世界華文媒體 MEDIA CHINESE

Media Chinese International Limited

Annual Report 2013/14

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

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

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Corporate Information

EXECUTIVE DIRECTORS

Tan Sri Datuk Sir TIONG Hiew King
(Group Executive Chairman)
Dato' Sri Dr TIONG Ik King
Mr TIONG Kiew Chiong
(Group Chief Executive Officer)
Mr NG Chek Yong
Mr LEONG Chew Meng

NON-EXECUTIVE DIRECTOR

Ms TIONG Choon

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

Mr NG Chek Yong *(Chairman)*
Mr TIONG Kiew Chiong
Mr LEONG Chew Meng
Mr ONG See Boon
Mr NG Kait Leong

AUDIT COMMITTEE

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

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
Mr NG Chek Yong

NOMINATION COMMITTEE

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

JOINT COMPANY SECRETARIES

Ms LAW Yuk Kuen
Ms TONG Siew Kheng

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
RHB Bank Berhad
HSBC Bank Malaysia Berhad
OCBC Bank (Malaysia) Berhad
Malayan Banking Berhad

AUDITOR

PricewaterhouseCoopers

STOCK CODE

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

WEBSITE

www.mediachinesegroup.com

HONG KONG HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

MALAYSIA HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 19, Jalan Semangat
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel: (603) 7965 8888
Fax: (603) 7965 8689

REGISTERED OFFICE IN BERMUDA

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

REGISTERED OFFICE IN MALAYSIA

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

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM11
Bermuda
Tel: (852) 2978 5656
Fax: (852) 2530 5152

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong
Tel: (852) 2980 1333
Fax: (852) 2810 8185

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

Executive Directors
執行董事

1. 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)*
2. Dato' Sri Dr TIONG Ik King
   拿督斯里張翼卿醫生
3. Mr TIONG Kiew Chiong
   (Group Chief Executive Officer)
   張裘昌先生*(集團行政總裁)*
4. Mr NG Chek Yong
   黃澤榮先生
5. Mr LEONG Chew Meng
   梁秋明先生

Non-executive Director
非執行董事

6. Ms TIONG Choon
   張聰女士

Independent Non-executive Directors
獨立非執行董事

7. Mr David YU Hon To
   俞漢度先生
8. Tan Sri Dato' LAU Yin Pin
   丹斯里拿督劉衍明
9. Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH
   天猛公拿督肯勒甘雅安納天猛公柯

Tan Sri Datuk Sir TIONG Hiew King

Group Executive Chairman and Executive Director

Malaysian, aged 79

Tan Sri Datuk Sir TIONG Hiew King was appointed as the Chairman of Media Chinese International Limited (the "Company") on 20 October 1995. He was also appointed as the Chairman of One Media Group Limited ("One Media") on 1 April 2012, a subsidiary of the Company listed on the main board of The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange"). Tan Sri Datuk Sir TIONG is also the Executive Chairman of Rimbunan Hijau Group, a large diversified conglomerate in Malaysia comprising timber harvesting, processing and manufacturing of timber products, plantations and other businesses around the world. He has extensive experience in a number of industries, including media and publishing, timber, oil palm plantations and

丹斯里拿督張曉卿爵士

集團執行主席及執行董事

馬來西亞公民，79歲

丹斯里拿督張曉卿爵士於1995年10月20日獲委任為世界華文媒體有限公司(「本公司」)主席，他亦於2012年4月1日獲委任為萬華媒體集團有限公司(「萬華媒體」)之主席。萬華媒體為本公司之附屬公司，於香港聯合交易所有限公司(「香港聯交所」)主板上市。丹斯里拿督張曉卿爵士亦為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。他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

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 and 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.

造業等。他是在巴布亞新畿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2009年6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2010年榮獲吉隆坡馬來商聯會頒授「2010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。

Tan Sri Datuk Sir TIONG is the Executive Chairman of Sin Chew Media Corporation Berhad ("Sin Chew"), a wholly-owned subsidiary of the Company in Malaysia. He currently serves as an executive director of Rimbunan Sawit Berhad, a listed company in Malaysia and as the Executive Chairman of RH Petrogas Limited, a listed company in Singapore. He is a trustee of Yayasan Sin Chew and also a director of a number of subsidiaries of the Company.

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。他現任馬來西亞上市公司常青油棕有限公司之執行董事及新加坡上市公司常青石油及天然氣有限公司之執行主席。他是星洲日報基金會信託人，同時也出任多間本公司附屬公司的董事。

He is the father of Ms TIONG Choon, the brother of Dato' Sri Dr TIONG Ik King and the distant relative of Mr TIONG Kiew Chiong, all of whom are directors of the Company. In addition, both 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是張聰女士的父親、拿督斯里張翼卿醫生的胞兄及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均為本公司的主要股東。

Dato' Sri Dr TIONG Ik King
Executive Director
Malaysian, aged 63

拿督斯里張翼卿醫生
執行董事
馬來西亞公民，63歲

Dato' Sri Dr TIONG Ik King 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.

拿督斯里張翼卿醫生於1995年10月20日獲委任為本公司執行董事。他在傳媒及出版、資訊科技、木材、林業、油棕及製造業等領域均擁有豐富經驗。拿督斯里張翼卿醫生於1975年畢業於新加坡國立大學，獲頒醫學學士學位，並於1977年取得英國皇家內科醫師學會會員資格。他於2008年10月24日獲馬來西亞彭亨州蘇丹頒授拿督斯里封號，以表揚他對國家的貢獻。

Dato' Sri Dr TIONG currently sits on the board of Jaya Tiasa Holdings Berhad, a listed company in Malaysia and RH Petrogas Limited, a listed company in Singapore. In the past three years preceding 31 March 2014, Dato' Sri Dr TIONG had been a non-independent non-executive director of EON Capital Berhad in Malaysia.

他現任馬來西亞上市公司常成控股有限公司及新加坡上市公司常青石油及天然氣有限公司的董事。於2014年3月31日止前三年期間，拿督斯里張翼卿醫生曾任馬來西亞的國貿資本有限公司非獨立非執行董事。

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

他是丹斯里拿督張曉卿爵士的胞弟、張聰女士的叔父及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及丹斯里拿督張曉卿爵士均為本公司的主要股東。

Mr TIONG Kiew Chiong

Executive Director and Group Chief Executive Officer

Malaysian, aged 54

Mr TIONG Kiew Chiong was appointed as an executive director of the Company on 2 May 1998. He is currently the Group Chief Executive Officer, a member of the Group Executive Committee and Remuneration Committee of the Company. Mr TIONG is also the Deputy Chairman of One Media, a subsidiary of the Company which has been listed on the main board of the HK Stock Exchange 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 his Bachelor Degree of Business Administration (Honours) from York University, Toronto, Canada in 1982.

Mr TIONG currently sits on the board of a number of subsidiaries of the Company. In the past three years preceding 31 March 2014, Mr TIONG had been an executive director of RH Petrogas Limited, a listed company in Singapore.

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

張裘昌先生

執行董事兼集團行政總裁

馬來西亞公民，54歲

張裘昌先生於1998年5月2日獲委任為本公司執行董事。他目前為集團行政總裁、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2005年10月起在香港聯交所主板上市。他在傳媒及出版業擁有豐富經驗。他於1993年在巴布亞新幾內亞參與創辦英文報章《*The National*》。張裘昌先生於1982年畢業於加拿大多倫多約克大學，獲頒工商管理學士(榮譽)學位。

他現任本公司多間附屬公司之董事。於2014年3月31日止前三年期間，張先生曾任新加坡上市公司常青石油及天然氣有限公司之執行董事。

他是丹斯里拿督張曉卿爵士、拿督斯里張翼卿醫生及張聰女士之遠房親戚。他們均為本公司董事。此外，丹斯里拿督張曉卿爵士及拿督斯里張翼卿醫生均為本公司主要股東。

Mr NG Chek Yong

Executive Director and Chairman of the Group Executive Committee

Malaysian, aged 57

Mr NG Chek Yong was appointed to the position of executive director of the Company on 1 March 2012. He is currently the Chairman of the Group Executive Committee, a member of the Remuneration Committee of the Company and the Managing Director of Sin Chew. He obtained his Cambridge Higher School Certificate from St. Patrick School, Kuching, Sarawak, 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 on 1 August 1988. 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

執行董事及集團行政委員會主席

馬來西亞公民，57歲

黃澤榮先生於2012年3月1日獲委任為本公司執行董事。他現任集團行政委員會主席、本公司薪酬委員會成員及星洲媒體的董事總經理。他於馬來西亞砂拉越古晉省St. Patrick School考獲高級劍橋文憑。他於1979年加入《*詩華日報*》當記者／專題作者，於1988年加入《*沙巴今日新聞*》擔任首席記者，其後他於1988年8月1日加入星洲媒體當記者。於1980年至1988年期間出任砂拉越星座詩社秘書及主席。此外，他於1990年至1991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 LEONG Chew Meng

Executive Director

Malaysian, aged 58

Mr LEONG Chew Meng was appointed as a non-executive director of the Company on 14 April 2008 and was re-designated as an executive director of the Company on 31 March 2013. He is currently a member of the Group Executive Committee and an executive director of Sin Chew. He obtained his Bachelor of Commerce and Administration Degree majoring in accountancy from Victoria University of Wellington in New Zealand. He is a Chartered Accountant of the Malaysian Institute of Accountants and an Associate Chartered Accountant of the Institute of Chartered Accountants, New Zealand. He is an accountant by profession with extensive working experience of more than 30 years in Malaysia. In his professional roles, he was previously the financial controller and finance director of several foreign-owned multinational companies in the manufacturing, trading and retail sectors, and he subsequently diversified into the commercial sector as a business consultant and financial advisor to both private entities and public listed companies. Included in his diverse experience was a period of more than 10 years' business exposure in main stream media corporations.

梁秋明先生

執行董事

馬來西亞公民，58歲

梁秋明先生於2008年4月14日獲委任為本公司非執行董事，其後於2013年3月31日獲調任為執行董事。他現為集團行政委員會成員及星洲媒體之執行董事。他在紐西蘭威靈頓維多利亞大學取得商管學學士學位，主修會計。他是馬來西亞會計師公會之特許會計師及紐西蘭特許會計師公會之特許會計師。他是一名專業會計師，在馬來西亞擁有超過30年之豐富工作經驗。在他的專業範疇中，他曾於數間經營製造業、貿易及零售業之外資跨國公司出任財務主管及財務總監，其後晉身商界，出任私人公司及上市公司之商業諮詢顧問及財務顧問，當中亦包括逾10年主流媒體機構之豐富商業經驗。

Ms TIONG Choon

Non-executive Director (Non-independent)

Malaysian, aged 45

Ms TIONG Choon was appointed as a non-executive director of the Company on 31 March 2013. She has started her career with Rimbunan Hijau Group since 1991 and served in various managerial and senior positions in plantation and hospitality sectors. She holds a Bachelor of Economics Degree from Monash University, Australia. She is currently a non-independent non-executive director of Jaya Tiasa Holdings Berhad, a listed company in Malaysia.

Ms TIONG is the daughter of Tan Sri Datuk Sir TIONG Hiew King, the niece of Dato' Sri Dr TIONG Ik King and the distant cousin of Mr TIONG Kiew Chiong, all of whom are directors of the Company. In addition, both Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are substantial shareholders of the Company.

張聰女士

非執行董事（非獨立）

馬來西亞公民，45歲

張聰女士於2013年3月31日獲委任為本公司非執行董事。她於1991年加入常青集團開展其職業歷程，於林業及酒店服務業擔任管理層及高級主管之職務。她持有澳洲莫納什大學經濟學學士學位。張女士現為馬來西亞上市公司常成控股有限公司之非獨立非執行董事。

張女士為丹斯里拿督張曉卿爵士的女兒、拿督斯里張翼卿醫生的侄女及張裘昌先生的遠房親戚，他們均為本公司的董事。此外，丹斯里拿督張曉卿爵士及拿督斯里張翼卿醫生均為本公司之主要股東。

Mr David YU Hon To
Independent Non-executive Director
Chinese, aged 66

Mr David YU Hon To 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 One Media, a subsidiary of the Company which has been listed on the main board of the HK Stock Exchange since October 2005 and Ming Pao Holdings Limited, a wholly-owned subsidiary of the Company. 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 chairman of MCL Financial Group Ltd, a Hong Kong based financial advisory and investment firm.

Mr YU is an independent non-executive director of China Renewable Energy Investment Limited, China Resources Gas Group Limited, Great China Holdings Limited, Haier Electronics Group Co., Limited, Keck Seng Investments (Hong Kong) Limited, New Century Asset Management Limited (the manager of New Century Real Estate Investment Trust which is listed on the HK Stock Exchange), Playmates Holdings Limited, Sateri Holdings Limited and Synergis Holdings Limited, which are listed companies in Hong Kong. In the past three years preceding 31 March 2014, Mr YU had been an independent non-executive director of China Datang Corporation Renewable Power Co., Limited and TeleEye Holdings Limited. In addition, Mr YU resigned as an independent non-executive director of VXL Capital Limited on 27 May 2014.

俞漢度先生
獨立非執行董事
中國公民，66歲

俞漢度先生於1999年3月30日獲委任為本公司獨立非執行董事。他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，他也是萬華媒體及本公司全資附屬公司明報集團有限公司的獨立非執行董事。萬華媒體是本公司附屬公司，自2005年10月起於香港聯交所主板上市。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。他為偉業金融集團有限公司的主席，該公司在香港從事財務顧問及投資等業務。

俞先生是中國再生能源投資有限公司、華潤燃氣控股有限公司、大中華集團有限公司、海爾電器集團有限公司、激成投資(香港)有限公司、開元產業投資信託基金(於香港聯交所上市)之管理人 — 開元資產管理有限公司、彩星集團有限公司、賽得利控股有限公司及新昌管理集團有限公司的獨立非執行董事，該等公司為香港上市公司。於2014年3月31日止前三年期間，俞先生曾任中國大唐集團新能源股份有限公司及千里眼控股有限公司之獨立非執行董事。此外，俞先生於2014年5月27日辭任卓越金融有限公司的獨立非執行董事之職務。

Tan Sri Dato' LAU Yin Pin
Independent Non-executive Director
Malaysian, aged 65

Tan Sri Dato' LAU Yin Pin 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 Fellow of the Association of Chartered 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 formerly a Senator of Dewan Negara appointed by Seri Paduka Baginda Yang di-Pertuan Agong, Malaysia.

Tan Sri Dato' LAU is currently an independent non-executive director of two other listed companies in Malaysia, namely YTL Power International Berhad and Ahmad Zaki Resources Berhad.

丹斯里拿督劉衍明
獨立非執行董事
馬來西亞公民，65歲

丹斯里拿督劉衍明於2008年4月14日獲委任為本公司獨立非執行董事。他也是本公司之薪酬委員會主席，以及審核委員會及提名委員會成員。丹斯里拿督劉衍明在1974年考獲馬來西亞拉曼學院商業文憑(特優)。他自1979年成為馬來西亞會計師公會會員。他於1981年成為英國特許公認會計師公會的資深會員及於1987年成為英國特許秘書及行政人員公會畢業會員。他曾獲馬來西亞國家元首委任為上議員。

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及阿末查基資源有限公司的獨立非執行董事。

Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH
Independent Non-executive Director
Malaysian, aged 71

Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH 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.

He serves as an independent director of Subur Tiasa Holdings Berhad, 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, Dato' Sri Dr TIONG Ik King, Mr TIONG Kiew Chiong and Ms TIONG Choon, who are related parties in some related party transactions with the Group, the details of which are set out in the circular dated 8 July 2014 and on pages 53 to 56 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
Record of attendance of directors for board meetings during the financial year ended 31 March 2014 is set out on page 40.

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，71歲

天猛公拿督肯勒甘雅安納天猛公柯於2008年3月20日獲委任為本公司之獨立非執行董事。他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1967年至1970年間出任馬來西亞砂拉越首席部長政治秘書；1970年至1974年，獲選為馬來西亞砂州議員；1974年至1981年，任砂拉越聯邦政府秘書以及副首相及首相政治秘書；1981年至1987年，被委任為上議員。他於1988年9月16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2003年亦委任他為加帛省天猛公，即伊班族之最高領袖。

他是常豐控股有限公司的獨立董事，亦擔任馬來西亞數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、拿督斯里張翼卿醫生、張裘昌先生及張聰女士（彼等均為本集團若干關連方交易中之有關連方，有關詳情載於2014年7月8日刊發之通函及本年報第53至56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／或主要股東有任何家族關係。

會議出席記錄
董事於截至2014年3月31日止財政年度之董事會會議出席記錄載於第40頁。

Profile of Senior Management

Mr ONG See Boon

Malaysian, aged 63

Mr ONG See Boon joined the Group in 1997. He is a member of the Group Executive Committee and the Hong Kong Executive Committee. He is also the 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 38 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，63歲

翁昌文先生於1997年加入本集團，為集團行政委員會及香港行政委員會成員。他也是集團執行主席之特別助理。他出任本公司多間附屬公司之董事。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38年。加入本公司之前，他曾為常青集團於中國內地之公司擔任多個重要職位及董事。

Mr NG Kait Leong

Malaysian, aged 61

Mr NG Kait Leong joined Nanyang Press Holdings Berhad ("Nanyang") in 2007. He is an executive director of Nanyang. He is also a member of the Group Executive Committee and the Malaysian Executive Committee. He graduated from London College of Printing, United Kingdom and later obtained his 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，61歲

伍吉隆先生於2007年加入南洋報業控股有限公司(「南洋報業」)。他是南洋報業之執行董事。他也是集團行政委員會及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1974年至1983年期間任職南洋報業生產經理，並於1983年擢升為高級生產經理，及後於1986年至1989年期間出任生產部總經理。他於1990年加入星洲媒體擔任技術及項目顧問，於1993年轉投曼羅蘭亞太出任地區技術董事，及後於2002年至2006年期間重返星洲媒體出任集團技術及項目顧問。

Mr KOO Cheng

Malaysian, aged 58

Mr KOO Cheng joined Sin Chew in 1978. He is an executive director of Sin Chew and Chief Executive Officer of *Sin Chew Daily*. He is also a member of the Malaysian Executive Committee. He obtained a Diploma in Management Programme (DIMP) with distinction from the Malaysian Institute of Management (MIM) in 2003. He was also selected as the recipient of the Silver Medal for 2003 DIMP Medal Award. Mr KOO started his career as a reporter in Sin Poh (Star News) Amalgamated Malaysia Sdn Berhad (former publisher of *Sin Chew Daily*) in 1978. He was promoted as the Assistant Chief Reporter in 1986, Chief Reporter in 1989, News Editor in 1993, Deputy Editor-In-Chief in 1994, Editor-In-Chief in 2000 and Chief Operating Officer in 2006.

Mr KOO is also the Chairman of National Union of Journalists (NUJ), Sin Chew Daily Branch from 1985 to 1988, President of the Editors' Association (Chinese Medium) Malaysia from 2002 to 2006 and the council member of the Malaysian National News Agency (BERNAMA) from 2006 to 2010.

許春先生

馬來西亞公民，58歲

許春先生於1978年加入星洲媒體。他是星洲媒體之執行董事、*《星洲日報》*行政總裁及馬來西亞行政委員會成員。他於2003年以特優成績完成馬來西亞管理學院的管理證書。他亦獲頒2003年管理證書組銀牌獎。許先生於1978年展開其新聞工作生涯，加入星系報業(馬來西亞)私人有限公司(*《星洲日報》*前出版人)任職記者。他於1986年擢升為助理採訪主任，後於1989年、1993年、1994年、2000年及2006年分別晉升為採訪主任、新聞編輯、副總編輯、總編輯及營運總裁。

許先生亦於1985年至1988年出任全國新聞從業員職工會星洲日報分會之主席、於2002年至2006年出任馬來西亞華文報刊編輯人協會會長及於2006年至2010年出任馬來西亞國家新聞社理事會理事。

Mr LIEW Sam Ngan

Malaysian, aged 56

Mr LIEW Sam Ngan joined Nanyang in 1994. He is an executive director of Nanyang and its subsidiaries, and is currently the Group Chief Operating Officer of Nanyang cum Chief Executive Officer of Nanyang Siang Pau Sdn Bhd and The China Press Berhad. He is also a member of the Malaysian Executive Committee.

He is a Chartered Accountant by profession, a member of the Malaysian Institute of Accountants and a Fellow of the Association of Chartered Certified Accountants, United Kingdom. He started his career in one of the major public accounting firms after graduation in 1983. He joined the media industry in 1987 and has since then gained extensive working experience in the media industry. He had worked in New Strait Times Press, Life Publishers and Nanyang. Prior to taking up operating role in *China Press* in 2001, he was the Group Financial Controller of Nanyang.

廖深仁先生

馬來西亞公民，56歲

廖深仁先生於1994年加入南洋報業。他為南洋報業及其附屬公司之執行董事，現任南洋報業之集團營運總裁兼南洋商報私人有限公司與中國報有限公司之行政總裁。他也是馬來西亞行政委員會成員。

他是一名專業特許會計師、馬來西亞會計師公會會員及英國特許公認會計師公會之資深會員。他於1983年畢業後加入其中一間主要公眾會計師事務所展開工作生涯。他於1987年加入媒體行業，自此於媒體行業取得豐富經驗。他曾任職於New Strait Times Press、生活出版社及南洋報業。於2001年在《*中國報*》擔任營運角色前，他曾任南洋報業之集團財務主管。

Mr CHEUNG Kin Bor

Chinese, aged 59

Mr CHEUNG Kin Bor joined the Group in 1986. He is the Editorial Director and Chief Editor of *Ming Pao Daily News* and a member of the Hong Kong Executive Committee. He is also 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 36 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，59歲

張健波先生於1986年加入本集團。他是《*明報*》之編務總監兼總編輯，以及香港行政委員會成員。他亦是明報報業有限公司及明報網站有限公司之董事。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36年之出版及編採經驗。加入本集團前，他曾在《*信報財經月刊*》及《*信報*》工作。他曾於2000年出任香港新聞行政人員協會主席一職。

Mr Keith KAM Woon Ting

Chinese, aged 57

Mr Keith KAM Woon Ting joined the Group in 1995. He is the Chief Operating Officer of Ming Pao Holdings Limited, Mingpao.com Limited and Yazhou Zhoukan Limited. He is also a member of the Hong Kong Executive Committee. Mr KAM has been in the advertising and media industry since 1976. Prior to joining the Group, he had held senior positions in various leading international advertising agencies and a newspaper company. Mr KAM has extensive managerial experience in publishing, advertising and distribution of newspapers and media products. He has been the Chairman of The Newspaper Society of Hong Kong since 2007.

甘煥騰先生

中國公民，57歲

甘煥騰先生於1995年加入本集團。他是明報集團有限公司、明報網站有限公司及亞洲週刊有限公司之營運總裁。他亦是香港行政委員會成員。甘先生自1976年起已從事廣告及傳媒工作。加入本集團前，他曾在多間國際知名的廣告代理及報業集團擔任高層管理職位。甘先生於報章及傳媒產品之出版、營運及發行方面擁有豐富管理經驗。甘先生自2007年起一直擔任香港報業公會主席。

Mr LAM Pak Cheong

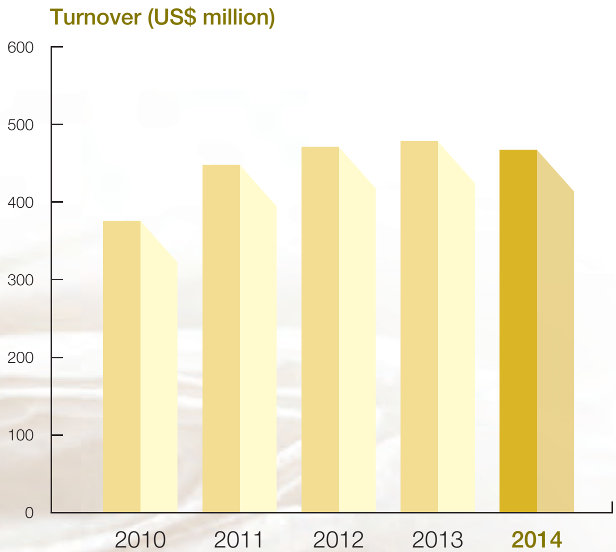
Chinese, aged 45

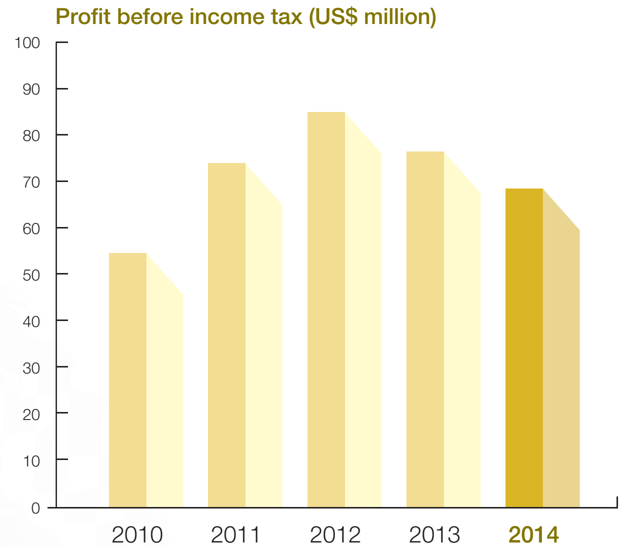
Mr LAM Pak Cheong joined the Group in 2000. He is the Head of Finance and a member of the Hong Kong Executive Committee. He is also the Chief Executive Officer and an executive director of One Media. Mr LAM has extensive experience in corporate development, financial management, mergers and acquisitions, 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 his Master of Business Administration in Financial Services jointly from the University of Manchester and the University of Wales, Bangor in the United Kingdom and Master of Corporate Governance from the Hong Kong Polytechnic University.

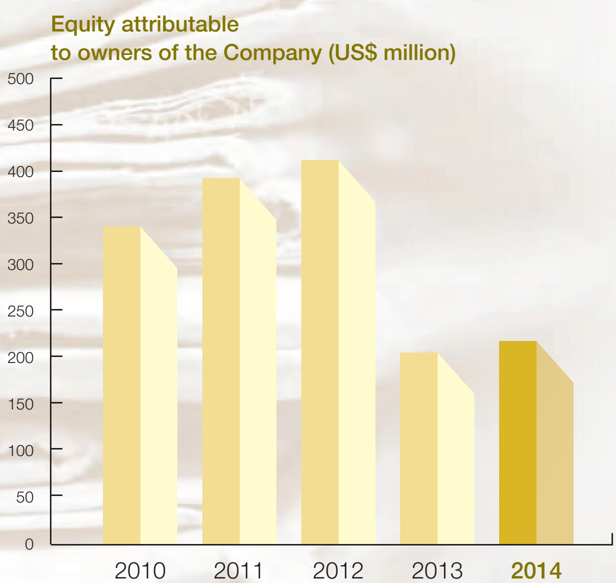
林栢昌先生

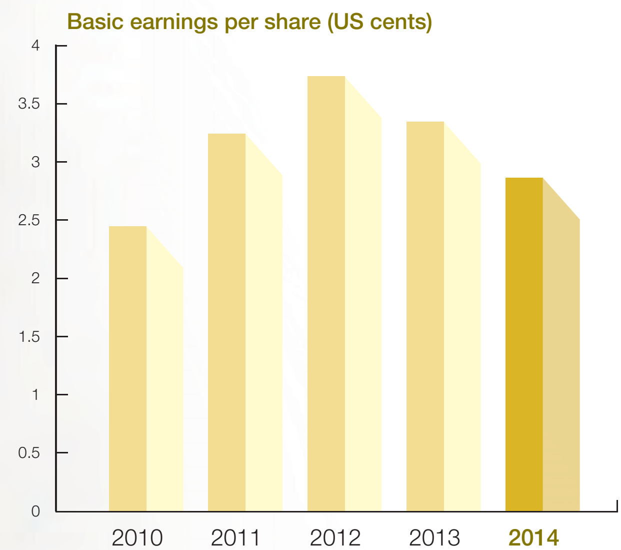
中國公民，45歲

林栢昌先生於2000年加入本集團。他為集團之財務總裁及香港行政委員會成員。他亦是萬華媒體之行政總裁兼執行董事。林先生在企業發展、財務管理、合併收購、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公司管治碩士學位。









	2010	2011	2012	2013 (Restated)	**2014**
Turnover (US$ million)	376	446	472	478	**469**
Profit before income tax (US$ million)	55	74	85	77	**69**
Equity attributable to owners of the Company (US$ million)	341	394	414	207	**218**
Basic earnings per share (US cents)	2.44	3.26	3.75	3.36	**2.86**
EBITDA (US$ million)	65	84	95	90	**86**
Dividend per share (US cents)	1.221	1.953	2.648	14.688	**1.430**

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,

On behalf of the Board of Directors (the "Board") of Media Chinese International Limited (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2014.

FINANCIAL RESULTS

2013/2014 was a mixed year for the Group. We faced challenges of volatile advertising market conditions as well as economic uncertainty in the Group's key markets.

各位股東：

本人謹此代表世界華文媒體有限公司(「本公司」)董事會(「董事會」)欣然提呈本公司及其附屬公司(「本集團」)截至2014年3月31日止財政年度之年度業績。

財務業績

2013/2014年乃本集團好壞參半的一年。集團主要市場面對廣告市場波動及經濟不明朗等挑戰。

The increasingly intense market competition and cautious spending sentiment adversely impacted the Group's publishing and printing segment throughout the current financial year. As a result, our printing and publishing segment reported a lower segment profit before income tax of US$73,828,000 for the year ended 31 March 2014, a 7% decrease from last year's US$79,374,000. Meanwhile, our tour segment registered a 135.5% surge in segment profit before income tax from US$1,790,000 to US$4,215,000 on the back of higher revenue.

於整個財政年度內，市場競爭日益激烈及謹慎的消費意欲對本集團出版及印刷分部構成不利影響。因此，截至2014年3月31日止年度，印刷及出版分部錄得除所得稅前分部溢利73,828,000美元，較去年79,374,000美元減少7%。同時，受惠於收益上升，旅遊分部之除所得稅前分部溢利由1,790,000美元急升135.5%至4,215,000美元。

The fall in contribution from the publishing and printing segment, together with higher finance costs, led to a decrease in the Group's profit before income tax of 11.1% or US$8,531,000 to US$68,563,000.

出版及印刷分部收益貢獻下跌，加上融資成本較高，導致本集團除所得稅前溢利減少11.1%或8,531,000美元至68,563,000美元。

The Group's turnover for the year amounted to US$468,728,000, reflecting a marginal decline of 1.9% or US$9,125,000 when compared with US$477,853,000 in the previous financial year.

本集團之年度營業額為468,728,000美元，較上一個財政年度之477,853,000美元輕微下跌1.9%或9,125,000美元。

The strengthening of US dollar against Malaysian Ringgit ("RM") and Canadian dollar during the year also caused adverse currency effects of about US$11,441,000 and US$2,444,000 on the Group's turnover and profit before income tax respectively.

年內，美元兑馬來西亞令吉（「馬幣」）及加拿大元升值對本集團之營業額及除所得稅前溢利分別造成約11,441,000美元及2,444,000美元之不利貨幣影響。

According to Nielsen Advertising Information Services report, overall total gross advertising expenditure in Malaysia grew 18.5% to RM13.8 billion (equivalent to US$4.2 billion) for the period from April 2013 to March 2014. Advertising spending on newspapers increased from RM4.3 billion to RM4.7 billion (equivalent to US$1.4 billion), mainly driven by the growth in English newspapers (18.8%), Malay newspapers (1.7%) and Chinese newspapers (1.5%).

根據尼爾森廣告監播服務（Nielsen Advertising Information Services）報告，於2013年4月至2014年3月期間，馬來西亞之整體廣告開支總額增加18.5%至138億馬幣（相當於42億美元）。報章廣告開支由43億馬幣增加至47億馬幣（相當於14億美元），主要受英文報章（18.8%）、馬來文報章（1.7%）及華文報章（1.5%）增長所帶動。

Total gross advertising spending in Hong Kong rose 6.6% during the year under review according to a research report by admanGo. Chinese newspapers reported a growth of 6.7%, contributed mainly by the free daily newspapers which registered a 20.1% increase in advertising expenditure revenue. Besides the free daily newspapers, the digital media is also getting more popular among advertisers. Hong Kong market's online advertising expenditure for 2013/2014 grew 41.8% year-over-year.

