

世界 華文

媒體

MEDIA CHINESE

Annual Report

2014/15

Media Chinese International Limited

明報

MING PAO DAILY NEWS

星洲日報

SIN CHEW DAILY

南洋商報

NANYANG SIANG PAU

中國報

CHINA PRESS

光明日報

Guang Ming Daily

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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

Hang Seng Bank Limited
RHB Bank 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
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
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 80

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"), a subsidiary of the Company listed on the main board of The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange"), on 1 April 2012. Tan Sri Datuk Sir TIONG is 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 mills, oil and gas, mining, fishery, information technology and manufacturing. He is the founder of *The National*, an English newspaper in Papua New

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，80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

Profile of Board of Directors

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 achievements and contribution to the country.

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 sits on the board of a number of subsidiaries of the Company.

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

Dato' Sri Dr TIONG Ik King

Executive Director

Malaysian, aged 64

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 the 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.

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.

He is a brother of Tan Sri Datuk Sir TIONG Hiew King, an uncle of Ms TIONG Choon and a 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.

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。

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，同時也出任本公司多間附屬公司的董事。

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。

拿督斯里張翼卿醫生

執行董事

馬來西亞公民，64歲

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。

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。

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。

Profile of Board of Directors

Mr TIONG Kiew Chiong

Executive Director and Group Chief Executive Officer

Malaysian, aged 55

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 2015, Mr TIONG had been an executive director of RH Petrogas Limited, a listed company in Singapore.

He is a 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.

Mr NG Chek Yong

Executive Director and Chairman of the Group Executive Committee

Malaysian, aged 58

Mr NG Chek Yong was appointed as an 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. Mr NG currently sits on the board of a number of subsidiaries of the Company.

張裘昌先生

執行董事及集團行政總裁

馬來西亞公民，55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年在巴布亞新畿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2015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的主要股東。

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，58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。黃先生現任本公司多間附屬公司的董事。

Profile of Board of Directors

Mr LEONG Chew Meng

Executive Director

Malaysian, aged 59

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 35 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.

Ms TIONG Choon

Non-executive Director (Non-independent)

Malaysian, aged 46

Ms TIONG Choon was appointed as a non-executive director of the Company on 31 March 2013. She has started her career with Rimbanan 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 a daughter of Tan Sri Datuk Sir TIONG Hiew King, a niece of Dato' Sri Dr TIONG Ik King and a 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.

梁秋明先生

執行董事

馬來西亞公民，59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35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。

張聰女士

非執行董事(非獨立)

馬來西亞公民，46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的主要股東。

Profile of Board of Directors

Mr David YU Hon To

Independent Non-executive Director

Chinese, aged 67

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 Bracell Limited (formerly known as Sateri Holdings Limited), 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 and Synergis Holdings Limited, which are listed companies in Hong Kong. In the past three years preceding 31 March 2015, Mr YU had been an independent non-executive director of China Datang Corporation Renewable Power Co., Limited, Crown International Corporation Limited (formerly known as VXL Capital Limited) and TeleEye Holdings Limited.

Tan Sri Dato' LAU Yin Pin

Independent Non-executive Director

Malaysian, aged 66

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.

俞漢度先生

獨立非執行董事

中國公民，67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Bracell Limited（前稱賽得利控股有限公司）、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2015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、皇冠環球集團有限公司（前稱卓越金融有限公司）及千里眼控股有限公司之獨立非執行董事。

丹斯里拿督劉衍明

獨立非執行董事

馬來西亞公民，66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。

Profile of Board of Directors

Tan Sri Dato' LAU is currently an independent non-executive director of three other listed companies in Malaysia, namely Ahmad Zaki Resources Berhad, MCT Berhad (formerly known as GW Plastics Holdings Berhad) and YTL Power International Berhad. He is also a trustee of TARC Education Foundation in Malaysia.

Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH

Independent Non-executive Director

Malaysian, aged 72

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 2015 and on pages 54 to 58 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

Save as disclosed aforesaid, 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 the directors for board meetings during the financial year ended 31 March 2015 is set out on page 41.

他目前是另外三間馬來西亞上市公司阿末查基資源有限公司、MCT Berhad (前稱GW Plastics Holdings Berhad)及楊忠禮國際電力有限公司的獨立非執行董事，亦是馬來西亞拉曼學院教育基金的受託人。

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，72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)拿督勳銜。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。

他是馬來西亞上市公司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關連方，有關詳情載於2015年7月8日刊發之通函及本年報第54至58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

除上述所披露者外，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2015年3月31日止財政年度之董事會會議出席記錄載於第41頁。

Profile of Senior Management

Mr ONG See Boon

Malaysian, aged 64

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 39 years of experience in the newspaper industry in Hong Kong and Malaysia. Before joining the Company, he held various key positions and directorships in companies of the Rimbunan Hijau Group in Mainland China.

Mr NG Kait Leong

Malaysian, aged 63

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.

Mr KOO Cheng

Malaysian, aged 59

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 was 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.

翁昌文先生

馬來西亞公民，64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39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。

伍吉隆先生

馬來西亞公民，63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。

許春先生

馬來西亞公民，59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。

Profile of Senior Management

Mr LIEW Sam Ngan

Malaysian, aged 57

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.

Mr CHONG Tien Siong

Malaysian, aged 57

Mr CHONG Tien Siong joined the Group in 2014. He is the Editor-In-Chief of *Ming Pao Daily News* and a member of the Hong Kong Executive Committee, he is also a director of Ming Pao Newspapers Limited. Mr CHONG obtained his Master of Arts from Nanking University China and became a PhD Candidate at Fudan University Shanghai. He published 6 books and has been a member of the editorial team of *The Global Chinese Dictionary* which was published in Beijing in May 2010. Mr CHONG is a veteran journalist with more than 30 years experience. Before joining the Group, he had worked with *Sin Chew Daily* and *Yazhou Zhoukan* in Malaysia, later he joined *Lianhe Zaobao* of Singapore Press Holdings, once based in Indonesia. In October 2006, he joined Nanyang as an independent non-executive director and was re-designated as an executive director in November 2006, and concurrently the Editor-In-Chief of *Nanyang Siang Pau* till July 2009. Mr CHONG served as the Deputy Treasurer of Malaysia National Union of Journalists from 1986 to 1988, he was also a member of the Supervisory Council of Malaysian National News Agency (BERNAMA) since 2008 for a three-year term.

Mr Keith KAM Woon Ting

Chinese, aged 58

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.

廖深仁先生

馬來西亞公民，57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。

鍾天祥先生

馬來西亞公民，57歲

鍾天祥先生於2014年加入本集團。他是《明報》總編輯及香港行政委員會成員，亦是明報報業有限公司之董事。鍾先生獲南京大學頒授中文系碩士學位，並獲上海復旦大學取錄為博士生。他曾出版6本書籍，及參與2010年5月在北京出版的《全球華語詞典》編寫小組。鍾先生是資深媒體人，具備逾30年新聞工作經驗。加入本集團前，他曾在馬來西亞《星洲日報》和《亞洲週刊》任職，後加盟新加坡報業控股的《聯合早報》，一度派駐印尼。2006年10月，他加入南洋報業出任獨立非執行董事，於2006年11月調任為執行董事，兼任《南洋商報》總編輯至2009年7月。鍾先生於1986年至1988年出任馬來西亞全國新聞從業員職工總會副財政，2008年擔任馬來西亞國家新聞社（馬新社）監督委員會成員，任期三年屆滿。

甘煥騰先生

中國公民，58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、廣告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。

Profile of Senior Management

Mr LAM Pak Cheong

Chinese, aged 46

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, media operations, mergers and acquisitions and corporate governance. 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.

Mr Yil Hua Tung

Malaysian, aged 53

Mr Yil Hua Tung joined the Group in 2009 and has been the Chief Operating Officer of MediaNet Resources Limited until December 2012. He re-joined the Group in December 2014 and currently is the Head of Digital of Ming Pao Group and a member of the Hong Kong Executive Committee. He graduated from Massey University, New Zealand with a Bachelor of Science Degree majoring in computer science and obtained a Diploma in Business Studies. Mr Yil has over 25 years of executive level experience in sales and marketing, general management and corporate development in the industries of digital media, e-commerce and telecommunication. He has been the President (Asia Pacific) of Brightstar Corp and Senior Vice President & General Manager of Siemens Mobile (South & Southeast Asia). Prior to his return to the Group, he was working as a consultant providing services to SMEs in the Asia region.

