—	15,362	—	—	—	—	—	35,026
Cost as restated	71,495	3,051	24,138	1,533	35,227	105,880	2,783	426	244,533
Accumulated depreciation, as previously reported	(7,083)	(168)	(3,365)	(444)	(27,932)	(57,359)	(1,533)	—	(97,884)
Effect of adoption of IAS 17 (amendment)	(1,778)	—	(4,909)	—	—	—	—	—	(6,687)
Accumulated depreciation, as restated	(8,861)	(168)	(8,274)	(444)	(27,932)	(57,359)	(1,533)	—	(104,571)
Net book amount, as restated	62,634	2,883	15,864	1,089	7,295	48,521	1,250	426	139,962

16 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Group								
	Other properties								
	Freehold/ leasehold land and buildings outside Hong Kong	Buildings held on long-term leases outside Hong Kong	Leasehold land and 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	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Year ended 31 March 2011									
Opening net book value, as previously reported	44,748	2,883	5,411	1,089	7,295	48,521	1,250	426	111,623
Effect of adoption of IAS 17 (amendment)	17,886	—	10,453	—	—	—	—	—	28,339
Opening net book value, as restated	62,634	2,883	15,864	1,089	7,295	48,521	1,250	426	139,962
Additions	463	—	—	—	11,112	7,462	97	54	19,188
Exchange adjustments	4,703	207	(35)	11	889	3,501	74	62	9,412
Reclassifications	37	—	—	—	(5,631)	5,904	—	(310)	—
Transferred to intangible assets	—	—	—	—	—	—	—	(109)	(109)
Transferred to investment properties	(1,525)	—	—	—	—	—	—	—	(1,525)
Disposals	—	—	—	—	(55)	(50)	(9)	—	(114)
Depreciation *(note c)*	(2,053)	(62)	(524)	(35)	(2,405)	(4,169)	(421)	—	(9,669)
Closing net book value	64,259	3,028	15,305	1,065	11,205	61,169	991	123	157,145
At 31 March 2011									
Cost	75,626	3,270	24,081	1,539	41,679	125,454	3,024	123	274,796
Accumulated depreciation	(11,367)	(242)	(8,776)	(474)	(30,474)	(64,285)	(2,033)	—	(117,651)
Net book value	64,259	3,028	15,305	1,065	11,205	61,169	991	123	157,145

Notes:

(a) The carrying values of machines and motor vehicles purchased under finance leases are US$1,096,000 and US$42,000 respectively (2010: US$1,226,000 and US$122,000).

(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$4,173,000 (2010: US$3,684,000) was included in cost of goods sold and US$5,496,000 (2010: US$5,015,000) was charged in other operating expenses.

17 INVESTMENT PROPERTIES

	Group 2011 US$'000	2010 US$'000
At 1 April	**8,686**	6,224
Additions	**—**	—
Transferred from property, plant and equipment	**2,162**	1,237
Net (loss)/gain from fair value adjustments	**(7)**	398
Disposal	**(96)**	—
Exchange adjustments	**683**	827
At 31 March	**11,428**	8,686

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

	Group 2011 US$'000	2010 US$'000
In Malaysia, held on:		
Freehold	**5,792**	5,383
Leases of over 50 years	**5,636**	3,303
	11,428	8,686

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.

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

	Group 2011 US$'000	2010 US$'000
Rental income	**724**	505
Direct operating expenses arising from investment properties that generate rental income	**(68)**	(107)
	656	398

17 INVESTMENT PROPERTIES *(Continued)*

At 31 March 2011, the Group had future aggregate minimum rental receivables under non-cancellable operating leases as follows:

	Group	
	2011	2010
	US$'000	US$'000
No later than one year	**271**	245
Later than one year and no later than five years	**755**	568
Later than five years	**—**	665
	1,026	1,478

Particulars of the Group's investment properties as at 31 March 2011 are as follows:

	Location	Tenure/ Expiry of lease	Uses	US$'000
1	V5-09-05, Block 5, Sri Palma Villa, Jalan KL-Seremban, Bandar University Teknologi Lagenda, 71700 Mantin, Negeri Sembilan Darul Khusus, Malaysia	Freehold	Residential building (1 unit of service apartment)	36
2	PT12917 HS(D) 103390 (Ground Floor) Putra Indah A, Putra Nilai, 71800 Nilai, Negeri Sembilan Darul Khusus, Malaysia	Freehold	Commercial building	99
3	Lot 4173, Mukim Tebrau, 3, Jalan Riang 22/1, Taman Gembira, Tampoi, 81200 Johor Bahru, Johor Darul Takzim, Malaysia	Freehold	Office building and factory building	189
4	Lot 25, Rawang Integrated Industrial Park, Jalan Batu Arang, 48000 Rawang, Selangor Darul Ehsan, Malaysia	Freehold	Office building and single storey factory building	5,468
5	No. 76 Jalan University, Seksyen 13 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Leasehold / 2063	Office building	3,623
6	59-1-2, Jalan TMR 2, Taman Melaka Raya, 75000 Melaka, Malaysia	Leasehold / 2094	Commercial building	159
7	AR09-F3A0, Ara Ria 09, Jalan UTL 9, Bandar University Teknologi Lagenda, 71700 Mantin, Negeri Sembilan Darul Khusus, Malaysia	Leasehold / 2099	Residential building	27
8	No. 3, Lorong Kilang F, Kelombong, 88450 Kota Kinabalu, Sabah, Malaysia	Leasehold / 2920	Office building	1,827
				11,428

18 LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments to acquire lease-occupied properties and their net book value are analysed as follows:

	Group		
	31 March 2011 US$'000	31 March 2010 US$'000 (Restated)	1 April 2009 US$'000 (Restated)
In Mainland China, held on:			
Leases of between 10 to 50 years	**1,584**	1,638	1,692
Leases of over 50 years	**495**	506	516
	2,079	2,144	2,208

	Group	
	2011 US$'000	2010 US$'000
Cost		
At 1 April, as previously reported	**38,153**	29,399
Effect of adoption of IAS 17 (amendment)	**(35,026)**	(26,266)
At 1 April, as restated	**3,127**	3,133
Exchange adjustments	**(7)**	(6)
At 31 March	**3,120**	3,127
Accumulated amortisation		
At 1 April, as previously reported	**7,670**	6,954
Effect of adoption of IAS 17 (amendment)	**(6,687)**	(6,029)
At 1 April, as restated	**983**	925
Amortisation of prepaid operating lease payments	**60**	58
Exchange adjustments	**(2)**	—
At 31 March	**1,041**	983
Net book value		
At 31 March	**2,079**	2,144

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**
Year ended 31 March 2010					
Opening net book value	13,589	1,272	14,861	54,620	69,481
Additions	—	609	609	—	609
Amortisation expense *(note (a))*	(369)	(358)	(727)	—	(727)
Disposals	—	(63)	(63)	—	(63)
Exchange adjustments	1,578	135	1,713	6,453	8,166
Closing net book value	14,798	1,595	16,393	61,073	77,466
At 31 March 2010					
Cost	26,006	2,616	28,622	64,322	92,944
Accumulated amortisation and impairment	(11,208)	(1,021)	(12,229)	(3,249)	(15,478)
Net book value	14,798	1,595	16,393	61,073	77,466
Year ended 31 March 2011					
Opening net book value	**14,798**	**1,595**	**16,393**	**61,073**	**77,466**
Additions	**—**	**738**	**738**	**—**	**738**
Transferred from property, plant and equipment	**—**	**109**	**109**	**—**	**109**
Amortisation expense *(note (a))*	**(407)**	**(494)**	**(901)**	**—**	**(901)**
Impairment charge *(note 8)*	**—**	**—**	**—**	**(4,132)**	**(4,132)**
Disposals	**—**	**(1)**	**(1)**	**—**	**(1)**
Exchange adjustments	**1,144**	**101**	**1,245**	**4,776**	**6,021**
Closing net book value	**15,535**	**2,048**	**17,583**	**61,717**	**79,300**
At 31 March 2011					
Cost	**27,609**	**3,656**	**31,265**	**69,146**	**100,411**
Accumulated amortisation and impairment	**(12,074)**	**(1,608)**	**(13,682)**	**(7,429)**	**(21,111)**
Net book value	**15,535**	**2,048**	**17,583**	**61,717**	**79,300**

19 INTANGIBLE ASSETS *(Continued)*

Notes:

(a) Amortisation expense of US$901,000 (2010: US$727,000) 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:

	Group	
	2011	2010
	US$'000	US$'000
Guang-Ming Ribao Sdn Bhd *(note (i))*	**9,098**	12,268
Mulu Press Sdn Bhd *(note (i))*	**600**	556
Sinchew-i Sdn Bhd *(note (i))*	**47**	44
Subsidiaries in Mainland China *(note (ii))*	**330**	317
Sin Chew Media Corporation Berhad *(note (iii))*	**51,642**	47,888
	61,717	61,073

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

	Average growth rate 2011	**Pre-tax discount rate 2011**
Goodwill of Guang-Ming Ribao Sdn Bhd *(note (i))*	**-1%**	**10.6%**
Goodwill of Mulu Press Sdn Bhd *(note (i))*	**-1%**	**10.6%**
Goodwill of Sinchew-i Sdn Bhd *(note (i))*	**-1%**	**10.6%**
Goodwill of subsidiaries in Mainland China *(note (ii))*	**18%**	**12.1%**
Goodwill of Sin Chew Media Corporation Berhad *(note (iii))*	**3%**	**10.6%**

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 five-year 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, except note (i) mentioned below.