根據admanGo之研究報告，回顧年內香港廣告開支總額增加6.6%。華文報章增長6.7%，主要由於免費日報之廣告開支收益增加20.1%。除免費日報外，電子媒體亦愈來愈受廣告商歡迎。於2013/2014年度，香港市場之網上廣告開支按年增長41.8%。

Basic earnings per share for the year was US2.86 cents, decreased by 14.9% or US0.50 cents from US3.36 cents in the previous year.

年內每股基本盈利為2.86美仙，較去年3.36美仙減少14.9%或0.50美仙。

As at 31 March 2014, the Group's net assets stood at US$225,049,000, 5.2% higher than the previous year's US$213,945,000; and the Group's net gearing ratio dropped to 22% from 33% as at 31 March 2013.

於2014年3月31日，本集團之資產淨值為225,049,000美元，較去年213,945,000美元增加5.2%；而本集團之資本淨負債比率則由2013年3月31日之33%降至22%。

REACHING CUSTOMERS ON ALL PLATFORMS

The media industry continues to undergo transformation reflected by its paradigmatic shift from traditional print models to digital multimedia platforms. The transformational changes are driven by the rapid growth in usage and penetration level of smart devices, as well as advertisers' increasing needs for optimal integrated solutions across multiple platforms to maximise reach to potential customers.

The Group has embraced fast market changes to strengthen its long term multi-platform media businesses. The Group sees digital publishing as a growth opportunity, and is convinced that we have the technology and the contents that will lead our future development in digital and interactive media. Our approach is to share our rich contents across multiple platforms and businesses. Our aim is to publish the most entertaining and informative contents to reach more people in more ways; and to provide effective channels for advertisers to reach their target customers. We believe that our strong brands and quality contents will allow us to develop new revenue streams and expand our customer bases.

The Group has been responding to these changing dynamics by creating contents tailored to each particular platform such as websites, social networks, mobile devices and digital publications. We also plan to further develop our video production capabilities in order to enhance the quality of our online contents as well as to generate more revenue.

Our greatest strength is our ability to reach over 94% Chinese readers in Peninsular Malaysia. As such, we will explore digital business that will use the promotional power of our media assets. Our strategy is to leverage on our leadership in content creation and distribution in order to create a one-stop shop for digital marketing services targeting our own unique online community. Adding to this, we will continue to explore new delivery channels, partnerships and distribution opportunities. During the year, MCIL Multimedia has worked with a subsidiary of a leading media group in Malaysia to feature each other's video content on their respective web portals. Through this partnership, we have broadened our reach beyond our traditional Chinese-reading audiences.

Ming Pao Daily News was among the first Chinese newspapers to launch its e-paper. During the year, the Group has successfully launched digital versions of *Sin Chew Daily*, *Guang Ming Daily* and *Nanyang Siang Pau* in order to reach a wider spectrum of readership. Meanwhile, *China Press's* e-paper would also be launched in June 2014.

The Group has been granted licenses to publish textbooks in both print and digital formats on certain subjects under the curricula of secondary schools in Hong Kong. With its strong school network and developed e-education platform, this newly launched education business will open up new opportunities and further expand the Group's presence in the education sector.

透過所有平台接觸客戶

媒體行業正不斷轉型，由傳統印刷模式發展為電子多媒體平台。轉型改變乃由於智能裝置之使用及滲透率快速增長，加上廣告商對能接觸更多潛在客戶之跨平台整合解決方案需求持續增加所致。

為配合快速的市場變化，本集團強化其長遠之多平台媒體業務。本集團視電子出版為業務增長機會，並深信我們擁有之技術及內容可帶領我們未來電子及互動媒體的發展。我們的方向為透過不同平台及業務分享集團豐富的內容。我們的目標為刊發最富資訊性及娛樂性的內容，從更多途徑擴闊讀者層面；並為廣告商提供有效渠道接觸目標客戶。我們相信，我們的強大品牌及優質內容可讓我們開拓新收益來源並擴大客戶群。

因應此等變遷，本集團透過針對各特定平台（如網站、社交網絡、流動裝置及電子刊物）創建不同內容。我們亦計劃進一步鞏固視像製作的實力，以提高網站內容質素和帶來更多收益。

我們的最大優勢為能夠接觸馬來西亞半島逾94%華人讀者。因此，我們將善用我們媒體資源的推廣能力以助開拓電子業務。我們的策略為利用我們於內容製作及分銷之領導地位，針對本身獨特的網上社群，為電子市場推廣服務打造一站式服務。此外，我們將繼續開拓新發布渠道、合作夥伴及分銷機會。年內，世華多媒體與馬來西亞一間大型媒體集團之附屬公司合作，於彼此之門戶網站播放視像內容。透過本次合作，我們之接觸面已擴展至傳統華文讀者以外的範圍。

《*明報*》為華文報章中首份推出電子報之一。年內，本集團已成功推出《*星洲日報*》、《*光明日報*》及《*南洋商報*》之電子版本，以接觸更廣泛讀者群。同時，《*中國報*》之電子報亦將於2014年6月推出。

本集團已獲取牌照，出版香港中學課程若干科目之印刷版及電子版教科書。憑藉其強大的學校網絡及完善之電子教育平台，新開展之教育業務將開闢新機遇，並進一步擴大本集團於教育界之地位。

DIVIDENDS

The Board has declared a second interim dividend, in lieu of final dividend, of US0.680 cents per ordinary share to be paid on 1 August 2014. Together with the first interim dividend of US0.750 cents per ordinary share paid during the year, the total dividend for the year ended 31 March 2014 is US1.430 cents per ordinary share.

股息

董事會已宣派並將於2014年8月1日派付第二次中期股息每股普通股0.680美仙，以代替末期股息。連同年內已派付之第一次中期股息每股普通股0.750美仙，截至2014年3月31日止年度之股息總額為每股普通股1.430美仙。

PROSPECTS

We anticipate the advertising environment in our key markets to remain challenging in the light of economic uncertainty and possible decline in consumer confidence.

Nevertheless, the Group will continue to explore new revenue streams and implement stringent cost containment policies while maintaining its high standards of productivity, operational efficiency, as well as ethics in journalism.

Moreover, we will continue to strengthen our core publishing and travel businesses while at the same time seek to explore opportunities with a view to diversifying our business portfolio to increase value for our shareholders.

前景

鑑於經濟不明朗及消費者信心可能下降，我們預期，本集團主要市場之廣告環境仍然充滿挑戰。

儘管如此，本集團將維持高水平的生產力、經營效率以及新聞操守，同時亦將繼續開拓新收益來源及實施嚴格成本控制措施。

此外，我們將繼續加強核心出版及旅遊業務，同時力求開拓商機，使我們的業務組合更趨多元化，以提高股東價值。

APPRECIATION

On behalf of the Board and management, I would like to thank our shareholders, readers, advertisers, customers and business partners for their unwavering support over the years. My sincere gratitude also goes to our Board members, management and staff whose commitment and hard work continue to strengthen the Group's businesses.

致謝

本人謹代表董事會及管理層，感謝股東、讀者、廣告商、客戶及業務夥伴多年來的堅定支持。本人亦衷心感謝董事會成員、管理層及員工一直以來為壯大本集團業務所作的貢獻及努力。

Tan Sri Datuk Sir TIONG Hiew King
Group Executive Chairman
29 May 2014

丹斯里拿督張曉卿爵士
集團執行主席
2014年5月29日

FINANCIAL HIGHLIGHTS

	For the year ended 31 March		
	2014	2013	Change
	US$'000	US$'000	
		(Restated)	
Turnover	**468,728**	477,853	–1.9%
Profit before income tax	**68,563**	77,094	–11.1%
Profit for the year	**49,271**	57,969	–15.0%
Profit attributable to owners of the Company	**48,236**	56,678	–14.9%
EBITDA	**86,343**	89,783	–3.8%
Basic earnings per share (US cents)	**2.86**	3.36	–14.9%

OVERALL REVIEW OF OPERATIONS

The Group reported a turnover of US$468,728,000 for the year ended 31 March 2014, a marginal decrease of 1.9% as compared with the previous year's turnover of US$477,853,000. Profit before income tax for the year fell 11.1% to US$68,563,000 from US$77,094,000 in 2012/2013.

The decline in profit was mainly due to lower contribution from the publishing and printing segment and higher finance costs incurred during the year, offset in part by improved operating results of the travel segment. Adding to this, the weakening Malaysian Ringgit and Canadian dollar also had negative currency impact on the Malaysian and North America segments' operating results.

The difficult trading conditions facing the print media industry in the Group's key markets had impacted its publishing and printing business, which reported a 5.0% drop in turnover to US$380,305,000 from US$400,265,000 a year ago. The segment registered an overall profit before income tax of US$73,828,000, 7.0% or US$5,546,000 below that of last year.

On the other hand, turnover for the Group's travel segment grew 14.0% or US$10,835,000 to US$88,423,000, driven by continuing strong growth in the demand for the segment's tour products. At the same time, the travel segment's profit before income tax surged 135.5% to US$4,215,000 from US$1,790,000 a year earlier. This strong improvement in profit was driven by the growth in revenue and improved margin.

Basic earnings per share for the year ended 31 March 2014 was US2.86 cents, decreased by US0.50 cents or 14.9% from US3.36 cents in the previous year. As at 31 March 2014, the Group's cash and cash equivalents and net assets per share attributable to owners of the Company amounted to US$102,852,000 and US12.91 cents respectively.

SEGMENTAL REVIEW

Publishing and printing

Malaysia and other Southeast Asian countries

The Malaysian operations had a good first half-year, but as the Group entered the third quarter, business started to decline due to weak consumer sentiment arising from the spillover effect of the government's subsidies rationalisation plan.

As a result, the Malaysian operations' revenues fell by 4.5% or US$13,422,000 to US$282,387,000 while segment profit before income tax dropped 5.0% to US$66,487,000 from US$69,985,000 a year earlier. The decline was exacerbated by the currency effect of a weakening Malaysian Ringgit. The decreases in revenue and profit before income tax were both approximately 1.2% in Malaysian Ringgit.

The Group's four Chinese language newspapers each serving its particular market segment and coupled with websites and other digital platforms reaches a broad audience in each market. The Group's newspaper titles account for about 89.5% of all the Chinese newspapers sold in Peninsular Malaysia, and reach over 94% of the Chinese adults who read Chinese newspapers daily. For the year ended 31 March 2014, our newspaper websites attracted an average of approximately 3.4 million unique visitors per month.

In its 85th year of publishing, *Sin Chew Daily* continues to play a vital role in the lives of Chinese communities in Malaysia by providing news and information that are useful, entertaining and informative. It is the most-read Chinese language newspaper in Malaysia with a daily circulation of 402,703 copies for the period from January to June 2013 according to the Audit Bureau of Circulation report ("ABC report"); and a daily readership of 1.2 million for the period from January to December 2013 (Source: Q4 2013 Nielsen Consumer & Media View).

Sin Chew Daily underwent a major revamp in August 2013 with content overhaul and a complete makeover of its regional editions. In addition, *Sin Chew Daily* has commenced operations in its new printing plant at Kota Kinabalu, Sabah in April 2014, expanding its footprint to a key market in East Malaysia.

Sin Chew Daily is committed to high quality journalism and takes pride in its integrity and fair comment. This is *Sin Chew Daily*'s core competency which it views as its social responsibility. As such, *Sin Chew Daily* constantly provides fair, reasonable and independent commentary on all matters that are relevant to the Chinese communities; and encourages them to get involved and raise their voices on subjects that matter to them.

China Press continued to maintain its position as the bestselling evening newspaper and has the second-largest readership among all Chinese language newspapers in Malaysia with a daily readership of about 1.0 million (Source: Q4 2013 Nielsen Consumer & Media View). Its daily circulation was 244,059 copies (Source: ABC report from January to June 2013), an increase of 3,512 copies or 1% from a year earlier. The growth in circulation has come courtesy of *China Press'* year-round efforts connecting to readers with human-interest stories, sports coverage, front page breaking stories, informative and innovative pictorials which has made it a success in the market.

Throughout the year, the Group focused on building the strength of *Guang Ming Daily* in the northern market. Stressing brand differentiation, *Guang Ming Daily* continues to enhancing its content and design, giving readers a better experience and making it more appealing to the advertisers. As a result, *Guang Ming Daily* remained the most popular newspaper in the northern market with 113,378 daily circulated copies (Source: ABC report from January to June 2013) and a daily readership of 386,000 (Source: Q4 2013 Nielsen Consumer & Media View).

Nanyang Siang Pau continued to establish itself as a premier newspaper with a strong focus in business reporting. It has conducted several dialogues which aim to provide clarity on engaging business issues through debate among top corporate leaders and decision makers in the business community. The events were later published in the newspaper which helped readers connect and relate to cutting-edge business issues. It has also organised a series of well-received fairs and exhibitions such as the "Nanyang Property Fair" and "Nanyang Education Fair".

Life Magazines continues to be the largest Chinese language magazine publisher in the country producing one tabloid newspaper and 17 magazines. It publishes a variety of magazines, covering a wide range of topics such as health, women, current affairs, interior design, lifestyle, pet, parenting and food. Life Magazines also made significant progress on digital media as majority of its magazine titles have digital editions. It also enjoys great success as a trade fair organiser with major shows including the "Bridal Fair", "International Health Fair" and "Angling and Outdoor Recreation Fair".

The Group is committed to invest in product quality improvements, and revamp the editorial contents of its various titles in order to broaden our print and online audiences. Our Group titles have received many awards from their peers for outstanding journalism, including prestigious awards such as MPA Magazine Awards, Datuk Wong Kee Tat Journalism Awards, Tan Sri Lim Gait Tong Press Awards, Kenyalang Shell Press Awards and Ministry of Health Media Awards.

To expand its market presence and reach, the Group has launched e-paper versions of three of its Chinese language newspapers in Malaysia in order to expand its content delivery from traditional print media to diversified digital distribution and multi-platform offerings.

Hong Kong and Mainland China

Amidst a slowing business environment, the Hong Kong publishing industry is undergoing consolidation while market competition remains intense. The Group's operations in Hong Kong and Mainland China registered a total turnover of US$71,558,000 for the year under review, reflecting a drop of 6.5% or US$4,957,000 when compared with the previous financial year. The segment's profit before income tax for the year was US$6,349,000, a decrease of 32.5% from US$9,410,000 a year earlier. Besides the decline in revenue, the decrease was also due to the inclusion in last year of gains on disposals of subsidiaries and convertible notes totaled US$2,369,000.

As the Group's flagship newspaper in Hong Kong, *Ming Pao Daily News* adheres to high standards of quality journalism and provides accurate, comprehensive and timely coverage of social, political and economic issues across the Greater China region. *Ming Pao Daily News* consistently differentiates itself with its long-standing tradition of journalistic integrity and excellence, and continues to gain recognition from peers as well as the community. During the year, *Ming Pao Daily News* won 17 prizes in 11 categories including 4 Winner awards and 6 First Runner-up awards in the Hong Kong News Awards 2013.

During the year under review, the Group continued its efforts to build up its newly launched education business in Hong Kong, which has been granted licenses to publish textbooks in both print and digital formats on certain subjects under the curricula of secondary schools in Hong Kong. The Group has also put effort in developing the distribution network within the local education community for further expansion into the market.

To further capture new business opportunities, the Group will also focus on the expansion of its presence in the events marketing business because we can leverage on our network of business contacts in providing integrated sales packages that meet our customers' requirements and help them achieve better results. This business will also enhance our branding image to customers and advertisers.

The Group's listed subsidiary, One Media Group, is a Chinese language lifestyle media group in Greater China. Its flagship entertainment and lifestyle magazine, *Ming Pao Weekly*, received various awards during the current year for its high quality content. For the year ended 31 March 2014, One Media Group's turnover decreased by 6.4% due to unfavourable advertising market conditions while its profit before income tax recorded a 12.7% drop compared with the previous financial year.

North America

Turnover of the Group's publishing and printing operations in North America amounted to US$26,360,000, a decrease of 5.7% or US$1,581,000 from US$27,941,000 in the previous year. The slowing economies in the local markets have led consumers and businesses to become more cautious on their spending which, in turn, caused advertisers to reduce their advertising budgets. Despite the decline in revenue, the segment was able to improve its performance through operational efficiency and cost-optimisation. Profit before income tax for the segment was US$992,000, as against a loss of US$21,000 a year ago.

Travel and travel related services

The Group's travel segment, operated by Charming Holidays and Delta Group, achieved excellent results during the year. Turnover of the travel segment rose 14.0% to US$88,423,000 from US$77,588,000 in last year, fuelled in large part by increased demand for the Group's high-quality tour products and services.

The travel segment's profit before income tax surged 135.5% or US$2,425,000 to US$4,215,000. This significant growth in profit is driven by higher revenue from all the travel segment's business units for the year under review.

Digital media

The Group understands the importance of embracing the inevitable digital trend that is transforming the media industry. To meet the growing demand for digital contents, the Group continues to diversify its content delivery platforms in order to enlarge its readership base. The multi-digital platforms also provide advertisers with integrated marketing solutions to achieve cross-selling synergies and the Group will therefore benefit from this extended revenue base. Seeing the popularity and penetration of smartphones and tablets across the globe, the Group will continue to invest in these platforms and to explore this evolving business model.

The Group has been devoted to enhancing competitiveness and will continue to enrich its various online platforms such as Mingpao.com — one of the most influential Chinese news websites; Hihoku — an online quality entertainment platform targeting young audiences; and Partyline — a social networking application that brings audiences the hottest events in Hong Kong.

OUTLOOK

We expect the business environment to be tough and challenging in the next financial year in the wake of economic uncertainties and intensified competition in the Group's major markets.

Although newsprint prices are expected to remain stable, the Group foresees a weaker than usual advertising business environment since both consumers and businesses are likely to stay cautious with their spending.

Despite the satisfactory results of the travel segment during the current year, the Group anticipates fierce competition from its competitors in the higher margin sections and the increasing airline capacity among most of the major carriers.

Nevertheless, the Group will continue to reinforce its business strategies to enhance productivity and profitability whilst implementing rigid discipline in cost containment.

PLEDGE OF ASSETS

As at 31 March 2014, general security agreements under which all the assets of certain subsidiaries with net book amount of US$11,974,000 (31 March 2013: US$12,401,000) were pledged to certain banks to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 March 2014, there were 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 is still uncertain as of the date this consolidated financial information is authorised for issue, the directors of the Company are of the opinion that the respective ultimate liability, if any, will not have a material adverse impact upon the Group's financial position.

CAPITAL COMMITMENTS

As at 31 March 2014, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in this consolidated financial information amounted to US$3,204,000 whereas authorised capital expenditure for property, plant and equipment not contracted and not provided for in this consolidated financial information amounted to US$1,390,000.

FINANCIAL GUARANTEE

As at 31 March 2014, the Company issued financial guarantees in favour of certain of its subsidiaries totaling US$21,792,000 (31 March 2013: US$19,814,000) in connection with general banking facilities granted to those subsidiaries. As at 31 March 2014, total facilities utilised amounted to US$5,865,000 (31 March 2013: US$1,330,000). 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 as at 31 March 2014 under the financial guarantees was the facility drawn down by its subsidiaries. No provision was therefore made in this respect as at 31 March 2014.

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 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 2014, 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 a decrease in the exchange fluctuation reserve of US$8,303,000 was recognised largely due to the changes in the exchange rate of US$ to RM.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 31 March 2014, the Group's cash and cash equivalents were US$102,852,000 (31 March 2013: US$101,829,000) and total bank and other borrowings were US$150,530,000 (31 March 2013: US$170,602,000). The net debt position was US$47,678,000 (31 March 2013: US$68,773,000). Owners' equity was US$217,812,000 (31 March 2013: US$207,006,000).

The net gearing ratio of the Group, calculated as net debt over owners' equity, was 22% as at 31 March 2014 (31 March 2013: 33%).

CAPITAL STRUCTURE

During the year, the Company repurchased a total of 1,000 shares at an aggregate purchase consideration of HK$2,900 (equivalent to US$374). Details of the repurchase are set out in note 31(a) to the financial statements.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 March 2014, the Group had 4,659 employees (31 March 2013: 4,651 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/her associates is involved in dealing with his/her own remuneration. The Group has share option schemes as an incentive to directors and eligible employees.

Corporate social responsibility ("CSR") has always been an important aspect of the Group. By integrating social and environmental initiatives into our businesses, we are caring for the community, making our operations more sustainable and at the same time striving to meet the expectations that shareholders and stakeholders have on us as a responsible corporate citizen of society. During the year, the Group has continued to enhance our sustainability, while implementing effective corporate responsibility initiatives in the areas of the Community, Marketplace, Workplace and Environment.

COMMUNITY

Over the years, the Group has established a close bond with the community. As a pioneer of current trends in society, on top of reporting first-hand news to the public, the Group also serves as a bridge to raise funds for the disadvantaged in our community.

Humanitarian assistance

As a media group, our primary role is to serve the community's needs. During the year, we undertook initiatives in organising various fund raising activities to assist orphanages, senior citizens, single mothers, the disabled, poor neighborhoods, underprivileged children and their families, as well as indigenous communities.

In Malaysia, most of the CSR initiatives of the Group are implemented through Yayasan Sin Chew and Yayasan Nanyang Press. We provide a social platform for the public to learn more about our CSR aims and activities as well as highlighting stories and plights of poor families in need of assistance. It is through the editorial contents in our publications that we remind the public to care more about the disadvantaged and encourage their participation and donations.

Over the years, both foundations have successfully raised fund for various charitable causes, including provision of aids to victims of major catastrophes, natural disasters, humanitarian crises, and people who are less fortunate, especially those in need of medical treatments.

Yayasan Sin Chew runs an "Adopt a Child" programme in Malaysia, China, Myanmar and Cambodia. It encourages readers to adopt these children by funding their education.

Sin Chew Daily had in the end of 2013 organised aids and funds for the flood victims in East Coast of Peninsular Malaysia. It also collects and distributes readers' donated books to children in rural areas in Malaysia who have limited access to reading materials. We hope to enrich their learning while promoting the habit of reading in the society.

By organising the Wellness Health Roadshow, *Guang Ming Daily* continues to provide medical services and share health tips and information to the public. This aims to enhance physical wellness and create a greater awareness of healthier lifestyle in the community.

Yayasan Nanyang Press has continued to organise the campaign called "16 Navigators Visit with Compassion" in which volunteers visited the poor patients and underprivileged families on the last Sunday of every month. During the visits, volunteers helped refurbish houses and provided food, groceries and free counseling to these families.

In May 2013, *Nanyang Siang Pau* organised a charity run in conjunction with its 90th Anniversary. The response was very encouraging and the fund raised had been channeled for charitable purposes.

Another aspect of the Group's CSR involves the collaboration with other organisations on programmes in the area of social welfare and charity, to reach out to the needy and unfortunates in the society.

In Hong Kong, the Group has continued to redirect readers' donations and condolence letters to the unfortunate families they designated in order to help them to cope with their immediate financial needs.

Moreover, book donation activity is also organised on a regular basis. Staff members of the Group are encouraged to donate new and used textbooks and leisure books to those in need and the responses are very encouraging. Last year, a total number of 1,700 books were collected and given out to hospitals and charitable organisations, including Hong Kong Red Cross, World Vision Hong Kong and Hong Kong Free Methodist Church.

Education

The Group advocates the importance of education in building an intellectual society as well as eradicating poverty. To this end, the Group has been actively involved in various educational initiatives.

In Malaysia, the Group has extensive track records in raising funds to support education efforts that reach out to the needy Chinese schools. One of the most notable events was the "Top Ten Singers Charity Concert" which was jointly organised by Nanyang Group and Carlsberg Malaysia for aiding the Chinese schools. Meanwhile, Sin Chew Group has been in a long term partnership with Tiger Beer in organising "Tiger-Sin Chew Chinese Education Charity Concert" in raising funds for education in helping Chinese schools in urban and rural locations. In addition to that, *Sin Chew Daily* also co-organised with Yayasan Hai-O a series of charity shows to raise funds for schools to upgrade their schools' facilities.

Adding to this, *Nanyang Siang Pau* and *Sin Chew Daily* had organised carnivals in several towns throughout Malaysia which helped the local communities raise funds to upgrade the Chinese schools. It also provided an opportunity for our newspapers to interact and build goodwill with the local communities. The Group also operates the Newspapers in Education (NIE) programme whereby *Sin Chew Daily* and *Nanyang Siang Pau*, through a number of curriculum based initiatives, provide educational materials to teachers for Chinese primary school students.

The Group places great emphasis on helping needy young Malaysians with potential to overcome financial obstacles to continue their studies. *Nanyang Siang Pau* and *Sin Chew Daily* had tied-up with established local and overseas educational institutions to award scholarships to young Malaysians in their pursuit of higher education.

Yayasan Nanyang Press continued its support for "The Malaysian School Teachers Counseling Conference" with the objective to enhance school teachers' knowledge and skills in children's all-round development. Adding to this, Yayasan Nanyang Press is actively involved in organising courses specially designed for autistic children such as painting, music lessons and counseling sessions in order to nurture creativity; and enable the children to express their feelings and to live independently.

The "Ming Pao Student Reporter Scheme", which marks its 17th anniversary in Hong Kong, has provided training and work experience in newspaper reporting to almost 7,000 upper form secondary students, some of them have enrolled as our alumni called "Ming Teens". To cope with the digital transformation and understand more about the impact on the media ecosystem, this year we have included digital publishing in our journalistic training and created an official facebook fans page which helps connect the student reporters with the alumni.

On national education, *Ming Pao Daily News* has continued to co-organise "The 8th Hong Kong Cup Diplomatic Knowledge Contest" which was extended to primary school sector. The contest enhances students' understanding of the national diplomatic policy of Mainland China and cultivates their sense of belongings to the country. The contest has been receiving warm reception from schools and the public since its inception and had a record-breaking participation of over 3,800 students' this year.

In Hong Kong, the decline in the standard of written Chinese amongst the younger generation has long been a critical concern. This year marks the 2nd year of our "Young Writers Training Programme" jointly organised by *Ming Pao Daily News* and the Standing Committee on Language Education and Research (SCOLAR) which aims to promote and raise the level of Chinese language among students. A series of trainings, outdoor classrooms and practices have been organised to strengthen their writing and reading skills. In the past two years, about 480 students from 190 schools have participated in this programme.

"The Guangdong Province Remote Area Education Relief Fund" project, jointly organised by *Ming Pao Daily News* and Department of Education of Guangdong Province, has entered its 21st year. The fund has raised over HK$26 million to support about 200 schools in Guangdong provinces. The donations have been used to provide fundamental services like renovating or rebuilding dangerous school buildings and improving classroom facilities as well as to equip schools and students with better e-learning facilities and resources to narrow the digital divide.

Furthermore, the Group has continued to strengthen its relationship with the campus readers by giving teachers and students guided tours of *Ming Pao Daily News* on a regular basis. Visitors are given in-depth understanding of newspaper publishing and the journalistic philosophy of the Group. The tour begins with a briefing of the newspaper's history and an overview of various processes involved in running a newspaper company. The visitors also have a chance to visit a number of key departments such as Editorial and Production Departments and observe the making of a newspaper first-hand. Over 800 readers have joined the company tours during the year.

MARKETPLACE

The Group continues to organise various activities related to business, culture, literature, education, religion, health and social care for the benefit of our readers and advertisers.

Every year, *Sin Chew Daily* organises the "Respect for the Elderly" dinner throughout Malaysia to promote continuity of the traditional value of filial piety in society. This event has been very popular and well received by the communities.

Guang Ming Daily organises the annual function "Guang Ming Hero" in recognition of the efforts of heroes who, against all odds and obstacles, have courageously and selfless contributed to society.

Sin Chew Daily has organised the "Sin Chew Business Excellence Awards" to give recognition to enterprises which have achieved utmost excellence in all key business management disciplines. At the same time, *Nanyang Siang Pau's* "Golden Eager Awards" is one of the most prestigious and reputable annual business awards recognised by the business community.

In Hong Kong, the "Prestigious Corporate Brand Awards 2013" was co-organised by *Ming Pao Daily News* and the Chinese University of Hong Kong to recognise the devotion and innovation of brands in Hong Kong and Mainland China. *Yazhou Zhoukan* has also organised "Asia Excellence Brand Award 2013" in appreciation of outstanding brandnames in the Asian region, and to encourage Asian enterprises to pursue business excellence.

WORKPLACE

The Group is committed to protect the well-being of its workforce through the effective and stringent implementation of good occupational safety and health practices in all business operations. To achieve this objective, we continue to create better awareness and understanding at the workplace. A series of in-house trainings on safety and occupational health have been conducted by external experts and the committee members.

The Group also continues to invest in our own people and organisation as we believe they are the key to our success. In order to enable our people to develop their potential, we have implemented a range of soft skills development and functional training programmes. This ensures that core values and core competencies are inculcated on a group-wide basis.

In line with creating and nurturing a balanced lifestyle, the Group encourages its employees to reduce over-time work in order to give more time to their families and friends' well-being. We also encourage employees to bond with each other through social events held by our sports clubs such as sports activities, day trips, gatherings and feasts during festive seasons.

For years, the Group has provided its staff in Hong Kong with shuttle bus service that runs between the office and nearby MTR station to make travelling to and from work more convenient.

ENVIRONMENT

The Group acknowledges that environmental sustainability is vital to our organisation, society and nation. Hence, the Group has kept a vigilant eye on the environment to ensure that corporate initiatives, activities and practices are executed with minimal adverse impact on the environment, and where possible, are geared towards conservation and preservation of the environment.

To conserve resources and protect the environment, our newsprint supply is mainly produced from recycled paper. Moreover, all newsprint wastes, unsold newspapers, aluminium plates, plastics, cardboards, ink and rags from the print sites are separately disposed for recycling.

During the year, the Group participated in the "Used Printer Cartridges Reuse & Recycling Programme" organised by Friends of the Earth in Hong Kong. Through this programme, used printer cartridges are collected and sent for refill or recycle depending on their conditions. The recycling partner of Friends of the Earth will then make donations for every cartridge collected.