林栢昌先生

中國公民，46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、媒體業務、合併收購及企業管治方面擁有豐富經驗。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。

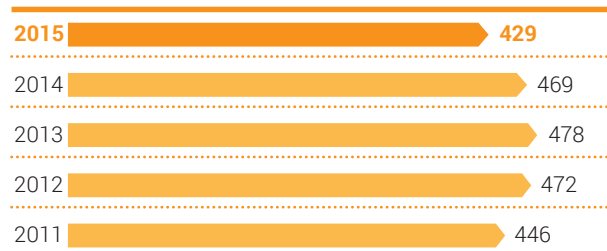
余華通先生

馬來西亞公民，53歲

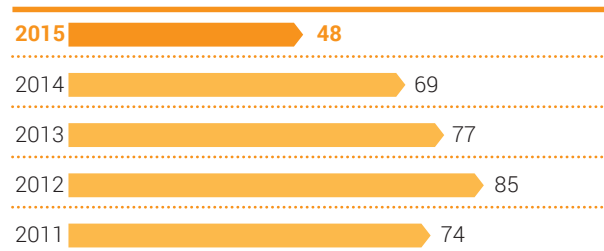
余華通先生於2009年加入本集團，曾任世華網絡資源有限公司的營運總監，直至2012年12月為止。他於2014年12月再度加入本集團，現任明報集團數碼媒體部主管及香港行政委員會成員。他畢業於新西蘭梅西大學，獲頒理學學士學位，主修計算機科學，並取得商學文憑。余先生於數碼媒體、電子商務及電訊業的銷售及市場推廣、一般管理及企業發展方面擁有超過25年行政經驗。他曾任Brightstar Corp(亞太區)總裁及Siemens Mobile (South & Southeast Asia)高級副總裁兼總經理。返回本集團前，他曾任顧問，為亞洲地區的中小企提供服務。

Chairman's Statement

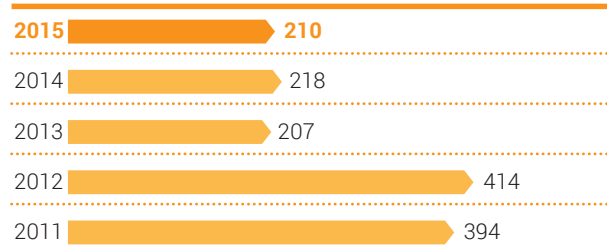
Turnover (US\$ Million)



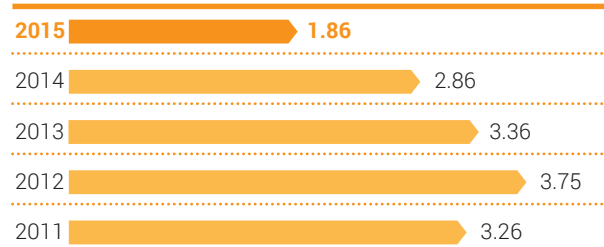
Profit before income tax (US\$ Million)



Equity attributable to owners of the Company (US\$ Million)



Basic earnings per share (US cents)



	2015	2014	2013	2012	2011
Turnover (US\$ million)	429	469	478	472	446
Profit before income tax (US\$ million)	48	69	77	85	74
Equity attributable to owners of the Company (US\$ million)	210	218	207	414	394
Basic earnings per share (US cents)	1.86	2.86	3.36	3.75	3.26
EBITDA (US\$ million)	63	86	90	95	84
Dividend per share (US cents)	0.930	1.430	14.688	2.648	1.953

Chairman's Statement



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 2015.

FINANCIAL RESULTS

2014/2015 was a difficult and challenging year for the Group as well as the entire media industry. The operating landscape throughout the year was fraught with challenges and uncertainties owing to the weak consumer sentiments and intensifying market competition. Among the factors contributing to these market conditions were the Malaysian government's

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2015年3月31日止財政年度之年度業績。

財務業績

2014/2015年度乃本集團及整個媒體行業艱難及充滿挑戰的一年。由於消費意欲疲弱及市場競爭日益激烈，令整個年度之營商環境充滿著挑戰及不明朗因素，當中原因包括馬來西亞政府推行津貼合理化措施及計劃於2015年4月實施商品及服務稅；訪港

Chairman's Statement

subsidy rationalisation plan and the scheduled implementation of the Goods & Services Tax in April 2015; the continued decline in tourists' spending in Hong Kong as well as the increasing fierce competition in the tourist industry. The situation was further exacerbated by rising cost pressures and currency fluctuations triggered by the strengthening of the US dollar.

The Group's turnover for the year was US\$429,140,000, a decline of 8.4% compared to US\$468,728,000 in the previous year. The decrease was mainly attributed to lower revenue from the publishing and printing segment. Profit before income tax for the year was down by 30.7% or US\$21,062,000 to US\$47,501,000 from US\$68,563,000 a year ago. Besides the decrease in revenue, the decrease in profit was also due to the impairment loss of goodwill and allowance for impairment loss of interest in an associate totalling US\$7,561,000.

The Malaysian publishing operations, which contributed about 58.2% of the Group's revenue, reported a decrease in revenue of 11.5% from US\$282,387,000 to US\$249,961,000. This decline in performance was largely due to the continuing weak consumer sentiments throughout the financial year, exacerbated by the aviation tragedies and the nation's worst flooding in December 2014. The segment's results were further weakened by negative currency impact caused by the depreciation of the Malaysian Ringgit against the US dollar during the year under review.

According to Nielsen Advertising Information Services report on Malaysia, the total advertising expenditure (adex) based on rate cards for all media segments from April 2014 to March 2015 increased by 2.7% year-on-year to RM14.3 billion (equivalent to US\$4.3 billion). The growth in this gross adex was mostly led by higher contributions from the Pay-TV segment (+10.1% YoY) and the in-store media segment (+19.6% YoY).

Despite the growth in total adex of 2.7%, adex for the newspaper segment dipped 2.0% to RM4.6 billion (equivalent to US\$1.4 billion) from a year ago. The decline in the newspaper segment performance was attributed to contractions in the Malay medium segment by 7.3%, the Chinese segment by 1.6% while the English segment grew marginally by 1.5%.

Total gross advertising spending in Hong Kong rose 4.2% during the year under review according to the research data by admanGo. Chinese newspapers reported a growth of 2.5%, all contributed by the free daily newspapers which registered a 5.9% increase in advertising revenue. The digital media is growing more popular among advertisers and the Hong Kong market's online advertising expenditure for 2014/2015 grew 31.7% year-on-year. On the other hand, advertising expenditure in magazines decreased by 6.9% as the magazine advertising market remained weak throughout the year.

旅客消費持續下降及旅遊業競爭加劇。而成本上漲壓力及美元升值所觸發匯率波動亦導致有關情況進一步惡化。

本集團年度營業額為429,140,000美元，較去年之468,728,000美元下跌8.4%。營業額下跌主要由於出版及印刷分部收益減少。除所得稅前年度溢利則由去年之68,563,000美元減少30.7%或21,062,000美元至47,501,000美元。除收益減少外，溢利亦受到商譽減值虧損及於一間聯營公司權益之減值虧損撥備合共7,561,000美元所拖累。

馬來西亞出版業務為本集團收益貢獻約58.2%，其收益由282,387,000美元下跌11.5%至249,961,000美元。表現倒退主要由於消費意欲於整個財政年度持續疲弱，而多宗空難慘劇及於2014年12月遭遇國內最嚴重水災則致使倒退情況加劇。分部業績亦因回顧年內馬來西亞令吉兌美元貶值所帶來負面匯兌影響而受到進一步削弱。

根據馬來西亞尼爾森廣告監播服務(Nielsen Advertising Information Services)報告，於2014年4月至2015年3月期間，所有媒體分部按廣告價目表計算之廣告開支總額按年增加2.7%至143億馬幣(相當於43億美元)。有關總額增長主要受收費電視分部(按年增加10.1%)及店內媒體分部(按年增加19.6%)之貢獻增長所帶動。

儘管總廣告開支增加2.7%，報章分部廣告開支則較去年減少2.0%至46億馬幣(相當於14億美元)。報章分部表現倒退乃因馬來文分部及華文分部分別縮減7.3%及1.6%所致，而英文分部則輕微增長1.5%。

根據admanGo之研究數據，回顧年內香港廣告開支總額增加4.2%。華文報章增長2.5%，全歸功於免費日報之廣告收益增加5.9%。數碼媒體亦愈來愈受廣告商歡迎。於2014/2015年度，香港市場之網上廣告開支按年增長31.7%。另一方面，由於年內雜誌廣告市場仍然疲弱，以致雜誌廣告開支下跌6.9%。

Chairman's Statement

The Group's travel and travel related services segment recorded turnover and profit before income tax of US\$85,906,000 and US\$3,770,000 respectively for the year, reflecting decreases of 2.8% and 10.6% respectively from a year ago.