(i) Arose from the acquisition of Guang-Ming Ribao Sdn Bhd, Mulu Press Sdn Bhd and Sinchew-i Sdn Bhd by Sin Chew in 2004. During the year ended 31 March 2011, the goodwill of Guang-Ming Ribao Sdn Bhd was impaired by US$4,132,000 as the annual assessment performed indicated that the carrying value of the goodwill exceeded its recoverable amount. This was primarily attributable to the challenging business conditions faced by this subsidiary. The impairment charge was included in other operating expenses in the consolidated income statement.

(ii) Arose from the acquisition of the Group's subsidiaries in Mainland China in 2004.

(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 2011, the goodwill amounted to US$51,642,000 after an exchange adjustment of US$3,754,000 during the year.

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	
	2011	2010
	US$'000	US$'000
Deferred income tax assets:		
to be recovered within 12 months	**(236)**	(768)
to be recovered after 12 months	**(736)**	(1,063)
	(972)	(1,831)
Deferred income tax liabilities:		
to be realised within 12 months	**378**	44
to be realised after 12 months	**13,168**	12,330
	13,546	12,374

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

	Group	
	2011	2010
	US$'000	US$'000
At 1 April	**10,543**	7,819
Charged to the consolidated income statement *(note 10)*	**1,427**	1,920
(Credited)/charged directly to equity	**(62)**	108
Exchange adjustments	**666**	696
At 31 March	**12,574**	10,543

The deferred income tax credited directly to equity of US$62,000 (2010: charge of US$108,000) was related to the revaluation adjustments recognised upon transfer from 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.

20 DEFERRED INCOME TAX *(Continued)*

The components of deferred income tax liabilities/(assets) recognised in the consolidated balance sheet and the movements (prior to offsetting of the balances within the same tax jurisdiction) during the year 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 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
At 1 April 2010	**12,626**	**(130)**	**(1,440)**	**(465)**	**(2,138)**	**2,090**	**—**	**10,543**
Charged/(credited) to the consolidated income statement	**1,249**	**3**	**(701)**	**26**	**722**	**128**	**—**	**1,427**
Credited directly to equity	**—**	**—**	**—**	**—**	**—**	**(62)**	**—**	**(62)**
Exchange adjustments	**912**	**(8)**	**(197)**	**(35)**	**(20)**	**14**	**—**	**666**
At 31 March 2011	**14,787**	**(135)**	**(2,338)**	**(474)**	**(1,436)**	**2,170**	**—**	**12,574**

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$73,563,000 (2010: US$75,029,000) to carry forward against future taxable income. Losses amounting to US$39,064,000 (2010: US$36,372,000) will expire within twenty years. Losses amounting to US$1,740,000 (2010: US$1,505,000) will expire within five years. The remaining tax losses amounting to US$32,759,000 (2010: US$37,152,000) can be carried forward indefinitely.

21 INTEREST IN AN ASSOCIATE

	Group	
	2011 **US$'000**	2010 US$'000
At 1 April	**2,739**	—
Acquisition of an associate	**—**	2,827
Share of loss (including amortisation of trademark and customer list)	**(354)**	(84)
Exchange adjustments	**(6)**	(4)
At 31 March	**2,379**	2,739

21 INTEREST IN AN ASSOCIATE *(Continued)*

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 2011, interest in an associate included goodwill, trademark and customer list identified from the acquisition of ByRead Inc. of US$1,751,000 (2010: US$1,751,000), US$856,000 (2010: US$886,000) and US$67,000 (2010: 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 were as follows:

Name of associate	Place of incorporation	Effective equity interest	Principal activities
ByRead Inc.	The Cayman Islands	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 applications 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:

	Assets US$'000	Liabilities US$'000	Revenues US$'000	Loss US$'000
2011	**956**	**(32)**	**370**	**(1,210)**
2010	2,486	(411)	110	(270)

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

	Group	
	2011 US$'000	2010 US$'000
Investment in convertible notes — debt portion *(note (b))*	**537**	511
Financial assets at fair value through profit or loss:		
Listed equity securities in Hong Kong, at market value *(note (a))*	**213**	185
Investment in convertible notes — conversion portion *(note (b))*	**—**	41
	213	226

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

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 the listed equity securities were based on their current bid prices in an active market. Fair value gains on the listed equity securities at 31 March 2011 of US$30,000 (2010: fair value losses of US$36,000) 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.

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 2011, 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 US$204 (2010: US$41,000), resulting in losses arising from changes in fair values of US$40,000 (2010: 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	
	2011	2010
	US$'000	US$'000
Unlisted shares, at cost	**466,667**	466,667
Less: provision for impairment	**(36,126)**	(36,126)
	430,541	430,541

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

24 FINANCIAL INSTRUMENTS BY CATEGORY

	Group				Company
	Loans and receivables	**Financial assets at fair value through profit or loss**	**Available-for-sale financial assets**	**Total**	**Loans and receivables**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Assets					
At 31 March 2011					
Available-for-sale financial assets *(note 26)*	**—**	**—**	**97**	**97**	**—**
Investment in convertible notes — debt and conversion portions *(note 22)*	**537**	**—**	**—**	**537**	**—**
Trade receivables *(note 27)*	**60,176**	**—**	**—**	**60,176**	**—**
Deposits and other receivables excluding prepayments	**4,160**	**—**	**—**	**4,160**	**50**
Listed equity securities *(note 22)*	**—**	**213**	**—**	**213**	**—**
Cash and cash equivalents *(note 28)*	**110,519**	**—**	**—**	**110,519**	**62**
Total	**175,392**	**213**	**97**	**175,702**	**112**
At 31 March 2010					
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
Total	141,760	226	644	142,630	92

24 FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

	Financial liabilities at amortised cost			
	Group		Company	
	2011	2010	**2011**	2010
	US$'000	US$'000	**US$'000**	US$'000
Liabilities				
Bank overdrafts, secured *(note 28)*	**—**	198	**—**	—
Short-term bank loans *(note 30)*	**14,865**	30,618	**—**	—
Bank loans, secured *(note 31)*	**—**	776	**—**	—
Obligations under finance leases *(note 31)*	**724**	1,028	**—**	—
Trade and other payables	**45,933**	42,306	**1,571**	1,545
Amounts due to subsidiaries *(note 29)*	**—**	—	**3,367**	2,568
Total	**61,522**	74,926	**4,938**	4,113

25 INVENTORIES

	Group	
	2011	2010
	US$'000	US$'000
Raw materials	**68,092**	75,291
Finished goods	**1,061**	788
	69,153	76,079

Raw materials and consumables recognised as expenses and included in cost of goods sold amounted to US$109,910,000 (2010: US$99,900,000).

26 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2011	2010
	US$'000	US$'000
At 1 April	**644**	646
Exchange adjustment	**(1)**	(2)
Less: provision for impairment	**(546)**	—
At 31 March	**97**	644

Available-for-sale financial assets comprise unlisted club debentures.

26 AVAILABLE-FOR-SALE FINANCIAL ASSETS *(Continued)*

As at 31 March 2011, the unlisted available-for-sale financial assets were individually determined to be impaired on the basis of an adverse change in the market in which the investee operates which indicates that the Group's investment in the investee may not be fully recovered. Impairment loss on unlisted available-for-sale financial asset of US$546,000 (2010: Nil) was recognised in the consolidated income statement.

There were no additions or disposals of the unlisted available-for-sale financial assets during the years ended 31 March 2011 and 2010.

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

	Group	
	2011	2010
	US$'000	US$'000
HK dollars	**97**	644

At 31 March 2011, the carrying value of the unlisted available-for-sale financial assets approximated their fair value.

The maximum exposure to credit risk as at 31 March 2011 was the carrying value of the unlisted available-for-sale financial assets.

27 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011	2010	**2011**	2010
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables	**63,258**	61,539	**—**	—
Less: provision for impairment of trade receivables	**(3,082)**	(3,871)	**—**	—
Trade receivables, net *(note (a))*	**60,176**	57,668	**—**	—
Deposits and prepayments *(note (b))*	**5,650**	7,423	**50**	48
Other receivables *(note (b))*	**3,085**	2,517	**—**	—
	68,911	67,608	**50**	48

At 31 March 2011, the carrying amounts of trade and other receivables approximated their fair values.