HONG KONG NEWS AWARDS 2013

— The Newspaper Society of Hong Kong

Photographic Section (News)

Best News Reporting


湯顯明豪宴內地官
人均上限450元埋單1200「自己批准自己」

Best Business News Reporting


政府查長實售酒店房
稱可自買自租 地契列明只作酒店

Best News Writing


謝婉雯捨身10年 兄嫂港人團結不再
「請記起無私抗疫的日子」

1st Runner-up:
Best Scoop
Best News Reporting
Best Young Reporter
Best News Writing
Photographic Section (Features)
Best News Page Design

2nd Runner-up:
Best Scoop
Best News Reporting

Merit:
Best Science News Reporting
Best Arts and Culture News Reporting
Photographic Section (News) (2 awards)
Photographic Section (Sport)

"FOCUS AT THE FRONTLINE 2013" PHOTO CONTEST

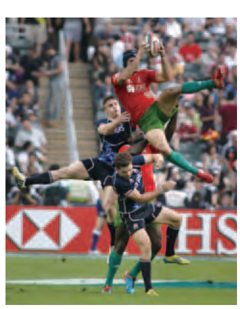
—Hong Kong Press Photographers Association

Photo Essay
Merit

Feature
Merit (2 awards)

People Portrait
1st Runner-up
2nd Runner-up
Merit

Spot News
1st Runner-up



Sports
1st Runner-up
Merit

THE 18TH ANNUAL HUMAN RIGHTS PRESS AWARDS 2013

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

Prize:
Chinese Language News
Chinese Language Features

Merit:
Chinese Language Features
Spot News Photography (3 awards)
Feature Photography (3 awards)

Major Awards of the Year — Hong Kong
(Ming Pao Daily News)

THE 6TH CHINESE UNIVERSITY JOURNALISM AWARD
— The Chinese University of Hong Kong Journalism & Communication Alumni Association

Grand Award:
News (Newspaper/Magazine)
Feature & Commentary (Newspaper/Magazine)

THE 5TH ANNUAL KAM YIU-YU PRESS FREEDOM AWARDS 2013
— Kam Yiu-yu Foundation

Print Media
Winner
Merit

THE 2ND WEB ACCESSIBILITY RECOGNITION SCHEME 2014
— Office of the Government Chief Information Officer and Equal Opportunities Commission

Silver Award:
Websites
Mobile Applications

HONG KONG JUNZI CORPORATION SURVEY 2013
— Hang Seng Management College

Junzi Corporation Gold Award

MEDIA CONVERGENCE AWARDS 2013
— Hong Kong Association of Interactive Marketing

10 Favourite Websites — mingpao.com

THE 13TH CONSUMER RIGHTS REPORTING AWARDS 2013
— Consumer Council, Hong Kong Journalists Association and Hong Kong Press Photographers Association

Silver Award:

News (Newspaper/Magazine)

Merit:

News (Newspaper/Magazine)

Features (Newspaper/Magazine)

THE SOPA 2014 AWARDS FOR EDITORIAL EXCELLENCE
— The Society of Publishers in Asia

Award for Excellence:
Excellence in Investigative Reporting
Excellence in News Photography

Honourable Mention:
Excellence in Reporting Breaking News

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

DATUK WONG KEE TAT JOURNALISM AWARDS 2012

— Editors' Association of Chinese Medium of Malaysia

Datuk Seri Joseph CHONG Chek Ah Distinguished Media Service Award
Winner: *Sin Chew Daily*

Tan Sri YAP Yong Seong Feature Writing Award
Outstanding Prize: *Guang Ming Daily*

Tan Sri TEONG Teck Leng Commentary Award
2 Outstanding Prizes: *Sin Chew Daily*

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

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

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

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

Tan Sri NG Teck Fong News Reporting Award
Excellence Prize: *Sin Chew Daily*
2 Outstanding Prizes: *Sin Chew Daily*

Dato' KONG Hon Kong Sports Reporting Award
Outstanding Prize: *Guang Ming Daily*

Dato' Sri Desmond LEE Ee Hoe Travel News Reporting Award
Excellence Prize: *Guang Ming Daily*

Mr TAN Yew Sing Education News Reporting Award
Excellence Prize: *Sin Chew Daily*

Tan Sri LAW Tien Seng Front Page of the Year Award
Outstanding Prize: *Guang Ming Daily*

KENYALANG SHELL PRESS AWARDS 2013

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

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

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

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

MEDIA AWARDS OF THE MINISTRY OF HEALTH MALAYSIA 2013

— Ministry of Health, Malaysia

Best Health News Reporting Award (Chinese newspaper): *Guang Ming Daily*

SARAWAK ENERGY BERHAD MEDIA AWARD

— Sarawak Energy Berhad, Commonwealth Journalists Association Sarawak and Kuching Division Journalists Association

Reporting Awards (Chinese newspaper)
Winner: *Sin Chew Daily*

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

PERAK ENVIRONMENT AND NATURE PHOTOGRAPHY COMPETITION 2013

— Perak State Environment, Perak Association of Photographic Art

Environment and Nature Photography Award
Winner: *Guang Ming Daily*

THE 11TH TAN SRI LIM GAIT TONG PRESS AWARDS 2012

— Penang Press Club

Dato' Seri H'NG Bok San Feature Award
2 Outstanding Awards: *Sin Chew Daily*

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

Dato' KHOR Chong Boon Breaking News Award
2 Outstanding Awards: *Sin Chew Daily*

Tan Sri TAN Khoon Hai Photography Award
Outstanding Award: *Sin Chew Daily*

THE 3RD "HOMETOWN OF CHAOZHOU" DOCUMENTARY PHOTOGRAPHY CONTEST

— Chaozhou City Broadcast Television and Chaozhou City Photographers Association, Guangdong Province, China

Excellence Award: *Sin Chew Daily*

THE 3RD MCPA PHOTO AWARD 2013

— The Malaysia Chinese Photojournalists Association (MCPA)

Dato' Sri ANG Lai Hee General News Photo Award
Excellence Award: *Guang Ming Daily*
Consolation Award: *Sin Chew Daily, Guang Ming Daily*

Datuk ANG Say Tee Spot News Photo Award
Merit Award: *Guang Ming Daily*
Consolation Award: *Sin Chew Daily*

Dato' Sri TAN Hock Chai Sports News Photo Award
Consolation Award: *Sin Chew Daily* (2 awards), *Guang Ming Daily*

Dato' NG Bong Ching Nature, Environment and Science Photo Award
Merit Award: *Guang Ming Daily*
2 Consolation Awards: *Sin Chew Daily*

Oloiya Dried Chicken Meat Shop Culture and Art Photo Award
Merit Award: *Sin Chew Daily*
Consolation Award: *Sin Chew Daily* (2 awards), *Guang Ming Daily*

Dato' Sri CHIA Hooi Huak Photo Essay Award
Consolation Award: *Sin Chew Daily* (2 awards), *Guang Ming Daily*

KINABALU SHELL PRESS AWARDS

— Sabah State Government, Shell Malaysia and Sabah Journalists Association

News Reporting Award (Chinese newspaper):
Gold Award: *Sin Chew Daily*

Entertainment Reporting Award (Chinese newspaper)
Excellence Award: *Sin Chew Daily*

THE 6TH SARAWAK CHIEF MINISTER'S ICT MEDIA AWARDS

— Sarawak Information System Sdn. Bhd.

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

Major Awards of the Year — Malaysia (Nanyang Group)

MPA MAGAZINE AWARDS 2013 (BEST COVER DESIGN)

— Magazine Publishers Association, Malaysia

Editorial Award
Special Interest & Niche Category (Chinese)
Gold Award: *Special Weekly*
Silver Award: *Let's Travel*
Bronze Award: *Pets*

Front Cover Award
Current Affairs/Business Category (Chinese)
Gold Award: *Special Weekly*
Silver Award: *Special Weekly*

Health & Fitness Category (Chinese)
Gold Award: *Long Life*
Bronze Award: *Long Life*

Lifestyle & Men Category (Chinese)
Gold Award: *New Icon for Him*

Special Interest & Niche Category (Chinese)
2 Gold Awards: *Pets*
Silver Award: *Pets*

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

Special Interest & Niche Category (Bahasa)
Bronze Award: *Jinak*

DATUK WONG KEE TAT JOURNALISM AWARDS 2012

— Editors' Association of Chinese Medium of Malaysia

Tan Sri YAP Yong Seong Feature Writing Award
Excellence Prize: *China Press*
2 Outstanding Prizes: *Nanyang Siang Pau*

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

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

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

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

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

Tan Sri LAW Tien Seng Front Page of the Year Award
Excellence Prize: *Nanyang Siang Pau*
Outstanding Prize: *Nanyang Siang Pau*, *China Press*

Tan Sri NG Teck Fong News Reporting Award
Outstanding Prize: *China Press*

Mr TAN Yew Sing Education News Reporting Award
2 Outstanding Prizes: *China Press*

Major Awards of the Year — Malaysia (Nanyang Group)

MEDIA AWARDS OF THE MINISTRY OF HEALTH MALAYSIA 2013

— Ministry of Health, Malaysia

Best Health News Reporting Award (Chinese magazine)
Excellence Prize: *Feminine*
2 Outstanding Prizes: *Feminine*

THE 6TH JOHOR STATE NEWS AWARD 2012

— South Johor Chinese Press Club

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

Johor Bharu Chinese Chamber of Commerce and Industry Commercial MO Tai Duan Commentary Award
Excellence Prize: *Nanyang Siang Pau*

Grand Straits Garden Seafood Restaurant News Photography Award
Excellence Prize: *Nanyang Siang Pau*

The Federation of Chinese Association Johor Feature Writing Award
Excellence Prize: *China Press*

JOHOR MEDIA AWARDS 2013

— Johor State Information Department

Best Economic News Award (Chinese)
Excellence Prize: *Nanyang Siang Pau*

Best Development News Award (Chinese)
Excellence Prize: *China Press*

PENANG STATE GOVERNMENT GREEN JOURNALISM AWARD 2013

— Penang State Government

Feature Writing Award
Excellence Prize: *Nanyang Siang Pau*

THE 11TH TAN SRI LIM GAIT TONG PRESS AWARDS 2012

— Penang Press Club

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

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

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

THE 3RD MCPA PHOTO AWARD 2013

— The Malaysia Chinese Photojournalists Association (MCPA)

Dato' Sri ANG Lai Hee General News Photo Award
Merit Award: *Nanyang Siang Pau*
Consolation Award: *Nanyang Siang Pau, China Press*

Datuk ANG Say Tee Spot News Photo Award
Consolation Award: *Nanyang Siang Pau* (2 awards), *China Press* (2 awards)

Dato' Sri TAN Hock Chai Sports News Photo Award
Consolation Award: *Nanyang Siang Pau*

Dato' NG Bong Ching Nature, Environment and Science Photo Award
Excellence Award: *Nanyang Siang Pau*
Consolation Award: *Nanyang Siang Pau*

Oloiya Dried Chicken Meat Shop Culture and Art Photo Award
Excellence Award: *China Press*
Consolation Award: *China Press*

Dato' Sri CHIA Hooi Huak Photo Essay Award
Excellence Award: *China Press*
Merit Award: *Nanyang Siang Pau*
Consolation Award: *Nanyang Siang Pau*

MING PAO DAILY NEWS

"The 17th Ming Pao Student Reporters Scheme"

Ming Pao Daily News continues its endeavor to nurture young generation in the media industry. Under the scheme, students learn how to research, interview, write and take work experience in a newsroom.

"Young Writers Training Programme"

The programme, jointly run by the Standing Committee on Language Education and Research and *Ming Pao Daily News*, aims to arouse students' interest in writing and enhance their observation and communication skills through a series of creative and educational activities.

"Prestigious Corporate Brand Awards 2013"

The award aims to give recognition to outstanding brandnames established by Mainland China and Hong Kong companies, to encourage enterprises in pursuit of excellence, to promote their products and enhance their profile.

"2014 HKDSE Preparation Strategy" Seminar

The seminar was conducted in 2 sessions. Students listened attentively to the sharing of the 10 speakers on stage.

"Property Market and Feng Shui in the Year of the Horse" Seminar

Speakers analysed the Hong Kong property market trend and interacted with the audience.

"2014 Investment Tips Round One" Seminar

Speakers explored the investment opportunities in 2014.

20th Anniversary Party of *Ming Pao Daily News* Toronto and Vancouver Editions

Ming Pao Daily News launched its Toronto and Vancouver, Canada editions in 1993. Tan Sri Datuk Sir TIONG Hiew King, Group Executive Chairman, made an opening speech at the 20th Anniversary Party.

YAZHOU ZHOUKAN

"Asia Excellence Brand Award 2013"

Management of *Yazhou Zhoukan* posed for a group photo with representatives of winning corporations in the presentation ceremony.

MING PAO MONTHLY

"The 4th International Conference on Travel Writings in Chinese"

Over a hundred prominent writers, professors and scholars worldwide gathered, explored and shared their insights on travel writings.

MING PAO PUBLICATIONS

New book launching ceremonies

Ming Pao Publications held new book launching ceremonies to keep close relationship with authors and readers.

Significant Events — Malaysia (Sin Chew Group)

SIN CHEW DAILY

Cahaya Sin Chew celebrated the 30th anniversary of the cadet reporter team and invited old cadet reporters across the country to assemble in *Sin Chew Daily* headquarters.

Designed for kindergarten till elementary grade three students, *Bintang Sin Chew* has been published for 600 issues.

Sin Chew Daily "Readers Reward Programme" received an enthusiastic response with readers queuing up to 1.5 km for the event.

Tan Sri Datuk Sir TIONG Hiew King (8th from left) officiated *Sin Chew Daily* 85th anniversary and *Sin Chew Daily* E-paper (http://epaper.sinchew.com.my) launching ceremony.

Outdoor reunion dinner to raise fund for Chinese primary schools received an overwhelming response. It was also the ever biggest outdoor reunion dinner in Malaysia.

Sin Chew Daily mascot and the participants celebrated the winter solstice together.

The east coast floods left thousands of residents trapped without food, electricity and water. *Sin Chew Daily* launched relief campaigns immediately.

GUANG MING DAILY

The 5th "Guang Ming Hero Award" aims to inspire the public to think positive in the face of setback.

"Guang Ming Wellness Tour" raises readers' concern about health through a series of activities and seminars.

YAYASAN SIN CHEW

Sponsored children and corporate partners attended the "We Care — Sponsor A Child Programme" luncheon.

Significant Events — Malaysia (Nanyang Group)

NANYANG SIANG PAU

In conjunction with *Nanyang Siang Pau*'s 90th anniversary on 6 September 2013, Tan Sri Datuk Sir TIONG Hiew King, Group Executive Chairman and Mr LIEW Sam Ngan, Nanyang Press Group Chief Operating Officer jointly officiated the launch of *Nanyang Siang Pau* E-paper.

Nanyang Siang Pau and *China Press* together with Carlsberg Malaysia jointly organised the "Top Ten Charity Show". It raised RM7.21 million in aid of SRJK (C) Union and recorded the highest ever amount raised in a single show during the year 2013.

Nanyang Siang Pau organised the 1st "Golden Eagle Awards" in 2013 in recognition of the achievement of the 100 outstanding small medium enterprises (SME) in Malaysia.

CHINA PRESS

China Press organised the "National Dynamic Dance Competition 2013" at Kuala Lumpur. It attracted overwhelming response from young dancers to participate in the competition.

As an effort for advertisers to reach out the readers, *China Press* and *Nanyang Siang Pau* jointly organised the "We Are Married" Contest to invite newly wedding couples to submit their best wedding photos published in newspapers.

YAYASAN NANYANG PRESS

Yayasan Nanyang Press and Lifeline Association of Malaysia co-organised "Play Therapy Workshop" in order to enhance counselors' understanding and value of play therapy approach for working with children with emotional or behavioural difficulties.

LIFE MAGAZINES

Rod & Line magazine organised "The Angling and Outdoor Recreational Fair" in June 2013 and invited Mr Ridzuan Ghazali, President of the Malaysian Anglers Association to officiate the opening ceremony.

Life Magazines celebrated its 40th Anniversary in 2013. Mr LAW Beng Chee, CEO of Life Magazines drew the grand prize for readers' subscription campaign.

INTRODUCTION

The Board is committed to maintaining good corporate governance and ensuring that it is practised throughout the Group as a fundamental part to safeguard and enhance shareholders' value.

The Company has adopted all the code provisions in the Corporate Governance Code (the "Hong Kong Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HK Listing Rules") as its own code on corporate governance practices. During the year, the Company has complied with the code provisions as set out in the Hong Kong Code.

In addition, the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 (the "Malaysian Code") have been complied with by the Company throughout the year wherever possible in observing the highest standard of transparency, accountability and integrity, save for (i) the appointment of a senior independent non-executive director; and (ii) the appointment of an independent non-executive chairman, or to have a board with a majority of independent directors where the chairman is not an independent director, details of which are set out in paragraph (b) "Board composition and balance" on page 39.

This statement outlines how the Group has applied the principles of the Malaysian Code and the Hong Kong Code for the financial year ended 31 March 2014.

CONDUCT ON SHARE DEALINGS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the HK Listing Rules as its own code for securities transactions by directors of the Company. Following specific enquiry by the Company, all directors of the Company have confirmed their compliance with the required standards as set out in the Model Code during the year.

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

THE BOARD OF DIRECTORS

(a) The Board and its responsibilities

The Board is responsible for the overall corporate governance of the Group as set out below:

- Developing and reviewing the Company's policies and practices on corporate governance;
- Reviewing and monitoring the training and continuous professional development of directors and senior management;
- Reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- Developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors; and
- Reviewing the Company's compliance with the Hong Kong Code and disclosure in the Corporate Governance Report.

During the year, the Board has reviewed the Company's compliance with the Hong Kong Code and the Malaysian Code and the disclosure in this statement. It has also reviewed the training and continuous professional development of directors and senior management, as well as the practices on compliance with legal and regulatory requirements.

The key responsibilities of the Board also include, among others:

- Reviewing the strategic direction of the Group;
- Overseeing and evaluating the business;
- Reviewing the adequacy of internal controls;
- Identifying principal risks and ensuring that the risks are properly managed;
- Establishing succession planning; and
- Developing and implementing a shareholders' communication policy.

The responsibility for matters material to the Group is in the hands of the Board, with no individual having unfettered powers to make decisions.

The Board delegates certain responsibilities to the Board committees, all of which operate within defined terms of reference to assist the Board in the execution of its duties and responsibilities. The committees report to the Board on matters that have been discussed and deliberated at respective committee meetings and make recommendations to the Board for final decision. The Board committees include the Group Executive Committee, Audit Committee, Nomination Committee and Remuneration Committee. The composition of the Board committees is set out on pages 42 to 44 of this Annual Report.

The Board is guided by a Board Charter which outlines the Board's roles and functions. The Board Charter serves as a source of reference and primary induction literature to provide insights to prospective Board members and senior management. The Board will review the Board Charter as and when required to ensure compliance with the regulations. A Code of Ethics and Conduct has also been adopted to formalise the standard of conduct that is expected from the Board members, with an aim to cultivate good ethical conduct that permeates throughout the Group.

In performing their duties, all directors have unrestricted direct access to the advices and services of the senior management, Joint Company Secretaries and if necessary, may seek professional independent advices about the affairs of the Group.

The Group is also committed in promoting business sustainability strategies within the Group. The sustainability strategies are reflected in the Group's corporate social responsibility programmes that inculcate the protection of environmental, economic and social interests. A report on the Group's activities pertaining to corporate social responsibilities is set out on pages 23 to 26.

A summary of the current Board Charter, Code of Ethics and Conduct and the terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are available on the Company's website: www.mediachinesegroup.com.

(b) Board composition and balance

The Board has 9 members, comprising 5 executive directors, Tan Sri Datuk Sir TIONG Hiew King (Group Executive Chairman), Dato' Sri Dr TIONG Ik King, Mr TIONG Kiew Chiong (Group Chief Executive Officer), Mr NG Chek Yong and Mr LEONG Chew Meng; a non-executive director, Ms TIONG Choon; and 3 independent non-executive directors ("INEDs"), Mr David YU Hon To, Tan Sri Dato' LAU Yin Pin and Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH, which fulfills the prescribed requirement that at least one third of the Board be independent as stated in the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities Listing Requirements") and the HK Listing Rules. The directors are from different backgrounds and specialisations. Together, they bring diversity in experience, skills and expertise which is necessary for the success of the Group.

A brief profile of each director including his/her relationship, if any, with other Board members is presented on pages 4 to 9 of this Annual Report.

The Group practises the division of responsibility between the Group Executive Chairman and the Group Chief Executive Officer ("Group CEO"). The roles of the Group Executive Chairman and the Group CEO are separate and clearly defined, and are held by different individuals to ensure a balance of power and authority.

The Group Executive Chairman plays a crucial role in providing overall business direction while the implementation falls under the responsibility of the Group CEO. The Group Executive Chairman is responsible for, among others, providing leadership for and overseeing the functions of the Board. He should ensure that the Board works effectively and performs its responsibilities and that all key and appropriate issues are discussed by the Board in a timely manner. The Group CEO'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.

The executive directors and the Group Executive Committee are responsible for the day-to-day management of business and operational matters. The non-executive directors' role is to provide unbiased and independent views, advices and judgment to board discussions and decisions in order to assess effectively the Group's performance.

The Board through the Nomination Committee conducts an effective assessment to evaluate the effectiveness of the Board as a whole, the Board committees and contribution of each individual director, including the INEDs.

In accordance with the recommendations of the Malaysian Code, the Group has to appoint an independent non-executive chairman, or to have a board with a majority of independent directors where the chairman is not an independent director. The Board, having assessed and reviewed, inter-alia, the skills, knowledge and experience of the Group Executive Chairman as well as the current Board composition, is of the view that the Board's chairmanship shall remain with Tan Sri Datuk Sir TIONG Hiew King. The Board is of the view that his vast and diversified experience, skill and knowledge in the global Chinese media industry will be instrumental in spearheading the Group to achieve greater heights for years to come.

In addition, the Board is of the opinion that there is no urgency to appoint a senior independent director. However, the Board will continuously review and evaluate such recommendation under the Malaysian Code, as the Board is committed to achieving and sustaining high standards of corporate governance.

The Board believes that the current Board composition is appropriate for its purpose, and is satisfied that it adequately safeguard the interests of minority shareholders of the Company. The Board shall continue to monitor and review the Board size and composition from time to time.

(c) Board meetings

Board meetings were held at quarterly intervals and additional meetings are convened as and when required. Board meetings are scheduled in advance at the beginning of each calendar year. All proceedings of the Board meetings are duly minuted and signed by the chairman of the meeting. Where a potential conflict of interest arises, the director concerned needs to declare his/her interest and abstain from the deliberation and decision making process.

During the financial year under review, 4 regular Board meetings were held. Notice of at least 14 days has been given to all directors for the regular board meetings. The attendance record for each director is as follows:

Name	Number of meetings attended	Percentage of attendance
Executive directors		
Tan Sri Datuk Sir TIONG Hiew King *(Group Executive Chairman)*	3/4	75%
Dato' Sri Dr TIONG Ik King	4/4	100%
Mr TIONG Kiew Chiong *(Group CEO)*	4/4	100%
Mr NG Chek Yong	4/4	100%
Mr LEONG Chew Meng	4/4	100%
Non-executive director		
Ms TIONG Choon	4/4	100%
Independent non-executive directors	4/4	100%
Mr David YU Hon To	4/4	100%
Tan Sri Dato' LAU Yin Pin	4/4	100%
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	4/4	100%

(d) Information to the Board

The directors are provided with adequate Board reports on a timely manner prior to the Board meeting to enable the directors to obtain further information and/or explanations, where necessary. The directors are provided with monthly reports on the operational performance of the Group. Minutes of the Board committees are also circulated for the Board's information and deliberation.

The Board has full access to the advice and services of the Joint Company Secretaries. The directors are also regularly updated on any new regulations, guidelines or directives issued by Bursa Malaysia Securities Berhad ("Bursa Securities"), the Securities Commission of Malaysia, the HK Stock Exchange and other relevant regulatory authorities.

The directors, whether as a group or individually, may seek independent professional advice when necessary in furtherance of their duties at the Company's expenses. The appointment of such professional advisors is subject to the approval of the Board.

(e) Re-election of directors

In accordance with the Company's Bye-Laws, all newly appointed directors shall retire from office but shall be eligible for re-election in the next annual general meeting ("AGM") subsequent to their appointment. The Bye-Laws further provide that at least one third of the remaining directors (save for the Group Executive Chairman) for the time being are required to retire by rotation at each AGM and are eligible for re-election. Further, in accordance with the HK Listing Rules, all directors (including the Group Executive Chairman) shall retire from office once in every 3 years but shall be eligible for re-election.

(f) Terms of appointment of non-executive directors

The Company had entered into appointment letters with the INEDs namely, Mr David YU Hon To, Tan Sri Dato' LAU Yin Pin and Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH, for a term of two years from 1 April 2014 to 31 March 2016 subject to retirement and re-election by rotation at the AGM under the Bye-Laws of the Company. In respect of Ms TIONG Choon, the non-executive director, her appointment term is from 31 March 2013 to 31 March 2015 and subject to retirement and re-election by rotation at the AGM in accordance with the Bye-Laws of the Company.

(g) Shareholders' approval for re-appointment of an independent director who has served for 9 years or more

Mr David YU Hon To was appointed to the Board as an INED on 30 March 1999, and has therefore served on the Board for more than 9 years.

During his tenure of office, Mr YU has fulfilled all the requirements regarding independence of an INED and has provided annual confirmation of independence to the Company pursuant to Rule 3.13 of the HK Listing Rules. In addition, Mr YU continues to demonstrate the attributes of an INED by providing independent views and advice. There is no evidence that his tenure has had any impact on his independence.

Following an assessment conducted by the Board through the Nomination Committee, the Board viewed that Mr YU is committed to his duties and responsibilities as a director of the Company and remains objective and independent in expressing his views and participating in deliberations and decision-makings of the Board and the Board committees, notably in fulfilling his responsibilities as the Chairman of the Audit Committee. His professional expertise in the audit and finance sector, his knowledge in corporate governance and regulatory matters and his experience in the business of the Group will continue to contribute to the effective functioning of the Board and the Board committees, thereby safeguarding the interests of the shareholders.

In view thereof, the Board recommends the resolution for the re-appointment of Mr David YU Hon To as an INED of the Company which will be tabled for shareholders' approval at the forthcoming AGM.

(h) Board committees

The current Board committees which assist the Board in the execution of its responsibilities are as follows:

- Group Executive Committee
- Audit Committee
- Nomination Committee
- Remuneration Committee

The composition, functions and responsibilities of each Board committee and the attendance records of the board committee meetings for the year ended 31 March 2014 (save and except for the Audit Committee of which attendance is set out on page 61) are set out below:

	Number of meetings attended and percentage of attendance					
Member	**Group Executive Committee**		**Remuneration Committee**		**Nomination Committee**	
Group Executive Committee						
Mr NG Chek Yong *(Chairman)*	4/4	100%				
Mr TIONG Kiew Chiong	4/4	100%				
Ms SIEW Nyoke Chow *(resigned on 31 March 2014)*	4/4	100%				
Mr LEONG Chew Meng	4/4	100%				
Mr ONG See Boon	3/4	75%				
Remuneration Committee						
Tan Sri Dato' LAU Yin Pin *(Chairman)*			3/3	100%		
Mr David YU Hon To			3/3	100%		
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH			3/3	100%		
Mr TIONG Kiew Chiong			3/3	100%		
Mr NG Chek Yong			3/3	100%		
Nomination Committee						
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH *(Chairman)*					2/2	100%
Mr David YU Hon To					2/2	100%
Tan Sri Dato' LAU Yin Pin					2/2	100%

Group Executive Committee

The Board has established a Group Executive Committee on 25 March 2008 and the members during the year and up to the date of this report are:

- Mr NG Chek Yong *(Chairman)*
- Mr TIONG Kiew Chiong
- Ms SIEW Nyoke Chow *(resigned on 31 March 2014)*
- Mr LEONG Chew Meng
- Mr ONG See Boon

The Board has delegated the day-to-day operations of the Group's businesses to the Group Executive Committee. Its responsibilities include, among others:

- 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;

- Formulating strategies and business development plans, submitting the same to the Board for approval and implementing such strategies and business development plans thereafter; and

- Assisting the Board in conducting the review of the adequacy and effectiveness of risk management and internal control systems of the Group.

The Group Executive Committee meets regularly to deliberate and consider matters related to the Group's business operations. During the year, the Group Executive Committee has assisted the Board in reviewing the Group's business performance and financial position, implementing new policies and business strategies required by the Board.

Audit Committee

The Audit Committee was established on 30 March 1999. It comprises entirely INEDs and the members during the year and up to the date of this report are:

- Mr David YU Hon To *(Chairman)*
- Tan Sri Dato' LAU Yin Pin
- Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH

The Audit Committee's primary responsibilities include the review of and deliberation on the Group's financial statements, the audit findings of the external auditor arising from the audit of the Group's financial statements and the audit findings and issues raised by Internal Audit Function together with the management's responses thereon. A full Audit Committee Report detailing its composition, terms of reference and summary of activities during the year is set out on pages 61 to 65 of this Annual Report.

Nomination Committee

The Board has established a Nomination Committee on 25 May 2005, which comprises entirely INEDs and its members during the year and up to the date of this report are:

- Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH *(Chairman)*
- Mr David YU Hon To
- Tan Sri Dato' LAU Yin Pin

The duties and responsibilities of the Nomination Committee include, among others:

- Reviewing the structure, size and composition of the Board, including the balance mix of skills, knowledge, experience and independence of the INEDs at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

- Assessing annually the effectiveness of the Board as a whole, the Board committees and the contribution of each individual director based on the process implemented by the Board; and

- Identifying and recommending new nominees to the Board and Board committees. The final decision as to who shall be appointed as director remains the responsibility of the full Board, after considering the recommendation of the Nomination Committee.

Meetings of the Nomination Committee are held as and when necessary, and at least once a year. During the year, the Nomination Committee has assessed the overall effectiveness of the Board, its committees and performance of the directors. It also reviewed the structure, size and composition of the Board and its committees (with particular reference to the board diversity policy) and assessed the independence of INEDs. The Nomination Committee, upon its recent annual review carried out, is satisfied that the size of the Board is optimum and that there is an appropriate mix of experience and expertise in the composition of the Board.

Remuneration Committee

The Board has established a Remuneration Committee on 25 May 2005. Except for Mr TIONG Kiew Chiong and Mr NG Chek Yong who are executive directors, the rest of its members are all INEDs. The members during the year and up to the date of this report are:

- Tan Sri Dato' LAU Yin Pin *(Chairman)*
- Mr David YU Hon To
- Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH
- Mr TIONG Kiew Chiong
- Mr NG Chek Yong

The duties and responsibilities of the Remuneration Committee include, among others:

- Recommending to the Board on the Company's policies and structure for directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing a remuneration policy; and

- Recommending to the Board on the remuneration packages of individual executive directors and senior management; and the remuneration of non-executive directors.

Meetings of the Remuneration Committee are held as and when necessary and at least once a year. During the year, the Remuneration Committee has reviewed and recommended to the Board the remuneration policy and structure of the executive directors and senior management of the Company. It has also reviewed and recommended to the Board, the specific remuneration packages including the terms of employment and performance-based bonus of the directors and senior management of the Company.

(i) Board appointment

The Nomination Committee is empowered to identify and recommend suitable candidates to be appointed to the Board, subject to the Board's 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.

The Nomination Committee carries out an annual review on the composition of the Board to ensure the selection of Board members with different mix of skill sets, experience, knowledge and gender diversity.

(j) Board diversity policy

The Company adopted a policy on board diversity ("Board Diversity Policy") with effect from 1 September 2013 which sets out the approach to achieve and maintain diversity on the Board in order to enhance its effectiveness. The Company endeavours to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives. The appointments of Board members will continue to be made on a merit basis, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Pursuant to the Board Diversity Policy, the Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service. The Board will set up and review the measurable objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Board will also review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

(k) Annual assessment of independence of INEDs

All INEDs fulfill the criteria of "independence" as prescribed under Chapter 1 of the Bursa Securities Listing Requirements.

The Company has received annual written confirmations from each of the INEDs in respect of their independence during the year and the Company considered all INEDs to be independent, in accordance with the HK Listing Rules.

The Board has also assessed and is satisfied that all INEDs have the ability to exercise independent judgment at all times.

(l) Directors' training

The Board oversees the training needs of its directors. The directors are regularly updated on the Group's businesses and the competitive and regulatory environment in which they operate.

In addition to the Mandatory Accreditation Programme prescribed by Bursa Securities, all directors are encouraged to attend training programmes to enhance their skills, knowledge, and to keep abreast of relevant changes in law, regulations and the business environment. Each director keeps a record of the training that he/she has attended.

During the year, an internal training of "Media Business in Malaysia — Current Scene & Future" was conducted in August 2013. Among the external training programmes attended by the directors are:

- Forbes Global CEO Conference
- The 3rd Overseas Chinese Leadership Training Program
- Enterprise Risk Management Workshop
- 65th World Newspaper Congress
- WAN-IFRA India 2013/Publish Asia Conference
- ABC Forum 2013 "Relevance — Circulation vs Readership"
- Islamic Finance Conference 2013
- Simplified Strategic Planning
- Independent Non-Executive Directors Forum

Below is a summary of the training the directors had received during the year under review:

Name of director	Type of training
Tan Sri Datuk Sir TIONG Hiew King	A, B, C
Dato' Sri Dr TIONG Ik King	A, C
Mr TIONG Kiew Chiong	A, C
Mr NG Chek Yong	A, C
Mr LEONG Chew Meng	A, C
Ms TIONG Choon	A, C
Mr David YU Hon To	A, C
Tan Sri Dato' LAU Yin Pin	A, C
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	A, C

A: attend seminars/conferences/workshops/forums

B: give talks at seminars/conferences

C: read newspapers, journals and updates relating to the economy, media business and directors' duties and responsibilities, etc

The directors will continue to undergo relevant training programmes and seminars from time to time as they consider necessary to further enhance their knowledge and skills in order to discharge their duties effectively.