During the year under review, the Group recorded significant unfavourable currency impact as a result of the weakening of the Malaysian Ringgit and the Canadian dollar against the US dollar. The negative currency impacts were around US\$13,339,000 and US\$2,108,000 on the Group's turnover and profit before income tax, respectively.

Basic earnings per share for the year stood at US1.86 cents, a decrease of 35.0% or US1.00 cent from US2.86 cents in the previous financial year. As at 31 March 2015, the Group's net assets stood at US\$216,105,000, 4.0% lower than the previous year's US\$225,049,000; but the Group's net gearing ratio came down to 5.9%, compared to 21.9% as at 31 March 2014.

STRENGTHENING OUR DIGITAL BUSINESS

As we enter into the second half of the present decade, the print media business will continue to face new challenges and the migration from traditional to digital platform will intensify. New technologies and the resulting changes in media consumption pattern will continue to evolve in the foreseeable future. Therefore, the Group will continue to allocate and invest resources to enhance its digital business and make use of technology to better meet consumer demands in all platforms.

During the year, while consolidating the print portfolio, the Group has continued to diversify its media assets and seek to strengthen its positioning further as a global multi-media corporation.

In a bid to expand our presence in the digital world, many initiatives have been put into place to reach a wider online community whilst at the same time, to provide more alternatives for advertisers to maximise their advertisement effectively. As part of the strategy to capture the youth segment and mobile community, the Group has created niche contents that are tailored to each particular platform such as websites, social networks, mobile devices and digital publications.

In Malaysia, we have embraced a massive transformation journey to keep up with the rising trend of mobile. With the introduction of e-papers and e-magazines last year, the Group has taken the opportunity to expand its digital platforms through the implementation of a *MOBILE FIRST* strategy. This effort allows the e-versions of our publications being easily accessible through smartphones and tablets, and at the same time, to further reinforce the branding positions of the Group's publications in a fast-moving digital world.

本集團旅遊及與旅遊有關服務分部於年內分別錄得營業額及除所得稅前溢利85,906,000美元及3,770,000美元，較去年分別下跌2.8%及10.6%。

於回顧年內，由於馬來西亞令吉及加拿大元兌美元貶值，令本集團錄得重大不利匯兌影響。本集團之營業額及除所得稅前溢利分別錄得約13,339,000美元及2,108,000美元的負面匯兌影響。

年內每股基本盈利為1.86美仙，較上一財政年度之2.86美仙減少35.0%或1.00美仙。於2015年3月31日，本集團之資產淨值為216,105,000美元，較去年之225,049,000美元減少4.0%；而本集團之淨資本負債比率則由2014年3月31日之21.9%降至2015年3月31日之5.9%。

加強數碼業務

於進入本年代之後半部分，印刷媒體業務將繼續面對各種新挑戰，由傳統平台轉型為數碼平台亦會加劇。於可見將來，新科技及因而改變之媒體消費模式將不斷演變。因此，本集團將繼續分配及投放資源以加強其數碼業務，並善用科技從而更有效迎合各個平台之消費者需求。

年內，於整合印刷組合中，本集團同時亦繼續多元化發展其媒體資產，並致力鞏固其環球多媒體企業之地位。

為了擴大本集團之數碼市場份額，本集團採取多項措施接觸更廣泛網上社群，同時為廣告商提供更多選擇，力求有效提高其廣告效用。作為吸引年輕一輩及流動裝置用戶之其中一項策略，本集團為網站、社交網絡、流動裝置及數碼刊物等各個特定平台特製不同合適內容。

於馬來西亞，本集團已進行大規模轉型以緊貼流動電話日益發展之趨勢。憑藉於去年推出電子報章及電子雜誌，本集團把握機會透過實行「流動優先」策略拓展其數碼平台。此舉能使大眾可輕易透過智能電話及平板電腦瀏覽本集團之電子刊物，同時亦能進一步鞏固本集團刊物於瞬息萬變的數碼世界之品牌地位。

In gearing up the Group's non-print diversification plan, "Pocketimes", an online mobile video portal offering news, current affairs, lifestyle and entertainment broadcasting daily was launched during the year under review. As consumers become increasingly accustomed to watching mobile videos on their smartphones and tablets, we can expect video advertising on mobile devices to be a growing target for advertisers in future years.

We have revamped and improved the non-subscription based web portals to be more user-friendly and introduced the mobile *apps* with the aim to enrich the experience of a vast online audience. Efforts have also been put into place to grow the social media platforms further so as to strengthen our community interaction with our audiences.

In November 2014, the Group made its maiden venture into digital commerce by launching the "Logon" platform in Malaysia. "Logon" is a bilingual online marketplace specially designed to facilitate online businesses for small and medium-sized enterprises. We believe that this venture will enable us to open up new revenue stream for the Group whilst at the same time reaching out and connecting advertisers with audiences in the digital realm.

The Group's digital platforms create a new and promising revenue stream through the offer of integrated marketing solutions to advertisers, as well as the enhancement of audiences' interaction with the Group's digital content, which in turn drives audience loyalty and market share. In order to capitalise on the opportunities brought by the digital transition, the Group will continue to explore the myriad revenue possibilities available to multimedia content providers in both our existing and potential markets.

DIVIDENDS

Since the Company's dual listing in April 2008 on both the main boards of Bursa Malaysia Securities Berhad and The Stock Exchange of Hong Kong Limited, the Group remains committed to delivering value to our shareholders via a consistent dividend yield through the declaration of interim dividends on a bi-annual basis in each financial year.

The Board of Directors has recommended a second interim dividend in lieu of final dividend of US0.500 cents per share to be paid on 31 July 2015. Together with the first interim dividend of US0.430 cents paid on 15 January 2015, the Group has declared a total of US0.930 cents per ordinary share for the financial year 2014/2015.

HUMAN CAPITAL

As a leading Chinese media group, we recognise that our talent pool is the cornerstone of the entire Group. In this regard, investing in our people is an important priority to fulfill the strategic objective and mission of the Group. Constant staff training and development, rationalisation and re-allocation of human resources for improved productivity and efficiency are consistent initiatives undertaken by the Group on a regular basis.

為準備本集團之非印刷多元化發展計劃，網上流動影片門戶網站「百格時視」(Pocketimes)已於回顧年內推出，每日提供新聞、時事、生活時尚及娛樂廣播。由於消費者日漸習慣透過其智能電話及平板電腦觀賞流動視頻，我們預期流動裝置之視頻廣告將為未來數年廣告商之發展目標。

本集團已翻新及改良以非訂閱為基礎且方便易用之門戶網站，並推出流動裝置應用程式，務求豐富廣大網上讀者之體驗。本集團亦積極發展社交媒體平台，銳意進一步加強我們與讀者之社群互動。

於2014年11月，本集團於馬來西亞推出「熱購」(Logon)平台，首度進軍電子商貿領域。「熱購」為雙語網上市場，專為促進中小型企業網上業務而設。本集團相信，此項業務定能令本集團帶來新收入來源，同時於數碼領域為廣告商開拓及連繫用戶。

本集團之數碼平台透過向廣告商提供整合營銷方案及增強讀者與本集團數碼內容之互動開創可觀之新收入來源，同時亦提高讀者忠誠度及市場份額。為把握數碼轉型所帶來之商機，本集團將繼續探索各種提供予多媒體內容供應商於現有及潛在市場之收入來源。

股息

自本公司於2008年4月在馬來西亞證券交易所及香港聯合交易所有限公司主板雙邊上市以來，本集團透過各財政年度每半年宣派中期股息而維持穩定股息率，銳意為股東創造價值。

董事會擬派並將於2015年7月31日派付第二次中期股息每股0.500美仙，以代替末期股息。連同已於2015年1月15日派付之第一次中期股息每股0.430美仙，本集團於2014/2015財政年度已宣派股息總額為每股普通股0.930美仙。

人力資源

作為一個領先華文媒體的集團，本集團深明人才為整個集團的基石。就此，投放資源栽培人才對本集團達成策略目標及使命至關重要。本集團定期採取一貫措施，進行員工持續培訓及發展、精簡及重新調配人力資源，務求提高生產力及效率。

Chairman's Statement

Through the on-going employee engagement initiatives and career development programmes, we strive to cultivate a highly skilled, knowledgeable and motivated workforce with employees who are adaptive, productive and competent in supporting the Group's growth as a dynamic and diversified media conglomerate.