27 TRADE AND OTHER RECEIVABLES *(Continued)*

Notes:

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

At 31 March 2011, the ageing analysis of the Group's net trade receivables based on invoice date was as follows:

	Group	
	2011	2010
	US$'000	US$'000
0 to 60 days	**43,487**	42,097
61 to 120 days	**13,430**	12,400
121 to 180 days	**2,496**	2,023
Over 180 days	**763**	1,148
	60,176	57,668

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

	Group	
	2011	2010
	US$'000	US$'000
Ringgit Malaysia	**40,914**	38,394
HK dollars	**11,156**	11,860
Canadian dollars	**4,863**	3,987
Renminbi	**2,066**	1,968
US dollars	**923**	1,285
Other currencies	**254**	174
	60,176	57,668

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 2011, trade receivables that were neither past due nor impaired amounted to US$39,885,000 (2010: US$39,123,000), which represented about 66% (2010: 68%) of the net trade receivables balance. These balances related to a wide range of customers for whom there was no recent history of default.

27 TRADE AND OTHER RECEIVABLES *(Continued)*

Notes: (Continued)

(a) *(Continued)*

At 31 March 2011, the ageing analysis of net trade receivables that were past due but not impaired was as follows:

	Group	
	2011	2010
	US$'000	US$'000
Overdue by		
0 to 60 days	**16,586**	10,712
61 to 120 days	**2,559**	6,702
121 to 180 days	**566**	826
Over 180 days	**580**	305
	20,291	18,545

During the year ended 31 March 2011, the Group has recognised a net loss of US$252,000 (2010: US$323,000) for the impairment of its trade receivables and directly written off an amount of US$92,000 (2010: US$45,000) 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:

	Group	
	2011	2010
	US$'000	US$'000
At 1 April	**3,871**	4,182
Provision for impairment of receivables	**1,499**	1,704
Receivables written off during the year as uncollectible	**(1,203)**	(990)
Unused amounts reversed	**(1,247)**	(1,381)
Exchange adjustments	**162**	356
At 31 March	**3,082**	3,871

The creation and release of provision for impairment of 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 2011 was the carrying value of trade and other receivables.

Certain trade receivables amounting to US$11,310,000 (2010: US$8,034,000) were secured by deposits and bank guarantees provided by the customers.

(b) The deposits, prepayments and other receivables were neither past due nor impaired.

28 CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS

	Group		Company	
	2011	2010	**2011**	2010
	US$'000	US$'000	**US$'000**	US$'000
Cash at bank and on hand	**34,681**	33,704	**62**	44
Short-term bank deposits	**75,838**	43,931	**—**	—
Cash and cash equivalents (excluding bank overdrafts)	**110,519**	77,635	**62**	44

The effective interest rates on short-term bank deposits ranged from 0.5% to 2.9% (2010: 0.3% to 1.8%) per annum; these deposits have an average maturity of 2 to 53 days (2010: 5 to 76 days).

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

	Group	
	2011	2010
	US$'000	US$'000
Cash and cash equivalents	**110,519**	77,635
Bank overdrafts, secured	**—**	(198)
	110,519	77,437

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

	Group	
	2011	2010
	US$'000	US$'000
Ringgit Malaysia	**76,064**	44,009
HK dollars	**16,383**	18,971
US dollars	**7,411**	9,465
Renminbi	**6,599**	2,734
Canadian dollars	**2,688**	1,797
Other currencies	**1,374**	659
	110,519	77,635

29 TRADE AND OTHER PAYABLES

	Group		Company	
	2011	2010	**2011**	2010
	US$'000	US$'000	**US$'000**	US$'000
Trade payables *(note (a))*	**20,108**	17,763	**—**	—
Accrued charges and other payables	**35,310**	26,938	**1,571**	1,545
Subscriptions received in advance	**13,398**	12,714	**—**	—
Amounts due to subsidiaries — non-interest bearing *(note (b))*	**—**	—	**3,367**	2,568
	68,816	57,415	**4,938**	4,113

At 31 March 2011, the carrying amounts of trade and other payables approximated their fair values.

Notes:

(a) At 31 March 2011, the ageing analysis of the Group's trade payables based on invoice date was as follows:

	Group	
	2011	2010
	US$'000	US$'000
0 to 60 days	**16,176**	15,074
61 to 120 days	**2,577**	1,604
121 to 180 days	**260**	313
Over 180 days	**1,095**	772
	20,108	17,763

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

30 SHORT-TERM BANK LOANS

	Group	
	2011	2010
	US$'000	US$'000
Trust receipt loans, secured	**—**	2,805
Bankers' acceptances, unsecured	**4,843**	20,374
Revolving credits, unsecured	**10,022**	7,439
	14,865	30,618

30 SHORT-TERM BANK LOANS *(Continued)*

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

	Group	
	2011	2010
	US$'000	US$'000
Ringgit Malaysia	**14,865**	27,813
US dollars	**—**	2,805
	14,865	30,618

Trust receipt loans have a term of up to 120 days. The effective interest rate on trust receipt loans was 2.02% (2010: 1.50%) per annum.

The bankers' acceptances were unsecured, interest-bearing at a rate of 0.5% above the bankers' annual costs of funds. The effective interest rate on bankers' acceptances was 3.52% (2010: 2.82%) per annum.

The revolving credits were unsecured, interest-bearing at rates ranging from 0.5% to 1% above the KLIBOR per annum.

At 31 March 2011, the carrying amounts of the short-term bank loans approximated their fair values.

31 OTHER LONG-TERM LIABILITIES

	Group	
	2011	2010
	US$'000	US$'000
Bank loans, secured *(note (a))*	**—**	776
Obligations under finance leases *(note (b))*	**724**	1,028
Retirement benefit obligations *(note (c))*	**994**	986
	1,718	2,790
Current portion of long-term liabilities	**(451)**	(1,230)
	1,267	1,560

Notes:

(a) At 31 March 2011, the Group's secured bank loans were repayable as follows:

	Group	
	2011	2010
	US$'000	US$'000
Within one year	**—**	776

31 OTHER LONG-TERM LIABILITIES *(Continued)*

Notes: (Continued)

(a) *(Continued)*

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

	Group	
	2011	2010
	US$'000	US$'000
Ringgit Malaysia	**—**	776

At 31 March 2011, the secured bank loans had been repaid in full.

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.

(b) At 31 March 2011, the Group's finance lease liabilities were repayable as follows:

	Group	
	2011	2010
	US$'000	US$'000
Finance lease liabilities minimum lease payment		
Within one year	**375**	385
In the second year	**349**	360
In the third to fifth year	**46**	379
	770	1,124
Future finance charges on finance leases	**(46)**	(96)
Present value of finance lease liabilities	**724**	1,028

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

	Group	
	2011	2010
	US$'000	US$'000
Within one year	**342**	334
In the second year	**336**	328
In the third to fifth year	**46**	366
Present value of finance lease liabilities	**724**	1,028

31 OTHER LONG-TERM LIABILITIES *(Continued)*

Notes: (Continued)

(b) *(Continued)*

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

	Group	
	2011	2010
	US$'000	US$'000
Ringgit Malaysia	**16**	52
Canadian dollars	**708**	976
	724	1,028

The effective interest rates on the finance lease liabilities ranged from 2.5% to 4.28% per annum during the year ended 31 March 2011 (2010: 2.35% to 2.6%).

At 31 March 2011, the carrying amounts of finance lease liabilities approximated their fair value.

(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 (the "HK Scheme"); and

(ii) an unfunded defined benefit retirement benefit scheme for its eligible employees in Malaysia (the "Malaysia Scheme").