(m) Directors' remuneration

(i) Remuneration procedure

The Remuneration Committee is responsible for the annual review of remuneration of the executive directors, non-executive directors and senior management whereupon recommendations are submitted to the Board for approval. The executive directors who are full time employees are remunerated in the form of salaries and bonuses. It is, nevertheless, the ultimate responsibility of the Board to approve the remuneration of these directors.

The determination of the fees of non-executive directors and executive directors who are not full time employees of the Group is a matter for the Board as a whole subject to the approval of shareholders at the AGM. Each individual director abstains from the Board's decision on his/her remuneration.

(ii) Remuneration package

The remuneration package of directors is as follows:

I. Basic salary and bonus

The basic salary for each executive director is recommended by the Remuneration Committee, taking into consideration all relevant factors including function, workload, contribution and performance of the director, as well as the market rate in comparable companies. Bonuses payable to the executive directors are reviewed by the Remuneration Committee and approved by the Board.

II. Fees and other emoluments

Non-executive directors and executive directors who are not full time employees of the Group are remunerated by way of fees and other emoluments based on experience and level of responsibilities of the particular directors concerned. Fees payable to these directors are subject to shareholders' approval at the AGM.

III. Benefits-in-kind

Other benefits (such as chauffer, insurance coverage and travelling allowance) are made available as appropriate.

(iii) Disclosure on remuneration

The aggregate remuneration of the directors for the financial year ended 31 March 2014 is categorised as follows:

	Fees US$'000	Salaries & other emoluments US$'000	Total US$'000
Executive directors	395	1,174	1,569
Non-executive directors	132	6	138

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

Range of remuneration	Executive directors	Non-executive directors	Senior management
from US$15,602 to US$31,203 (equivalent to RM50,001 to RM100,000)	1	3	–
from US$46,805 to US$62,406 (equivalent to RM150,001 to RM200,000)	–	1	–
from US$187,219 to US$202,821 (equivalent to RM600,001 to RM650,000)	–	–	3
from US$202,821 to US$218,422 (equivalent to RM650,001 to RM700,000)	–	–	1
from US$265,227 to US$280,829 (equivalent to RM850,001 to RM900,000)	1	–	1
from US$296,431 to US$312,032 (equivalent to RM950,001 to RM1,000,000)	–	–	1
from US$327,634 to US$343,235 (equivalent to RM1,050,001 to RM1,100,000)	–	–	1
from US$343,235 to US$358,837 (equivalent to RM1,100,001 to RM1,150,000)	–	–	1
from US$374,439 to US$390,040 (equivalent to RM1,200,001 to RM1,250,000)	1	–	–
from US$405,642 to US$421,243 (equivalent to RM1,300,001 to RM1,350,000)	1	–	1
from US$452,447 to US$468,048 (equivalent to RM1,450,001 to RM1,500,000)	1	–	–

JOINT COMPANY SECRETARIES

The Joint Company Secretaries are full time employees of the Group and report to the Group Executive Chairman and the Group CEO. They are responsible for advising the Board on governance matters. During the year under review, the Joint Company Secretaries have complied with the professional training requirements under the Hong Kong Code.

SHAREHOLDERS

The Board has established a shareholders' communication policy that sets out the principles of the Company in relation to shareholders' communication, with the objective of providing our shareholders with detailed information about the Company so that they can exercise their rights as shareholders in an informed manner. The Company uses a range of communication tools to ensure its shareholders are kept well informed of key business imperatives.

(a) Communications between the Company and investors

The Company is committed in maintaining a high standard for the dissemination of relevant and material information on the development of the Group. The Company also places strong emphasis on the importance of timely and equitable dissemination of information to shareholders. The Company uses a number of formal channels for effective dissemination of information to the shareholders and stakeholders, such as corporate announcements made through Bursa Securities and the HK Stock Exchange, annual reports, circulars, general meetings, press conferences, media releases, analyst briefings and through its website. Nevertheless, 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 inside information.

(b) AGM and special general meeting ("SGM")

The Company is of the view that the AGMs and SGMs are important opportunities for meeting shareholders and addressing their concerns. At each AGM/SGM, the Board presents the progress and performance of the business or proposals and encourages shareholders to participate in the question and answer session, which provides an opportunity for shareholders to clarify any issues and to have a better understanding of the business. The chairman of the board, chairmen of the respective board committees and the external auditor usually attend the AGMs and SGMs to communicate and answer questions from the shareholders.

Separate resolutions are proposed at general meetings for substantially separate issues including the re-election of directors. Pursuant to Rule 13.39(4) of the HK Listing Rules, all votes of the shareholders at the general meetings shall be taken by poll. Procedures for voting by poll are read out at the general meetings and the shareholders participate in the deliberation of resolutions being proposed. The resolutions are proposed and seconded by the shareholders and then voted on by way of poll in the manner prescribed under the HK Listing Rules. The chairman of the meeting will declare the results of the voting on each resolution. A press conference is also held immediately after the AGM/SGM where the Group CEO and executive directors will meet the media to answer queries related to the Group and its performance.

The attendance record of directors at the general meetings for the year ended 31 March 2014 is set out below:

Name	Number of general meeting attended	Percentage of attendance
Executive directors		
Tan Sri Datuk Sir TIONG Hiew King *(Group Executive Chairman)*	1/1	100%
Dato' Sri Dr TIONG Ik King	1/1	100%
Mr TIONG Kiew Chiong *(Group CEO)*	1/1	100%
Mr NG Chek Yong	1/1	100%
Mr LEONG Chew Meng	1/1	100%
Non-executive director		
Ms TIONG Choon	1/1	100%
Independent non-executive directors	1/1	100%
Mr David YU Hon To	1/1	100%
Tan Sri Dato' LAU Yin Pin	1/1	100%
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	1/1	100%

(c) Website

The Company strives to ensure that its shareholders and the general public would have easy and convenient access to the Group's latest financial results, press releases, annual reports and other corporation information via its website www.mediachinesegroup.com. Corporate presentations and financial information utilised during analyst and fund manager briefings are also available on the website.

(d) Procedures of raising enquiries

The Company welcomes inquiries and feedbacks from shareholders and stakeholders. Shareholders may direct their questions in respect of their shareholdings to the Company's branch share registrars set out below:

(i) Malaysia: Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, or

(ii) Hong Kong: Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

All queries and concerns regarding the Group may be emailed to corpcom@mediachinese.com or conveyed to the directors at the following addresses:

(i) Malaysia head office: No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or

(ii) Hong Kong head office: 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong.

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

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

If a shareholder 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/her 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.

CONVENING OF SGM UPON REQUISITION BY SHAREHOLDERS

In accordance with Section 74 of the Companies Act 1981 of Bermuda ("Bermuda Companies Act"), a SGM shall be convened upon receipt of a written requisition from a shareholder or shareholders of the Company holding not less than one-tenth (10%) of the paid-up capital carrying the right of voting at general meetings of the Company at the date of deposit of the requisition.

The written requisition must state the purposes of the meeting (including the resolutions to be considered at the meeting), signed by the requisitionists and deposited at the Company's registered office at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda (the "Registered Office") with a copy to one of the head offices of the Company as below for the attention of the Company Secretary:

(i) Malaysia head office: No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or

(ii) Hong Kong head office: 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong (collectively the "Head Offices").

The written requisition may consist of several documents in like form each signed by one or more of the requisitionists. If the directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a SGM, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a SGM, but any SGM so convened shall not be held after the expiration of 3 months from the date of deposit of the written requisition.

PUTTING FORWARD PROPOSAL AT GENERAL MEETINGS

The Bermuda Companies Act allows shareholder(s) to requisition the Company to move a resolution at an AGM of the Company or circulate a statement at any general meeting of the Company.

Pursuant to Sections 79 and 80 of the Bermuda Companies Act, either any number of the registered shareholders holding not less than one-twentieth (5%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 of such registered shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to receive notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition signed by all the requisitionists may consist of several documents in like form, each signed by one or more of the requisitionists; and it must be deposited at the Registered Office with a copy to one of the Head Offices of the Company for the attention of the Company Secretary with a sum reasonably sufficient to meet the Company's relevant expenses, not less than 6 weeks before the meeting in case of a requisition requiring notice of a resolution or not less than 1 week before the meeting in the case of any other requisition.

Provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office with a copy to one of the Head Offices of the Company, an AGM is called for a date 6 weeks or less after the copy has been deposited, the copy though not deposited within the above-mentioned time shall be deemed to have been properly deposited for the purposes thereof.

With respect to proposing a person for election as a director, the procedures are accessible on the Company's website: www.mediachinesegroup.com.

ACCOUNTABILITY AND AUDIT

(a) Financial reporting

The Board takes due care and responsibility for presenting 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 Audit Committee plays a crucial role in reviewing the information to be disclosed to ensure its completeness, accuracy and adequacy prior to release to Bursa Securities and the HK Stock Exchange. The Group's financial statements are prepared in accordance with applicable International Financial Reporting Standards.

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

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

The Statement of Directors' Responsibilities in relation to the Financial Statements is set out on page 57 of this Annual Report.

(c) Internal controls and risk management

The Board recognises the importance of risk management and internal controls in the overall management processes. Information on the Group's internal controls is presented in the Statement on Risk Management and Internal Control of this Annual Report on pages 58 to 60.

(d) Relationship with external auditor

The Board has established transparent and appropriate relationship with the external auditor through the Audit Committee. The role of the Audit Committee in relation to the external auditor is described in the Audit Committee Report of this Annual Report on pages 61 to 65.

The external auditor of the Company is PricewaterhouseCoopers. Fees for audit and non-audit services provided by other external auditors to the subsidiaries of the Company amounted to approximately US$1,000 and US$177,000 respectively.

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

	US$'000
• Audit services (including interim review & IPO)	852
• Non-audit services	
— Tax services	161
— Other services	6

PricewaterhouseCoopers will retire and offer itself for re-appointment at the AGM to be held in August 2014.

A statement by PricewaterhouseCoopers about the reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report of this Annual Report on pages 77 to 78.

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 2014 are set out on page 67.

(b) Exercise of options, warrants or convertible securities

During the financial year ended 31 March 2014, the Company did not issue any warrants or convertible securities and there was no share option scheme adopted by the Company.

(c) Depository receipt programme

The Company did not sponsor any depository receipt programme during the financial year ended 31 March 2014.

(d) Imposition of sanctions/penalties

There were no sanctions or penalties imposed on the Company or any of its subsidiaries, directors or management by the relevant regulatory bodies during the financial year ended 31 March 2014.

(e) Variation in results

The audited results of the Group for the financial year ended 31 March 2014 did not differ by 10% or more from the unaudited results announced to Bursa Securities on 29 May 2014.

(f) Profit guarantee

There was no profit guarantee given by the Company and its subsidiaries during the financial year ended 31 March 2014.

(g) Material contracts involving directors and major shareholders

There were no material contracts of the Company and its subsidiaries (not being contracts entered into in the ordinary course of business) involving directors' and major shareholders' interests, either still subsisting at 31 March 2014 or entered into since the end of the previous financial year.

(h) Revaluation policy

The Group's revaluation policy on landed properties classified as investment properties is disclosed in note 2.7 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) for the financial year ended 31 March 2014 are as follows:

No.	Related parties	Contracting parties	Nature of transactions	Transacted value RM'000	Equivalents in US$'000
1.	Malaysian Newsprint Industries Sdn Bhd ("MNI")	Sin Chew Group and Nanyang Group	(i) Purchase of newsprint from MNI:		
			— Sin Chew Group	104,632	32,619
			— Nanyang Group	55,511	17,352
			(ii) Disposal of newsprint scraps to MNI:		
			— Sin Chew Group	4,134	1,292
			— Nanyang Group	5,375	1,681
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	42	13

Nature of relationship (1): R.H. Development Corporation Sdn Bhd ("RHDC") and Rimbunan Hijau Estate Sdn Bhd ("RHE") are the substantial shareholders (pursuant to the Malaysian Companies Act, 1965 (the "Act")) of MNI. Tan Sri Datuk Sir TIONG Hiew King ("TSTHK") is both a major shareholder and a director of the Company. He is both a major shareholder and director of RHE and RHDC, and a director of Sin Chew. Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is (pursuant to the Act) a substantial shareholder of RHDC.

Nature of relationship (2): 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 a major shareholder and a director of the Company and TTSH.

No.	Related parties	Contracting parties	Nature of transactions	Transacted value RM'000	Transacted value Equivalents in US$'000
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	14	6
	Nature of relationship: 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
	Nature of relationship: 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.				
5.	Evershine Agency Sdn Bhd ("EA")	MPSB	MPSB purchases motor vehicle insurance from EA	3	1
	Nature of relationship: 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	164	51
	Nature of relationship: 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. Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of RHTT.				

No.	Related parties	Contracting parties	Nature of transactions	Transacted value HK$'000	Transacted value Equivalents in US$'000
7.	Cheerhold (H.K.) Limited ("Cheerhold")	Charming Holidays Limited ("Charming")	Provision of services such as air tickets and accommodation arrangement services by Charming to Cheerhold	553	72
	Nature of relationship: Charming is a wholly-owned subsidiary of the Company. TSTHK and Dato' Sri Dr TIONG Ik King are both major shareholders and directors of the Company. The sister-in-law of both TSTHK and Dato' Sri Dr TIONG Ik King is the major shareholder of Cheerhold.				
8.	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	1,502	194
	Nature of relationship: OMH is a wholly-owned subsidiary of One Media. MPN is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of One Media. TSTHK is both a major shareholder and a director of the Company and One Media. Mr TIONG Kiew Chiong is a director of both OMH and MPN. He is also a director and a shareholder of the Company and One Media.				
9.	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 other office equipment from MPH to OMH and its subsidiaries	5,529	713
	Nature of relationship: OMH is a wholly-owned subsidiary of One Media. MPH is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of One Media. TSTHK is both a major shareholder and a director of the Company and One Media. He is also a director of MPH. Mr TIONG Kiew Chiong is a director of both OMH and MPH. He is also a director and a shareholder of the Company and One Media.				
10.	OMH	Holgain Limited ("Holgain")	Leasing of parking space, office space and storage space inside Ming Pao Industrial Centre situated at 18 Ka Yip Street, Chai Wan, Hong Kong from Holgain as landlord to OMH and its subsidiaries	2,539	327
	Nature of relationship: OMH is a wholly-owned subsidiary of One Media. Holgain is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of One Media. TSTHK is both a major shareholder and a director of the Company and One Media. Mr TIONG Kiew Chiong is a director of both OMH and Holgain. He is also a director and a shareholder of the Company and One Media.				
11.	One Media Group	Charming	Provision of services such as air tickets and accommodation arrangement services by Charming to One Media Group	859	111
	Nature of relationship: Charming is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of One Media. TSTHK is both a major shareholder and a director of the Company and One Media. Mr TIONG Kiew Chiong is a director of Charming. He is also a director and a shareholder of the Company and One Media.				
12.	One Media Group	the Group	Provision of barter advertising services by the Group to One Media Group	1,129	146
	Nature of relationship: The Company is a major shareholder and a substantial shareholder of One Media. TSTHK is both a major shareholder and a director of the Company and One Media. Mr TIONG Kiew Chiong is a director and a shareholder of the Company and One Media.				

No.	Related parties	Contracting parties	Nature of transactions	Transacted value HK$'000	Equivalents in US$'000
13.	One Media Group	the Group	Receipt of barter advertising services by the Group from One Media Group	1,129	146
	Nature of relationship: The Company is a major shareholder and a substantial shareholder of One Media. TSTHK is both a major shareholder and a director of the Company and One Media. Mr TIONG Kiew Chiong is a director and a shareholder of the Company and One Media.				
14.	OMH	Kin Ming Printing Company Limited ("Kin Ming")	Provision of pre-press services by Kin Ming to OMH and its subsidiaries	12	1
	Nature of relationship: OMH is a wholly-owned subsidiary of One Media. Kin Ming is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of One Media. TSTHK is both a major shareholder and a director of the Company and One Media. 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 One Media.				
15.	One Media	MPH	Interest income on the convertible bond issued by One Media in the principal amount of HK$75,600,000 at an interest rate of 1% per annum	756	97
	Nature of relationship: MPH is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of One Media. TSTHK is both a major shareholder and a director of the Company and One Media. He is also a director of MPH. Mr TIONG Kiew Chiong is a director of both One Media and MPH. He is also a director and a shareholder of the Company and One Media.				
				RMB'000	**Equivalents in US$'000**
16.	RIMBUNAN HIJAU China Investment Inc. ("RHCI")	Beijing Media Advertising Company Limited ("BJMA")	Leasing of office space of Unit C, 9/F., South Tower, China Overseas Plaza, Beijing, China from BJMA to RHCI	623	102
	Nature of relationship: BJMA is a wholly-owned subsidiary of One Media. The Company is a major shareholder and a substantial shareholder of One Media. TSTHK is both a major shareholder and a director of the Company, One Media and RHCI. Mr TIONG Kiew Chiong is a director of One Media, BJMA and the Company. He is a shareholder of the Company and One Media.				

CONSTITUTIONAL DOCUMENTS

During the year under review, there was no change on the Company's Memorandum of Association and Bye-Laws.

This Statement on Corporate Governance was approved by the Board on 29 May 2014.

Statement of Directors' Responsibilities in relation to the Financial Statements

The directors are responsible for ensuring that the financial statements of the Company and of the Group are prepared in accordance with International Financial Reporting Standards ("IFRSs") and the disclosure requirements of the Hong Kong Companies Ordinance. The directors are also responsible for ensuring that the financial statements of the Group and of the Company are prepared with reasonable accuracy so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2014, and of their profit or loss and cash flows for the year then ended.

In preparing the financial statements of the Company and of the Group for the financial year ended 31 March 2014, the directors have:

— applied the appropriate and relevant accounting policies on a consistent basis;

— made judgements and estimates that are reasonable and prudent;

— complied with all relevant accounting standards and regulatory disclosure requirements; and

— prepared the financial statements on the going concern basis.

The directors are also responsible for taking reasonable steps to safeguard the assets of the Company and of the Group and to prevent and detect fraud and other irregularities.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board remains committed to maintaining a sound system of risk management and internal controls to safeguard shareholders' investments and the Group's assets. This Statement on Risk Management and Internal Control (the "Statement") is made pursuant to Paragraph 15.26(b) of the Bursa Securities Listing Requirements, with reference to the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and in accordance with the Hong Kong Code contained in Appendix 14 of the HK Listing Rules.

BOARD RESPONSIBILITY

The Board is responsible for the Group's system of risk management and internal control and for monitoring its adequacy and effectiveness. It should be noted that any system of risk management and internal control can only provide reasonable, and not absolute, assurance that material financial irregularities will be detected or that the risk of failure to achieve business objectives is eliminated. The Board's objective is to ensure that the Group has an appropriate system in place for the identification and management of risks, including the deployment of internal controls to address the risks so identified.

RISK MANAGEMENT FRAMEWORK

The Audit Committee assists the Board in (i) reviewing the adequacy and effectiveness of the Group's risk management and internal control systems; (ii) reviewing management's identification of the significant risks in accordance with the Group's risk management policy; and (iii) reporting to the Board of any significant failures or potential breaches of the Group's risk management policy.

The Group adopts a decentralised approach to risk management whereby two separate risk management committees ("RMCs") have been established, one in each of Malaysia and Hong Kong. Both RMCs are responsible to the Group Executive Committee for the periodic identification and assessment of risks applicable to their operations and the implementation of appropriate controls, policies and procedures. All significant risk issues will be evaluated by the RMCs and major changes proposed by the RMCs will be discussed at the Group Executive Committee prior to tabling the same to the Audit Committee for its review.

Day-to-day risk management resides with the individual business units. Departmental manager of each business unit is accountable for the comprehensiveness of the risks identified, their assessments as well as their bottom-up reporting. Actively managing risks is the key duty of any departmental manager in the Group. Departmental managers will assist risk owners in identifying, measuring, controlling, monitoring and reporting risks and they have both the right and obligation to contribute to risk management.

In essence, risks are dealt with and managed at departmental level, and are communicated upwards to the Group Executive Committee.

INTERNAL AUDIT

The Group's Internal Audit Function is an independent function that reports directly to the Audit Committee. It undertakes regular reviews of the Group's operations and system of internal controls based on annual audit plans approved by the Audit Committee. The Internal Audit Function carries out the reviews with impartiality, proficiency and due professional care.

The internal audit 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 Audit Committee reviews all internal audit findings, management responses and the adequacy and effectiveness of the internal controls. Significant risk issues, if any, are referred to the Board for consideration. The Audit Committee reports to the Board on a quarterly basis of its deliberations and recommendations.

OTHER INTERNAL CONTROL PROCESSES

Apart from the above, the other key features of the Group's internal control systems are as follows:

- The Group has established an organisational structure with clear operating and reporting procedures, lines of responsibility and delegated authority;
- Relevant executive directors and senior management have been delegated with specific authorities and responsibilities for monitoring the performance of designated business operating units;
- Annual business plans and budgets of the Group are reviewed and approved by the Board. The Group's senior management meets on a quarterly basis with operating companies' management to review their businesses and financial performances against the business plans and approved budgets. Significant business risks relevant to each operating company are reviewed in these meetings;
- Explanations on significant variances from budgets are provided to the Board on a quarterly basis. This helps the Board and senior management monitor the Group's business operations and plan on a timely basis;
- Each operating company maintains internal controls and procedures appropriate to its structure and business environment whilst complying with the Group's policies, standards and guidelines;
- The Group maintains an appropriate insurance programme in order to provide sufficient insurance coverage on major assets and libel suits that could result in material loss. The insurance brokers assist management in conducting a risk assessment on a yearly basis on the Group's operations, which helps the Group in assessing the adequacy of intended cover;
- The Board reviews all areas of significant financial risk and approves all significant capital projects and investments after careful review and consideration;
- The Group has established an IT Services Continuity Plan in a key business unit primarily aimed to handle potential IT service interruptions;
- The Group has established a Crisis Management Team in a key business unit to manage and handle significant risk or crisis faced by the business unit;
- Treasury department manages the cash balances and exposure to currency transaction risks through treasury policies, risk limits and monitoring procedures; and
- Code of ethics are established and adhered to by all employees to ensure high standards of conduct and ethical values in all business practices.

WHISTLEBLOWING POLICY

The Group has implemented a whistleblowing policy which aims to provide an avenue for employees to raise concerns about possible improprieties in financial reporting, internal controls or other matters within the Group. Proper arrangements have been put in place for fair and independent investigation of such matters and for appropriate follow-up actions. The effectiveness of this policy will be monitored and reviewed regularly by the Audit Committee.

REVIEW OF ADEQUACY AND EFFECTIVENESS

The Board has reviewed the adequacy and effectiveness of the Group's risk management activities and internal control framework and ensured that necessary actions have been or are being taken to rectify weaknesses identified during the year.

The Group CEO and Head of Finance have confirmed to the Board that the Group's system of risk management and internal control is operating adequately and effectively in all material aspects during the financial year and up to the date of this Statement.

In this connection, the Board concludes that an effective system of risk management and internal control is in place to safeguard the shareholders' investment and the Group's assets.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

The external auditor has reviewed this Statement for inclusion in the Group's Annual Report for the financial year ended 31 March 2014. The external auditor has reported to the Board that nothing has come to its attention that causes it to believe that the Statement is inconsistent with its understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's system of risk management and internal control.

This Statement on Risk Management and Internal Control was approved by the Board on 29 May 2014.

MEMBERS AND MEETINGS

Details of the composition of the Audit Committee and the attendance of each member at the 4 committee meetings held during the year are set out below:

Name of member	Number of meetings attended	Percentage of attendance
Mr David YU Hon To *(Chairman/INED)*	4/4	100%
Tan Sri Dato' LAU Yin Pin *(INED)*	4/4	100%
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH *(INED)*	4/4	100%

The meetings were appropriately structured through the use of agendas, which were distributed to the members with sufficient notification. The Group CEO, the relevant executive directors, Head of Internal Audit Function and staff responsible for the accounting and financial reporting function were also invited to attend and brief the Audit Committee on specific issues. The external auditor, PricewaterhouseCoopers, attended two of these meetings upon invitation by the Audit Committee.

The Chairman of the Audit Committee, after each meeting, is responsible to update the Board on matters discussed at the Audit Committee meetings and make appropriate recommendations when necessary. This is to ensure that the Board is aware of matters that may significantly impact the financial position or affairs of the Group.

TERMS OF REFERENCE

The Audit Committee is governed by its terms of reference which have been reviewed from time to time. The detailed terms of reference of the Audit Committee is available on the Company's website at www.mediachinesegroup.com.

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

2. **Composition**
   The Audit Committee shall be appointed by the Board from amongst its directors excluding alternate directors and shall comprise no fewer than 3 members, all of whom must be non-executive directors, with a majority of them being independent directors.

   At least 1 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 First Schedule of the Accountants Act, 1967, or must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or

   (c) Must have a degree/master/doctorate in accounting or finance and at least 3 years' post qualification experience in accounting or finance; or

(d) Must have at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation; and

(e) Fulfills such other requirements as prescribed or approved by the Bursa Securities.

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

In the event of any vacancy in the Audit Committee resulting in the non-compliance of the Bursa Securities Listing Requirements or HK Listing Rules, the Board shall within 3 months of that event fill the vacancy.

3. Quorum

A quorum shall consist of a majority of INEDs and shall not be less than 2.

4. Chairman

The Chairman shall be elected from among the members of the Audit Committee and must be an INED.

5. Meetings

The Audit Committee shall meet not less than 4 times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties.

The Audit Committee shall be able to convene meetings with external auditors, internal auditors or both without the presence of any other directors or employees whenever it deems necessary. External auditors and internal auditors have the right to appear and to be heard at any meeting and shall appear before the Audit Committee when required to do so by the Audit Committee.

The Audit Committee shall meet with the external auditor without the presence of executive Board members at least twice a year.

The company secretary shall be the secretary of the Audit Committee.

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 matter within the scope of its duties and responsibilities as outlined in its terms of reference;

(b) to have sufficient resources to perform its duties;

(c) to have full and unrestricted access to any information pertaining to the Company;

(d) to have direct communication channels with the external and internal auditors;

(e) to obtain independent professional or other advice; and

(f) 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 functions of the Audit Committee shall include, among others:

(a) To review the following and report the same to the Board:

(i) with the external auditor, the audit plan;

(ii) with the external auditor, the evaluation of the system of internal controls;

(iii) with the external auditor, the audit report;

(iv) the assistance given by the employees of the Group to the external auditor;

(v) the adequacy of scope, functions, competency and resources of the Internal Audit Function and that it has the necessary authority to carry out its work;

(vi) the internal audit programme, processes, 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;

(vii) the quarterly, half-yearly, and annual financial results and reports prior to the approval by the Board, focusing particularly on:

- changes in and implementation of accounting policies and practices;
- major judgmental areas;
- significant adjustments resulting from audit;
- going concern assumptions and qualifications;
- compliance with accounting standards;
- compliance with the HK Listing Rules, Bursa Securities Listing Requirements and other legal and regulatory requirements in relation to financial reporting; and
- significant and unusual events;

(viii) 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;

(b) to review the Group's financial controls, internal controls and risk management systems;

(c) to recommend the nomination of the external auditor, the audit fees and any question of resignation or dismissal; and

(d) such other functions as the Board may from time to time determine.

SUMMARY OF ACTIVITIES

The Audit Committee carries out its duties in accordance with its terms of reference. Below is a summary of the principal activities carried out by the Audit Committee during the year:

Financial results

(a) Reviewed the Group's quarterly, half-yearly and annual financial results before recommending to the Board for consideration and approval;

(b) Reviewed the interim financial information and annual financial statements of the Company and of the Group with the external auditor prior to submission to the Board for approval.

Internal audit

(a) Reviewed the internal audit plan for the financial year ended 31 March 2014;

(b) Reviewed the scope and coverage of the audit of 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 the reports from the Internal Audit Function;

(d) Reviewed the recommendations by the Internal Audit Function and appraised the adequacy and effectiveness of management's response in resolving the audit issues reported;

(e) Reviewed the corrective actions taken by management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis;

(f) Reviewed the adequacy of resources and competency of the Internal Audit Function in executing the audit plan.

External audit

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

(b) Reviewed 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 2014;

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

Others

(a) Reviewed the recurrent related party transactions (or continuing connected transactions) entered into by the Group;

(b) Reviewed the circular to shareholders in respect of the proposed shareholders' mandate for recurrent related party transactions;

(c) Reviewed the Audit Committee Report, Statement on Corporate Governance and Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year under review;

(d) Reviewed the risk assessment reports of the subsidiaries of the Group;

(e) 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 reports directly to the Audit Committee and assists the Board in reviewing the adequacy and effectiveness of risk management, internal controls and governance processes. The Internal Audit Function is independent of the activities or operations it audits.

The Internal Audit Function adopts a risk-based methodology in planning and conducting audits by focusing on key risks areas. Its principal role is to undertake independent regular and systematic reviews of the systems of internal controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsibility of the Internal Audit Function to provide the Audit Committee with independent and objective report on the state of internal control of various operating units within the Group and the extent of compliance with the Group's established policies and procedures as well as the relevant statutory requirements.

During the year, the Internal Audit Function conducted various internal audit reviews according to the internal audit plan which had been approved by the Audit Committee. The completed audit reports were presented to the Audit Committee for deliberation and follow-up audits were also performed to ensure management had addressed all audit issues raised accordingly.

The total costs incurred for the Internal Audit Function in respect of the financial year ended 31 March 2014 was approximately US$186,000.

This Audit Committee Report was approved by the Board on 29 May 2014.

The directors submit their report together with the audited financial statements of the Group for the year ended 31 March 2014.

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 newspapers, magazines, digital contents and books primarily in Chinese language, 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 40 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 79.

A first interim dividend in respect of the current year of US0.750 cents (2012/2013: US0.673 cents) per ordinary share totaling US$12,654,000 (2012/2013: US$11,355,000) was paid on 15 January 2014.

On 29 May 2014, the Board declared a second interim dividend of US0.680 cents per ordinary share in lieu of a final dividend for the year ended 31 March 2014 (2012/2013: US1.015 cents per ordinary share), totalling US$11,473,000 (2012/2013: US$17,125,000), payable on 1 August 2014.

Further details of the dividends of the Company are set out in note 13 to the financial statements.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 85 and in notes 32 and 33 to the financial statements.

DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately US$164,000.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

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

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 31 to the financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2014, calculated under the Companies Act 1981 of Bermuda (as amended), amounted to US$202,102,000 (31 March 2013: US$185,692,000).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last 5 financial years is set out on page 162.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

On 12 August 2013, the Company repurchased 1,000 of its listed shares on the HK Stock Exchange from the open market at the price of HK$2.90 per share. The purchase involved a total cash outlay of HK$2,900 (equivalent to US$374) and was for the purpose of validating the declaration of solvency in relation to the share buyback mandate in accordance with the provision of the Malaysian Companies Act. The repurchase was financed by internally generated funds. All the shares repurchased during the year were cancelled.

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

DIRECTORS

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

Executive Directors
Tan Sri Datuk Sir TIONG Hiew King *(Group Executive Chairman)*
Dato' Sri Dr TIONG Ik King
Mr TIONG Kiew Chiong *(Group Chief Executive Officer)*
Mr NG Chek Yong
Mr LEONG Chew Meng

Non-executive Director
Ms TIONG Choon

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 Bye-Law 99(A) of the Company's Bye-Laws, Mr TIONG Kiew Chiong, Mr NG Chek Yong 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.

In addition, pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, the retention of Mr David YU Hon To, who has served the Company for more than 9 years, as an independent non-executive director of the Company shall be subject to shareholders' approval at the forthcoming annual general meeting.

The Company has received from each of the independent non-executive directors a written annual confirmation of independence pursuant to Rule 3.13 of the HK Listing Rules and considers all the independent non-executive directors to be independent.

COMPETING BUSINESS

Set out below is information disclosed pursuant to paragraph 8.10 of the HK Listing Rules.