PROSPECTS

Looking ahead, 2015/2016 will be another challenging year for the Group. The publishing industry in which the Group operates is expected to remain challenging as its performance is considerably linked to the global economic outlook and market sentiments. The general slowdown in various economies, the slump in crude oil prices, the depreciation of Malaysian Ringgit and Canadian Dollar against the US Dollar, and the market uncertainties arising from the impending Goods & Services Tax in Malaysia are all expected to have adverse impact on the consumer confidence in the advertising market. In the Greater China region, the retail market is expected to remain soft in the coming year, however, the still buoyant Hong Kong property market should provide some support to the Group's performance in this region.

In light of these challenges, the Group seeks to grow its non-traditional revenue further while consolidating its print market share. At the same time, we will continue to seek business diversification opportunities in order to broaden our revenue streams while sparing no effort to strengthen existing digital business and to continuously improve overall productivity, profitability and operational efficiency.

APPRECIATION

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

Tan Sri Datuk Sir TIONG Hiew King

Group Executive Chairman

28 May 2015

透過持續推行僱員敬業措施及事業發展計劃，本集團銳意培育出高技術、具備豐富知識及積極主動的人力資源，使僱員具備良好適應力、生產力及才幹支持本集團發展為充滿活力之多元化媒體綜合企業。

前景

展望未來，2015/2016年度對本集團而言定將充滿挑戰。預期本集團業務營運所在出版業仍然挑戰重重，原因為其表現與全球經濟前景及市場氣氛有一定關係。多個經濟體系整體放緩、原油價格急跌、馬來西亞令吉及加拿大元兌美元貶值以及馬來西亞推行商品及服務稅所帶來之市場不明朗因素，預期均會對廣告市場之消費者信心造成不利影響。於大中華地區，零售市場預期於未來一年維持疲弱，然而，香港地產市場依然暢旺，能為本集團於該地區之表現提供一定支持。

因應此等挑戰，本集團致力進一步帶動非傳統收益增長，並鞏固其印刷市場份額。與此同時，本集團將繼續物色多元化發展業務之機遇以開拓本集團收益來源，並不遺餘力加強現有數碼業務以及持續改善整體生產力、盈利能力及營運效率。

致謝

本人謹代表董事會，感謝股東、讀者、觀眾、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環球業務所作的貢獻及努力。

丹斯里拿督張曉卿爵士

集團執行主席

2015年5月28日

Management Discussion and Analysis

FINANCIAL HIGHLIGHTS

(US\$'000)	Year ended 31 March		Change
	2015	2014	
Turnover	429,140	468,728	−8.4%
Profit before income tax	47,501	68,563	−30.7%
Profit for the year	31,090	49,271	−36.9%
Profit attributable to owners of the Company	31,429	48,236	−34.8%
EBITDA	63,493	86,343	−26.5%
Basic earnings per share (US cents)	1.86	2.86	−35.0%

OVERALL REVIEW OF OPERATIONS

The Group posted an annual turnover of US\$429,140,000 for the year ended 31 March 2015, reflecting an 8.4% decrease from the US\$468,728,000 reported in the prior year. Profit before income tax for the year amounted to US\$47,501,000, down 30.7% from last year's US\$68,563,000.

The decline in performance was mainly attributed to lower revenue contribution from the Group's publishing and printing segment against the backdrop of slowing advertising spending in the Group's major markets. Besides the lower revenue, the Group's results for the year was dragged down by the impairment loss of goodwill and allowance for impairment loss of interest in an associate totalling US\$7,561,000.

During the year under review, the Group's publishing and printing segment was affected by the lethargic market conditions in its key operating markets. The segment reported a total turnover of US\$343,234,000, 9.7% or US\$37,071,000 less than the US\$380,305,000 reported a year earlier. The decrease in revenue was cushioned by lower newsprint costs and cost savings from the Group's on-going stringent cost management. Segment profit before income tax fell 27.8% or US\$20,540,000 year-on-year to US\$53,288,000. The decline was attributed to the decrease in revenue as well as the impairment loss on goodwill of US\$5,666,000.

Turnover of the Group's travel segment edged down 2.8% to US\$85,906,000 from US\$88,423,000 in the prior year, due mainly to the intensified market competition. The segment reported a profit before income tax of US\$3,770,000, 10.6% or US\$445,000 down from US\$4,215,000 a year earlier.

Both Malaysian Ringgit and the Canadian dollar weakened against the US dollar during the year, resulting in negative currency impact on the Group's turnover and profit before income tax of approximately US\$13,339,000 and US\$2,108,000 respectively for the year ended 31 March 2015.

Basic earnings per share for the year ended 31 March 2015 was US1.86 cents, a decrease of US1.00 cent or 35.0% from US2.86 cents in the previous financial year. As at 31 March 2015, the Group's cash and cash equivalents and net assets per share attributable to owners of the Company amounted to US\$118,620,000 and US12.43 cents, respectively.

Management Discussion and Analysis

SEGMENTAL REVIEW

Publishing and printing

Malaysia and other Southeast Asian countries

The operating environment for the media and advertising industry in Malaysia was tough during the year under review.

The Malaysian segment faced a soft advertising market as local businesses and consumers remain cautious in their spending given the overhanging economic uncertainties following the government's subsidy rationalisation plan and the impending implementation of the Goods & Services Tax ("GST") in April 2015.

Adding to the already soft market sentiments were the tragic airline incidents and one of the worst flood disasters that hit the country in December 2014. The entire nation was in shock and grief, and as a mark of respect, many corporations as well as government agencies scaled down their festive celebrations and promotional activities in the media. The slide in global crude oil prices, while bringing some respite to the consumers, created further uncertainties to the country's economy with the Malaysian Ringgit tumbled down against the US Dollar.

Despite the increasingly challenging environment, the Malaysian operations remained resilient and recorded an annual turnover of US\$249,961,000 for the year ended 31 March 2015, an 11.5% decrease from US\$282,387,000 a year earlier. Profit before income tax fell 27.2% to US\$48,374,000 from US\$66,487,000 in the previous year. The decrease in profit was due in part to an impairment loss of goodwill of US\$5,315,000 recognised during the year. The depreciation of Malaysian Ringgit against US dollar also had a negative currency impact on the segment's turnover and profit before income tax. If excluding the impairment loss and currency impact, the decrease in profit would have been 14.1%.

As a leading publisher, the Group continues to reinforce its brand positioning by reaching out to different targeted Chinese readers in Malaysia. Our four Chinese language newspapers, *Sin Chew Daily*, *China Press*, *Guang Ming Daily* and *Nanyang Siang Pau*, continue to maintain their leading positions in their respective markets. Together they amassed a total average daily readership of 2.7 million and accounted for about 70% of all the Chinese language newspapers sold in Malaysia during the year under review.

Sin Chew Daily, which celebrated its 85th years of publishing in 2014, remains the largest circulating and most widely read Chinese daily in Malaysia. Being a responsible corporate citizen, *Sin Chew Daily* adheres to high standards of journalism as the most trusted and credible source of news and information. It constantly provides independent, fair and reasonable commentaries and views on socio-political news, as well as issues that are relevant to the Chinese communities. It also launched the "I support moderation" campaign in December 2014 in opposing extremist tendency, while helping to preserve Malaysia as a moderate and harmonious nation for all citizens.