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	
	2011	2010
	US$'000	US$'000
Present value of the retirement benefit obligations	**994**	986

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

	Group	
	2011	2010
	US$'000	US$'000
At 1 April	**986**	1,552
Current service benefits	**(7)**	(25)
Interest cost	**42**	49
Long service payments made	**(106)**	(94)
Actuarial losses/(gains) of long service payment obligations	**9**	(589)
Exchange adjustments	**70**	93
At 31 March	**994**	986

31 OTHER LONG-TERM LIABILITIES *(Continued)*

Notes: (Continued)

(c) *(Continued)*

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

	Group	
	2011	2010
	US$'000	US$'000
Cumulative amount of actuarial gains at the beginning of the year	**723**	134
Net actuarial (losses)/gains during the year	**(9)**	589
Cumulative amount of actuarial gains at the end of the year	**714**	723

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

	Group	
	2011	2010
	US$'000	US$'000
Current service benefits	**(7)**	(25)
Interest cost	**42**	49
Total included in employee benefit expense *(note 14)*	**35**	24

The principal actuarial assumptions used were as follows:

For obligations under the HK Scheme

	Group	
	2011	2010
Average future working lifetime (in years)	**19**	18
Discount rate	**2.6%**	2.7%
Expected inflation rate	**3.0%**	2.5%
Expected rate of return on plan assets	**4.5%–6.8%**	5.0%–7.0%
Expected rate of future salary increases		
2011 and onwards	**3.5%**	3.0%

31 OTHER LONG-TERM LIABILITIES *(Continued)*

Notes: (Continued)

(c) *(Continued)*

For obligations under the Malaysia Scheme

	Group 2011	Group 2010
Discount rate	**6.0%**	6.0%
Expected inflation rate	**3.5%**	3.5%
Expected rate of salary increases	**7.0%**	7.0%

	Group 2011 US$'000	Group 2010 US$'000
At 31 March		
Present value of retirement benefit obligations	**994**	986
Experience losses on long service payment obligations	**(6)**	(481)

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 2009	1,683,898,241	21,672	280,160	301,832
Repurchase of ordinary shares *(note (a))*	(1,000)	—	—	—
At 31 March 2010	1,683,897,241	21,672	280,160	301,832
Repurchase of ordinary shares *(note (a))*	(1,000)	—	—	—
Exercise of share options *(note (b))*	690,000	9	139	148
At 31 March 2011	**1,684,586,241**	**21,681**	**280,299**	**301,980**

Number of authorised ordinary shares is 2,500 million shares (2010: 2,500 million shares) with a par value of HK$0.10 per share. All issued shares are fully paid.

32 SHARE CAPITAL AND PREMIUM *(Continued)*

Notes:

(a) Details of the repurchase during the year ended 31 March 2011 are summarised as follows:

Month/Year	Number of ordinary shares repurchased	Purchase price per share Highest HK$	Purchase price per share Lowest HK$	Aggregate purchase consideration HK$	Equivalents in US$
August 2010	1,000	2.00	2.00	2,000	257

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 Highest HK$	Purchase price per share Lowest HK$	Aggregate purchase consideration HK$	Equivalents in US$
September 2009	1,000	1.18	1.18	1,180	153

(b) Pursuant to a share option scheme approved at the Special General Meeting of the Company held on 21 August 2001 (the "MCI Scheme") 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 Company has no legal or constructive obligation to repurchase or settle the options in cash.

The maximum individual entitlement of options shall not exceed 25% of the maximum aggregate number of shares in the capital of the Company in respect of which options may at that time be granted under the 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 requirements of the 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.

32 SHARE CAPITAL AND PREMIUM *(Continued)*

Notes: (Continued)

(b) *(Continued)*

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

	2011			2010		
	Weighted average exercise price per share HK$	**Equivalents in US$**	**Number of outstanding share options**	Weighted average exercise price per share HK$	Equivalents in US$	Number of outstanding share options
At 1 April	**1.611**	**0.208**	**4,008,000**	1.601	0.207	4,300,000
Exercised	**1.671**	**0.214**	**(690,000)**	—	—	—
Lapsed	**1.320**	**0.170**	**(30,000)**	1.456	0.188	(292,000)
At 31 March	**1.602**	**0.206**	**3,288,000**	1.611	0.208	4,008,000

Share options exercised during the year ended 31 March 2011 resulted in 690,000 shares being issued at an average exercise price of HK$1.671 (equivalent to US$0.214) per share.

All of the 3,288,000 share options outstanding at 31 March 2011 (2010: 4,008,000 share options) expire on 20 August 2011 and are exercisable at the following prices:

		Number of outstanding share options	
Exercise price per share in HK$	**Equivalents in US$**	**2011**	2010
1.320	0.170	**573,000**	633,000
1.592	0.205	**1,815,000**	2,175,000
1.800	0.232	**900,000**	1,200,000
		3,288,000	4,008,000

Under the specific transitional provisions of IFRS 2, an exemption from the treatment of equity-settled share-based payment transactions as required under IFRS 2 is allowed to shares, share options or other equity instruments which were granted before 7 November 2002 and had been vested by 1 January 2005. As such no share compensation expenses were recognised by the Group in relation to the above-mentioned share options.

The subsidiary of the Company, OMG, has two share option schemes. A pre-IPO share option scheme ("Pre-IPO 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.

32 SHARE CAPITAL AND PREMIUM *(Continued)*

Notes: (Continued)

(b) *(Continued)*

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:

	2011			2010		
	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**	**12,156,000**	1.200	0.155	12,538,000
Lapsed	**1.200**	**0.154**	**(1,948,000)**	1.200	0.155	(382,000)
At 31 March	**1.200**	**0.154**	**10,208,000**	1.200	0.155	12,156,000

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 10,208,000 share options being exercisable as at 31 March 2011 (2010: 9,896,000 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 (equivalent to 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 2011, US$14,000 (2010: US$40,000) was recognised in the consolidated income statement.

During the years ended 31 March 2011 and 2010, no option has been granted or agreed to be granted under the Post-IPO Scheme.

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	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 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 from 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)
At 1 April 2010	**183**	**3,026**	**496**	**(92,647)**	**(1,867)**	**(2,250)**	**722**	**(92,337)**
Currency translation differences	—	**23,255**	—	—	—	—	—	**23,255**
Actuarial losses of defined benefit plan assets	—	—	—	—	—	**(117)**	—	**(117)**
Actuarial losses of long service payment obligations	—	—	—	—	—	—	**(9)**	**(9)**
Acquisition of additional interest in a listed subsidiary	—	—	—	—	**722**	—	—	**722**
Disposal of interest in a listed subsidiary without loss of control	—	—	—	—	**20**	—	—	**20**
Repurchase of ordinary shares *(note 32)*	—	—	—	—	—	—	—	—
Revaluation gain recognised upon transfer from property held for own use to investment properties	—	—	—	—	**699**	—	—	**699**
Share compensation costs on share options granted by a listed subsidiary	—	—	**10**	—	—	—	—	**10**
At 31 March 2011	**183**	**26,281**	**506**	**(92,647)**	**(426)**	**(2,367)**	**713**	**(67,757)**

33 OTHER RESERVES *(Continued)*

	Company			
	Capital redemption reserve US$'000	Exchange fluctuation reserve US$'000	Contributed surplus US$'000	Total US$'000
At 1 April 2009	183	(4)	25,789	25,968
Exchange adjustments	—	(745)	—	(745)
At 31 March 2010	183	(749)	25,789	25,223
At 1 April 2010	**183**	**(749)**	**25,789**	**25,223**
Exchange adjustments	**—**	**(502)**	**—**	**(502)**
At 31 March 2011	**183**	**(1,251)**	**25,789**	**24,721**

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 2011 and 2010 are presented in the consolidated statement of changes in equity on pages 81 and 82.

(b) Movements in the Company's retained earnings for the years ended 31 March 2011 and 2010 are as follows:

	Company	
	2011 US$'000	2010 US$'000
At 1 April	**99,465**	95,885
Profit for the year	**26,003**	13,554
Second interim dividend paid in respect of 2009–2010 (2010: 2008–2009)	**(12,983)**	(2,396)
First interim dividend paid in respect of 2010–2011 (2010: 2009–2010)	**(13,471)**	(7,578)
At 31 March	**99,014**	99,465

35 DEFINED BENEFIT PLAN ASSETS

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

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

Regular Member	—	defined contribution type of benefits based on accumulated contributions and investment gains and losses thereon.
Special Member	—	benefits based on 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.

Expected Group contributions to the Scheme for the year ending 31 March 2012 are US$414,000.

(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:

	Group	
	2011	2010
	US$'000	US$'000
Fair value of plan assets	**5,618**	4,951
Present value of the defined benefit obligations	**(5,341)**	(4,693)
Net assets in the consolidated balance sheet	**277**	258

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

	Group	
	2011	2010
	US$'000	US$'000
At 1 April	**4,951**	3,811
Group contributions	**97**	98
Expected return on plan assets	**348**	268
Actual benefits paid	**—**	(204)
Actuarial gains on plan assets	**233**	985
Exchange adjustments	**(11)**	(7)
At 31 March	**5,618**	4,951

35 DEFINED BENEFIT PLAN ASSETS *(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	
	2011	2010
	US$'000	US$'000
At 1 April	**4,693**	3,896
Current service costs	**183**	210
Interest cost	**126**	73
Actual benefits paid	**—**	(204)
Actuarial losses on obligations	**350**	725
Exchange adjustments	**(11)**	(7)
At 31 March	**5,341**	4,693

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

	Group	
	2011	2010
	US$'000	US$'000
Current service costs	**(183)**	(210)
Interest cost	**(126)**	(73)
Expected return on plan assets	**348**	268
Total pension income/(costs), included in employee benefit expense *(note 14)*	**39**	(15)

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

	Group	
	2011	2010
	US$'000	US$'000
Cumulative amount of actuarial losses at the beginning of the year	**2,250**	2,510
Actuarial losses/(gains) during the year	**117**	(260)
Cumulative amount of actuarial losses at the end of the year	**2,367**	2,250

The actual return on plan assets was US$681,000 (2010: US$1,354,000).