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. In addition, Ms TIONG Choon is a director of the Company and she is also a director of 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 One Media, a subsidiary of the Company which is listed on the HK Stock Exchange. In addition, Tan Sri Datuk Sir TIONG Hiew King and Mr TIONG Kiew Chiong are directors of the Company and One Media. Mr TIONG Kiew Chiong is also a shareholder of One Media. One Media Group is engaged in media business in the Greater China region, including but not limited to magazine publishing and digital media business. As the contents and demographic readership of the publications of the Group and those of One Media Group are different, the directors consider that there is a clear delineation and no competition between the businesses of the Group and One Media Group and that the Group is carrying on its business independently of, and at arm's length with, One Media 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 the directors has entered into an appointment letter with the Company for a term of 2 years commencing from 1 April 2014 until 31 March 2016, except for Mr NG Chek Yong whose appointment letter with the Company commenced from 1 March 2014 to 31 March 2016, and Mr LEONG Chew Meng and Ms TIONG Choon whose appointment letters with the Company commenced from 31 March 2013 to 31 March 2015.

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

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

Pursuant to the One Media Schemes, the board of One Media may, at its absolute discretion, grant share options to any full time employees, executive and non-executive directors (including independent non-executive directors) of One Media Group or the Group (for so long as One Media remains a subsidiary of the Company) to subscribe for shares in One Media subject to the terms and conditions stipulated therein. The purposes of the One Media Schemes are to encourage its employees to work towards enhancing the value of One Media and its shares for the benefit of One Media 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 One Media Schemes when aggregated with the number of shares in respect of any options to be granted under any other share option scheme established by One Media (if any) is that number which is equal to 10% of the issued share capital of One Media immediately following the commencement of dealings in the shares of One Media 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 One Media from time to time.

The period within which an option may be exercised under each of the One Media Schemes will be determined and notified by the board of One Media 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. No option granted under the Pre-IPO Scheme will be exercisable within 6 months from the listing date of One Media. 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.

The subscription price under the Pre-IPO Scheme shall be the offer price whereas for the Post-IPO Scheme, the subscription price in relation to each option shall be determined by the board of One Media in its absolute discretion, but in any event shall be the highest of: (i) the closing price of the shares of One Media 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 One Media as stated in the HK Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of the offer of the grant of such option; and (iii) the nominal value of the shares of One Media.

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 5 anniversaries of the One Media listing date from the 1st anniversary of the listing date to the 5th anniversary of the listing date; or

(2) 100% of the shares comprised in the option will fully vest on the 1st anniversary of the One Media listing date,

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

(ii) As at 31 March 2014, no option has been granted or agreed to be granted by One Media under the Post-IPO Scheme.

During the year ended 31 March 2014, movements of the options granted under the Pre-IPO Scheme are as follows:

Grantee	Number of shares involved in share options: Balance at 1 April 2013	Granted during the year *(note 2)*	Exercised during the year *(note 2)*	Lapsed during the year *(note 3)*	Balance at 31 March 2014	Percentage of issued ordinary shares of One Media	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
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
	3,650,000	–	–	–	3,650,000	0.91%			
Directors of One Media and full time employees of the Group *(note 1a)*	3,500,000	–	–	(50,000)	3,450,000	0.87%	1.200	27/09/2005	18/10/2005–25/09/2015
Full time employees of the Group *(note 1b)*	776,000	–	–	(8,000)	768,000	0.19%	1.200	27/09/2005	18/10/2005–25/09/2015
Total	7,926,000	–	–	(58,000)	7,868,000	1.97%			

Notes:

(1) In relation to each option granted to the grantees:

a. 20% of the shares in the option will vest on each of the 5 anniversaries of the One Media listing date from the 1st anniversary of the listing date to the 5th anniversary of the listing date.

b. 100% of the shares in the option will fully vest on the 1st anniversary of the One Media listing date.

(2) No share option was granted, exercised or cancelled during the year.

(3) During the year, 58,000 share options lapsed by reason of the grantees ceased their employments with the Group.

(4) The fair value of the options granted is set out in note 31 to the financial statements.

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 the Statement on Corporate Governance under "Recurrent Related Party Transactions of a Revenue Nature or Trading Nature" on pages 53 to 56, and in note 39 to the financial statements "Related Party Transactions", 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.

INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS HELD BY DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES

At 31 March 2014, the interests and short positions of the directors, chief executives and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept 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 are as follows:

(i) Interests and short positions in the shares, underlying shares and debentures of the Company

		Number of shares held				% of issued
Name of director	Nature of interests	At 1 April 2013	Bought	Sold	At 31 March 2014	ordinary shares
Tan Sri Datuk Sir TIONG Hiew King	Personal interests	87,109,058	–	–	87,109,058	
	Family interests[1]	234,566	–	–	234,566	
	Corporate interests[2]	796,734,373	–	–	796,734,373	
		884,077,997	–	–	884,077,997	52.40%
Dato' Sri Dr TIONG Ik King	Personal interests	11,144,189	–	–	11,144,189	
	Corporate interests[3]	252,487,700	–	–	252,487,700	
		263,631,889	–	–	263,631,889	15.63%
Mr TIONG Kiew Chiong	Personal interests	1,482,039	1,308,000	(882,000)	1,908,039	0.11%
Mr LEONG Chew Meng	Personal interests	80,000	–	–	80,000	–*
Ms TIONG Choon	Personal interests	2,654,593	–	–	2,654,593	
	Family interests[4]	822,832	177,800	–	1,000,632	
	Corporate interests[5]	653,320	–	–	653,320	
		4,130,745	177,800	–	4,308,545	0.26%
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	Personal interests	135,925	–	–	135,925	0.01%

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

* *negligible*

Notes:

(1) Tan Sri Datuk Sir TIONG Hiew King is deemed to be interested in the shares by virtue of his spouse's interest in 234,566 shares.

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

(i) 326,463,556 shares held by Progresif Growth Sdn Bhd ("Progresif");
(ii) 252,487,700 shares held by Conch Company Limited ("Conch");
(iii) 75,617,495 shares held by Ezywood Options Sdn Bhd ("Ezywood");
(iv) 65,319,186 shares held by Teck Sing Lik Enterprise Sdn Bhd ("TSL");
(v) 52,875,120 shares held by Madigreen Sdn Bhd ("Madigreen");
(vi) 15,536,696 shares held by Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS");
(vii) 6,532,188 shares held by Rimbunan Hijau Southeast Asia Sdn Bhd ("RHSA");
(viii) 1,902,432 shares held by Pertumbuhan Abadi Asia Sdn Bhd ("PAA").

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% interest 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.

(4) Ms TIONG Choon is deemed to be interested in the shares by virtue of her spouse's interest in 1,000,632 shares.

(5) The corporate interests of 653,320 shares are held by TC Blessed Holdings Sdn Bhd, in which Ms TIONG Choon holds 99% equity interest.

(ii) Interests and short positions in the shares, underlying shares and debentures of One Media

Name of director	Nature of interests	Number of shares/underlying shares held At 1 April 2013	Bought	Sold	At 31 March 2014	% of issued ordinary shares of One Media
Tan Sri Datuk Sir TIONG Hiew King	Corporate interests[2]	292,700,000	–	–	292,700,000	
	Share options[1]	1,250,000	–	–	1,250,000	
		293,950,000	–	–	293,950,000	73.49%
Dato' Sri Dr TIONG Ik King	Corporate interests[2]	292,700,000	–	–	292,700,000	
	Share options[1]	1,000,000	–	–	1,000,000	
		293,700,000	–	–	293,700,000	73.43%
Mr TIONG Kiew Chiong	Personal interests	4,000,000	104,000	–	4,104,000	
	Share options[1]	1,250,000	–	–	1,250,000	
		5,250,000	104,000	–	5,354,000	1.34%
Ms TIONG Choon	Personal interests	26,000	–	–	26,000	0.01%
Mr David YU Hon To	Share options[1]	150,000	–	–	150,000	0.04%

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

Notes:

(1) These represent share options granted by One Media to the directors of the Company under the Pre-IPO Scheme.

(2) Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are deemed interested in the 292,700,000 shares in One Media held by Comwell Investment Limited which is an indirect wholly-owned subsidiary of the Company. Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are deemed interested in 52.40% and 15.63% of the Company's shares respectively. Details of their shareholdings in the Company are set out in paragraph (i) "Interests and short positions in the shares, underlying shares and debentures of the Company" on page 71.

Save as disclosed above and those disclosed under "Share Option Schemes", at 31 March 2014, 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

As at 31 March 2014, the following persons (other than the directors and chief executives of the Company) had interests of 5% or more in the shares of the Company as recorded in the register required to be kept under Section 336 of of Part XV of the SFO:

Name of shareholder	**Number of ordinary shares held**	**Percentage of issued ordinary shares**
Progresif Growth Sdn Bhd *(note 1)*	326,463,556	19.35%
Conch Company Limited *(note 2)*	252,487,700	14.96%

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

Notes:

(1) Tan Sri Datuk Sir TIONG Hiew King holds, directly and indirectly, 45% interest in Progresif.

(2) The details of shares held by Conch are set out in note 3 of paragraph (i) "Interests and short positions in the shares, underlying shares and debentures of the Company" on page 72.

Save as disclosed above and those disclosed under "Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any of its Associated Corporations Held by Directors, Chief Executives and Their Associates", the Company had not been notified of any other persons or corporations who had interests or short positions representing 5% or more of the issued share capital of the Company as at 31 March 2014.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Details of the Group's related party transactions for the year ended 31 March 2014 are set out in note 39 to the financial statements, all of which were carried out in the ordinary course of business and on normal commercial terms and 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 contract concerning the management and administration of the whole or any substantial part of the business of the Group was 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 about 3.7% of the monthly basic salaries of the employees, with the difference being funded by 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$886,000 at 31 March 2014 (31 March 2013: US$1,074,000).

The most recent independent actuarial valuation of the Scheme was carried out as at 31 March 2014 by Towers Watson Hong Kong Limited (the "Valuation"), 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$1,250 per employee per month (the "MPF Contributions") (the amount has been revised from HK$1,000 to HK$1,250 per month since June 2013). The MPF Contributions are fully and immediately vested in the employees as accrued benefit once they are paid.

Malaysia

The Group operates 2 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 companies and/or their respective employees.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the Group's 5 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	23%
— 5 largest suppliers combined	46%

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, each of which directly holds 5.67% interests in the largest supplier, 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 of 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, it is confirmed that there is sufficient public float of not less than 25% of the Company's issued shares as at the latest practicable date prior to the issue of this Annual Report, as required under the HK Listing Rules and Bursa Securities Listing Requirements.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board

TIONG Kiew Chiong
Director
29 May 2014

pwc

羅兵咸永道

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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 79 to 159, which comprise the consolidated and company statements of financial position as at 31 March 2014, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 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 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.

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T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

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 2014, 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 on page 160 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, 29 May 2014

Consolidated Income Statement

	Note	Year ended 31 March 2014 US$'000	2013 US$'000 (Restated)
Turnover	*5*	**468,728**	477,853
Cost of goods sold		**(285,588)**	(289,116)
Gross profit		**183,140**	188,737
Other income	*6*	**12,995**	11,875
Other gains, net	*7*	**1,032**	3,165
Selling and distribution expenses		**(72,744)**	(72,511)
Administrative expenses		**(40,499)**	(42,352)
Other operating expenses		**(6,814)**	(8,261)
Operating profit		**77,110**	80,653
Finance costs	*9*	**(8,150)**	(3,417)
Share of losses of joint ventures and associates	*20*	**(397)**	(142)
Profit before income tax		**68,563**	77,094
Income tax expense	*10*	**(19,292)**	(19,125)
Profit for the year		**49,271**	57,969
Profit attributable to:			
Owners of the Company		**48,236**	56,678
Non-controlling interests		**1,035**	1,291
		49,271	57,969
Earnings per share attributable to owners of the Company			
Basic (US cents)	*12*	**2.86**	3.36
Diluted (US cents)	*12*	**2.86**	3.36

The notes on pages 87 to 159 are an integral part of these consolidated financial statements.

	Note	Year ended 31 March 2014 US$'000	2013 US$'000
Dividends	*13*	**24,127**	254,195

Consolidated Statement of Comprehensive Income

	Year ended 31 March	
	2014	2013
	US$'000	US$'000
		(Restated)
Profit for the year	**49,271**	57,969
Other comprehensive (losses)/income		
Items that may be reclassified subsequently/were reclassified to profit or loss:		
Currency translation differences	**(8,319)**	(591)
Currency translation differences released upon disposal of subsidiaries	**–**	(1,413)
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of post-employment benefit obligations	**652**	245
Others	**–**	46
Other comprehensive losses for the year, net of tax	**(7,667)**	(1,713)
Total comprehensive income for the year	**41,604**	56,256
Total comprehensive income for the year attributable to:		
Owners of the Company	**40,585**	54,943
Non-controlling interests	**1,019**	1,313
	41,604	56,256

The notes on pages 87 to 159 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

	Note	At 31 March 2014 US$'000	2013 US$'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	*16*	**144,308**	150,935
Investment properties	*17*	**17,144**	17,579
Intangible assets	*18*	**72,920**	77,908
Deferred income tax assets	*19*	**1,455**	1,674
Interests in joint ventures and associates	*20*	**2,956**	3,142
		238,783	251,238
Current assets			
Inventories	*24*	**52,386**	50,128
Available-for-sale financial assets	*25*	**97**	97
Financial assets at fair value through profit or loss	*21*	**237**	230
Trade and other receivables	*26*	**67,779**	74,695
Income tax recoverable		**684**	870
Cash and cash equivalents	*27*	**102,852**	101,829
		224,035	227,849
Current liabilities			
Trade and other payables	*28*	**68,746**	72,898
Income tax liabilities		**5,384**	7,147
Bank and other borrowings	*29*	**12,726**	170,602
Current portion of other non-current liabilities	*30*	**62**	58
		86,918	250,705
Net current assets/(liabilities)		**137,117**	(22,856)
Total assets less current liabilities		**375,900**	228,382

Consolidated Statement of Financial Position

	Note	At 31 March 2014 US$'000	2013 US$'000 (Restated)
EQUITY			
Equity attributable to owners of the Company			
Share capital	*31*	**21,715**	21,715
Share premium	*31*	**54,664**	54,664
Other reserves	*32*	**(79,946)**	(71,643)
Retained earnings			
— Proposed dividend	*13*	**11,473**	17,125
— Others		**209,906**	185,145
		221,379	202,270
		217,812	207,006
Non-controlling interests		**7,237**	6,939
Total equity		**225,049**	213,945
Non-current liabilities			
Bank and other borrowings	*29*	**137,804**	–
Deferred income tax liabilities	*19*	**12,306**	13,105
Other non-current liabilities	*30*	**741**	1,332
		150,851	14,437
		375,900	228,382

The notes on pages 87 to 159 are an integral part of these consolidated financial statements.

The financial statements and supplementary information on pages 79 to 160 were approved by the Board of Directors on 29 May 2014 and were signed on its behalf by:

Tan Sri Datuk Sir TIONG Hiew King
Director

TIONG Kiew Chiong
Director

	Note	At 31 March 2014 US$'000	2013 US$'000
ASSETS			
Non-current assets			
Interests in subsidiaries	*22*	**420,230**	430,541
Current assets			
Other receivables	*26*	**54**	55
Cash and cash equivalents	*27*	**120**	96
		174	151
Current liabilities			
Other payables	*28*	**2,901**	5,485
Bank and other borrowings	*29*	**–**	160,519
		2,901	166,004
Net current liabilities		**(2,727)**	(165,853)
Total assets less current liabilities		**417,503**	264,688
EQUITY			
Equity attributable to owners of the Company			
Share capital	*31*	**21,715**	21,715
Share premium	*31*	**54,664**	54,664
Other reserves	*32*	**27,446**	28,845
Retained earnings			
— Proposed dividend	*13*	**11,473**	17,125
— Others		**164,401**	142,339
		175,874	159,464
Total equity		**279,699**	264,688
Non-current liabilities			
Bank and other borrowings	*29*	**137,804**	–
		417,503	264,688

The notes on pages 87 to 159 are an integral part of these consolidated financial statements.

The financial statements and supplementary information on pages 79 to 160 were approved by the Board of Directors on 29 May 2014 and were signed on its behalf by:

Tan Sri Datuk Sir TIONG Hiew King
Director

TIONG Kiew Chiong
Director

Consolidated Statement of Changes in Equity

	Attributable to owners 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
Balance at 1 April 2012 (Restated)	21,715	280,818	(70,106)	181,137	413,564	6,229	419,793
Comprehensive income							
Profit for the year	–	–	–	56,678	56,678	1,291	57,969
Other comprehensive (losses)/income							
Items that may be reclassified subsequently/were reclassified to profit or loss:							
Currency translation differences	–	–	(609)	–	(609)	18	(591)
Currency translation differences released upon disposal of subsidiaries	–	–	(1,413)	–	(1,413)	–	(1,413)
Items that will not be reclassified subsequently to profit or loss:							
Remeasurements of post-employment benefit obligations	–	–	–	241	241	4	245
Others	–	–	46	–	46	–	46
Other comprehensive (losses)/income, net of tax	–	–	(1,976)	241	(1,735)	22	(1,713)
Total comprehensive (losses)/income for the year ended 31 March 2013	–	–	(1,976)	56,919	54,943	1,313	56,256
Total contributions by and distributions to owners of the Company recognised directly in equity							
Transfer from share premium to contributed surplus	–	(226,154)	226,154	–	–	–	–
2011/2012 second interim dividend paid	–	–	–	(24,431)	(24,431)	–	(24,431)
2012/2013 special dividend paid	–	–	(225,715)	–	(225,715)	–	(225,715)
2012/2013 first interim dividend paid	–	–	–	(11,355)	(11,355)	–	(11,355)
Total contributions by and distributions to owners of the Company	–	(226,154)	439	(35,786)	(261,501)	–	(261,501)
Capital contribution from a non-controlling interest in a newly incorporated subsidiary	–	–	–	–	–	297	297
2011/2012 final dividend paid by a listed subsidiary	–	–	–	–	–	(553)	(553)
2012/2013 interim dividend paid by a listed subsidiary	–	–	–	–	–	(277)	(277)
2012/2013 interim dividends paid by a subsidiary	–	–	–	–	–	(70)	(70)
Total transactions with owners	–	(226,154)	439	(35,786)	(261,501)	(603)	(262,104)
Balance at 31 March 2013 (Restated)	21,715	54,664	(71,643)	202,270	207,006	6,939	213,945

Consolidated Statement of Changes in Equity

	Attributable to owners 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
Balance at 1 April 2013 (Restated)	21,715	54,664	(71,643)	202,270	207,006	6,939	213,945
Comprehensive income							
Profit for the year	–	–	–	48,236	48,236	1,035	49,271
Other comprehensive (losses)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	–	–	(8,303)	–	(8,303)	(16)	(8,319)
Item that will not be reclassified subsequently to profit or loss:							
Remeasurements of post-employment benefit obligations	–	–	–	652	652	–	652
Other comprehensive (losses)/income, net of tax	–	–	(8,303)	652	(7,651)	(16)	(7,667)
Total comprehensive (losses)/income for the year ended 31 March 2014	–	–	(8,303)	48,888	40,585	1,019	41,604
Total contributions by and distributions to owners of the Company recognised directly in equity							
2012/2013 second interim dividend paid	–	–	–	(17,125)	(17,125)	–	(17,125)
2013/2014 first interim dividend paid	–	–	–	(12,654)	(12,654)	–	(12,654)
Total contributions by and distributions to owners of the Company	–	–	–	(29,779)	(29,779)	–	(29,779)
2012/2013 final dividend paid by a listed subsidiary	–	–	–	–	–	(484)	(484)
2013/2014 interim dividend paid by a listed subsidiary	–	–	–	–	–	(208)	(208)
2012/2013 interim dividends paid by a subsidiary	–	–	–	–	–	(10)	(10)
2013/2014 interim dividends paid by a subsidiary	–	–	–	–	–	(19)	(19)
Total transactions with owners	–	–	–	(29,779)	(29,779)	(721)	(30,500)
Balance at 31 March 2014	21,715	54,664	(79,946)	221,379	217,812	7,237	225,049

The notes on pages 87 to 159 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	Note	Year ended 31 March 2014 US$'000	2013 US$'000
Cash flows from operating activities			
Cash generated from operations	*35(a)*	**84,562**	99,365
Interest paid		**(7,066)**	(2,855)
Income tax paid		**(20,461)**	(18,173)
Net cash generated from operating activities		**57,035**	78,337
Cash flows from investing activities			
Acquisition of an associate	*20*	**(115)**	–
Formation of joint ventures	*20*	**–**	(1,032)
Acquisition of a subsidiary, net of cash acquired		**–**	(75)
Net cash inflow from disposal of subsidiaries		**–**	4,480
Purchases of property, plant and equipment	*16*	**(10,823)**	(17,218)
Purchases of intangible assets	*18*	**(346)**	(1,606)
Purchase of an investment property	*17*	**–**	(3,402)
Proceeds from disposal of property, plant and equipment	*35(b)*	**45**	193
Acquisition of an exchangeable bond — equity derivatives		**–**	(1,145)
Proceeds from disposal of convertible notes		**–**	1,694
Interest received		**1,691**	2,379
Dividends received		**15**	10
Net cash used in investing activities		**(9,533)**	(15,722)
Cash flows from financing activities			
Dividends paid		**(29,779)**	(261,501)
Dividends paid to non-controlling interests by a listed subsidiary		**(692)**	(830)
Dividends paid to non-controlling interests by a subsidiary		**(29)**	(70)
Capital contribution from a non-controlling interest in a newly incorporated subsidiary		**–**	297
Proceeds from bank and other borrowings		**157,505**	184,622
Repayments of bank and other borrowings		**(169,268)**	(17,806)
Net cash used in financing activities		**(42,263)**	(95,288)
Net increase/(decrease) in cash and cash equivalents		**5,239**	(32,673)
Cash and cash equivalents at beginning of year		**101,829**	134,657
Exchange adjustments on cash and cash equivalents		**(4,216)**	(155)
Cash and cash equivalents at end of year	*27*	**102,852**	101,829

The notes on pages 87 to 159 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. Its registered address is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

The Company is an investment holding company. The principal activities of its subsidiaries are the publishing, printing and distribution of newspapers, magazines, digital contents and books primarily in Chinese language, 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 Stock Exchange of Hong Kong Limited (the "HK Stock Exchange") since 22 March 1991 and subsequently dual-listed on Bursa Malaysia Securities Berhad ("Bursa Securities") on 30 April 2008.

These consolidated financial statements are presented in US dollars ("US$"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 29 May 2014.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated 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 (collectively the "Group") have been prepared in accordance with International Financial Reporting Standards ("IFRSs"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets at fair value through profit or loss and investment properties, which are carried at fair value.

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

(a) New and amended standards adopted by the Group

(i) Amendment to IAS 1 "Financial statement presentation" regarding other comprehensive income. The main change resulting from this amendment is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(a) New and amended standards adopted by the Group *(Continued)*

(ii) IAS 19 (revised) "Employee benefits" amends the accounting for employment benefits. The Group has applied the standard retrospectively in accordance with the transition provisions of the standard. The impact on the Group has been in the following areas:

The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year. There is no change to determining the discount rate; this continues to reflect the yield on high-quality corporate bonds. This has increased the consolidated income statement charge as the discount rate applied to assets is lower than the expected return on assets. This has no effect on total comprehensive income as the increased charge in profit or loss is offset by a credit in other comprehensive income. The change has resulted in an increase in the consolidated income statement charge for the year ended 31 March 2013 of US$307,000. The amendments have been applied retrospectively with comparative figures adjusted accordingly.

	As reported US$'000	**Adjustment** US$'000	**Restated** US$'000
For the year ended 31 March 2013:			
Consolidated income statement			
Employee benefit expense	(116,927)	(307)	(117,234)
Profit before income tax	77,401	(307)	77,094
Profit for the year	58,276	(307)	57,969
Basic earnings per share (US cents)	3.38	(0.02)	3.36
Consolidated statement of comprehensive income			
Actuarial losses of defined benefit plan assets	(141)	141	–
Actuarial gains of long service payment obligations	79	(79)	–
Remeasurements of post-employment benefit obligations	–	245	245
Other comprehensive losses for the year, net of tax	(2,020)	307	(1,713)
As at 31 March 2013:			
Consolidated statement of financial position			
Other reserves	(74,282)	2,639	(71,643)
Retained earnings	204,909	(2,639)	202,270

There is a new term "remeasurements". This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(a) New and amended standards adopted by the Group *(Continued)*

(ii) *(Continued)*

The standard requires remeasurements to be recognised in retained earnings or a separate reserve. The Group has elected to recognise the remeasurements in retained earnings, resulting in increases of US$2,573,000 and US$2,639,000 in other reserves with corresponding decreases in the retained earnings as at 1 April 2012 and 1 April 2013 respectively.

(iii) Amendment to IFRS 7 "Financial instruments: Disclosures", on asset and liability offsetting. The amendment requires new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.

(iv) IFRS 10 "Consolidated financial statements" builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

(v) IFRS 11 "Joint arrangements" focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted.

(vi) IFRS 12 "Disclosures of interests in other entities" includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.

(vii) IFRS 13 "Fair value measurement" aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

Other than as disclosed above, there are no IFRSs or International Financial Reporting Interpretations Committee ("IFRIC") interpretations that are effective for the first time for the financial year beginning on 1 April 2013 that have a material impact on the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2013, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

		Effective for annual periods beginning on or after
Amendments to IAS 19	Defined benefit plans — Employee contributions	1 July 2014
Amendments to IAS 32	Offsetting financial assets and liabilities	1 January 2014
Amendments to IAS 36	Impairment of assets	1 January 2014
Amendments to IAS 39	Novation of derivatives and continuation of hedge accounting	1 January 2014
Amendments to IFRS 10, 12 and IAS 27	Investment entities	1 January 2014
Amendments to IFRSs	Annual improvements to IFRSs 2010–2012 cycle	1 July 2014
Amendments to IFRSs	Annual improvements to IFRSs 2011–2013 cycle	1 July 2014
IFRIC-Int 21	Levies	1 January 2014
IFRS 14	Regulatory deferral accounts	1 January 2016
IFRS 9	Financial instruments	To be determined

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree 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. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amount of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Subsidiaries *(Continued)*

2.2.1 Consolidation *(Continued)*

(a) *Business combinations (Continued)*

If the business combination is achieved in stages, the acquisition date carrying amount of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement (note 2.9).

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners in their capacity as owners. The difference between the fair value of 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) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Subsidiaries *(Continued)*

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary 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.

2.3 Joint arrangements and 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.

The Group has applied IFRS 11 to all joint arrangements as at 1 April 2013. Under IFRS 11, investments in joint arrangements are reclassified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Interests in associates and joint ventures are accounted for using the equity method of accounting. Under the equity method, the interests are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of loss in an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in an associate or a joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or the joint venture and its carrying amount and recognises the impairment adjacent to 'share of profits/(losses) of associates and joint ventures' in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates and joint ventures are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates and joint ventures. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

The change in accounting policies has had no impact on the Group's financial position, comprehensive income, cash flows and earnings per share.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 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.

2.5 Foreign currency translation

(a) Functional and 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 Malaysian Ringgit ("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$, a globally recognised currency, as the presentation currency for the Group's consolidated financial statements. For the entity whose functional currency is not the presentation currency, i.e. US$, its results and financial position have been translated into US$.

(b) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance costs'. All other foreign exchange gains and losses are presented in the income statement within 'other gains, net'.

(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 statement of financial position presented are translated at the closing rate at the end of each reporting period;

(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 in other comprehensive income.

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. Exchange differences arising are recognised in other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.5 Foreign currency translation *(Continued)*

(d) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated currency translation differences is reclassified to profit or loss.

2.6 Property, plant and equipment

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

Buildings situated on leasehold land and held for own use are stated at cost 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 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.

Subsequent costs are included in an 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.

Depreciation is calculated using the straight-line method to allocate the assets' costs over their estimated useful lives, as follows:

Leasehold land classified as finance lease	Shorter of remaining lease term of 29 to 82 years and useful life
Leasehold improvements	Shorter of remaining lease term of 3 to 13 years and useful life
Furniture, fixtures and office equipment	2 to 13 years
Machinery and printing equipment	
— Printing equipment	10 to 20 years
— Machinery	3 to 10 years
Motor vehicles	4 to 10 years

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.6 Property, plant and equipment *(Continued)*

The assets' depreciation method, useful lives and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 2.9).

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

2.7 Investment property

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. Land held under operating leases is accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date 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. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated income statement as part of a valuation gain or loss in "Other gains, net".

2.8 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries, joint ventures and associates and represents the excess of the consideration transferred over the Group's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the amount of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Intangible assets *(Continued)*

(b) Other intangible assets

Other intangible assets primarily 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, publishing rights	40 years
Computer softwares	5–10 years

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

2.10 Financial assets

2.10.1 Classification

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amount that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "Trade and other receivables" (note 2.14) and "Cash and cash equivalents" (note 2.15) in the consolidated statement of financial position.

(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 the investment matures or management intends to dispose of it within 12 months of the end of each reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Financial assets *(Continued)*

2.10.2 Recognition and measurement

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.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position 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.

2.12 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. 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.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.12 Impairment of financial assets *(Continued)*

(a) Assets carried at amortised cost *(Continued)*

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.

(b) Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security 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 the consolidated income statement — is removed from equity and recognised in the consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the consolidated income statement, the impairment loss is reversed through the consolidated income statement.

2.13 Inventories

Inventories 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.

2.14 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.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2.15 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, bank deposits, other short-term highly liquid investments with original maturities of three months or less.

2.16 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)*

2.17 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.

2.18 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.

2.19 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.20 Current and deferred income tax

The tax expense for the period 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.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the countries where the Company, its subsidiaries, joint ventures and associates 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. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.20 Current and deferred income tax *(Continued)*

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill, 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 end of each reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability 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. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary differences will reverse in the future and there is sufficient taxable profit available against which the temporary differences can be utilised.

(c) Offsetting

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 tax 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.

2.21 Employee benefits

(a) Pension obligations

Group companies operate various pension schemes. These schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined contribution and defined benefit plans.

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Employee benefits *(Continued)*

(a) Pension obligations *(Continued)*

Defined contribution plans (Continued)

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. 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

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Remeasurements arising from defined benefit plans are recognised in other comprehensive income and reflected immediately in retained earnings. Remeasurements comprise actuarial gains and losses, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability/asset).

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the consolidated income statement.

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

(i) The defined benefit plan for the Group's employees in Hong Kong is funded by means of an independent pension fund. The liability recognised in the consolidated statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligations at the end of each reporting period 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Employee benefits *(Continued)*

(a) Pension obligations *(Continued)*

Defined benefit plans (Continued)

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

(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 end of each reporting period and are measured at the amounts expected to be paid when they are settled.

(c) 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 end of each reporting period.

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

(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 the end of each reporting period 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 other comprehensive income in the year in which they occur.

2.22 Share-based payments

Equity-settled share-based payment transactions

The Group operates a number of equity-settled, share-based compensation plans, under which the Group receives services from employees as consideration for equity instruments (options) of the Group. 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 is determined by reference to the fair value of the options granted:

— including any market performance conditions (for example, the Group's share prices);

— excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the Group over a specified time period); and

— including the impact of any non-vesting conditions (for example, the requirement for employees to save).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.22 Share-based payments *(Continued)*

Equity-settled share-based payment transactions *(Continued)*

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2.23 Provisions

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

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

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

2.24 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 as an expense.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.25 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 receipts in advance under trade and other payables in the consolidated statement of financial position.

Revenue from tour operations is based on the percentage of the tour that has been completed, where the revenue from provision of other travel related services is recognised at the point that the services have been rendered.

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

Licence 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.26 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.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the commencement of leases at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in current and non-current liabilities. The interest element of the finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under a finance lease is depreciated over the shorter of the useful life of the asset and the lease term.

2.27 Dividend distribution

Dividend distributions to owners of the Company 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: market risk (including price risk, interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks 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 management identifies and evaluates financial risks in close co-operation with the Group's operating units.