As the Group's flagship newspaper, *Sin Chew Daily* continued to reach 1.2 million readers during the period from January to December 2014 (Source: Q4 2014 Nielsen Consumer and Media View). Average circulation of *Sin Chew Daily* for the period from January to June 2014 was 379,504 copies daily, according to the latest available Audit Bureau of Circulation report ("ABC report").

China Press continues to be the second most popular Chinese daily newspaper in Malaysia. With a mix of daily socio-political news, entertainment and lifestyle features, it attracts 1.1 million readers nationwide (Source: Q4 2014 Nielsen Consumer and Media View). Based on the ABC report, *China Press* achieved a daily circulation of 233,713 copies for the period from January to June 2014.

Guang Ming Daily maintains its leading position in the northern region while serving all its readers in the whole of Peninsular Malaysia. It remains the most popular Chinese newspaper in the northern region with 103,549 daily circulated copies between January to June 2014 according to the ABC report, and has a daily readership of 356,000 from January to December 2014. As part of its effort to be closely connected to the community, *Guang Ming Daily* continues to strengthen its editorial content with new layout and design for readers of all ages and walks of life.

Management Discussion and Analysis

Nanyang Siang Pau, with a strong focus on business and economic news, continues to attract a readership profile of professionals, managers, executives and businessmen. To cater for the needs of these readers, *Nanyang Siang Pau* continues to enhance its content by introducing a daily pullout, together with more relevant and meaningful content for its business section.

Life Magazines remains Malaysia's largest Chinese language magazine publisher with a combined portfolio of one tabloid newspaper and 16 magazines, covering the hottest topics in town including fashion, bridal, parenting and lifestyle. Adding to this, Life Magazines has also achieved success in organising various events and trade fairs such as "Health Fair", "Romance in Fate Bridal Fair" and "Angling & Outdoor Recreational Fair".

Following the launch of the Group's digital versions of newspapers and magazines, the Group has been aggressively promoting its digital presence to cater to the growing online audiences. We work closely with our business partners for more bundling offerings, including collaborating with *The Star* and retail outlets on joint e-paper promotions that can reach out to a wider spectrum of readers. With these initiatives, we attempt to broaden our reach and to better serve the stakeholders of the Group.

Hong Kong and Mainland China

Turnover for the Group's operations in Hong Kong and Mainland China for the financial year ended 31 March 2015 amounted to US\$69,744,000, representing a marginal decline of 2.5% from US\$71,558,000 reported in the prior year, while the segment's profit before income tax decreased 27.3% or US\$1,732,000 to US\$4,617,000. The decrease was largely due to the decline in turnover, as well as an impairment loss of goodwill of about US\$351,000 recognised by the Group's listed subsidiary, One Media Group, in relation to its investment in Mainland China.

2014 had been an eventful year, both in Hong Kong and internationally. Though information is now easily accessible through digital and mobile devices and such behavioral change is continuously evolving, yet reliable information from credible newspapers is still what the public needs. Well recognised for its credibility, *Ming Pao Daily News* has achieved a commendable growth in readership for both its print and digital editions during the second half-year of 2014/2015. According to Nielsen Media Index 2014 report, *Ming Pao Daily News* registered an 8% growth in readership during the said period, especially among professionals and business executives.

Following our renowned and award-winning "Investigative Reports", *Ming Pao Daily News* has launched a new reporting series in August 2014, the "In-depth Analytical Reports", which provides thorough and detailed analysis as well as critical insights into key issues and events around the world. The news series has received recognition from the public and won three awards in the "2014 Hong Kong Best News Award". In addition, a new column "An Idiom To See The World" was also launched in September 2014 which aims to widen readers' horizon with credible, analytical and in-depth perspectives on international affairs.

In the digital end, we have regularly enhanced and upgraded our main website, mingpao.com, as well as all the apps for mobile devices. Since October 2014, mingpao.com has been providing 24-hour news coverage, uploading over 100 news articles every day to keep our readers abreast of what is happening in Hong Kong and on the global front. Our around-the-clock reporting has been well received and brought us another record high in users' base.

According to ComScore, a market leader in digital media analytics, the number of unique visitors of mingpao.com has reached 710,100 in the 4th quarter of 2014, which is a 39% increase over last year's. Mingpao.com is ranked 27 amongst Hong Kong's top 100 websites, up from 38 and its Page View has also registered a 54% increase. Furthermore, according to the data from Socialbakers, the facebook page of mingpao.com's instant news (<https://www.facebook.com/mingpaoinsnews>) has accumulated over 200,000 fans, and is ranked the second most liked facebook pages amongst the Chinese newspaper titles in Hong Kong.

Besides the support from readers, *Ming Pao Daily News* has also received recognition in the media industry for its unbiased news reporting and high journalism quality. In the Hong Kong News Awards 2014 organised by The Newspaper Society of Hong Kong, *Ming Pao Daily News* won a total of 14 awards including 3 Winner awards, 5 First Runner-up awards and 3 Second Runner-up awards. Adding to this, it was also granted 13 awards in the "Focus at the Frontline 2014" Photo Contest organised by Hong Kong Press Photographers Association.

Management Discussion and Analysis

The Group's new education business of providing textbooks on certain subjects under the curricula of secondary schools in Hong Kong has been well accepted by the market, and has progressively gained increasing market share among secondary schools in Hong Kong. During the year under review, the Group continued to extend efforts in expanding its distribution channels within the local education community.

One Media Group, the Group's listed subsidiary providing Chinese language lifestyle publications in the Greater China region, reported a decline of 11.9% and 49.2% in turnover and operating profit respectively for the year ended 31 March 2015. It was mainly due to the slowing retail market which negatively impacted advertising spending in the region, in particular for branded and luxury products. Furthermore, One Media Group has recognised an impairment loss on goodwill and an allowance for impairment loss of interest in an associate which resulted in the group reporting a loss for the year. The impairment losses were non-cash items and have no impact on One Media Group's cash position.

North America

The Group's publishing and printing operations in North America registered an annual turnover of US\$23,529,000, 10.7% or US\$2,831,000 less than the US\$26,360,000 reported in 2013/2014. About 60% of the decline was due to negative currency impact caused by the depreciation of the Canadian dollar against the US dollar during the year. In addition, the segment's advertising revenue was impacted by the region's slow economy which resulted in reduced spending by the advertisers. Segment profit before income tax decreased by US\$695,000 to US\$297,000 from last year's US\$992,000, attributed to both the decline in revenue and negative currency impact.

Travel and travel related services

Turnover for the Group's travel operations in Hong Kong and North America for 2014/2015 was US\$85,906,000, a slight decrease of 2.8% from last year's US\$88,423,000 attributed mainly to intensified market competition. Segment profit before income tax amounted to US\$3,770,000, reflecting a decrease of 10.6% from US\$4,215,000 in the prior year.

Digital business

The inevitable digital revolution has broadened the choices for readers in all age groups. In view of this unrelenting trend, the Group has been reallocating resources to enlarge its readership base by attracting new online audiences while at the same time retaining its existing print readers.

In terms of expanding its digital footprint, the Group has provided e-versions of all its newspapers as well as its major magazine titles. The Group's subscription-based e-papers and e-magazines together with the respective websites and mobile *apps* have generated additional revenue sources and monetizing opportunities through the offer of cross-platform marketing solutions to advertisers.

In July 2014, the Group introduced "*Pocketimes*" which is an online mobile video portal providing daily newscast. It produces short and crisp online videos covering topics from breaking news, business, entertainment, sports and lifestyle for smartphone users in Malaysia, in particular, those in younger age groups. It has since garnered more than a million video views, and continues to grow in popularity.

In view of the strong growth potential for online shopping, the Group has officially launched its online shopping portal "*Logon*" in Malaysia on 26 November 2014. It is an e-commerce marketplace with a vision to facilitate SMEs/SMLs to grow their businesses online, and at the same time, empowering new or existing merchants to extend their business reach to the under-tapped e-marketplace and their targeted consumers. The Group will continuously improve this online portal in order to provide an enriching shopping experience for all the e-shoppers. A new merchant facility centre and a new mobile apps version will be launched soon to serve as additional catalysts for the continuing e-commerce growth in the years to come.