35 DEFINED BENEFIT PLAN ASSETS *(Continued)*

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

Movements in the net assets recognised in the consolidated balance sheet:

	Group	
	2011	2010
	US$'000	US$'000
At 1 April	**258**	(85)
Total pension income/(costs) recognised in the consolidated income statement *(note 14)*	**39**	(15)
Actuarial (losses)/gains recognised in the consolidated statement of comprehensive income	**(117)**	260
Group contributions paid	**97**	98
At 31 March	**277**	258

The principal actuarial assumptions used were as follows:

	Group	
	2011	2010
Discount rate	**2.6%**	2.7%
Expected inflation rate	**3.0%**	2.5%
Expected rate of return on plan assets	**6.8%**	7.0%
Expected rate of future salary increases 2011 and onwards	**3.5%**	3.0%

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

			Group		
	2011	2010	2009	2008	2007
	US$'000	US$'000	US$'000	US$'000	US$'000
Present value of defined benefit obligations	**(5,341)**	(4,693)	(3,896)	(5,393)	(4,623)
Fair value of the plan assets	**5,618**	4,951	3,811	5,972	6,042
Surplus/(deficit)	**277**	258	(85)	579	1,419
Experience (losses)/gains on the defined benefit obligations	**(405)**	(1,074)	1,874	92	(424)
Experience gains/(losses) on the plan assets	**233**	984	(2,445)	(255)	441

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 6.8% per annum is adopted.

36 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Cash generated from operations

	Group	
	2011	2010
	US$'000	US$'000
		(Restated)
Operating profit	**75,392**	55,951
Fair value losses on financial assets at fair value through profit or loss	**10**	77
Fair value losses/(gains) on investment properties	**7**	(398)
Discount on acquisition of additional interest in a subsidiary	**—**	(10)
Depreciation of property, plant and equipment	**9,669**	8,699
Amortisation of leasehold land and land use rights	**60**	58
Amortisation of intangible assets	**901**	727
Provision for impairment of property, plant and equipment	**—**	42
Provision for impairment and written-off of trade receivables	**344**	368
Provision for inventory obsolescence	**137**	164
Provision for impairment of available-for-sale financial assets	**546**	—
Impairment of an intangible asset	**4,132**	—
Dividend income	**(9)**	(45)
Interest income	**(1,366)**	(723)
Losses/(gains) on disposal of property, plant and equipment — net	**7**	(113)
Loss on disposal of intangible assets	**1**	—
Loss on disposal of investment properties	**11**	—
Share compensation costs on share options granted by a listed subsidiary	**14**	40
Pension (income)/costs	**(39)**	15
Long service payment obligations	**35**	24
Operating profit before working capital changes	**89,852**	64,876
Decrease/(increase) in inventories	**11,922**	(28,118)
Decrease/(increase) in trade and other receivables	**1,526**	(4,657)
Increase in trade and other payables	**8,597**	3,762
Cash generated from operations	**111,897**	35,863

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

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

	Group	
	2011	2010
	US$'000	US$'000
Property, plant and equipment — net book value *(note 16)*	**114**	568
(Losses)/gains on disposal of property, plant and equipment — net	**(7)**	113
Proceeds from disposal of property, plant and equipment	**107**	681

(c) Major non-cash transactions

During the year ended 31 March 2011, a property held for own use with net book value of US$1,525,000 (2010: US$828,000) was transferred to investment properties at a fair value of US$2,162,000 (2010:US$1,237,000).

37 BANKING FACILITIES, PLEDGE OF ASSETS AND FINANCIAL GUARANTEES

At 31 March 2011, 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 with an aggregate carrying value of US$7,564,000 at 31 March 2011 (2010: US$7,674,000) 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$11,318,000 at 31 March 2011 (2010: US$12,277,000) were pledged to certain banks, including US$2,813,000 (2010: US$2,753,000) 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$27,799,000 (2010: US$15,969,000) in connection with general banking facilities granted to those subsidiaries. At the balance sheet date, total facilities utilised amounted to US$2,318,000 (2010: US$5,488,000). 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 2011 under the financial guarantees was the facility drawn down by its subsidiaries. No provision was therefore made in this respect at 31 March 2011 and 2010.

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.

39 COMMITMENTS

(a) Capital commitments

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

	Group	
	2011	2010
	US$'000	US$'000
Property, plant and equipment		
— Authorised and contracted for	**2,334**	3,422
— Authorised but not contracted for	**6,057**	6,002
	8,391	9,424
Authorised capital injection for a subsidiary contracted but not provided for	**—**	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 2011, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2011	2010
	US$'000	US$'000
No later than one year	**2,192**	2,121
Later than one year and no later than five years	**765**	671
Later than five years	**9**	16
	2,966	2,808

40 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) Acquisition of additional interest in a listed subsidiary

On 11 June 2010, the Group acquired an additional 11.07% of the issued and paid-up share capital in One Media Group Limited ("OMG") for a purchase consideration of US$1,707,000.

Carrying amount of the non-controlling interests acquired and the excess over the consideration paid recognised within equity as a result of the transaction with non-controlling interests were as follows:

	2011 US$'000
Carrying amount of non-controlling interests acquired	2,429
Consideration paid to non-controlling interests	(1,707)
Excess over consideration paid recognised within equity	722

(b) Disposal of interest in a listed subsidiary without loss of control

On 29 March 2011 and 30 March 2011, the Group disposed of a total of 2,900,000 ordinary shares of HK$0.001 each in OMG for a total cash consideration of US$154,000. The carrying amount for such interests disposed of was US$134,000. After the disposal, the Group held 73.18% of the equity interest of OMG.

The effect of changes in the equity interest of OMG on the equity attributable to equity holders of the Company was summarised as follows:

	2011 US$'000
Carrying amount of non-controlling interests disposed of	(134)
Consideration received from non-controlling interests	154
Gain on disposal recognised within equity	20

(c) Effect of transactions with non-controlling interests

The effect of transactions with non-controlling interests on the Company's equity holders for the year ended 31 March 2011 was summarised as follows:

	2011 US$'000
Total comprehensive income for the year attributable to equity holders of the Company	78,653
Changes in equity attributable to equity holders of the Company	
— Acquisition of additional interest in a listed subsidiary	722
— Disposal of interest in a listed subsidiary without loss of control	20
	79,395

41 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	Group	
	2011	2010
	US$'000	US$'000
Newsprint purchases from a related company of certain directors	**47,001**	42,256
Rental expenses paid to related companies of certain directors	**72**	1,063
Consultancy fee to a non-executive director	**104**	42
Purchases of air tickets from a related company of certain directors	**31**	19
Script fees to a related person	**2**	—
Motor vehicle insurance premium paid to a related company of certain directors	**1**	1
Scrap sales of old newspapers and magazines to a related company of certain directors	**(2,115)**	(1,635)
Rental income received from a director's related company	**—**	(1)
Advertising service income received from a director's related company	**(1)**	—

Certain directors of the Group are shareholders and/or directors of these related companies. 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

Key management comprised all members of the Group's executive committees, some of them are directors of the Company. The remuneration of key management for the years ended 31 March 2011 and 2010 were as follows:

	Group	
	2011	2010
	US$'000	US$'000
Directors' fees, basic salaries, bonuses, other allowances and benefits in kind	**2,600**	2,241
Contributions to pension scheme	**206**	184
Share compensation costs on share options granted by a listed subsidiary	**3**	16
	2,809	2,441

41 RELATED PARTY TRANSACTIONS *(Continued)*

(c) Year-end balances with related parties

	Group		Company	
	2011	2010	**2011**	2010
	US$'000	US$'000	**US$'000**	US$'000
Payables to related companies of certain directors	**(1,872)**	(2,667)	**—**	—
Payables to subsidiaries	**—**	—	**(3,367)**	(2,568)

The payables to related companies of certain directors mainly arise from purchases of newsprint and air tickets. The payables are unsecured, interest-free and repayable on demand.

The payables to subsidiaries mainly arise from expenses paid by the subsidiaries on behalf of the Company. The payables are unsecured, interest-free and repayable on demand.

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 2010/2011.