(a) Market risk

(i) Price risk

The Group is exposed to listed equity securities price risk because investments held by the Group are classified on the consolidated statement of financial position as financial assets at fair value through profit or loss, for which management adopts the indicative market value in accordance with the stock market as its best estimate of the fair values of such securities. Details are set out in note 21. The management monitors the investment portfolio and the related price risk.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Market risk *(Continued)*

(ii) 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 borrowings have exposure to risk arising from changing interest rates. Bank borrowings at variable rates expose the Group to cash flow interest rate risk. The Group manages these risks by maintaining an appropriate level at variable rates for its bank borrowings.

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 borrowings 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 2014 and 2013 by approximately US$127,000 and US$1,706,000 respectively.

(iii) Foreign exchange 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$") and US$. 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 the consolidated income statement for the year.

(b) 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 allowance for impairment are warranted) is disclosed in note 26. The Group maintains cash and cash equivalents with reputable financial institutions from which management believes the risk of loss to be remote. The management assesses the 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.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) 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 flows and financing cash flows.

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

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Medium term notes				
within one year	**6,463**	–	**6,463**	–
in the second year	**6,463**	–	**6,463**	–
in the third to fifth year	**150,882**	–	**150,882**	–
Short-term bank borrowings				
within one year	**12,748**	170,618	**–**	160,519
	176,556	170,618	**163,808**	160,519
Trade and other payables				
within one year	**49,873**	54,716	**1,698**	1,694
Amounts due to subsidiaries				
within one year	**–**	–	**593**	3,791
	226,429	225,334	**166,099**	166,004

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 shares, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the net 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 attributable to owners of the Company, as shown in the consolidated statement of financial position.

During the year ended 31 March 2014, the Group's strategy was to maintain a net gearing ratio below 40% (2013: 40%).

As at 31 March 2014, the Group's net gearing ratio was 22% (31 March 2013: 33%).

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation

For financial instruments that are measured at fair value, the Group classifies fair value measurements using a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The fair value hierarchy has the following levels:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — 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).

Level 3 — 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 2014:

	Level 1 **US$'000**	**Level 2** **US$'000**	**Level 3** **US$'000**	**Total** **US$'000**
Financial assets at fair value through profit or loss				
Listed equity securities	**237**	**–**	**–**	**237**
Available-for-sale financial assets				
Unlisted club debentures	**–**	**–**	**97**	**97**
	237	**–**	**97**	**334**

The following table presents the Group's assets that are measured at fair value at 31 March 2013:

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Financial assets at fair value through profit or loss				
Listed equity securities	230	–	–	230
Available-for-sale financial assets				
Unlisted club debentures	–	–	97	97
	230	–	97	327

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. 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 determine the fair value of 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 end of each reporting period, 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 2.8(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. The assumptions used are set out in note 18.

(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.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(d) Fair value of investment properties

Investment properties are stated at fair values which have been determined by accredited independent valuers. Details of the judgements and assumptions are disclosed in note 17.

(e) Allowance for impairment of interests in joint ventures and associates

The Group assesses whether there is any indication that the interests in joint ventures and associates are impaired. Any allowance for impairment of these investments is based on an assessment of the recoverability of these balances. The identification of impairment of these balances requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of investments and receivables and allowance for impairment losses in the year in which such estimate has been changed.

(f) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of the property, plant and equipment of similar nature and functions. Management will alter the depreciation where useful lives are different from the previously estimated lives. It will also write-off or write down non-strategic assets that have been abandoned or sold.

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 segments are engaged in the publication, printing and distribution of newspapers, magazines, digital contents and books primarily in Chinese language. The segments derive revenue mainly from advertising and sales of newspapers and magazines. Travel and travel related services segment derives revenue from the sale of travel packages and provision of tour services.

The Group Executive Committee assesses the performance of the operating segments based on a measure of segment profit before income tax as per the 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 2014, analysed by operating segment, are 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	282,387	71,558	26,360	380,305	88,423	468,728
Segment profit before income tax	66,487	6,349	992	73,828	4,215	78,043
Unallocated interest expense						(7,887)
Other net unallocated expenses						(1,196)
Share of losses of joint ventures and associates						(397)
Profit before income tax						68,563
Income tax expense						(19,292)
Profit for the year						49,271
Other information:						
Interest income	1,481	203	–	1,684	7	1,691
Interest expense	(249)	(14)	–	(263)	–	(263)
Depreciation of property, plant and equipment	(8,307)	(1,425)	(400)	(10,132)	(55)	(10,187)
Amortisation of intangible assets	(899)	(129)	(86)	(1,114)	(20)	(1,134)
Income tax expense	(16,632)	(1,339)	(512)	(18,483)	(809)	(19,292)

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The Group's turnover and results for the year ended 31 March 2013, analysed by operating segment, are as follows:

	(Restated)					
	Publishing and printing					
	Malaysia and other Southeast Asian countries	Hong Kong and Mainland China	North America	Sub-total	Travel and travel related services	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Turnover	295,809	76,515	27,941	400,265	77,588	477,853
Segment profit/(loss) before income tax	69,985	9,410	(21)	79,374	1,790	81,164
Unallocated interest expense						(3,185)
Other net unallocated expenses						(743)
Share of losses of joint ventures and associates						(142)
Profit before income tax						77,094
Income tax expense						(19,125)
Profit for the year						57,969
Other information:						
Interest income	2,124	249	–	2,373	6	2,379
Interest expense	(232)	–	–	(232)	–	(232)
Depreciation of property, plant and equipment	(8,524)	(1,474)	(483)	(10,481)	(43)	(10,524)
Amortisation of land use rights	–	(35)	–	(35)	–	(35)
Amortisation of intangible assets	(872)	(118)	(84)	(1,074)	(18)	(1,092)
Impairment of investment in an exchangeable bond — equity derivatives	(1,148)	–	–	(1,148)	–	(1,148)
Income tax expense	(16,697)	(1,536)	(374)	(18,607)	(518)	(19,125)

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

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

	2014 **US$'000**	2013 US$'000
Advertising income, net of trade discounts	**273,553**	286,816
Sales of newspapers, magazines, digital contents and books, net of trade discounts and returns	**106,752**	113,449
Travel and travel related services income	**88,423**	77,588
	468,728	477,853

The segment assets as at 31 March 2014 are 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	**356,121**	**72,071**	**16,813**	**445,005**	**15,387**	**(221)**	**460,171**
Unallocated assets							**2,647**
Total assets							**462,818**
Total assets include:							
Interests in joint ventures and associates	**–**	**2,956**	**–**	**2,956**	**–**	**–**	**2,956**
Additions to non-current assets (other than deferred income tax assets)	**9,840**	**711**	**289**	**10,840**	**329**	**–**	**11,169**

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The segment assets as at 31 March 2013 are as follows:

	Publishing and printing						
	Malaysia and other Southeast Asian countries	Hong Kong and Mainland China	North America	Sub-total	Travel and travel related services	Elimination	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Segment assets	373,398	73,512	18,043	464,953	13,786	(2,674)	476,065
Unallocated assets							3,022
Total assets							479,087
Total assets include:							
Interests in joint ventures and associates	–	3,142	–	3,142	–	–	3,142
Additions to non-current assets (other than investment in an exchangeable bond — equity derivatives and deferred income tax assets)	15,855	2,750	3,554	22,159	67	–	22,226

The elimination between segments represents intercompany receivables and payables between segments.

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, interests in joint ventures and associates, inventories, trade and other receivables, and cash and cash equivalents. They exclude deferred income tax assets, available-for-sale financial assets, financial assets at fair value through profit or loss — listed equity securities, income tax recoverable and assets held by the Company.

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

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 for the years ended 31 March 2014 and 2013, analysed by operating countries, is as follows:

	2014	2013
	US$'000	US$'000
Main operating countries		
— Malaysia and other Southeast Asian countries	**282,387**	295,809
— Hong Kong and Mainland China	**71,558**	76,515
Other countries	**26,360**	27,941
	380,305	400,265

As at 31 March 2014, the Group's total non-current assets, other than deferred income tax assets, analysed by operating countries, are as follows:

	2014	2013
	US$'000	US$'000
Main operating countries		
— Malaysia and other Southeast Asian countries	**207,786**	218,812
— Hong Kong and Mainland China	**21,817**	22,574
Other countries	**7,725**	8,178
	237,328	249,564

6 OTHER INCOME

	2014	2013
	US$'000	US$'000
Scrap sales of old newspapers and magazines	**4,920**	4,871
Other media-related income	**4,622**	2,099
Interest income	**1,691**	2,379
Rental and management fee income	**1,326**	1,257
Licence fee and royalty income	**269**	337
Dividend income	**12**	10
Reversal of provision for service tax	**–**	741
Others	**155**	181
	12,995	11,875

7 OTHER GAINS, NET

	2014 US$'000	2013 US$'000
Net exchange gain	**704**	231
Fair value gains on investment properties	**322**	17
Fair value gains on financial assets at fair value through profit or loss	**6**	38
Gain on disposal of subsidiaries	**–**	1,243
Gain on disposal of convertible notes	**–**	1,126
Others	**–**	510
	1,032	3,165

8 EXPENSES BY NATURE

	2014 US$'000	2013 US$'000 (Restated)
Allowance for impairment and written off of trade receivables	**442**	171
Allowance for inventory obsolescence	**108**	107
Amortisation of intangible assets	**1,134**	1,092
Amortisation of land use rights	**–**	35
Auditor's remuneration		
Current year	**853**	959
Over provision in prior years	**(53)**	(13)
Depreciation of property, plant and equipment	**10,187**	10,524
Direct costs of travel and travel related services	**75,384**	67,109
Employee benefit expense (including directors' emoluments) *(note 14)*	**113,714**	117,234
Impairment of investment in an exchangeable bond — equity derivatives	**—**	1,148
Losses on disposal of property, plant and equipment — net *(note 35(b))*	**256**	410
Losses on disposal of intangible assets	**–**	11
Operating lease expenses		
Land and buildings	**2,363**	2,149
Machinery	**20**	19
Raw materials and consumables used	**104,582**	115,055
Other expenses	**96,655**	96,230
Total cost of goods sold, selling and distribution expenses, administrative expenses, and other operating expenses	**405,645**	412,240

9 FINANCE COSTS

	2014 **US$'000**	2013 US$'000
Interest on short-term bank borrowings	**7,544**	3,417
Interest on medium term notes	**606**	–
	8,150	3,417

10 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2013: 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 rate of 25% (2013: 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.

	2014 **US$'000**	2013 US$'000
Hong Kong taxation		
Current year	**1,836**	1,704
Over provision in prior years	**(10)**	(13)
Malaysian taxation		
Current year	**16,831**	18,396
Over provision in prior years	**(154)**	(36)
Other countries' taxation		
Current year	**735**	401
Under provision in prior years	**94**	209
Deferred income tax credit *(note 19)*	**(40)**	(1,536)
	19,292	19,125

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 rate applicable to profits of the consolidated entities as follows:

	2014 **US$'000**	2013 US$'000
Profit before income tax	**68,563**	77,094
Tax calculated at domestic tax rates applicable to profits in the respective countries	**17,627**	17,420
Effect of change in tax rates	**(165)**	–
Income not subject to tax	**(588)**	(144)
Expenses not deductible for tax purposes	**1,764**	1,566
Utilisation of previously unrecognised tax losses	**(360)**	(434)
Temporary differences not recognised	**166**	(157)
(Over)/under provision in prior years — current tax	**(70)**	160
Tax losses for which no deferred income tax asset was recognised	**1,195**	1,006
Recognition of deferred tax assets arising from previously unrecognised tax losses	**(212)**	(301)
(Over)/under provision in prior years — deferred tax	**(65)**	9
Income tax expense	**19,292**	19,125

The weighted average applicable tax rate for the year was 26% (2013: 23%).

11 PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The profit attributable to owners of the Company was dealt with in the financial statements of the Company to the extent of US$46,189,000 (2013: US$97,410,000).

12 EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	2014	2013 (Restated)
Profit attributable to owners of the Company *(US$'000)*	**48,236**	56,678
Weighted average number of ordinary shares in issue	**1,687,239,605**	1,687,240,655
Basic earnings per share *(US cents)*	**2.86**	3.36
Diluted earnings per share *(US cents)*	**2.86**	3.36

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential shares in issue during the years ended 31 March 2014 and 2013.

13 DIVIDENDS

	2014 US$'000	2013 US$'000
Dividends attributable to the year:		
Special, nil (2012/2013: US$0.13) per ordinary share	**–**	225,715
First interim, paid, US0.750 cents (2012/2013: US0.673 cents) per ordinary share *(note (a))*	**12,654**	11,355
Second interim, declared after the end of the reporting period of US0.680 cents (2012/2013: US1.015 cents) per ordinary share *(note (b))*	**11,473**	17,125
	24,127	254,195
Dividends paid during the year:		
Second interim, 2012/2013, US1.015 cents (2011/2012: US1.448 cents) per ordinary share *(note (c))*	**17,125**	24,431
Special, nil for 2013/2014 (2012/2013: US$0.13) per ordinary share	**–**	225,715
First interim, 2013/2014, US0.750 cents (2012/2013: US0.673 cents) per ordinary share	**12,654**	11,355
	29,779	261,501

13 DIVIDENDS *(Continued)*

Notes:

(a) The first interim dividend of US0.750 cents (2012/2013: US0.673 cents) per ordinary share amounting to US$12,654,000 was paid on 15 January 2014.

(b) The Board of Directors has declared a second interim dividend of US0.680 cents per ordinary share in lieu of a final dividend for the year ended 31 March 2014. The dividend will be payable on 1 August 2014 to shareholders whose names appear on the register of members of the Company at the close of business on 11 July 2014 in cash in RM or in HK$ at exchange rates determined on 29 May 2014 by reference to the middle exchange rates applicable to US$ at 12:00 noon as quoted by Bank Negara Malaysia. No tax is payable on the dividend declared by the Company to be received by 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 29 May 2014 as quoted by Bank Negara Malaysia of US$ to RM and US$ to HK$, and the amount of the second interim dividend payable is as follows:

	Exchange rates	**Dividend per ordinary share**
US$ to RM	3.2215	2.191 sen
US$ to HK$	7.7531	HK5.272 cents

(c) The second interim dividend of US1.015 cents per ordinary share amounting to US$17,125,000 in respect of the year ended 31 March 2013 was paid on 31 July 2013.

14 EMPLOYEE BENEFIT EXPENSE

	2014 US$'000	2013 US$'000 (Restated)
Wages and salaries	**84,230**	84,458
Unutilised annual leave	**60**	98
Pension costs — defined contribution plans	**7,769**	7,839
Pension costs — defined benefit plans *(note 34(b))*	**195**	227
Long service payments *(note 30(a))*	**55**	107
Other staff costs	**21,405**	24,505
	113,714	117,234

15 DIRECTORS', CHIEF EXECUTIVES' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) The remuneration of every director and chief executive for the years ended 31 March 2014 and 2013 is set out below:

Name of Director	Fees US$'000	Salaries, allowances and benefits in kind US$'000	Bonuses US$'000	Employer's contributions to pension schemes US$'000	Total US$'000
Group Chief Executive Officer and executive director					
Mr TIONG Kiew Chiong *(note 1)*	**17**	**312**	**121**	**16**	**466**
Executive directors					
Tan Sri Datuk Sir TIONG Hiew King *(note 2)*	**357**	**–**	**62**	**–**	**419**
Dato' Sri Dr TIONG Ik King	**21**	**–**	**–**	**–**	**21**
Mr NG Chek Yong	**–**	**243**	**94**	**49**	**386**
Mr LEONG Chew Meng	**–**	**175**	**67**	**35**	**277**
Non-executive director					
Ms TIONG Choon	**24**	**1**	**–**	**–**	**25**
Independent non-executive directors					
Mr David YU Hon To *(note 3)*	**54**	**–**	**–**	**–**	**54**
Tan Sri Dato' LAU Yin Pin	**27**	**3**	**–**	**–**	**30**
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	**27**	**2**	**–**	**–**	**29**
Total for the year ended 31 March 2014	**527**	**736**	**344**	**100**	**1,707**
Group Chief Executive Officer and executive director					
Mr TIONG Kiew Chiong *(note 1)*	15	303	129	15	462
Executive directors					
Tan Sri Datuk Sir TIONG Hiew King *(note 2)*	369	–	65	–	434
Dato' Sri Dr TIONG Ik King	21	–	–	–	21
Mr NG Chek Yong	–	216	73	41	330
Ms SIEW Nyoke Chow	–	224	72	43	339
Mr LEONG Chew Meng	–	–	–	–	–
Non-executive directors					
Mr LEONG Chew Meng	25	2	–	–	27
Ms TIONG Choon	–	–	–	–	–
Independent non-executive directors					
Mr David YU Hon To *(note 3)*	53	–	–	–	53
Tan Sri Dato' LAU Yin Pin	28	2	–	–	30
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	28	2	–	–	30
Total for the year ended 31 March 2013	539	749	339	99	1,726

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

(a) The remuneration of every director and chief executive for the years ended 31 March 2014 and 2013 is set out below: *(Continued)*

Notes:

(1) The remuneration of Mr TIONG Kiew Chiong included his fee and bonus as an executive director of One Media in the amount of US$96,000 (2013: US$115,000).

(2) The director's fee for Tan Sri Datuk Sir TIONG Hiew King included his fee as a non-executive director of One Media in the amount of US$17,000 (2013: US$15,000).

(3) The director's fee for Mr David YU Hon To included his fee as an independent non-executive director of One Media in the amount of US$23,000 (2013: US$22,000).

(4) During the years ended 31 March 2014 and 2013, no option was granted to the directors under the Post-IPO Scheme of One Media.

(5) No director 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 2014 and 2013.

(b) The 5 highest paid individuals during the year include 3 (2013: 4) executive directors whose emoluments are reflected in the analysis presented above. The emoluments paid to the remaining 2 (2013: 1) individual(s) during the year are as follows:

	2014	2013
	US$'000	US$'000
Basic salaries, bonuses, other allowances and benefits in kind	**761**	476
Contributions to pension schemes	**10**	2
	771	478

The emoluments of the 2 (2013: 1) individual(s) fall within the following bands:

	Number of individuals	
	2014	2013
From US$322,278 to US$386,732 (equivalent to HK$2,500,001 to HK$3,000,000)	**1**	–
From US$386,733 to US$451,188 (equivalent to HK$3,000,001 to HK$3,500,000)	**1**	–
From US$451,189 to US$515,643 (equivalent to HK$3,500,001 to HK$4,000,000)	**–**	1
	2	1

16 PROPERTY, PLANT AND EQUIPMENT

	Group											
	Other properties											
	Freehold land and buildings outside Hong Kong US$'000	Long-term leasehold land outside Hong Kong US$'000	Long-term buildings outside Hong Kong US$'000	Medium-term leasehold land in Hong Kong US$'000	Medium-term buildings in Hong Kong US$'000	Medium-term leasehold land outside Hong Kong US$'000	Medium-term buildings outside Hong Kong US$'000	Leasehold improvements, furniture, fixtures and office equipment US$'000	Machinery and printing equipment US$'000	Motor vehicles US$'000	Construction-in- progress US$'000	Total US$'000
At 31 March 2012												
Cost	27,424	7,401	16,158	15,363	8,777	12,002	17,694	39,963	127,461	3,119	302	275,664
Accumulated depreciation	(2,145)	(1,137)	(4,981)	(5,471)	(3,851)	(1,263)	(4,563)	(30,325)	(68,911)	(1,968)	–	(124,615)
Net book amount	25,279	6,264	11,177	9,892	4,926	10,739	13,131	9,638	58,550	1,151	302	151,049
Year ended 31 March 2013												
Opening net book amount	25,279	6,264	11,177	9,892	4,926	10,739	13,131	9,638	58,550	1,151	302	151,049
Additions	894	674	–	–	–	1,284	1,866	4,026	4,375	606	3,493	17,218
Currency translation differences	(251)	(81)	(99)	1	–	(75)	(137)	(93)	(527)	(9)	(10)	(1,281)
Reclassifications	–	(4,598)	(652)	–	–	4,598	652	–	1,965	–	(1,965)	–
Transfer to investment properties	–	–	–	–	–	(1,282)	(1,783)	–	–	–	–	(3,065)
Disposals	–	–	–	–	–	–	–	(65)	(445)	(93)	–	(603)
Disposals of subsidiaries	–	–	(198)	–	–	–	(910)	(170)	(558)	(23)	–	(1,859)
Depreciation *(note (b))*	(355)	(35)	(621)	(280)	(244)	(339)	(900)	(2,312)	(5,041)	(397)	–	(10,524)
Closing net book Amount	25,567	2,224	9,607	9,613	4,682	14,925	11,919	11,024	58,319	1,235	1,820	150,935
At 31 March 2013												
Cost	28,037	2,406	14,353	15,365	8,777	17,492	17,548	39,137	121,726	2,974	1,820	269,635
Accumulated depreciation	(2,470)	(182)	(4,746)	(5,752)	(4,095)	(2,567)	(5,629)	(28,113)	(63,407)	(1,739)	–	(118,700)
Net book amount	25,567	2,224	9,607	9,613	4,682	14,925	11,919	11,024	58,319	1,235	1,820	150,935
Year ended 31 March 2014												
Opening net book amount	25,567	2,224	9,607	9,613	4,682	14,925	11,919	11,024	58,319	1,235	1,820	150,935
Additions	27	–	1,709	–	–	–	29	4,014	3,202	295	1,547	10,823
Currency translation differences	(1,376)	(115)	(97)	6	4	(782)	(992)	(538)	(2,839)	(47)	(186)	(6,962)
Reclassifications	–	–	(6,197)	–	–	–	6,503	(1,838)	1,931	–	(399)	–
Disposals	(27)	–	–	–	–	–	–	(118)	(130)	(26)	–	(301)
Depreciation *(note (b))*	(361)	(37)	(80)	(280)	(244)	(325)	(1,355)	(2,403)	(4,763)	(339)	–	(10,187)
Closing net book Amount	23,830	2,072	4,942	9,339	4,442	13,818	16,104	10,141	55,720	1,118	2,782	144,308
At 31 March 2014												
Cost	26,495	2,280	5,470	15,375	8,783	16,571	26,815	38,099	120,827	2,830	2,782	266,327
Accumulated depreciation	(2,665)	(208)	(528)	(6,036)	(4,341)	(2,753)	(10,711)	(27,958)	(65,107)	(1,712)	–	(122,019)
Net book amount	23,830	2,072	4,942	9,339	4,442	13,818	16,104	10,141	55,720	1,118	2,782	144,308

16 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Notes:

(a) Certain property, plant and equipment are pledged as collateral for the Group's banking facilities. The details are set out in note 36.

(b) Depreciation expense of US$4,763,000 (2013: US$5,041,000) was included in "Cost of goods sold" and US$5,424,000 (2013: US$5,483,000) was charged in "Other operating expenses".

17 INVESTMENT PROPERTIES

	Group	
	2014	2013
	US$'000	US$'000
At 1 April	**17,579**	11,212
Additions	**–**	3,402
Transfer from property, plant and equipment	**–**	3,065
Net gain from fair value adjustments	**322**	17
Currency translation differences	**(757)**	(117)
At 31 March	**17,144**	17,579

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

	Group	
	2014	2013
	US$'000	US$'000
In Malaysia, held on:		
Freehold	**5,237**	5,454
Leases of over 50 years	**5,183**	8,925
Leases of between 10 and 50 years	**3,424**	–
	13,844	14,379
In USA, held on:		
Freehold	**3,300**	3,200
	17,144	17,579

Independent valuations of the Group's investment properties were performed by Raine & Horne International Zaki + Partners Sdn Bhd and Betsy Mak Appraisal Group, to determine the fair value of the investment properties as at 31 March 2014 and 2013. The revaluation gains or losses were included in 'Other gains, net' in the consolidated income statement (note 7). The following table analyses the investment properties carried at fair value, by the level of input to valuation techniques used to measure fair value.

17 INVESTMENT PROPERTIES *(Continued)*

Fair value hierarchy

	Fair value measurements at 31 March 2014 using		
Description	**Quoted prices in active markets for identical assets (Level 1) US$'000**	**Significant other observable inputs (Level 2) US$'000**	**Significant unobservable inputs (Level 3) US$'000**
Recurring fair value measurements			
Investment properties:			
— Malaysia	–	13,844	–
— USA	–	–	3,300

There were no transfers between Levels 1, 2 and 3 during the year.

Valuation techniques

For the property in the USA, the valuation was determined using income capitalisation approach based on significant unobservable inputs. These inputs include:

Future rental cash inflows	Based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts and external evidence such as current market rents for similar properties;
Estimated vacancy rates	Based on current and expected future market conditions after expiry of any current lease;
Maintenance costs	Including necessary investments to maintain functionality of the property for its expected useful life;
Capitalisation rates	Based on actual location, size and quality of the properties and taking into account market data at the valuation date.

17 INVESTMENT PROPERTIES *(Continued)*

Information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value at 31 March 2014 (US$'000)	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Commercial building – USA	3,300	Income capitalisation approach and sales comparison approach	Rental value	US$205,920 per annum	The higher the rental value, the higher the fair value
			Capitalisation rate	4.75%	The higher the capitalisation rate, the lower the fair value
			Vacancy rate	2%–4%	The higher the vacancy rate, the lower the fair value
			Estimated expenses	US$17.27 per square foot	The higher the estimated expenses, the lower the fair value

There are inter-relationships between unobservable inputs. Estimated vacancy rates may impact the yield with higher vacancy rates resulting in lower yields. An increase in future rental income may be linked with higher expenses. If the remaining lease term increases, the yield may decrease.

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

	Group	
	2014	2013
	US$'000	US$'000
Rental income	**1,119**	921
Direct operating expenses arising from investment properties that generate rental income	**(141)**	(72)
	978	849

At 31 March 2014, the Group has future aggregate minimum rental receivables under non-cancellable operating leases as follows:

	Group	
	2014	2013
	US$'000	US$'000
No later than one year	**787**	132
Later than one year and no later than five years	**769**	1,836
Later than five years	**–**	–
	1,556	1,968

17 INVESTMENT PROPERTIES *(Continued)*

Particulars of the Group's investment properties at fair values as at 31 March 2014 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)	18
2	PT12917 HS(D) 103390 (Ground Floor) Putra Indah A, Putra Nilai, 71800 Nilai, Negeri Sembilan Darul Khusus, Malaysia	Freehold	Commercial building	73
3	No. 25, Rawang Integrated Industrial Park, Jalan Batu Arang, 48000 Rawang, Selangor Darul Ehsan, Malaysia	Freehold	Office building and single storey factory building	5,146
4	37-06, Prince Street, Flushing NY 11354, the USA	Freehold	Commercial building	3,300
5	No. 76 Jalan Universiti, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Leasehold/2063	Office building	3,424
6	59-1-2, Jalan TMR 2, Taman Melaka Raya, 75000 Melaka, Malaysia	Leasehold/2094	Commercial building	168
7	AR09-F3A0, Ara Ria 09, Jalan UTL 9, Bandar University Teknologi Lagenda, 71700 Mantin, Negeri Sembilan Darul Khusus, Malaysia	Leasehold/2099	Residential building	21
8	Lot 22, Jalan Sultan Mohamed 4, Taman Perindustrian Bandar Sultan Sulaiman, 42000 Pelabuhan Klang Utara, Selangor Darul Ehsan, Malaysia	Leasehold/2105	Warehouse	3,215
9	No. 3, Lorong Kilang F, Kelombong, 88450 Kota Kinabalu, Sabah, Malaysia	Leasehold/2920	Office building	1,779
				17,144

18 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 2013					
Opening net book amount	14,927	2,253	17,180	60,944	78,124
Additions	903	703	1,606	80	1,686
Amortisation expense *(note (a))*	(447)	(645)	(1,092)	–	(1,092)
Disposals	–	(11)	(11)	–	(11)
Currency translation differences	(152)	(5)	(157)	(642)	(799)
Closing net book amount	15,231	2,295	17,526	60,382	77,908
At 31 March 2013					
Cost	28,024	5,153	33,177	67,812	100,989
Accumulated amortisation and impairment	(12,793)	(2,858)	(15,651)	(7,430)	(23,081)
Net book amount	15,231	2,295	17,526	60,382	77,908
Year ended 31 March 2014					
Opening net book amount	**15,231**	**2,295**	**17,526**	**60,382**	**77,908**
Additions	**–**	**346**	**346**	**–**	**346**
Amortisation expense *(note (a))*	**(465)**	**(669)**	**(1,134)**	**–**	**(1,134)**
Currency translation differences	**(939)**	**(99)**	**(1,038)**	**(3,162)**	**(4,200)**
Closing net book amount	**13,827**	**1,873**	**15,700**	**57,220**	**72,920**
At 31 March 2014					
Cost	**26,688**	**5,244**	**31,932**	**64,434**	**96,366**
Accumulated amortisation and impairment	**(12,861)**	**(3,371)**	**(16,232)**	**(7,214)**	**(23,446)**
Net book amount	**13,827**	**1,873**	**15,700**	**57,220**	**72,920**

18 INTANGIBLE ASSETS *(Continued)*

Notes:

(a) Amortisation expense of US$1,134,000 (2013: US$1,092,000) is included in "Other operating expenses" in the consolidated income statement.

(b) Goodwill acquired through business combinations is allocated to cash-generating units ("CGUs") for 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	
	2014	2013
	US$'000	US$'000
Guang-Ming Ribao Sdn Bhd *(note (i))*	**8,429**	8,897
Mulu Press Sdn Bhd *(note (i))*	**556**	587
Sinchew-i Sdn Bhd *(note (i))*	**43**	46
Subsidiaries in Mainland China *(note (iii))*	**348**	348
Sin Chew Media Corporation Berhad *(note (ii))*	**47,844**	50,504
	57,220	60,382

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. Cash flows beyond the five-year period are extrapolated without any growth rate. Management determined budgeted gross margin based on past performance and its expectations for market development. The 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 in revenue 2014	**Pre-tax discount rate 2014**
Goodwill of Guang-Ming Ribao Sdn Bhd *(note (i))*	**–1%**	**10.1%**
Goodwill of Mulu Press Sdn Bhd *(note (i))*	**1%**	**10.1%**
Goodwill of Sinchew-i Sdn Bhd *(note (i))*	**0%**	**10.1%**
Goodwill of subsidiaries in Mainland China *(note (iii))*	**7%**	**9%**
Goodwill of Sin Chew Media Corporation Berhad *(note (ii))*	**–2%**	**10.1%**

The value-in-use calculations for all the CGUs are sensitive to these key assumptions, which included discount rates and revenue growth 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 as mentioned in note (i) below.

18 INTANGIBLE ASSETS *(Continued)*

Notes: (Continued)

(i) Arose from the acquisition of Guang-Ming Ribao Sdn Bhd, Mulu Press Sdn Bhd and Sinchew-i Sdn Bhd by Sin Chew Media Corporation Berhad ("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 amount 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) 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 non-controlling shareholders. The purchase resulted in the Company recording a goodwill of US$49,018,000 as at 31 March 2008. At 31 March 2014, the goodwill amounted to US$47,844,000 (2013: US$50,504,000) after an exchange adjustment of US$2,660,000 during the year.

Management has assessed that, amongst all assumptions used in the value-in-use calculations, the most sensitive key assumption is the discount rate which was arrived at based on weighted average cost of capital. The discount rate applied in determining the recoverable amounts of the CGUs was 10.1% (2013: 10.8%). As an increase in the discount rate of 1% (2013: 1%) would result in approximately US$13,729,000 (2013: US$38,954,000) change in the recoverable amount of Sin Chew, whereas an increase in the discount rate of 1% (2013: 1%) would result in approximately US$718,000 (2013: US$1,018,000) change in the recoverable amount of Guang-Ming Ribao Sdn Bhd. There is still sufficient headroom after considering the reasonably possible change in the recoverable amounts as mentioned above.