Recognising the changing dynamics in society and the shift in reading preferences, the Group will continue to diversify its media assets and strengthen its position as a global multimedia group.

Management Discussion and Analysis

OUTLOOK

The Board is expecting another challenging year in 2015/2016, given the continued economic uncertainties in the Group's operating markets as well as the slow pace of recovery of the global economy.

We anticipate that the implementation of the GST in April 2015 and the ensuing deterioration in consumer and business sentiments will continue to weigh on the Group's performance as well as that of the media industry in Malaysia in the short term.

Newsprint prices are expected to remain weak for the coming year which can create a buffer for the Group amidst unfavourable business environment. Despite the challenges ahead, we will remain focused on driving revenue growth and work towards strengthening the Group's market position. The Group will continue to reinforce its business strategies and strive for higher productivity and profitability while at the same time maintain ongoing vigilance over all operating costs.

PLEDGE OF ASSETS

As at 31 March 2015, general security agreements under which all the assets of certain subsidiaries with net carrying amount of US\$10,484,000 (31 March 2014: US\$11,974,000) were pledged to certain banks to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 March 2015, there were several libel suits which involved 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 consolidated 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.

CAPITAL COMMITMENTS

As at 31 March 2015, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in these consolidated financial statements amounted to US\$4,003,000 whereas authorised capital expenditure for property, plant and equipment not contracted and not provided for in these consolidated financial statements amounted to US\$1,753,000.

FINANCIAL GUARANTEE

As at 31 March 2015, the Company issued financial guarantees to banks in favour of certain of its subsidiaries totalling US\$20,930,000 (2014: US\$21,792,000) in connection with general banking facilities granted to those subsidiaries. At 31 March 2015, total facilities utilised amounted to US\$6,499,000 (2014: US\$5,865,000). 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 2015 under the financial guarantees was the facility drawn down by its subsidiaries. No provision was therefore made in this respect at 31 March 2015.

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.

Management Discussion and Analysis

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

During the year ended 31 March 2015, 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\$20,815,000 was recognised largely due to the changes in the exchange rate of US\$ to RM.

LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING RATIO

As at 31 March 2015, the Group's cash and cash equivalents were US\$118,620,000 (31 March 2014: US\$102,852,000) and total bank and other borrowings were US\$131,091,000 (31 March 2014: US\$150,530,000). The net debt position was US\$12,471,000 (31 March 2014: US\$47,678,000). Owners' equity was US\$209,744,000 (31 March 2014: US\$217,812,000).

The net gearing ratio of the Group, calculated as net debt over owners' equity, was 5.9% as at 31 March 2015 (31 March 2014: 21.9%).

CAPITAL STRUCTURE

During the year, the Company repurchased a total of 2,000 shares at an aggregate purchase consideration of HK\$4,300 (equivalent to US\$555). Details of the repurchase are set out in note 31(a) to the financial statements.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 March 2015, the Group had 4,554 employees (31 March 2014: 4,659 employees), the majority of whom were 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.

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

HONG KONG NEWS AWARDS 2014

— The Newspaper Society of Hong Kong

Best Scoop



Winner

Best Arts and Culture News Reporting



Winner

Winner:

Best Scoop

Best Arts and Culture News Reporting

Best Young Reporter

1st Runner-up:

Best Scoop

Best News Reporting

Best Business News Reporting

Best Arts and Culture News Reporting

Photographic Section (News)

2nd Runner-up:

Best News Reporting

Best Arts and Culture News Reporting

Photographic Section (Sport)

Photographic Section (Sport)



2nd
Runner-up



“FOCUS AT THE FRONTLINE 2014” PHOTO CONTEST

— Hong Kong Press Photographers Association

Winner:

Feature



1st Runner-up:

Feature

General News

Sports

Spot News

2nd Runner-up:

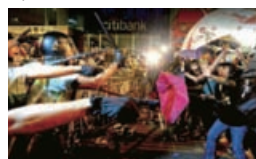
Spot News

Merit:

Feature (3 awards)



Spot News



General News



People Portrait (2 awards)



THE 14TH ASIAN MEDIA AWARDS 2015

— WAN-IFRA

Gold Award:

Best in Design

Newspaper Front Page Design



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

THE 36TH “BEST OF NEWS DESIGN” CREATIVE COMPETITION

— The Society for News Design

Award for Excellence:

Page Design (Spot News)

Page Design (Feature)

Photography (General News)

Photography (Spot News)

THE 14TH CONSUMER RIGHTS REPORTING AWARDS 2014

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

News (Newspaper/Magazine)

Silver Award

Bronze Award

THE 19TH ANNUAL HUMAN RIGHTS PRESS AWARDS 2014

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

Spot News Photography

Prize

Merit

THE 6TH ANNUAL KAM YIU-YU PRESS FREEDOM AWARDS

— Kam Yiu-yu Foundation

Winner:

Print Media

THE SOPA 2015 AWARDS FOR EDITORIAL EXCELLENCE

— The Society of Publishers in Asia

Award for Excellence:

Excellence in Human Rights Reporting

Excellence in Investigative Reporting

Excellence in News Photography

Honourable Mention:

Excellence in Editorial Cartooning

Excellence in News Photography

HONG KONG JUNZI CORPORATION SURVEY 2014

— Hang Seng Management College

Junzi Corporation Gold Award

Award of Excellence,
Page Design (Feature)



Award of Excellence,
Photography (General News)



Award of Excellence,
Photography (Spot News)



MEDIA CONVERGENCE AWARDS 2014

— Hong Kong Association of Interactive Marketing

10 Outstanding Media

Bronze Award:

Website (Newspaper)

Mobile Applications (Newspaper)

Social Media Platform (Newspaper)

General (Newspaper)

MERITORIOUS WEBSITES CONTEST 2014

— The Office for Film, Newspaper & Article Administration

Top 10 Meritorious Websites — mingpao.com

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

DATUK WONG KEE TAT JOURNALISM AWARDS 2013

— Editors' Association of Chinese Medium of Malaysia



Tan Sri YAP Yong Seong Feature Writing Award
Outstanding Prize: *Sin Chew Daily*

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

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

Datuk WONG Kee Tat News Editing Award (Feature)
2 Outstanding Prizes: *Guang Ming Daily*

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

Tan Sri NG Teck Fong News Reporting Award
Excellence Prize: *Sin Chew Daily*
Outstanding Prize: *Guang Ming Daily, Sin Chew Daily*

Dato' KONG Hon Kong Sports News Reporting Award
Outstanding Prize: *Sin Chew Daily*

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

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

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

THE 4TH MCPA PHOTO AWARD 2014

— Malaysia Chinese Photojournalists Association (MCPA)



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

Dato' Sri CHIA Hooi Huak Photo Essay Award
2 Consolation Awards: *Sin Chew Daily*

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

KENYALANG SHELL PRESS AWARDS 2014

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



Feature and News Feature Journalism Award
1st Prize: *Sin Chew Daily*

Environmental Journalism Award
1st Prize: *Sin Chew Daily*
3rd Prize: *Sin Chew Daily*

Business and Economic Reporting Award
3rd Prize: *Sin Chew Daily*

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

Sports Reporting Award
2nd Prize: *Sin Chew Daily*

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

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

KINABALU SHELL PRESS AWARD 2014

— Sabah State Government, Shell Malaysia and Sabah Journalists Association



News Reporting Award
2 Excellence Awards: *Sin Chew Daily*

Environmental Journalism Award
Excellence Award: *Sin Chew Daily*

Business and Economic Reporting Award
Excellence Award: *Sin Chew Daily*

Entertainment Reporting Award
Excellence Award: *Sin Chew Daily*

THE 12TH TAN SRI LIM GAIT TONG PRESS AWARD 2013

— Penang Press Club



Tan Sri LIM Gait Tong Literature Award
Excellence Award: *Guang Ming Daily*
Outstanding Award: *Guang Ming Daily*

Dato' KHOR Chong Boon Breaking News Award
Excellence Award: *Guang Ming Daily*
2 Outstanding Awards: *Guang Ming Daily*