43 PARTICULARS OF PRINCIPAL SUBSIDIARIES

(a) Particulars of principal subsidiaries at 31 March 2011 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
MediaNet Holdings Limited	1 ordinary share of HK$1 each	100%	Digital media business
Media2U Company Limited	101 ordinary shares of HK$1 each	73.18%	Magazines advertising and 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	73.18%	Publication and distribution of magazines
Ming Pao Newspapers Limited	2 ordinary shares of HK$1 each	100%	Publication and distribution of newspaper and periodical
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

43 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

(b) Particulars of principal subsidiaries at 31 March 2011 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, provision of printing services and advertising 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	15,000,000 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%	Publication and distribution of newspapers and magazines, investment holding, letting of properties and provision of management services
Nanyang Press Marketing Sdn Bhd	1,000,000 ordinary shares of RM1 each	100%	Provision of marketing and circulation services of newspaper products
Nanyang Siang Pau Sdn Bhd	60,000,000 ordinary shares of RM1 each	100%	Publication of newspapers and magazines and provision of advertising services
Sin Chew Media Corporation Berhad	302,000,000 ordinary shares of RM0.50 each	100%	Publication and distribution of newspaper and magazines, and provision of printing services

43 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

(c) Particulars of principal subsidiaries at 31 March 2011 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")	RMB30,000,000	73.18%	Magazines operation in PRC
Beijing OMG M2U Advertising Company Limited *(note 2)*	PRC	RMB34,007,714	73.18%	Magazines advertising in PRC
Beijing Times Resource Technology Consulting Limited *(notes 1 & 2)*	PRC	RMB3,000,000	73.18%	Magazines operation in PRC
Charming Holidays (Guangdong) Limited *(note 2)*	PRC	HK$4,000,000	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 *(note 2)*	PRC	HK$25,000,000	100%	Provision of printing services in PRC
Media2U (BVI) Company Limited	BVI	1 ordinary share of US$1	73.18%	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 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

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 each	100%	Investment 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	73.18%	Investment holding in Hong Kong
One Media Holdings Limited	BVI	20,000 ordinary shares of US$0.01 each	73.18%	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	73.18%	Investment holding in Hong Kong

Notes:

(1) Beijing Times Resource Technology Consulting Limited ("TRT") is a domestic enterprise in 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.

44 DISCLOSURE OF REALISED AND UNREALISED RETAINED PROFITS/(ACCUMULATED LOSSES)

On 25 March 2010, Bursa Securities issued a directive to all listed issuers pursuant to paragraphs 2.06 and 2.23 of the Bursa Securities' Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting period into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required in the quarterly report and annual audited accounts.

The following analysis of realised and unrealised retained profits was prepared in accordance with the Guidance on Special Matter No.1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants and based on the prescribed format by Bursa Securities.

	Group As at 31 March 2011 US$'000	**Company As at 31 March 2011 US$'000**
Total retained profits:		
— Realised	**187,692**	**99,014**
— Unrealised	**(11,756)**	**—**
	175,936	**99,014**
Total share of accumulated losses from an associate:		
— Realised	**(438)**	**—**
— Unrealised	**—**	**—**
	(438)	**—**
Less: consolidation adjustments	**(15,313)**	**—**
Total retained profits as per consolidated balance sheet/balance sheet	**160,185**	**99,014**

The disclosure of realised and unrealised retained profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

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 76 to 157 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 30 May 2011

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				
	2011	2010	2009	2008	2007
	US$'000	US$'000	US$'000	US$'000	US$'000
Turnover	**445,844**	376,001	394,303	328,260	304,563
Profit attributable to equity holders of the Company	**54,825**	41,136	16,790	19,188	11,489
Basic earnings per share (US cents)	**3.26**	2.44	1.00	2.10	1.26

The assets and liabilities of the Group for the last five financial years were as follows:

	As at 31 March				
	2011	2010	2009	2008	2007
	US$'000	US$'000	US$'000	US$'000	US$'000
		(Restated)	(Restated)	(Restated)	(Restated)
Property, plant and equipment	**157,145**	139,962	119,929	134,603	83,443
Investment properties	**11,428**	8,686	6,224	7,056	1,455
Leasehold land and land use rights	**2,079**	2,144	2,208	2,262	2,594
Intangible assets	**79,300**	77,466	69,481	84,472	21,782
Non-current assets held for sale	**—**	—	77	—	—
Interest in an associate	**2,379**	2,739	—	—	—
Investment in convertible notes — debt portion	**537**	511	—	—	—
Financial assets at fair value through profit or loss	**—**	—	—	1,128	972
Defined benefit plan assets	**277**	258	—	579	1,419
Deferred income tax assets	**972**	1,831	2,430	3,630	4,589
	254,117	233,597	200,349	233,730	116,254
Current assets	**250,364**	223,610	173,057	207,666	145,242
Current liabilities	**(89,803)**	(93,701)	(72,078)	(96,885)	(57,014)
Net current assets	**160,561**	129,909	100,979	110,781	88,228
Total assets less current liabilities	**414,678**	363,506	301,328	344,511	204,482
Non-controlling interests	**(5,457)**	(8,263)	(8,189)	(7,952)	(59,367)
Other long-term liabilities	**(1,267)**	(1,560)	(3,072)	(6,453)	(5,366)
Deferred income tax liabilities	**(13,546)**	(12,374)	(10,249)	(8,830)	(6,050)
Equity holders' funds	**394,408**	341,309	279,818	321,276	133,699

Additional Information

CONSOLIDATED INCOME STATEMENT

	(Unaudited) For the year ended 31 March	
	2011	2010
	RM'000	RM'000
	(note)	*(note)*
Turnover	**1,348,812**	1,137,516
Cost of goods sold	**(802,525)**	(690,982)
Gross profit	**546,287**	446,534
Other income	**23,150**	15,120
Other gains, net	**6,377**	8,120
Selling and distribution expenses	**(194,324)**	(177,125)
Administrative expenses	**(121,091)**	(106,049)
Other operating expenses	**(32,316)**	(17,332)
Operating profit	**228,083**	169,268
Finance costs	**(2,514)**	(2,281)
Share of loss of an associate	**(1,071)**	(254)
Profit before income tax	**224,498**	166,733
Income tax expense	**(55,732)**	(41,359)
Profit for the year	**168,766**	125,374
Attributable to:		
Equity holders of the Company	**165,862**	124,449
Non-controlling interests	**2,904**	925
	168,766	125,374
Earnings per share attributable to the equity holders of the Company		
Basic (sens)	**9.86**	7.38
Diluted (sens)	**9.83**	7.38
Dividends	**99,557**	62,203

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM for the year ended 31 March 2011 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM3.0253 ruling at 31 March 2011. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) For the year ended 31 March 2011 RM'000 *(note)*	2010 RM'000 *(note)*
Profit for the year	**168,766**	125,374
Other comprehensive income/(losses)		
Currency translation differences	**70,486**	88,442
Actuarial (losses)/gains of defined benefit plan assets	**(354)**	787
Actuarial (losses)/gains of long service payment obligations	**(27)**	1,782
Revaluation gain recognised upon transfer from property held for own use to investment properties	**2,115**	910
Other comprehensive income for the year, net of tax	**72,220**	91,921
Total comprehensive income for the year	**240,986**	217,295
Attributable to:		
Equity holders of the Company	**237,949**	216,133
Non-controlling interests	**3,037**	1,162
	240,986	217,295

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM for the year ended 31 March 2011 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM3.0253 ruling at 31 March 2011. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONSOLIDATED BALANCE SHEET

	At 31 March 2011 RM'000 *(note)*	(Unaudited) At 31 March 2010 RM'000 *(note)*	At 1 April 2009 RM'000 *(note)*
ASSETS			
Non-current assets			
Property, plant and equipment	**475,411**	423,427	362,821
Investment properties	**34,573**	26,278	18,829
Leasehold land and land use rights	**6,290**	6,486	6,680
Intangible assets	**239,906**	234,358	210,201
Non-current assets held for sale	**—**	—	233
Deferred income tax assets	**2,941**	5,539	7,351
Defined benefit plan assets	**838**	781	—
Interest in an associate	**7,197**	8,286	—
Investment in convertible notes — debt portion	**1,624**	1,546	—
	768,780	706,701	606,115
Current assets			
Inventories	**209,208**	230,162	126,905
Available-for-sale financial assets	**294**	1,948	1,954
Financial assets at fair value through profit or loss	**645**	684	669
Trade and other receivables	**208,476**	204,534	178,432
Income tax recoverable	**4,450**	4,290	3,198
Cash and cash equivalents	**334,353**	234,869	212,391
	757,426	676,487	523,549
Current liabilities			
Trade and other payables	**208,189**	173,697	151,900
Income tax liabilities	**17,157**	12,827	8,432
Short-term bank loans	**44,971**	92,629	44,106
Bank overdrafts, secured	**—**	599	7,345
Current portion of long-term liabilities	**1,364**	3,721	6,274
	271,681	283,473	218,057
Net current assets	**485,745**	393,014	305,492
Total assets less current liabilities	**1,254,525**	1,099,715	911,607