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

19 DEFERRED INCOME TAX

The analysis of deferred income tax assets and liabilities is as follows:

	Group	
	2014	2013
	US$'000	US$'000
Deferred income tax assets:		
to be recovered within 12 months	**(734)**	(790)
to be recovered after 12 months	**(721)**	(884)
	(1,455)	(1,674)
Deferred income tax liabilities:		
to be settled within 12 months	**529**	515
to be settled after 12 months	**11,777**	12,590
	12,306	13,105
Deferred income tax liabilities — net	**10,851**	11,431

19 DEFERRED INCOME TAX *(Continued)*

Movements in net deferred income tax liabilities are as follows:

	Group	
	2014	2013
	US$'000	US$'000
At 1 April	**11,431**	13,126
Credited to the consolidated income statement *(note 10)*	**(40)**	(1,536)
Credited directly to other comprehensive income	**–**	(46)
Currency translation differences	**(540)**	(113)
At 31 March	**10,851**	11,431

The components of deferred income tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements (prior to offsetting of the balances within the same tax jurisdiction) during the year are as follows:

	Group						
	Accelerated tax depreciation US$'000	Allowance for impairment of trade receivables US$'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	Total US$'000
At 1 April 2012	15,161	(437)	(1,734)	(511)	(1,389)	2,036	13,126
(Credited)/charged to the consolidated income statement	(656)	18	(96)	101	599	(1,502)	(1,536)
Credited directly to other comprehensive income	–	–	–	–	–	(46)	(46)
Currency translation differences	(127)	1	15	2	4	(8)	(113)
At 31 March 2013	14,378	(418)	(1,815)	(408)	(786)	480	11,431
At 1 April 2013	**14,378**	**(418)**	**(1,815)**	**(408)**	**(786)**	**480**	**11,431**
(Credited)/charged to the consolidated income statement	**(333)**	**(81)**	**(42)**	**3**	**212**	**201**	**(40)**
Currency translation differences	**(635)**	**5**	**89**	**2**	**9**	**(10)**	**(540)**
At 31 March 2014	**13,410**	**(494)**	**(1,768)**	**(403)**	**(565)**	**671**	**10,851**

19 DEFERRED INCOME TAX *(Continued)*

Deferred income tax assets are recognised for tax loss carried-forwards to the extent that the realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of US$65,309,000 (2013: US$71,878,000) to be carried forward against future taxable income. Losses amounting to US$3,219,000 (2013: US$3,460,000) will expire within 5 years. Losses amounting to US$30,765,000 (2013: US$35,138,000) will expire between 6 and 20 years. The remaining tax losses amounting to US$31,325,000 (2013: US$33,280,000) can be carried forward indefinitely.

20 INTERESTS IN JOINT VENTURES AND ASSOCIATES

	Group	
	2014	2013
	US$'000	US$'000
Interests in associates *(note (a))*	**2,399**	2,179
Interests in joint ventures *(note (b))*	**557**	963
	2,956	3,142

Movements in the interests in joint ventures and associates are as follows:

	Group	
	2014	2013
	US$'000	US$'000
At 1 April	**3,142**	2,253
Additional investment in an associate	**97**	–
Acquisition of an associate *(note (c))*	**115**	–
Formation of joint ventures	**–**	1,032
Share of losses (including amortisation of trademark and customer list)	**(397)**	(142)
Dividend received from an associate	**(3)**	–
Currency translation differences	**2**	(1)
At 31 March	**2,956**	3,142

Notes:

(a) Particulars of the Group's associates are as follows:

Name of associate	Place of incorporation	% interest held	Principal activities
ByRead Inc. *(note (d))*	The Cayman Islands	24.97%	*Note (ii)*
Blackpaper Limited	Hong Kong	10%	*Note (iii)*
Guangzhou Tangde Advertising Company Limited *(note (c))*	Peoples Republic of China	10%	*Note (iv)*

20 INTERESTS IN JOINT VENTURES AND ASSOCIATES *(Continued)*

Notes: (Continued)

(a) *(Continued)*

(i) All the investments in associates are owned by the subsidiaries of One Media Group Limited ("One Media"), a listed subsidiary owned as to 73.18% by the Company at the date of this report.

(ii) ByRead Inc. is engaged in investment holding and the principal activities of its subsidiaries include provision of mobile value-added services such as entertainment, learning and multimedia applications for individuals and enterprises in Mainland China.

(iii) Blackpaper Limited is engaged in providing creative multimedia services and advertising campaigns.

(iv) Guangzhou Tangde Advertising Company Limited is engaged in providing public relations and events organising services for enterprises in Mainland China.

(b) Particulars of the Group's joint ventures are as follows:

Name of joint venture	Place of incorporation	% interest held	Principal activities
Chu Kong Culture Media Company Limited	The British Virgin Islands	40%	Investment holding
Connect Media Company Limited	Hong Kong	40%	Provision of advertising services in Hong Kong

Note: All the above investments in joint ventures are owned by the subsidiaries of One Media.

(c) During the year ended 31 March 2014, One Media, through its subsidiary, subscribed for 10% of the entire issued share capital as enlarged by the subscription of the shares in Guangzhou Tangde Advertising Company Limited for a consideration of RMB700,000. Although the Group holds less than 20% of the equity shares of this company, the Group exercises significant influence by virtue of its contractual right to nominate and remove one director out of the three directors, all having equal voting rights, which form the board of directors of this company. In addition, One Media has the power to participate in making financial and operating policy decisions of this company.

(d) As at 31 March 2014, interest in ByRead Inc. included goodwill of US$1,751,000 (2013: US$1,751,000), trademark of US$752,000 (2013: US$781,000) and customer list of US$13,000 (2013: US$30,000) which have been identified from the acquisition. The useful lives for trademark and customer list are 30 years and 5 years respectively.

20 INTERESTS IN JOINT VENTURES AND ASSOCIATES *(Continued)*

Notes: (Continued)

(e) The Group's share of results of the joint ventures and associates are as follows:

	Group Year ended 31 March	
	2014	2013
	US$'000	US$'000
Joint ventures		
Post-tax losses	**(406)**	(69)
Other comprehensive income	**–**	–
Total comprehensive losses	**(406)**	(69)
Associates		
Post-tax profit/(losses)	**56**	(27)
Other comprehensive income	**–**	1
Total comprehensive income/(losses)	**56**	(26)

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2014	2013
	US$'000	US$'000
Listed equity securities in Hong Kong, at market value	**237**	230

Note: 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 2014 of US$6,000 (2013: gains of US$38,000) were included under "Other gains, net" in the consolidated income statement.

22 INTERESTS IN SUBSIDIARIES

	Company	
	2014	2013
	US$'000	US$'000
Unlisted shares, at cost	**466,667**	466,667
Less: allowance for impairment	**(36,126)**	(36,126)
Currency translation differences	**(10,311)**	–
	420,230	430,541

Details of the Company's principal subsidiaries are set out in note 40.

23 FINANCIAL INSTRUMENTS BY CATEGORY

	Group				Company
	Loans and receivables	Assets at fair value through profit or loss	Available-for-sale	Total	Loans and receivables
	US$'000	US$'000	US$'000	US$'000	US$'000
Assets					
At 31 March 2014					
Available-for-sale financial assets *(note 25)*	**–**	**–**	**97**	**97**	**–**
Trade and other receivables excluding prepayments	**60,869**	**–**	**–**	**60,869**	**54**
Financial assets at fair value through profit or loss *(note 21)*	**–**	**237**	**–**	**237**	**–**
Cash and cash equivalents *(note 27)*	**102,852**	**–**	**–**	**102,852**	**120**
Total	**163,721**	**237**	**97**	**164,055**	**174**
At 31 March 2013					
Available-for-sale financial assets *(note 25)*	–	–	97	97	–
Trade and other receivables excluding prepayments	68,054	–	–	68,054	55
Financial assets at fair value through profit or loss *(note 21)*	–	230	–	230	–
Cash and cash equivalents *(note 27)*	101,829	–	–	101,829	96
Total	169,883	230	97	170,210	151

	Financial liabilities at amortised cost			
	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Liabilities				
Bank and other borrowings *(note 29)*	**150,530**	170,602	**137,804**	160,519
Trade and other payables excluding non-financial liabilities	**46,250**	49,507	**2,308**	1,694
Amounts due to subsidiaries *(note 28)*	**–**	–	**593**	3,791
Total	**196,780**	220,109	**140,705**	166,004

24 INVENTORIES

	Group 2014 US$'000	Group 2013 US$'000
Raw materials and consumables	**51,463**	48,906
Finished goods	**923**	1,222
	52,386	50,128

Raw materials and consumables recognised as expenses and included in "Cost of goods sold" amounted to US$104,582,000 (2013: US$115,055,000).

25 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group 2014 US$'000	Group 2013 US$'000
At 1 April and 31 March	**97**	97

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

As at 31 March 2014, the available-for-sale financial assets were denominated in Hong Kong dollars and the fair values approximated the carrying amounts.

The maximum exposure to credit risk at the reporting date is the carrying amounts of the available-for-sale financial assets.

26 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables	**57,228**	66,452	**–**	–
Less: allowance for impairment of trade receivables	**(1,848)**	(2,362)	**–**	–
Trade receivables, net *(note (a))*	**55,380**	64,090	**–**	–
Deposits and prepayments *(note (b))*	**8,227**	7,063	**54**	55
Other receivables *(note (b))*	**4,172**	3,542	**–**	–
	67,779	74,695	**54**	55

At 31 March 2014, the fair values of trade and other receivables approximated the carrying amounts.

26 TRADE AND OTHER RECEIVABLES *(Continued)*

Notes:

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

At 31 March 2014, the ageing analysis of the net trade receivables based on invoice date is as follows:

	Group	
	2014	2013
	US$'000	US$'000
1 to 60 days	**38,400**	45,739
61 to 120 days	**13,412**	14,631
121 to 180 days	**2,366**	2,023
Over 180 days	**1,202**	1,697
	55,380	64,090

The carrying amounts of the Group's net trade receivables are denominated in the following currencies:

	Group	
	2014	2013
	US$'000	US$'000
Malaysian Ringgit	**35,656**	42,000
HK dollars	**13,256**	13,466
Canadian dollars	**4,312**	5,157
Renminbi	**1,054**	1,854
US dollars	**830**	1,399
Other currencies	**272**	214
	55,380	64,090

The Group has trade receivables from customers engaged in various industries and which 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 are monitored on an ongoing basis to reduce the Group's exposure to bad debts. The credit period on trade receivables, depending on the business area, is 7 days to 120 days.

As at 31 March 2014, trade receivables that were neither past due nor impaired amounted to US$35,849,000 (2013: US$42,437,000), which represented about 65% (2013: 66%) of the net trade receivables balance. These balances related to a wide range of customers for whom there were good trade records without default history. Based on past experience and the credit quality of the customers, there is no evidence of impairment in respect of these balances and the balances are considered fully recoverable.

26 TRADE AND OTHER RECEIVABLES *(Continued)*

Notes: (Continued)

(a) *(Continued)*

As at 31 March 2014, the ageing analysis of the Group's net trade receivables that were past due but not impaired is as follows:

	Group	
	2014	2013
	US$'000	US$'000
Overdue by:		
1 to 60 days	**16,079**	17,909
61 to 120 days	**2,015**	2,151
121 to 180 days	**797**	730
Over 180 days	**640**	863
	19,531	21,653

During the year ended 31 March 2014, the Group has recognised a net loss of US$206,000 (2013: US$23,000) for the impairment of its trade receivables and directly written off an amount of US$236,000 (2013: US$148,000) as bad debts. These are included in "Selling and distribution expenses" in the consolidated income statement.

Movements in the allowance for impairment of trade receivables are as follows:

	Group	
	2014	2013
	US$'000	US$'000
At 1 April	**2,362**	2,806
Allowance for impairment of receivables	**861**	1,255
Receivables written off as uncollectible	**(644)**	(448)
Unused amounts reversed	**(655)**	(1,232)
Currency translation differences	**(76)**	(19)
At 31 March	**1,848**	2,362

The creation and release of allowance 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 Group holds deposits and bank guarantees of US$3,563,000 (2013: US$3,897,000) and US$8,085,000 (2013: US$16,321,000) respectively provided by the customers as security for certain trade receivables with a carrying amount of US$10,772,000 (2013: US$13,024,000). Other than that, the Group does not hold any collateral as security.

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

(c) The trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying amounts of each class of receivables mentioned above.

27 CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Cash at bank and on hand	**50,956**	45,468	**120**	96
Short-term bank deposits	**51,896**	56,361	**–**	–
Cash and cash equivalents	**102,852**	101,829	**120**	96

The effective interest rates on short-term bank deposits ranged from 1.46% to 3.35% per annum during the year ended 31 March 2014 (2013: 1.28% to 3.30%); the maturity dates of these deposits ranged from 2 to 91 days (2013: 3 to 90 days).

28 TRADE AND OTHER PAYABLES

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Trade payables *(note (a))*	**18,855**	22,601	**–**	–
Accrued charges and other payables	**29,922**	30,283	**2,308**	1,694
Receipts in advance	**16,737**	16,921	**–**	–
Amounts due to subsidiaries *(note (b))*	**–**	–	**593**	3,791
Amounts due to related parties *(note 39)*	**3,232**	3,093	**–**	–
	68,746	72,898	**2,901**	5,485

As at 31 March 2014, the fair values of trade and other payables approximated the carrying amounts.

Notes:

(a) At 31 March 2014, the ageing analysis of the trade payables based on invoice date is as follows:

	Group	
	2014	2013
	US$'000	US$'000
1 to 60 days	**16,025**	19,990
61 to 120 days	**1,956**	1,889
121 to 180 days	**212**	253
Over 180 days	**662**	469
	18,855	22,601

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

29 BANK AND OTHER BORROWINGS

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Current				
Short-term bank borrowings *(note (a))*	**12,726**	170,602	**–**	160,519
Non-current				
Medium term notes *(note (b))*	**137,804**	–	**137,804**	–
Total bank and other borrowings	**150,530**	170,602	**137,804**	160,519

Notes:

(a) Short-term bank borrowings

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Secured	**765**	–	**–**	–
Unsecured	**11,961**	170,602	**–**	160,519
	12,726	170,602	**–**	160,519

The carrying amounts of the short-term bank borrowings are denominated in the following currencies:

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Malaysian Ringgit	**8,094**	170,602	**–**	160,519
US dollars	**765**	–	**–**	–
Hong Kong dollars	**3,867**	–	**–**	–
	12,726	170,602	**–**	160,519

The decrease in short-term bank borrowings was primarily due to the repayment of a short-term bank loan on 25 February 2014 which was financed by the issue of medium term notes and internal funding.

As at 31 March 2014, the fair values of the short-term bank borrowings approximated the carrying amounts.

29 BANK AND OTHER BORROWINGS *(Continued)*

Notes: (Continued)

(b) Medium term notes

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
4.58% notes due on 24 February 2017	**68,902**	–	**68,902**	–
4.80% notes due on 24 February 2019	**68,902**	–	**68,902**	–
	137,804	–	**137,804**	–

On 25 February 2014, the Company issued two tranches of RM225,000,000 each of medium term notes (the "Notes"). The Notes have annual coupon rates of 4.58% and 4.80% and will mature on 24 February 2017 and 24 February 2019 respectively. Proceeds from the issuance of the Notes were used to repay the short-term bank borrowings.

The carrying amounts of the Notes are denominated in the following currencies:

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Malaysian Ringgit	**137,804**	–	**137,804**	–

The fair values of the Notes approximated the carrying amounts, as the impact of discounting is not significant. The fair value is based on cash flows discounted using a rate based on the borrowing rate of 4.69% (2013: Nil) and the Notes are classified within level 2 of the fair value hierarchy.

30 OTHER NON-CURRENT LIABILITIES

	Group	
	2014	2013
	US$'000	US$'000
Retirement benefit obligations *(note (a))*	**752**	1,025
Defined benefit plan liabilities *(note 34)*	**51**	365
	803	1,390
Current portion of other non-current liabilities	**(62)**	(58)
	741	1,332

30 OTHER NON-CURRENT LIABILITIES *(Continued)*

Notes:

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

(i) long service payment obligations 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 cost and interest cost have been recognised during the year and included in employee benefit expense (note 14).

The amounts recognised in the consolidated statement of financial position are as follows:

	Group	
	2014	2013
	US$'000	US$'000
Present value of the retirement benefit obligations	**752**	1,025

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

	Group	
	2014	2013
	US$'000	US$'000
At 1 April	**1,025**	1,103
Current service cost	**27**	74
Interest cost	**28**	33
Long service payments made	**(56)**	(99)
Remeasurements of post-employment benefit obligations	**(224)**	(79)
Currency translation differences	**(48)**	(7)
At 31 March	**752**	1,025

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

	Group	
	2014	2013
	US$'000	US$'000
Current service cost	**27**	74
Interest cost	**28**	33
Total included in employee benefit expense *(note 14)*	**55**	107

30 OTHER NON-CURRENT LIABILITIES *(Continued)*

Notes: (Continued)

(a) *(Continued)*

The principal actuarial assumptions used are as follows:

For obligations under the HK Scheme:

	Group	
	2014	2013
Average future working lifetime (in years)	**20**	21
Discount rate	**1.9%**	0.8%
Expected inflation rate	**3.5%**	3.0%
Interest rate on plan assets	**4.8%–6.3%**	4.8%–6.3%
Expected rate of future salary increases		
2013 and onwards	**–**	3.5%
2014 and onwards	**3.5%**	–

For obligations under the Malaysia Scheme:

	Group	
	2014	2013
Discount rate	**4.4%**	5.0%
Expected inflation rate	**3.5%**	3.5%
Expected rate of future salary increases	**8.5%**	7.3%

	Group	
	2014	2013
	US$'000	US$'000
At 31 March		
Present value of retirement benefit obligations	**752**	1,025
Experience gains/(losses) on long service payment obligations	**6**	(51)

31 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 2012	1,687,241,241	21,715	280,818	302,533
Repurchase of ordinary shares *(note (a))*	(1,000)	–*	–*	–*
Transfer from share premium to contributed surplus	–	–	(226,154)	(226,154)
At 31 March 2013	**1,687,240,241**	**21,715**	**54,664**	**76,379**
Repurchase of ordinary shares *(note (a))*	**(1,000)**	**–***	**–***	**–***
At 31 March 2014	**1,687,239,241**	**21,715**	**54,664**	**76,379**

* *negligible*

The number of authorised ordinary shares is 2,500 million shares (2013: 2,500 million shares) with a par value of HK$0.10 per share. All issued shares are fully paid.

Notes:

(a) During the year, the Company repurchased a total of 1,000 of its listed shares on the HK Stock Exchange from the open market at the price of HK$2.90 per share for the purpose of validating the declaration of solvency in relation to the share buyback mandate in accordance with the provision of the Malaysian Companies Act. 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.

Details of the repurchases during the years ended 31 March 2014 and 2013 are summarised as follows:

Month/Year	Number of ordinary shares repurchased	Purchase price per share Highest HK$	Lowest HK$	Aggregate purchase consideration HK$	Equivalents in US$
Year ended 31 March 2014					
August 2013	**1,000**	**2.90**	**2.90**	**2,900**	**374**
Year ended 31 March 2013					
August 2012	1,000	3.80	3.80	3,800	490

31 SHARE CAPITAL AND PREMIUM *(Continued)*

Notes: (Continued)

(b) One Media, the listed subsidiary of the Company, has two share option schemes, namely the pre-IPO share option scheme ("Pre-IPO Scheme") and the post-IPO share option scheme ("Post-IPO Scheme"). The schemes were conditionally approved and adopted by ordinary resolutions of the shareholders of One Media on 26 September 2005 (the "Adoption Date"). The schemes were approved by the Company on the same day. The principal terms of the Pre-IPO Scheme are substantially the same as those of the Post-IPO Scheme (where applicable) except for the following terms:

(i) *Subscription price per share*
For the Pre-IPO Scheme, the subscription price per share shall be the final HK dollar price per share at which shares were to be sold in an offer for sale in Hong Kong on 18 October 2005 (the "Listing Date"), being the date the shares of One Media were listed on the main board of the HK Stock Exchange;

For the Post-IPO Scheme, the subscription price per share shall be determined by the board of directors of One Media and notified to an offeree at the time of offer of the option.

(ii) *Duration of the share option schemes*
For the Pre-IPO Scheme, the scheme shall be valid and effective up to the Listing Date.

For the Post-IPO Scheme, the scheme shall be valid and effective for a period of 10 years from the Adoption Date.

Pursuant to the Pre-IPO Scheme and the Post-IPO Scheme, the board of One Media may, at its absolute discretion, grant share options to any full time employees, executive and non-executive directors (including independent non-executive directors) of One Media or the Group (for so long as One Media remains a subsidiary of the Company) to subscribe for shares in One Media 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 the Post-IPO Scheme will be determined and notified by the board of One Media 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.

Details of the movements in the options granted under the Pre-IPO Scheme during the years ended 31 March 2014 and 2013 are as follows:

	2014			2013		
	Weighted average exercise price per share HK$	**Equivalents in US$**	**Number of shares under options**	Weighted average exercise price per share HK$	Equivalents in US$	Number of shares under options
At 1 April	**1.200**	**0.155**	**7,926,000**	1.200	0.155	9,192,000
Lapsed	**1.200**	**0.155**	**(58,000)**	1.200	0.155	(1,266,000)
At 31 March	**1.200**	**0.155**	**7,868,000**	1.200	0.155	7,926,000

31 SHARE CAPITAL AND PREMIUM *(Continued)*

Notes: (Continued)

(b) *(Continued)*

The above share options were conditionally granted on 27 September 2005 and the exercisable period is from 18 October 2005 to 25 September 2015.

The fair value of the 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$0.155) (being the IPO and placing share price of One Media), 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 1 year or 5 years in accordance with terms specified in the Pre-IPO Scheme. For the year ended 31 March 2014, no share compensation cost (2013: Nil) was recognised in the consolidated income statement.

During the years ended 31 March 2014 and 2013, no option was granted or agreed to be granted under the Post-IPO Scheme.

32 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$'000**	**Total US$'000**
At 1 April 2012 (Restated)	183	22,278	506	(92,647)	(426)	(70,106)
Currency translation differences	–	(609)	–	–	–	(609)
Transfer from share premium to contributed surplus	–	–	–	–	226,154	226,154
2012/2013 special dividend paid	–	–	–	–	(225,715)	(225,715)
Currency translation differences released upon disposal of subsidiaries	–	(1,413)	–	–	–	(1,413)
Repurchase of ordinary shares *(note 31)*	–*	–	–	–	–	–*
Others	–	–	–	–	46	46
At 31 March 2013 (Restated)	183	20,256	506	(92,647)	59	(71,643)
At 1 April 2013 (Restated)	**183**	**20,256**	**506**	**(92,647)**	**59**	**(71,643)**
Currency translation differences	**–**	**(8,303)**	**–**	**–**	**–**	**(8,303)**
Repurchase of ordinary shares *(note 31)*	**–***	**–**	**–**	**–**	**–**	**–***
At 31 March 2014	**183**	**11,953**	**506**	**(92,647)**	**59**	**(79,946)**

* *negligible*

32 OTHER RESERVES *(Continued)*

	Company			
	Capital redemption reserve US$'000	Exchange fluctuation reserve US$'000	Contributed surplus US$'000	Total US$'000
At 1 April 2012	183	(1,231)	25,789	24,741
Currency translation differences	–	3,665	–	3,665
Transfer from share premium to contributed surplus	–	–	226,154	226,154
2012/2013 special dividend paid	–	–	(225,715)	(225,715)
Repurchase of ordinary shares *(note 31)*	–*	–	–	–*
At 31 March 2013	183	2,434	26,228	28,845
At 1 April 2013	**183**	**2,434**	**26,228**	**28,845**
Currency translation differences	**–**	**(1,399)**	**–**	**(1,399)**
Repurchase of ordinary shares *(note 31)*	**–***	**–**	**–**	**–***
At 31 March 2014	**183**	**1,035**	**26,228**	**27,446**

* *negligible*

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 owners of the Company. At the Group level, the contributed surplus is reclassified into its components of reserves of the underlying subsidiaries.

33 RETAINED EARNINGS

(a) Movements in the Group's retained earnings for the years ended 31 March 2014 and 2013 are presented in the consolidated statement of changes in equity on pages 84 and 85.

(b) Movements in the Company's retained earnings for the years ended 31 March 2014 and 2013 are as follows:

	Company	
	2014 **US$'000**	2013 US$'000
At 1 April	**159,464**	97,840
Profit for the year	**46,189**	97,410
Second interim dividend, 2012/2013, paid, US1.015 cents (2011/2012: US1.448 cents)	**(17,125)**	(24,431)
First interim dividend, 2013/2014, paid, US0.750 cents (2012/2013: US0.673 cents)	**(12,654)**	(11,355)
At 31 March	**175,874**	159,464

34 DEFINED BENEFIT PLAN LIABILITIES

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

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

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

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

Expected Group's contributions to the Scheme for the year ending 31 March 2015 are US$75,000.

(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 statement of financial position are determined as follows:

	Group	
	2014	2013
	US$'000	US$'000
Fair value of the plan assets	**4,479**	4,871
Present value of the defined benefit obligations	**(4,530)**	(5,236)
Net liabilities in the consolidated statement of financial position	**(51)**	(365)

34 DEFINED BENEFIT PLAN LIABILITIES *(Continued)*

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

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

	Group	
	2014	2013
	US$'000	US$'000
		(Restated)
At 1 April	**4,871**	4,971
Group contributions paid	**81**	86
Interest income	**38**	60
Scheme administration costs	**(42)**	(43)
Actual benefits paid	**(428)**	(522)
Remeasurements on plan assets	**(44)**	318
Currency translation differences	**3**	1
At 31 March	**4,479**	4,871

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

	Group	
	2014	2013
	US$'000	US$'000
At 1 April	**5,236**	5,361
Current service costs	**150**	180
Interest cost	**41**	64
Actual benefits paid	**(428)**	(522)
Remeasurements on obligations	**(472)**	152
Currency translation differences	**3**	1
At 31 March	**4,530**	5,236

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

	Group	
	2014	2013
	US$'000	US$'000
		(Restated)
Current service costs	**(150)**	(180)
Interest cost	**(41)**	(64)
Interest income	**38**	60
Scheme administration costs	**(42)**	(43)
Total pension costs included in employee benefit expense *(note 14)*	**(195)**	(227)

34 DEFINED BENEFIT PLAN LIABILITIES *(Continued)*

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

Movements in the net liabilities recognised in the consolidated statement of financial position are as follows:

	Group	
	2014	2013
	US$'000	US$'000
		(Restated)
At 1 April	**(365)**	(390)
Total pension costs recognised in the consolidated income statement *(note 14)*	**(195)**	(227)
Remeasurements recognised in other comprehensive income	**428**	166
Group contributions paid	**81**	86
At 31 March	**(51)**	(365)

The principal actuarial assumptions used are as follows:

	Group	
	2014	2013
		(Restated)
Discount rate	**1.9%**	0.8%
Interest rate on plan assets	**6.25%**	6.25%
Expected rate of future salary increases	**3.5%**	3.5%

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

	Group				
	2014	2013	2012	2011	2010
	US$'000	US$'000	US$'000	US$'000	US$'000
Present value of the defined benefit obligations	**(4,530)**	(5,236)	(5,361)	(5,341)	(4,693)
Fair value of the plan assets	**4,479**	4,871	4,971	5,618	4,951
(Deficit)/surplus	**(51)**	(365)	(390)	277	258

The plan assets are managed by independent investment managers and are invested in unit trusts based on the long-term benchmark allocation of roughly 65% in equity-type securities and 35% in fixed-income securities or cash. After allowing for the administration expenses, an expected long-term rate of return of 6.25% per annum is adopted.

35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	2014 US$'000	2013 US$'000 (Restated)
Operating profit	**77,110**	80,653
Fair value gains on financial assets at fair value through profit or loss	**(6)**	(38)
Fair value gains on investment properties *(note 17)*	**(322)**	(17)
Depreciation of property, plant and equipment *(note 16)*	**10,187**	10,524
Amortisation of land use rights	**–**	35
Amortisation of intangible assets *(note 18)*	**1,134**	1,092
Allowance for impairment and written off of trade receivables	**442**	171
Allowance for inventory obsolescence	**108**	107
Dividend income	**(12)**	(10)
Interest income	**(1,691)**	(2,379)
Impairment of investment in an exchangeable bond		
— equity derivatives	**–**	1,148
Gain on disposal of subsidiaries	**–**	(1,243)
Gain on disposal of convertible notes	**–**	(1,126)
Losses on disposal of property, plant and equipment — net	**256**	410
Loss on disposal of intangible assets	**–**	11
Pension costs	**195**	227
Long service payment obligations	**55**	107
Operating profit before working capital changes	**87,456**	89,672
Changes in working capital		
Inventories	**(5,311)**	6,982
Trade and other receivables	**4,158**	(62)
Trade and other payables	**(1,741)**	2,773
Cash generated from operations	**84,562**	99,365

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

	2014 US$'000	2013 US$'000
Property, plant and equipment — net book amount *(note 16)*	**301**	603
Losses on disposal of property, plant and equipment — net	**(256)**	(410)
Proceeds from disposal of property, plant and equipment	**45**	193

36 BANKING FACILITIES, PLEDGE OF ASSETS AND FINANCIAL GUARANTEES

At 31 March 2014, the Group's banking facilities were secured by the following:

(a) first legal charges on certain of the Group's freehold properties with an aggregate carrying value of US$1,104,000 at 31 March 2014 (2013: US$1,191,000) and assignment of rental income derived therefrom;

(b) general security agreements under which all the assets of certain subsidiaries with net book amount of US$11,974,000 at 31 March 2014 (2013: US$12,401,000) were pledged to certain banks, including US$1,104,000 (2013: US$1,191,000) 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 totaling US$21,792,000 (2013: US$19,814,000) in connection with general banking facilities granted to those subsidiaries. At 31 March 2014, total facilities utilised amounted to US$5,865,000 (2013: US$1,330,000). 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 31 March 2014 and 2013 under the financial guarantees was the facility drawn down by its subsidiaries. No provision was therefore made in this respect at 31 March 2014 and 2013.

37 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 is still uncertain as of the date these financial statements are authorised for issue, the directors of the Company are of the opinion that the respective ultimate liability, if any, will not have a material adverse impact upon the Group's financial position.

38 COMMITMENTS

(a) Capital commitments

Capital commitments outstanding at 31 March 2014 and 31 March 2013 are as follows:

	Group	
	2014	2013
	US$'000	US$'000
Property, plant and equipment		
— Authorised and contracted for	**3,204**	4,402
— Authorised but not contracted for	**1,390**	1,143
	4,594	5,545

(b) Operating lease commitments

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

At 31 March 2014, the Group has future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2014	2013
	US$'000	US$'000
No later than one year	**2,193**	2,166
Later than one year and no later than five years	**1,422**	818
Later than five years	**25**	7
	3,640	2,991

The Company did not have any capital commitments or operating lease commitments at 31 March 2014 and 31 March 2013.

39 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	Group	
	2014	2013
	US$'000	US$'000
Newsprint purchases from a related company *(note (a))*	**49,971**	46,647
Purchases of air tickets from a related company *(note (a))*	**51**	45
Rental expenses paid to related companies *(note (a))*	**21**	21
Advertising expenses paid to an associate	**1**	33
Motor vehicle insurance premiums paid to a related company *(note (a))*	**1**	1
Consultancy fee paid to a non-executive director	**–**	121
Retainer fee paid to an associate	**–**	37
Script fees paid to a related person	**–**	1
Scrap sales of old newspapers and magazines to a related company *(note (a))*	**(2,973)**	(2,796)
Content providing and video production income received from a joint venture	**(312)**	–
Agency fee income received from an associate	**(250)**	–
Rental income received from a related company *(note (a))*	**(102)**	(99)
Provision of air-tickets and accommodation arrangement services to related companies *(note (a))*	**(72)**	(109)
Software development income from a joint venture	**(10)**	–
Provision of accounting service to a related company *(note (a))*	**(3)**	–
Advertising income received on behalf of an associate	**–**	(120)

Notes:

(a) Certain shareholders and directors of the Company are shareholders and/or directors of these related companies.

(b) 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.