Dato' LIM Toh Meng Editing Award (News/Supplement)
Excellence Award: *Guang Ming Daily*
Outstanding Award: *Guang Ming Daily*

Tan Sri TAN Khoo Hai News Photography Award
Excellence Award: *Guang Ming Daily*

Dato' Seri H'NG Bok San Feature Award
3 Outstanding Awards: *Guang Ming Daily*

Dato' CHUAH Kooi Yong Business Information Award
Excellence Award: *Guang Ming Daily*

Dato' TEO Seng Soon Feature Photography Award
2 Outstanding Awards: *Guang Ming Daily*

THE 2ND JOURNALISM AWARD

— Penang Chinese Media Journalists and Photographers Association



Dato' Sri KHOR Teng Tong Feature Award
Outstanding Award: *Sin Chew Daily*

Dato' LIM Chiew Ah Culture and Arts Photography Award
Outstanding Award: *Sin Chew Daily*

Dato' CHEAH See Kian Social News Photography Award
Outstanding Award: *Sin Chew Daily*

PENANG STATE GOVERNMENT GREEN JOURNALISM AWARD 2014

— Penang State Government and Penang Green Council



News Reporting Award (Chinese)
Excellence Award: *Guang Ming Daily*

Features Writing Award (Chinese)
Excellence Award: *Guang Ming Daily*

News Photography Award
Champion: *Guang Ming Daily*
1st Runner-up: *Sin Chew Daily*
2nd Runner-up: *Guang Ming Daily*

JOHOR MEDIA AWARDS 2014

— Johor State Government, Johor State Information Department and Johor Media Club



Best News Photography Award: *Sin Chew Daily*

Best Sports Reporting Award: *Sin Chew Daily*

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

THE 11TH DATO' TAN CHIN HUAT CHINESE MEDIA BADMINTON TOURNAMENT

— Malaysia Chinese Sports Journalist
Association



Champion: *Sin Chew Daily*

THE MALAYSIAN POLICE DAY 2015

— Royal Malaysia Police



Social news reporter of *Sin Chew Daily* was awarded Commendatory Certificate on the Malaysian Police Day 2015 to recognise her positive assistance to the Police in prevention and detection of crime.

PINGKAT KEDAULATAN NEGARA (PKN)



4 reporters of *Sin Chew Daily* were honored "Pingkat Kedaulatan Negara (PKN)" presented by Prime Minister Datuk Seri NAJIB Tun Razak to recognise their positive precaution informative coverage made in the Sulu terrorist invasion and to inspire the patriotic spirit of the people.

MEDIA AWARDS OF THE MINISTRY OF HEALTH 2014

— Ministry Of Health, Malaysia



Best Photography Award
Champion: *Sin Chew Daily*

Photography Award (Chinese newspaper)
Outstanding Award: *Guang Ming Daily*

THE 7TH SARAWAK CHIEF MINISTER'S ICT MEDIA AWARDS

— Sarawak Information System Sdn. Bhd.



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

SARAWAK ENERGY BERHAD MEDIA AWARD 2014

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



News Reporting Award (Chinese
newspaper)
2nd Prize: *Sin Chew Daily*

Photography Award
3rd Prize: *Sin Chew Daily*

Major Awards of the Year — Malaysia (Nanyang Group)

THE 4TH MCPA PHOTO AWARD 2014

— Malaysia Chinese Photojournalists Association (MCPA)



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

Datuk ANG Say Tee Spot News Photo Award
Merit Award: *China Press*
3 Consolation Awards: *Nanyang Siang Pau*, *China Press*

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

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

Dato' LOW Kok Chuan Culture and Art Photo Award
Merit Award: *Nanyang Siang Pau*
3 Consolation Awards: *China Press*

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

DATUK WONG KEE TAT JOURNALISM AWARDS 2013

— Editors' Association of Chinese Medium of Malaysia



Datuk Seri Joseph CHONG Chek Ah Distinguished Media Service Award
Winner: *Nanyang Siang Pau*

Datuk WONG Kee Tat News Editing Award (News section)
Excellence Prize: *China Press*
2 Outstanding Prizes: *China Press*

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

Tan Sri YAP Yong Seong Feature Writing Award
Excellence Prize: *Feminine*
Outstanding Prize: *China Press*

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

Tan Sri TEONG Teck Leng Commentary Award
Excellence Prize: *China Press*

Dato' KONG Hon Kong Sports News Reporting Award
Excellence Prize: *China Press*

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

Dato' TAN Leong Ming News Photography Award
2 Outstanding Prizes: *China Press*

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

Tan Sri LAW Tien Seng Front Page of the Year Award
Outstanding Prize: *China Press*

Major Awards of the Year — Malaysia (Nanyang Group)

THE 2ND PENANG STATE NEWS AWARDS 2015

— Penang Chinese Media Journalists and Photographers Association



Dato' PANG Yun Tiam Commentary Award
Excellence Prize: *China Press*

Dato' LIM Chiew Ah Culture and Arts Photography Award
Excellence Award: *China Press*

Dato' NG Chun Hau Business News Award
Consolation Prize: *Nanyang Siang Pau*

CH'NG Hun Leong General Photo Award
Consolation Prize: *Nanyang Siang Pau*

Dato' Sri KHOR Teng Tong Feature Writing Award
Consolation Prize: *China Press*

THE 56TH AGROMATE/ AGONG CUP NATIONAL BASKETBALL TOURNAMENT PHOTO CONTEST

— Malaysia Basketball Association

Champion: *China Press*
1st Runner-up: *China Press*
2nd Runner-up: *China Press*
2 Outstanding Prizes: *China Press*

MEDIA AWARDS OF THE MINISTRY OF HEALTH 2014

— Ministry of Health, Malaysia



Best Health News Reporting Award
(Chinese magazine)

Excellence Prize: *Feminine*
2 Outstanding Prizes: *Feminine*

MPA MAGAZINE AWARDS 2014 (BEST FRONT COVER DESIGN)

— Magazine Publishers Association, Malaysia

Editorial Award
Special Interest & Niche category
(Chinese)
Gold Award: *Special Weekly*
Silver Award: *Pets*

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

Special Interest & Niche category
(Chinese)
2 Silver Awards: *Pets*



Significant Events — Hong Kong

MING PAO DAILY NEWS

Ming Pao Daily News co-organised "2014 NU SKIN Master Forum". Professor David HO Dai I, a renowned AIDS researcher, gave a speech on "BELIEFS Determine the Future". The forum attracted a packed house.



"Ming Pao JUPAS Information Day 2015" offered seminars on diverse topics, providing students with the latest and comprehensive information about further studies. It also invited education experts and representatives from numerous local and overseas educational institutions to help students tailor their studies and plan their future.



"Junior Student Reporter Camp", organised under the "Ming Pao Student Reporter Scheme", was an activity designed specifically for the upper primary and junior secondary students. Through various workshops and simulated interviews, the camp helped the students understand how media work and enrich their knowledge on liberal studies.



With the aim to establish and foster relationship with our readers, Ming Pao Daily News has organised various activities including wine tasting session, movie premieres, health and finance seminars, and received enthusiastic support from our readers.



Significant Events — Hong Kong

MING PAO MONTHLY

Ming Pao Monthly co-organised academic conferences and open lectures that strive to enhance the public's knowledge of Chinese culture and widen their horizons.



YAZHOU ZHOUKAN

More than 1,600 Chinese entrepreneurs from over 30 countries around the world participated in "The 11th World Summit of Chinese Entrepreneurs" held at Macau, China.



MING PAO PUBLICATIONS

Ming Pao Publications presented new releases and series of publications that cater for the needs of readers in book exhibitions.



MING PAO EDUCATION PUBLICATIONS

Ming Pao Education Publications is committed to publishing and distributing printed textbooks as well as developing e-textbooks and e-learning platform business. It aims to enhance students' learning ability and support learning and teaching by providing quality service.



Local educationalists and professionals shared their ideas and experiences in the education seminars.

Significant Events — Malaysia (Sin Chew Group)

SIN CHEW DAILY



Sin Chew Daily, *Yazhou Zhoukan* and *Xiao En Group* jointly organised "History and Future of Chinese in South Pacific" Forum. It received an overwhelming response from the audience.