	At 31 March 2011 RM'000 *(note)*	(Unaudited) At 31 March 2010 RM'000 *(note)*	At 1 April 2009 RM'000 *(note)*
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	**65,591**	65,564	65,564
Share premium	**847,989**	847,568	847,568
Other reserves	**(204,985)**	(279,347)	(371,101)
Retained earnings	**484,607**	398,777	304,502
	1,193,202	1,032,562	846,533
Non-controlling interests	**16,509**	24,998	24,774
Total equity	**1,209,711**	1,057,560	871,307
Non-current liabilities			
Other long-term liabilities	**3,833**	4,720	9,037
Defined benefit plan liabilities	**—**	—	257
Deferred income tax liabilities	**40,981**	37,435	31,006
	44,814	42,155	40,300
	1,254,525	1,099,715	911,607

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM as at 31 March 2011 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM3.0253 ruling at 31 March 2011. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

Additional Information

BALANCE SHEET

	(Unaudited) As at 31 March 2011 RM'000 *(note)*	2010 RM'000 *(note)*
ASSETS		
Non-current assets		
Interests in subsidiaries	**1,302,516**	1,302,516
Current assets		
Trade and other receivables	**151**	145
Cash and cash equivalents	**188**	133
	339	278
Current liabilities		
Trade and other payables	**14,939**	12,443
Net current liabilities	**(14,600)**	(12,165)
Total assets less current liabilities	**1,287,916**	1,290,351
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	**65,591**	65,564
Share premium	**847,989**	847,568
Other reserves	**74,789**	76,307
Retained earnings	**299,547**	300,912
Total equity	**1,287,916**	1,290,351

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM as at 31 March 2011 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM3.0253 ruling at 31 March 2011. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited) Attributable to equity holders of the Company						
	Share capital RM'000 *(note)*	Share premium RM'000 *(note)*	Other reserves RM'000 *(note)*	Retained earnings RM'000 *(note)*	Total RM'000 *(note)*	Non-controlling interests RM'000 *(note)*	Total equity RM'000 *(note)*
At 1 April 2009	65,564	847,568	(371,101)	304,502	846,533	24,774	871,307
Profit for the year	—	—	—	124,449	124,449	925	125,374
Other comprehensive income:							
Currency translation differences	—	—	88,296	—	88,296	146	88,442
Actuarial gains of defined benefit plan assets	—	—	787	—	787	—	787
Actuarial gains of long service payment obligations	—	—	1,691	—	1,691	91	1,782
Revaluation gain recognised upon transfer from property held for own use to investment properties	—	—	910	—	910	—	910
Other comprehensive income for the year, net of tax	—	—	91,684	—	91,684	237	91,921
Total comprehensive income for the year	—	—	91,684	124,449	216,133	1,162	217,295
Transactions with owners:							
Acquisition of additional interest in a subsidiary	—	—	—	—	—	(30)	(30)
Share compensation costs on share options granted by a listed subsidiary	—	—	70	—	70	51	121
2008–2009 final dividend paid by a listed subsidiary	—	—	—	—	—	(669)	(669)
2008–2009 second interim dividend paid	—	—	—	(7,248)	(7,248)	—	(7,248)
2009–2010 interim dividend paid by a listed subsidiary	—	—	—	—	—	(290)	(290)
2009–2010 first interim dividend paid	—	—	—	(22,926)	(22,926)	—	(22,926)
Total transactions with owners	—	—	70	(30,174)	(30,104)	(938)	(31,042)
At 31 March 2010	65,564	847,568	(279,347)	398,777	1,032,562	24,998	1,057,560

	(Unaudited) Attributable to equity holders of the Company						
	Share capital RM'000 *(note)*	Share premium RM'000 *(note)*	Other reserves RM'000 *(note)*	Retained earnings RM'000 *(note)*	Total RM'000 *(note)*	Non-controlling interests RM'000 *(note)*	Total equity RM'000 *(note)*
At 1 April 2010	**65,564**	**847,568**	**(279,347)**	**398,777**	**1,032,562**	**24,998**	**1,057,560**
Profit for the year	—	—	—	165,862	165,862	2,904	168,766
Other comprehensive income/(losses):							
Currency translation differences	—	—	70,353	—	70,353	133	70,486
Actuarial losses of defined benefit plan assets	—	—	(354)	—	(354)	—	(354)
Actuarial losses of long service payment obligations	—	—	(27)	—	(27)	—	(27)
Revaluation gain recognised upon transfer from property held for own use to investment properties	—	—	2,115	—	2,115	—	2,115
Other comprehensive income for the year, net of tax	—	—	72,087	—	72,087	133	72,220
Total comprehensive income for the year	—	—	72,087	165,862	237,949	3,037	240,986
Transactions with owners:							
Exercise of share options	27	421	—	—	448	—	448
Acquisition of additional interest in a listed subsidiary	—	—	2,184	—	2,184	(7,348)	(5,164)
Disposal of interest in a listed subsidiary without loss of control	—	—	61	—	61	405	466
Share compensation costs on share options granted by a listed subsidiary	—	—	30	—	30	12	42
2009–2010 final dividend paid by a listed subsidiary	—	—	—	—	—	(4,275)	(4,275)
2009–2010 second interim dividend paid	—	—	—	(39,278)	(39,278)	—	(39,278)
2010–2011 interim dividend paid by a listed subsidiary	—	—	—	—	—	(320)	(320)
2010–2011 first interim dividend paid	—	—	—	(40,754)	(40,754)	—	(40,754)
Total transactions with owners	27	421	2,275	(80,032)	(77,309)	(11,526)	(88,835)
At 31 March 2011	**65,591**	**847,989**	**(204,985)**	**484,607**	**1,193,202**	**16,509**	**1,209,711**

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM for the year ended 31 March 2011 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM3.0253 ruling at 31 March 2011. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONSOLIDATED CASH FLOW STATEMENT

	(Unaudited) For the year ended 31 March	
	2011	2010
	RM'000	RM'000
	(note)	*(note)*
Cash flows from operating activities		
Cash generated from operations	**338,522**	108,496
Interest on bank loans and overdrafts	**(2,441)**	(2,215)
Interest element of finance lease payments	**(73)**	(67)
Income tax paid	**(48,432)**	(33,726)
Long service payments made	**(321)**	(284)
Contributions to the defined benefit plan	**(293)**	(296)
Net cash generated from operating activities	**286,962**	71,908
Cash flows from investing activities		
Acquisition of an associate	**—**	(8,553)
Purchase of property, plant and equipment	**(58,049)**	(54,519)
Purchase of intangible assets	**(2,233)**	(1,842)
Investment in convertible notes	**—**	(1,755)
Proceeds from disposal of property, plant and equipment	**324**	2,060
Proceeds from disposal of investment properties	**257**	—
Proceeds from disposal of intangible assets	**—**	191
Proceeds from disposal of non-current assets held for sale	**—**	233
Interest received	**4,048**	2,151
Dividends received	**27**	136
Net cash used in investing activities	**(55,626)**	(61,898)
Cash flows from financing activities		
Proceeds from exercise of share options	**448**	—
Acquisition of additional interest in a listed subsidiary	**(5,164)**	—
Disposal of interest in a listed subsidiary without loss of control	**466**	—
Dividends paid	**(80,032)**	(30,174)
Dividends paid by a listed subsidiary to non-controlling interests	**(4,595)**	(959)
Repayment of bank loans	**(2,415)**	(5,079)
Proceeds from drawdown of short-term bank loans	**80,700**	143,559
Repayment of short-term bank loans	**(133,255)**	(101,674)
Capital element of finance lease payments	**(1,053)**	(1,410)
Net cash (used in)/generated from financing activities	**(144,900)**	4,263
Net increase in cash and cash equivalents, and bank overdrafts	**86,436**	14,273
Cash and cash equivalents, and bank overdrafts as at 1 April	**234,270**	205,046
Exchange adjustments on cash and cash equivalents, and bank overdrafts	**13,647**	14,951
Cash and cash equivalents, and bank overdrafts as at 31 March	**334,353**	234,270

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM for the year ended 31 March 2011 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM3.0253 ruling at 31 March 2011. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

Analysis of Shareholdings

As at 4 July 2011

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$168,578,624.10
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	569	6.22	25,708	—*
100 to 1,000	1,209	13.21	803,280	0.05
1,001 to 10,000	5,316	58.09	23,353,091	1.39
10,001 to 100,000	1,726	18.86	45,236,556	2.68
100,001 to less than 5% of issued shares	327	3.57	749,654,711	44.47
5% and above of issued shares	5	0.05	866,712,895	51.41
Total	**9,152**	**100.00**	**1,685,786,241**	**100.00**