39 RELATED PARTY TRANSACTIONS *(Continued)*

(b) Key management compensation

Key management comprised all members of the Group's executive committees, some of whom are directors of the Company. The compensation paid or payable to the key management for employee services is shown below:

	Group	
	2014	2013
	US$'000	US$'000
Directors' fees, basic salaries, bonuses, other allowances and benefits in kind	**3,365**	3,090
Contributions to pension schemes	**243**	206
	3,608	3,296

(c) Year-end balances with related parties

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Payables to related companies of certain directors	**(3,232)**	(3,093)	**–**	–
Payables to subsidiaries	**–**	–	**(593)**	(3,791)

The payables to related companies of certain directors mainly arise from purchases of newsprint from a related company. 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.

(d) Ultimate controlling party

The ultimate controlling party of the Group is Tan Sri Datuk Sir TIONG Hiew King, who is the Group Executive Chairman and the controlling shareholder holding an aggregate equity of 52.40% in the Company as at 31 March 2014. Details of interests held by Tan Sri Datuk Sir TIONG Hiew King in the Company are set out in paragraph (i) "Interests and short positions in the shares, underlying shares and debentures of the Company" on page 71.

40 PARTICULARS OF PRINCIPAL SUBSIDIARIES

(a) Particulars of the Company's principal subsidiaries at 31 March 2014 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
Charming Holidays (North America) Limited	2 ordinary shares of HK$1 each	100%	Investment holding
Holgain Limited	2 ordinary shares of HK$10 each	100%	Property investment
Kin Ming Printing Company Limited	100 ordinary shares of HK$100 each	100%	Provision of printing services
Media2U Company Limited	101 ordinary shares of HK$1 each	73.18%	Magazines advertising and operation
MediaNet Advertising Limited	100 ordinary shares of HK$1 each	73.18%	Media operation
Mingpao.com Limited	2 ordinary shares of HK$1 each	97.78%	Internet related businesses
Ming Pao Education Publications Limited (formerly known as MediaNet Holdings Limited)	1 ordinary share of HK$1	100%	Digital media business and books publishing
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 Magazines Limited	165,000 ordinary shares of HK$10 each	73.18%	Publication and distribution of magazines
Ming Pao New Media Limited (formerly known as Perfect Gain Development Limited)	2 ordinary shares of HK$1 each	100%	Digital and multimedia business
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

40 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

(b) Particulars of the Company's principal subsidiaries at 31 March 2014 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 newspaper and provision of printing services
Guang-Ming Ribao Sdn Bhd	4,000,000 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 newspapers
Nanyang Siang Pau Sdn Bhd	60,000,000 ordinary shares of RM1 each	100%	Publication of newspapers and magazines
Sinchew-i Sdn Bhd	25,000,000 ordinary shares of RM1 each	100%	Investment holding
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

40 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

(c) Particulars of the Company's principal subsidiaries at 31 March 2014 that are incorporated outside Hong Kong and Malaysia are as follows:

Name of subsidiary	Place of incorporation/ operation	Particulars of issued and fully paid share capital/ registered capital	Effective equity interest	Principal activities
Beijing Media Advertising Company Limited *(note 2)*	The People's Republic of China ("PRC")/PRC	RMB3,500,000	73.18%	Magazines advertising
Beijing OMG Advertising Company Limited *(note 2)*	PRC/PRC	RMB30,000,000	73.18%	Magazines operation
Beijing OMG M2U Advertising Company Limited *(note 2)*	PRC/PRC	RMB50,000,000	73.18%	Magazines advertising
Beijing Times Resource Technology Consulting Limited *(notes 1 & 2)*	PRC/PRC	RMB3,000,000	73.18%	Magazines operation
Charming Holidays (Guangdong) Limited *(note 2)*	PRC/PRC	HK$4,000,000	100%	Provision of travel and travel related services
Comwell Investment Limited	The British Virgin Islands ("BVI")/HK	1 ordinary share at no par value for HK$1	100%	Investment holding
Delta Tour & Travel Services (Canada), Inc.	Canada/Canada	850,000 common shares at no par value for CAD530,000	100%	Provision of travel and travel related services
Delta Tour & Travel Services, Inc.	The United States of America ("USA")/USA	461,500 common shares at no par value for US$300,500	100%	Provision of travel and travel related services
First Collection Limited	BVI/HK	1 ordinary share of US$1	100%	Investment holding
Media Connect Investment Limited	BVI/HK	1 share at no par value for HK$1	73.18%	Investment holding
Ming Pao Enterprise Corporation Limited	The Cayman Islands ("CI")/HK	1 ordinary share of US$1 each	100%	Investment holding
Ming Pao Finance Limited	BVI/HK	10 ordinary shares of US$1 each	73.18%	Licensing of trademarks
Ming Pao Holdings (Canada) Limited	Canada/Canada	1 common share at no par value for CAD1	100%	Investment holding

40 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

(c) Particulars of the Company's principal subsidiaries at 31 March 2014 that are incorporated outside Hong Kong and Malaysia are as follows: *(Continued)*

Name of subsidiary	Place of incorporation/ operation	Particulars of issued and fully paid share capital/ registered capital	Effective equity interest	Principal activities
Ming Pao Holdings (USA) Inc.	USA/USA	1 common share of US$1	100%	Investment holding
Ming Pao Investment (USA) L.P.	USA/USA	1,000 units for US$150,150	100%	Publication and distribution of newspaper and periodicals
Ming Pao Newspapers (Canada) Limited	Canada/Canada	1,001 common shares at no par value for CAD11	100%	Publication and distribution of newspapers and periodicals
One Media Group Limited	CI/HK	400,000,000 ordinary shares of HK$0.001 each	73.18%	Investment holding
One Media Holdings Limited	BVI/HK	20,000 ordinary shares of US$0.01 each	73.18%	Investment holding
PT Sinchew Indonesia	Indonesia/Indonesia	1,500 shares of US$1,000 each	80%	Acting as a newspaper distribution agent
Sinchew (USA) Inc.	USA/USA	200 common shares at no par value for US$200	100%	Letting of property

Notes:

(1) Beijing Times Resource Technology Consulting Limited ("TRT") is a domestic enterprise in PRC owned legally by a PRC national. The Group has entered into contractual arrangements with the legal owner of TRT 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. In particular, the legal owner of TRT is required under the contractual arrangements to transfer the interests in TRT to the Group or the Group's designee upon the Group's request at a pre-agreed nominal consideration. In addition, the Group can receive the cash flows 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 owner of TRT to the Group. Based on the above, the directors regard TRT as a subsidiary of the Company.

(2) These 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 table above 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.

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

The following analysis of realised and unrealised retained profits is 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		Company	
	As at 31 March 2014 US$'000	As at 31 March 2013 US$'000 (Restated)	**As at 31 March 2014 US$'000**	As at 31 March 2013 US$'000
Total retained profits:				
— Realised	**248,231**	227,950	**175,874**	159,464
— Unrealised	**(10,300)**	(10,543)	**–**	–
	237,931	217,407	**175,874**	159,464
Total share of accumulated losses from joint ventures and associates:				
— Realised	**(1,271)**	(874)	**–**	–
— Unrealised	**33**	33	**–**	–
	(1,238)	(841)	**–**	–
Less: consolidation adjustments	**(15,314)**	(14,296)	**–**	–
Retained profits as per consolidated statement of financial position/statement of financial position	**221,379**	202,270	**175,874**	159,464

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.

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 and supplementary information set out on pages 79 to 160 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 29 May 2014

Before me,

Notary Public

Five-Year Financial Summary

The results of the Group for the last five financial years are as follows:

	For the year ended 31 March				
	2014	2013	2012	2011	2010
	US$'000	US$'000 (Restated)	US$'000	US$'000	US$'000
Turnover	**468,728**	477,853	472,237	445,844	376,001
Profit attributable to owners of the Company	**48,236**	56,678	63,209	54,825	41,136
Basic earnings per share (US cents)	**2.86**	3.36	3.75	3.26	2.44

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

	As at 31 March				
	2014	2013	2012	2011	2010
	US$'000	US$'000	US$'000	US$'000	US$'000
Property, plant and equipment	**144,308**	150,935	151,049	157,145	139,962
Investment properties	**17,144**	17,579	11,212	11,428	8,686
Land use rights	**–**	–	2,025	2,079	2,144
Intangible assets	**72,920**	77,908	78,124	79,300	77,466
Deferred income tax assets	**1,455**	1,674	1,426	972	1,831
Interests in joint ventures and associates	**2,956**	3,142	2,253	2,379	2,739
Investment in convertible notes — debt portion	**–**	–	–	537	511
Defined benefit plan assets	**–**	–	–	277	258
Non-current assets	**238,783**	251,238	246,089	254,117	233,597
Current assets	**224,035**	227,849	271,177	250,364	223,610
Current liabilities	**(86,918)**	(250,705)	(81,573)	(89,803)	(93,701)
Net current assets/(liabilities)	**137,117**	(22,856)	189,604	160,561	129,909
Total assets less current liabilities	**375,900**	228,382	435,693	414,678	363,506
Non-controlling interests	**(7,237)**	(6,939)	(6,229)	(5,457)	(8,263)
Bank and other borrowings	**(137,804)**	–	–	–	–
Deferred income tax liabilities	**(12,306)**	(13,105)	(14,552)	(13,546)	(12,374)
Other non-current liabilities	**(741)**	(1,332)	(1,348)	(1,267)	(1,560)
Equity attributable to owners of the Company	**217,812**	207,006	413,564	394,408	341,309

CONSOLIDATED INCOME STATEMENT

	(Unaudited) Year ended 31 March 2014 RM'000 *(note)*	2013 RM'000 *(note)*
Turnover	**1,530,631**	1,560,429
Cost of goods sold	**(932,587)**	(944,108)
Gross profit	**598,044**	616,321
Other income	**42,435**	38,778
Other gains, net	**3,370**	10,335
Selling and distribution expenses	**(237,546)**	(236,785)
Administrative expenses	**(132,249)**	(138,300)
Other operating expenses	**(22,251)**	(26,976)
Operating profit	**251,803**	263,373
Finance costs	**(26,614)**	(11,158)
Share of losses of joint ventures and associates	**(1,297)**	(464)
Profit before income tax	**223,892**	251,751
Income tax expense	**(62,998)**	(62,453)
Profit for the year	**160,894**	189,298
Profit attributable to:		
Owners of the Company	**157,514**	185,082
Non-controlling interests	**3,380**	4,216
	160,894	189,298
Earnings per share attributable to owners of the Company		
Basic (sen)	**9.34**	10.97
Diluted (sen)	**9.34**	10.97
Dividends	**78,786**	830,074

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM for the year ended 31 March 2014 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM3.2655 ruling at 31 March 2014. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Year ended 31 March	
	2014	2013
	RM'000	RM'000
	(note)	*(note)*
Profit for the year	**160,894**	189,298
Other comprehensive (losses)/income		
Items that may be reclassified subsequently/were reclassified to profit or loss:		
Currency translation differences	**(27,165)**	(1,930)
Currency translation differences released upon disposal of subsidiaries	**–**	(4,614)
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of post-employment benefit obligations	**2,129**	800
Others	**–**	150
Other comprehensive losses for the year, net of tax	**(25,036)**	(5,594)
Total comprehensive income for the year	**135,858**	183,704
Total comprehensive income for the year attributable to:		
Owners of the Company	**132,530**	179,416
Non-controlling interests	**3,328**	4,288
	135,858	183,704

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM for the year ended 31 March 2014 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM3.2655 ruling at 31 March 2014. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) At 31 March 2014 RM'000 (note)	2013 RM'000 (note)
ASSETS		
Non-current assets		
Property, plant and equipment	**471,238**	492,878
Investment properties	**55,983**	57,404
Intangible assets	**238,120**	254,409
Deferred income tax assets	**4,751**	5,466
Interests in joint ventures and associates	**9,653**	10,260
	779,745	820,417
Current assets		
Inventories	**171,066**	163,693
Available-for-sale financial assets	**317**	317
Financial assets at fair value through profit or loss	**774**	751
Trade and other receivables	**221,332**	243,917
Income tax recoverable	**2,234**	2,841
Cash and cash equivalents	**335,863**	332,523
	731,586	744,042
Current liabilities		
Trade and other payables	**224,490**	238,048
Income tax liabilities	**17,581**	23,339
Bank and other borrowings	**41,557**	557,101
Current portion of other non-current liabilities	**202**	189
	283,830	818,677
Net current assets/(liabilities)	**447,756**	(74,635)
Total assets less current liabilities	**1,227,501**	745,782

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) At 31 March 2014 RM'000 *(note)*	2013 RM'000 *(note)*
EQUITY		
Equity attributable to owners of the Company		
Share capital	**70,910**	70,910
Share premium	**178,505**	178,505
Other reserves	**(261,063)**	(233,950)
Retained earnings		
— Proposed dividend	**37,465**	55,922
— Others	**685,448**	604,591
	722,913	660,513
	711,265	675,978
Non-controlling interests	**23,632**	22,660
Total equity	**734,897**	698,638
Non-current liabilities		
Bank and other borrowings	**450,000**	–
Deferred income tax liabilities	**40,185**	42,794
Other non-current liabilities	**2,419**	4,350
	492,604	47,144
	1,227,501	745,782

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM as at 31 March 2014 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM3.2655 ruling at 31 March 2014. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

STATEMENT OF FINANCIAL POSITION

	(Unaudited) At 31 March 2014 RM'000 *(note)*	2013 RM'000 *(note)*
ASSETS		
Non-current assets		
Interests in subsidiaries	**1,372,261**	1,405,931
Current assets		
Other receivables	**176**	180
Cash and cash equivalents	**393**	313
	569	493
Current liabilities		
Other payables	**9,473**	17,911
Bank and other borrowings	**–**	524,175
	9,473	542,086
Net current liabilities	**(8,904)**	(541,593)
Total assets less current liabilities	**1,363,357**	864,338
EQUITY		
Equity attributable to owners of the Company		
Share capital	**70,910**	70,910
Share premium	**178,505**	178,505
Other reserves	**89,625**	94,193
Retained earnings		
— Proposed dividend	**37,465**	55,922
— Others	**536,852**	464,808
	574,317	520,730
Total equity	**913,357**	864,338
Non-current liabilities		
Bank and other borrowings	**450,000**	–
	1,363,357	864,338

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM as at 31 March 2014 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM3.2655 ruling at 31 March 2014. This translation should not be construed as a representation that the US$ 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 owners 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)
Balance at 1 April 2012	70,910	917,011	(228,931)	591,503	1,350,493	20,341	1,370,834
Comprehensive income							
Profit for the year	–	–	–	185,082	185,082	4,216	189,298
Other comprehensive (losses)/income							
Items that may be reclassified subsequently/were reclassified to profit or loss:							
Currency translation differences	–	–	(1,989)	–	(1,989)	59	(1,930)
Currency translation differences released upon disposal of subsidiaries	–	–	(4,614)	–	(4,614)	–	(4,614)
Items that will not be reclassified subsequently to profit or loss:							
Remeasurements of post-employment benefit obligations	–	–	–	787	787	13	800
Others	–	–	150	–	150	–	150
Other comprehensive (losses)/ income, net of tax	–	–	(6,453)	787	(5,666)	72	(5,594)
Total comprehensive (losses)/income for the year ended 31 March 2013	–	–	(6,453)	185,869	179,416	4,288	183,704
Total contributions by and distributions to owners of the Company recognised directly in equity							
Transfer from share premium to contributed surplus	–	(738,506)	738,506	–	–	–	–
2011/2012 second interim dividend paid	–	–	–	(79,779)	(79,779)	–	(79,779)
2012/2013 special dividend paid	–	–	(737,072)	–	(737,072)	–	(737,072)
2012/2013 first interim dividend paid	–	–	–	(37,080)	(37,080)	–	(37,080)
Total contributions by and distributions to owners of the Company	–	(738,506)	1,434	(116,859)	(853,931)	–	(853,931)
Capital contribution from a non-controlling interest in a newly incorporated subsidiary	–	–	–	–	–	970	970
2011/2012 final dividend paid by a listed subsidiary	–	–	–	–	–	(1,806)	(1,806)
2012/2013 interim dividend paid by a listed subsidiary	–	–	–	–	–	(905)	(905)
2012/2013 interim dividends paid by a subsidiary	–	–	–	–	–	(228)	(228)
Total transactions with owners	–	(738,506)	1,434	(116,859)	(853,931)	(1,969)	(855,900)
Balance at 31 March 2013	70,910	178,505	(233,950)	660,513	675,978	22,660	698,638

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited) Attributable to owners 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)
Balance at 1 April 2013	70,910	178,505	(233,950)	660,513	675,978	22,660	698,638
Comprehensive income							
Profit for the year	–	–	–	157,514	157,514	3,380	160,894
Other comprehensive (losses)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	–	–	(27,113)	–	(27,113)	(52)	(27,165)
Item that will not be reclassified subsequently to profit or loss:							
Remeasurements of post-employment benefit obligations	–	–	–	2,129	2,129	–	2,129
Other comprehensive (losses)/income, net of tax	–	–	(27,113)	2,129	(24,984)	(52)	(25,036)
Total comprehensive (losses)/income for the year ended 31 March 2014	–	–	(27,113)	159,643	132,530	3,328	135,858
Total contributions by and distributions to owners of the Company recognised directly in equity							
2012/2013 second interim dividend paid	–	–	–	(55,922)	(55,922)	–	(55,922)
2013/2014 first interim dividend paid	–	–	–	(41,321)	(41,321)	–	(41,321)
Total contributions by and distributions to owners of the Company	–	–	–	(97,243)	(97,243)	–	(97,243)
2012/2013 final dividend paid by a listed subsidiary	–	–	–	–	–	(1,581)	(1,581)
2013/2014 interim dividend paid by a listed subsidiary	–	–	–	–	–	(680)	(680)
2012/2013 interim dividends paid by a subsidiary	–	–	–	–	–	(33)	(33)
2013/2014 interim dividends paid by a subsidiary	–	–	–	–	–	(62)	(62)
Total transactions with owners	–	–	–	(97,243)	(97,243)	(2,356)	(99,599)
Balance at 31 March 2014	70,910	178,505	(261,063)	722,913	711,265	23,632	734,897

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CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) Year ended 31 March 2014 RM'000 *(note)*	2013 RM'000 *(note)*
Cash flows from operating activities		
Cash generated from operations	**276,137**	324,476
Interest paid	**(23,074)**	(9,323)
Income tax paid	**(66,815)**	(59,344)
Net cash generated from operating activities	**186,248**	255,809
Cash flows from investing activities		
Acquisition of an associate	**(376)**	–
Formation of joint ventures	**–**	(3,370)
Acquisition of a subsidiary, net of cash acquired	**–**	(245)
Net cash inflow from disposal of subsidiaries	**–**	14,629
Purchases of property, plant and equipment	**(35,343)**	(56,225)
Purchases of intangible assets	**(1,130)**	(5,244)
Purchase of an investment property	**–**	(11,109)
Proceeds from disposal of property, plant and equipment	**147**	630
Acquisition of an exchangeable bond — equity derivatives	**–**	(3,740)
Proceeds from disposal of convertible notes	**–**	5,532
Interest received	**5,522**	7,769
Dividends received	**49**	33
Net cash used in investing activities	**(31,131)**	(51,340)
Cash flows from financing activities		
Dividends paid	**(97,243)**	(853,931)
Dividends paid to non-controlling interests by a listed subsidiary	**(2,261)**	(2,711)
Dividends paid to non-controlling interests by a subsidiary	**(95)**	(228)
Capital contribution from a non-controlling interest in a newly incorporated subsidiary	**–**	970
Proceeds from bank and other borrowings	**514,333**	602,883
Repayments of bank and other borrowings	**(552,745)**	(58,146)
Net cash used in financing activities	**(138,011)**	(311,163)
Net increase/(decrease) in cash and cash equivalents	**17,106**	(106,694)
Cash and cash equivalents at beginning of year	**332,523**	439,723
Exchange adjustments on cash and cash equivalents	**(13,766)**	(506)
Cash and cash equivalents at end of year	**335,863**	332,523

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM for the year ended 31 March 2014 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM3.2655 ruling at 31 March 2014. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

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$168,723,924.10
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 ordinary shares
Less than 100	571	5.69	25,424	–*
100 to 1,000	1,330	13.25	939,852	0.06
1,001 to 10,000	5,841	58.19	27,168,123	1.61
10,001 to 100,000	1,992	19.84	53,799,472	3.19
100,001 to less than 5% of issued shares	300	2.99	902,329,258	53.48
5% and above of issued shares	4	0.04	702,977,112	41.66
TOTAL	**10,038**	**100.00**	**1,687,239,241**	**100.00**

* negligible

DIRECTORS' INTERESTS

(a) The Company

Name of director	Direct interest: Number of shares	Direct interest: % of issued ordinary shares	Indirect interest[8]: Number of shares	Indirect interest[8]: % of issued ordinary shares
Tan Sri Datuk Sir TIONG Hiew King	87,109,058	5.16	798,478,690[1]	47.32
			12,461,695[2]	0.74
Dato' Sri Dr TIONG Ik King	11,144,189	0.66	252,487,700[3]	14.96
Mr TIONG Kiew Chiong	1,908,039	0.11	–	–
Mr LEONG Chew Meng	80,000	–*	–	–
Ms TIONG Choon	2,654,593	0.16	653,320[4]	0.04
			1,000,632[5]	0.06
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	135,925	0.01	–	–

* negligible

(b) Subsidiary — One Media Group Limited

Name of director	Direct interest: Number of shares	Direct interest: % of issued ordinary shares	Indirect interest[8]: Number of shares	Indirect interest[8]: % of issued ordinary shares	Number of share options granted
Tan Sri Datuk Sir TIONG Hiew King	–	–	292,700,000	73.18	1,250,000
Dato' Sri Dr TIONG Ik King	–	–	292,700,000	73.18	1,000,000
Mr TIONG Kiew Chiong	4,104,000	1.03	–	–	1,250,000
Ms TIONG Choon	26,000	0.01	–	–	–
Mr David YU Hon To	–	–	–	–	150,000

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of shareholder	Direct interest: Number of shares	Direct interest: % of issued ordinary shares	Indirect interest[8]: Number of shares	Indirect interest[8]: % of issued ordinary shares
Tan Sri Datuk Sir TIONG Hiew King	87,109,058	5.16	798,478,690[1]	47.32
			12,461,695[2]	0.74
Dato' Sri Dr TIONG Ik King	11,144,189	0.66	252,487,700[3]	14.96
Progresif Growth Sdn Bhd	326,463,556	19.35	–	–
Conch Company Limited	252,487,700	14.96	–	–
Pertumbuhan Abadi Asia Sdn Bhd	1,902,432	0.11	477,025,055[6]	28.27
Seaview Global Company Limited	–	–	252,487,700[7]	14.96

Notes:

(1) Deemed interested by virtue of his interests in Progresif Growth Sdn Bhd, Conch Company Limited, Ezywood Options Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd, Madigreen Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, Pertumbuhan Abadi Asia Sdn Bhd and Tiong Toh Siong Enterprises Sdn Bhd.

(2) Deemed interested by virtue of his family's interests.

(3) Deemed interested by virtue of his interest in Conch Company Limited.

(4) Deemed interested by virtue of her interests in TC Blessed Holdings Sdn Bhd.

(5) Deemed interested by virtue of her spouse's interests.

(6) Deemed interested by virtue of its interest in Progresif Growth Sdn Bhd, Ezywood Options Sdn Bhd, Madigreen Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd and Rimbunan Hijau Southeast Asia Sdn Bhd.

(7) Deemed interested by virtue of its interest in Conch Company Limited.

(8) The indirect interests of directors and shareholders of the Company presented in the above are calculated pursuant to the Malaysian Companies Act, 1965.

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

	Name of shareholder	Number of shares held	% of issued ordinary shares
1	Progresif Growth Sdn Bhd	326,463,556	19.35
2	HSBC Nominees (Hong Kong) Limited	179,222,700	10.63
3	HKSCC Nominees Limited	110,181,798	6.53
4	Tan Sri Datuk Sir TIONG Hiew King	87,109,058	5.16
5	Zaman Pemimpin Sdn Bhd	84,121,183	4.99
6	Ezywood Options Sdn Bhd	75,617,495	4.48
7	Citigroup Nominees (Tempatan) Sdn Bhd (Exempt An for AIA Bhd)	74,087,290	4.40
8	Citigroup Nominees (Tempatan) Sdn Bhd (Employees Provident Fund Board)	66,215,317	3.92
9	Teck Sing Lik Enterprise Sdn Bhd	65,319,186	3.88
10	Madigreen Sdn Bhd	52,875,120	3.13
11	Persada Jaya Sdn Bhd	40,695,560	2.41
12	Kinta Hijau Sdn Bhd	34,750,000	2.06
13	Raya Abadi Sdn Bhd	25,124,065	1.49
14	Suria Kilat Sdn Bhd	20,434,097	1.21
15	Globegate Alliance Sdn Bhd	16,750,000	0.99
16	Rimbunan Hijau (Sarawak) Sdn Bhd	15,536,696	0.92
17	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (Par 2))	14,540,591	0.86
18	Cartaban Nominees (Asing) Sdn Bhd (BBH (LUX) SCA For Fidelity Funds Asean)	13,729,500	0.81
19	Cartaban Nominees (Tempatan) Sdn Bhd (Exempt An for Eastspring Investments Berhad)	11,461,417	0.68
20	Maybank Securities Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Dato' Sri Dr TIONG Ik King)	11,144,189	0.66
21	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (LGF))	10,975,500	0.65
22	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Datuk TIONG Thai King)	10,970,900	0.65
23	Pertumbuhan Tiasa Sdn Bhd	10,230,945	0.61
24	Amanahraya Trustees Berhad (Public Islamic Select Treasures Fund)	10,219,000	0.61
25	Ms WONG Yiing Ngiik	10,126,000	0.60
26	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (Par 1))	8,861,900	0.53
27	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (Par 3))	8,660,137	0.51
28	Amanahraya Trustees Berhad (Public Islamic Opportunities Fund)	6,652,300	0.39
29	DB (Malaysia) Nominee (Asing) Sdn Bhd (SSBT Fund 6604 for Royce Value Trust Inc)	6,650,000	0.39
30	HSBC Nominees (Asing) Sdn Bhd (Exempt An for Credit Suisse (HK BR-TST-Asing))	6,637,000	0.39
		1,415,362,500	83.89

List of Properties

At 31 March 2014

The top 10 land and buildings in terms of highest net book amount owned by the Group are as follows:

	Location	Year of acquisition	Tenure/ Expiry of lease	Description	Approximate area (Sq ft)	Approximate age of buildings	Carrying amount US$'000
1	1, Jalan SS7/2, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia	1994	Freehold	Office building and factory building	269,892	20 years	12,118
2	No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2008	Leasehold/2059	Office building	150,470	5 years	11,325
3	No. 76, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2001	Leasehold/2063	Printing plant	151,769	9 years	9,280
4	No. 25, Rawang Integrated Industrial Park, Jalan Batu Arang, 48000 Rawang, Selangor Darul Ehsan, Malaysia	2002	Freehold	Office building and single storey factory building	132,000	19 years	5,146
5	31, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Malaysia	1990	Leasehold/2066	Office building and factory building	46,866	6 years	3,439
6	No. 76 Jalan Universiti, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2001	Leasehold/2063	Office building	40,500	23 years	3,424
7	80, Jalan Riong, 59100 Kuala Lumpur, Malaysia	1976	Freehold	Office building and factory building	42,716	39 years	3,305
8	37-06, Prince Street, Flushing NY 11354, the USA	2012	Freehold	Commercial building	3,938	10 years	3,300
9	Workshops 1-16 on 1/F MP Industrial Centre No.18 Ka Yip Street, Chai Wan, Hong Kong	1992	Leasehold/2047	Storage	33,232	22 years	3,245
10	Lot 22, Jalan Sultan Mohamed 4, Taman Perindustrian Bandar Sultan Sulaiman, 42000 Pelabuhan Klang Utara, Selangor Darul Ehsan, Malaysia	2012	Leasehold/2105	Warehouse	77,024	19 years	3,215

NOTICE IS HEREBY GIVEN that the Twenty-fourth Annual General Meeting ("AGM") of Media Chinese International Limited will be held at (i) Sin Chew Media Corporation Berhad, Cultural Hall, 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, 6 August 2014 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 2014 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 2014 in the amount of US$527,000. — Ordinary Resolution 2

3. To re-elect the following Directors who retire pursuant to the Company's Bye-Laws:
   i. Mr TIONG Kiew Chiong — Ordinary Resolution 3
   ii. Mr NG Chek Yong — Ordinary Resolution 4
   iii. Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH — Ordinary Resolution 5

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 6

AS SPECIAL BUSINESS

To consider and, if thought fit, pass with or without amendments the following resolutions:

5. ORDINARY RESOLUTION

   RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

   "**THAT**, authority be and is hereby given to Mr David YU Hon To to continue to act as an Independent Non-executive Director of the Company ("INED") until the conclusion of the next AGM in accordance with the Malaysian Code of Corporate Governance 2012." — Ordinary Resolution 7

6. ORDINARY RESOLUTION

   PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

   "**THAT**, subject to the provisions of Listing Requirements of 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 8 July 2014), 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 whichever is the earliest of:

   (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.

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."

7. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

"**THAT** subject 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 and are 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 buyback 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."

8. 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)."

9. 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
TONG Siew Kheng
Joint Company Secretaries

8 July 2014

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one proxy or proxies 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, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

2. A member of the Company who is an authorised nominee as defined under the Malaysian Securities Industry (Central Depositories) Act 1991 may appoint at least one (1) proxy (but not more than two proxies) in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

3. In respect of the members in Malaysia, only members registered in the Record of Depositors as at 25 July 2014 shall be eligible to attend the meeting or appoint proxy or proxies to attend and vote on their behalf.

4. 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 share registrar office of the Company 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.

5. Explanatory notes on special business:

   (a) Pursuant to the Malaysian Code of Corporate Governance 2012, the tenure of an independent director should not exceed a cumulative term of nine years unless approval is obtained from the Company's shareholders at the AGM to retain the said director as an independent director under proposed Ordinary Resolution No. 7. During his tenure of office, Mr David YU Hon To has fulfilled all the requirements regarding independence of an INED and has provided annual confirmation of independence to the Company pursuant to Rule 3.13 of the Hong Kong Listing Rules. In addition, Mr YU continues to demonstrate the attributes of an INED by providing independent views and advice. There is no evidence that his tenure has had any impact on his independence. Following an assessment conducted by the Board through the Nomination Committee, the Board viewed that Mr YU is committed to his duties and responsibilities as a director of the Company and remains objective and independent in expressing his views and participating in deliberations and decision-makings of the Board and the Board committees, notably in fulfilling his responsibilities as the Chairman of the Audit Committee. His professional expertise in the audit and finance sector, his knowledge in corporate governance and regulatory matters and his experience in the business of the Company and its subsidiaries will continue to contribute to the effective functioning of the Board and the Board committees, thereby safeguarding the interests of the shareholders of the Company. In view thereof, the Board recommends the retention of Mr YU to continue to act as an INED.

   (b) 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 day-to-day operations of the Company and its subsidiaries. Please refer to the circular to shareholders dated 8 July 2014 for more information.

   (c) The explanatory notes on Ordinary Resolution No. 9 are set out in the circular to shareholders dated 8 July 2014 accompanying this Annual Report.

   (d) The Company has not issued any new shares under the general mandate for issuance and allotment of shares up to 10% of the issued and paid-up capital of the Company, which was approved at the 23rd AGM held on 6 August 2013 and which will lapse at the conclusion of the 24th AGM to be held on 6 August 2014. A renewal of this mandate is sought at the 24th 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 Kiew Chiong, Mr NG Chek Yong and Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH are the Directors standing for re-election at the forthcoming Twenty-fourth Annual General Meeting of the Company. In addition, pursuant to the Malaysian Code of Corporate Governance 2012, shareholders' approval will be sought to retain Mr David YU Hon To who has served the Company for more than nine years as an independent non-executive director. Further details of the aforementioned directors are set out in this Annual Report as follows:

	Further details	**Pages**
(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)	Working experience and occupation	4–9
(c)	Any other directorships of public companies	4–9
(d)	Details of any interest in the Company and/or its subsidiaries	4–9
(e)	Family relationship with any director and/or major shareholder of the Company	4–9
(f)	Any conflict of interest that he/she has 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 40 of this Annual Report.

Media Chinese International Limited

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