* negligible

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORY OR REGISTER OF MEMBERS

	Name of shareholders	Number of shares held	% of issued capital
1	Progresif Growth Sdn Bhd	326,463,556	19.37
2	HSBC Nominees (Hong Kong) Limited	179,222,700	10.63
3	Zaman Pemimpin Sdn Bhd	154,219,783	9.15
4	HKSCC Nominees Limited	119,697,798	7.10
5	Tan Sri Datuk Sir TIONG Hiew King	87,109,058	5.17
6	Ezywood Options Sdn Bhd	75,617,495	4.49
7	Teck Sing Lik Enterprise Sdn Bhd	65,319,186	3.87
8	Madigreen Sdn Bhd	52,875,120	3.14
9	Citigroup Nominees (Tempatan) Sdn Bhd (Employees Provident Fund Board)	45,056,817	2.67
10	Persada Jaya Sdn Bhd	40,695,560	2.41
11	Citigroup Nominees (Tempatan) Sdn Bhd (Employees Provident Fund Board (Nomura))	17,708,500	1.05
12	Suria Kilat Sdn Bhd	17,184,697	1.02
13	Rimbunan Hijau (Sarawak) Sdn Bhd	15,536,696	0.92
14	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (PAR 2))	15,296,991	0.91
15	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (LPF))	13,683,716	0.81

	Name of shareholders	Number of shares held	% of issued capital
16	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Datuk TIONG Thai King)	12,053,937	0.72
17	Mayban Securities Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Dato' Sri Dr TIONG Ik King (39B))	11,144,189	0.66
18	Pertumbuhan Tiasa Sdn Bhd	10,430,945	0.62
19	Valuecap Sdn Bhd	10,355,800	0.62
20	Ms WONG Yiing Ngiik	10,126,000	0.60
21	Amanahraya Trustees Berhad (Public Islamic Sector Select Fund)	10,000,000	0.59
22	RHB Capital Nominees (Asing) Sdn Bhd (RHB Bank (L) Ltd For Aubenas Overseas Corp.)	10,000,000	0.59
23	RHB Capital Nominees (Asing) Sdn Bhd (RHB Bank (L) Ltd For Lancelot Assets Limited)	10,000,000	0.59
24	RHB Capital Nominees (Asing) Sdn Bhd (RHB Bank (L) Ltd For Connaux Invest & Trade Ltd)	10,000,000	0.59
25	Citigroup Nominees (Tempatan) Sdn Bhd (Exempt AN For Prudential Fund Management Berhad)	9,465,417	0.56
26	Mayban Nominees (Tempatan) Sdn Bhd (ETIQA Insurance Berhad (Par Fund 2))	9,000,000	0.54
27	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (PAR 1))	8,861,900	0.53
28	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (DR))	8,804,000	0.52
29	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (PAR 3))	8,660,137	0.51
30	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (LGF))	8,480,000	0.50
		1,373,069,998	81.45

DIRECTORS' INTERESTS

		Direct interest		Indirect interest		
	Name of directors	Number of shares	% of issued capital	Number of shares	% of issued capital	Number of share options granted
(a)	The Company					
	Tan Sri Datuk Sir TIONG Hiew King	87,109,058	5.17	798,478,690[(1)]	47.37	—
				10,626,895[(2)]	0.63	
	Mr TIONG Kiu King	2,540,559	0.15	147,000[(3)]	0.01	600,000
	Dato' Sri Dr TIONG Ik King	11,144,189	0.66	252,487,700[(4)]	14.98	—
	Mr TIONG Kiew Chiong	3,847,483	0.23	—	—	—
	Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	135,925	0.01	—	—	—

Analysis of Shareholdings

As at 4 July 2011

	Name of directors	Direct interest Number of shares	% of issued capital	Indirect interest Number of shares	% of issued capital	Number of share options granted
(b)	Subsidiary — One Media Group Limited					
	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

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of shareholders	Direct interest Number of shares	% of issued capital	Deemed interest Number of shares	% of issued capital
Tan Sri Datuk Sir TIONG Hiew King	87,109,058	5.17	798,478,690(1)	47.37
			10,626,895(2)	0.63
Dato' Sri Dr TIONG Ik King	11,144,189	0.66	252,487,700(4)	14.98
Progresif Growth Sdn Bhd	326,463,556	19.37	—	—
Conch Company Limited	252,487,700	14.98	—	—
Zaman Pemimpin Sdn Bhd	154,219,783	9.15	—	—
Pertumbuhan Abadi Asia Sdn Bhd	1,902,432	0.11	401,407,560(5)	23.81
Seaview Global Company Limited	—	—	252,487,700(6)	14.98
Salmiah Binti SANI	—	—	154,219,783(7)	9.15
Ms LU Mee Bing	—	—	154,219,783(7)	9.15
Globegate Alliance Sdn Bhd	—	—	154,219,783(7)	9.15

Notes:

(1) Deemed interested by virtue of his interests in 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.

(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

As at 31 March 2011

The top 10 land and buildings in terms of highest net book value owned by the Group 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
1	Lot 50 & 51, Seksyen 13, Bandar Petaling Jaya, Selangor Darul Ehsan, Malaysia	2008	Leasehold / 2059	Office building	150,470	2 years	13,620
2	1, Jalan SS7/2, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia	1994	Freehold	Office building and factory building	269,892	17 years	13,568
3	No. 76, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2001	Leasehold / 2063	Printing plant	151,769	6 years	11,905
4	31, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Malaysia	1990	Leasehold / 2066	Office building and factory building	46,866	3 years	3,937
5	80, Jalan Riong, 59100 Kuala Lumpur, Malaysia	1976	Freehold	Office building and factory building	42,716	36 years	3,678
6	Workshops 1–16 on 1/F, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	1992	Leasehold / 2047	Storage	33,232	19 years	3,599
7	Lot 2123, Section 66, Lorong 3, Jalan Semangat, Pending, Kuching, Sarawak, Malaysia	1996	Leasehold / 2047	Office and printing plant	44,950	14 years	3,597
8	Workshops 1–7 on G/F, MP Industrial Centre, No. 18 Ka Yip Street, Chai Wan, Hong Kong	1992	Leasehold / 2047	Industrial	17,857	19 years	3,251
9	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	5 years	2,165
10	No. 2771, Mukim 1, Jalan Jelawat, Seberang Jaya Industrial Estate, 13700 Prai, Pulau Pinang Malaysia	1998	Leasehold / 2058	Office and printing plant	36,875	17 years	1,972

Notice of the 21st Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-first 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, 24 August 2011 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 2011 together with the Directors' and Independent Auditor's Reports thereon. — Ordinary Resolution 1

2. To approve the payment of Directors' fees for the financial year ended 31 March 2011 in the amount of US$510,000. — Ordinary Resolution 2

3. To re-elect the following Directors who retire pursuant to the Company's Bye-Laws:

    i. Mr TIONG Kiu King — Ordinary Resolution 3
    ii. Dato' Sri Dr TIONG Ik King — Ordinary Resolution 4
    iii. Tan Sri Dato' LAU Yin Pin — Ordinary Resolution 5
    iv. Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH — Ordinary Resolution 6

4. To re-appoint Messrs PricewaterhouseCoopers as auditor of the Company for the ensuing year and to authorise the Directors to fix its remuneration. — Ordinary Resolution 7

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 15 July 2011), 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 8

    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

(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 RENEWAL OF SHARE BUY-BACK MANDATE

"**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 9

(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.

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; Ordinary Resolution 10

(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.

"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.)"

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. 9 and 10 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. 10 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. 9 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 11

By Order of the Board
MEDIA CHINESE INTERNATIONAL LIMITED
LAW Yuk Kuen
Company Secretary

15 July 2011

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 special business:

   (a) The proposed Ordinary Resolution No. 8, 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 15 July 2011 for more information.

   (b) The explanatory notes on Ordinary Resolution No. 9 are set out in the circular to shareholders dated 15 July 2011 accompanying the Annual Report.

   (c) 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 20th AGM held on 25 August 2010 and which will lapse at the conclusion of the 21st AGM to be held on 24 August 2011. A renewal of this mandate is sought at the 21st AGM under proposed Ordinary Resolution No. 10.

   The proposed Ordinary Resolution No. 10, 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.

   The general mandate, if passed, will provide flexibility to the Directors of the Company to allot and issue shares for any possible fund raising activities, including but not limited to placement of shares, for the purpose of funding future investment, working capital and/or acquisition.

Statement Accompanying Notice of Annual General Meeting

Mr TIONG Kiu King, Dato' Sri Dr TIONG Ik King, Tan Sri Dato' LAU Yin Pin and Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH are the Directors standing for re-election at the forthcoming Twenty-first 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	4-9
(b)	The working experience and occupation	4-9
(c)	Any other directorships of public companies	4-9
(d)	The details of any interest in the Company and its subsidiaries	4-9
(e)	The family relationship with any director and/or major shareholder of the Company	4-9
(f)	Any conflict of interest that they have with the Company	9
(g)	The list of convictions for offences within the past 10 years other than traffic offences, if any	9

Details of attendance of directors at board meetings are set out on page 35 of the Annual Report.

Media Chinese International Limited

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