The largest Chinese and English newspapers in Malaysia, *Sin Chew Daily* and *The Star* jointly launched a bilingual e-paper (<http://scepaper.sinchew.com.my>) to build up a new media platform for bilingual readers.



Tan Sri Datuk Sir TIONG Hiew King (3rd from right), Group Executive Chairman officiated the launching ceremony of e-Commerce platform Logon (<http://www.logon.com.my>) and online videos platform Pocketimes (<http://www.pocketimes.my>).



Sin Chew Daily celebrated its 85th anniversary and organised 29 extravaganza shows nationwide. Tan Sri Datuk Sir TIONG Hiew King, Group Executive Chairman, made an opening speech at the Anniversary Gala Dinner.



Sin Chew Daily presented "The Time Honor Brand" prizes to the branded Chinese business entrepreneurs in Malaysia.



"Readers Reward Contest", jointly organised by *Sin Chew Daily* and Apple Vacations, received an enthusiastic response from readers with total more than 150,000 entry forms.



Sin Chew Daily "Newspaper-In-Education" celebrated its 20th anniversary. The instructors and headmasters of the winning schools in the contest were awarded a trip to Taiwan.



Cahaya Sin Chew organised "The 14th Cahaya Nationwide Secondary School Chinese Publication Contest" and received a warm response from secondary schools nationwide.

GUANG MING DAILY



Guang Ming Daily organised "Guang Ming Wellness Tour" to enhance readers' sense of health through a series of activities and seminars.



Penang Spring Festival (Miao Hui) has been jointly organised by *Guang Ming Daily*, *Sin Chew Daily* and Tow Boo Kong Butterworth for 10 consecutive years. It attracted more than 30,000 Penang citizens to attend the event.

YAYASAN SIN CHEW



Yayasan Sin Chew arranged volunteers to visit the elderly and the poor families in the Mid-Autumn Festival to spread love and concern to the community.

Significant Events — Malaysia (Nanyang Group)

NANYANG SIANG PAU



Entered into the 2nd year of the “Golden Eagle Awards”, *Nanyang Siang Pau* continued to promote and upkeep “Effectiveness Towards Sustainability” among the small medium enterprises (SME) in Malaysia. YB Senator Dato’ Sri Abdul Wahid OMAR, Minister in the Prime Minister Department presented the Golden Eagle Awards to 123 winning enterprises.



Nanyang Siang Pau and Astro jointly organised “My Carnival” to raise fund for Chinese schools. A total of RM1.39 million has been released in aid of 73 Chinese schools since 2009.

CHINA PRESS



China Press was the only Chinese newspaper to organise a series of GST seminars since September 2014. The guest speakers encompassed custom officers, tax consultants and software providers. The 10 road shows nationwide attracted more than 20,000 attendants.



China Press and Yeo's jointly organised public concerts. Local artists kept close interaction with readers and celebrated the Chinese festivals together.



Since 2013, 80 Chinese primary schools have been benefited from the “Read Newspapers with Fun” campaign organised by *China Press*. The objective of the campaign is to inculcate newspaper reading habit among the students for knowledge enhancement.

YAYASAN NANYANG PRESS



Yayasan Nanyang Press organised the “Love with No Barrier” Awareness Walk to pose the awareness of the need of basic living of the handicapped. Total 700 citizens and their disabled friends joined the event.

LIFE MAGAZINES



Oriental Cuisine and Cintan jointly organised “Good Cooking” competition. The 10 finalists were busy in preparing their best dishes with the Cintan recipes.



Let's Travel organised the 9th Treasure Hunt. It received an overwhelming response from readers and sponsors.

Corporate Social Responsibility

Corporate social responsibility ("CSR") has always been an important aspect of the Group. We recognise that the sustainability and long-term success of the Group depends on our access to resources and the strength of relationships with stakeholders — our workforce, business partners, shareholders and the regulators. As a media corporate, we continue to create, serve and deliver values to our stakeholders to ensure business success while helping to elevate the condition of the communities and environment that we operate in. 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

Humanitarian assistance

Leveraging on our resources, the Group continues to play a key role in the communities we serve. 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 encourage the public to care and help the underprivileged and poor in need through their participation and donations.

During the year, the Group has successfully raised funds for various charitable causes, including the provision of aids to victims of major catastrophes and natural disasters and people who are less fortunate, especially those in need of medical treatments. In Malaysia, most of the CSR initiatives of the Group are implemented through Yayasan Sin Chew and Yayasan Nanyang Press.

The East Coast flood fund raising drives were kicked-off by *Sin Chew Daily* and Yayasan Nanyang Press to raise funds and collect donated items in aid of relief and rehabilitation efforts after the massive floods hit the affected states in Malaysia. With the support given by readers and non-profit organisations, the Group had distributed supplies, tents and ready-to-eat items to the flood victims at several relief centres, while providing free medical check-ups and financial aid to support the post-flood rehabilitation efforts.

Guang Ming Daily continues to provide medical services and share health tips and information to the public through "Guang Ming Wellness Tour". 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. Under this programme, mobile clinics have been set up to provide medical aid as well as dentistry service to the poor.

In Hong Kong, the Group has continued to redirect kind-hearted readers' donations to unfortunate families to help them meet their immediate financial needs. The Group also organised book donation activities whereby the Group's employees were encouraged to donate leisure books which were then distributed to charitable organisations, including Hong Kong Red Cross, The Wellness Centre of New Life Psychiatric Rehabilitation Association 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 Charity Campaign" 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 providing better education opportunities to the disadvantaged children, "Adopt a Child" programme has been established by Yayasan Sin Chew since 2003. It encourages readers to make donation to poor children with monthly financial aid to support tuition fees and other needs for schooling.

Corporate Social Responsibility

To help develop nurture and raise young and bright talents of the future, *Sin Chew Daily* through “Sin Chew Education Fund” has worked together with a number of private higher education institutions in Malaysia in offering scholarships to qualified poor and needy in achieving their personal goals and ambitions.

Yayasan Nanyang Press continues its effort in helping the autistic children. “Dream House for the Hidden Star” was launched in 2014 to support autistic children from the poor families developing their skills for living in the future. They are given opportunities to nurture their creativity through various activities such as painting, music lessons, dancing and junior robotic class.

Besides, *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 infrastructure and facilities of Chinese schools. The Group also operates the Newspaper 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.

In Hong Kong, the “Ming Pao Student Reporter Scheme” has been running into its 18th years serving almost 8,000 upper secondary students. A sub-programme, the “Junior Student Reporter Camp”, has been organised since 2006 to extend reach to junior secondary and upper primary students. The scheme provides students with lectures and training on basic journalistic and multimedia publishing skills.

On national education, *Ming Pao Daily News* has continued to co-organise “The Hong Kong Cup Diplomatic Knowledge Contest”, now in its 9th year, which enhances students’ understanding of the national diplomatic policy of Mainland China and cultivates their sense of belongings to the country. The function has been well received by schools and the public. Over 5,000 students participated in this year’s contest.

This year marked the 3rd year in which *Ming Pao Daily News* co-organised the “Young Writers Training Programme” with the Standing Committee on Language Education and Research (SCOLAR) aiming to promote and raise the level of Chinese language among Hong Kong students. In the past three years, over 900 students from 300 secondary and primary schools have participated in this programme.

Ming Pao Daily News has also supported “The Guangdong Province Remote Area Education Relief Fund” jointly with the Department of Education of Guangdong Province. This programme has entered into its 22nd year raising funds to support schools in Guangdong Province. The donations have been used to provide fundamental services such as renovating or rebuilding school buildings in poor conditions as well as improving the schools’ e-learning facilities.

MARKETPLACE

As part of our commitment and effort to continuously improve and innovate, we continue to enhance our services through various touch points to understand the needs of our readers and advertisers.

Besides, we constantly keep the retail price of our publications low and affordable to all, this is to ensure that the news and information are disseminated as freely in reaching out while encouraging the reading culture in the large society. The Group also continues to organise various activities relating to business, culture, literature, education, religion, health and social care for the benefit of our readers, advertisers and stakeholders.

Acknowledging the roles of enterprises in the Malaysia’s economy, *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 Eagle Awards” is one of the most prestigious and reputable annual business awards recognised by the business community.

In Hong Kong, *Ming Pao Daily News* and the Chinese University of Hong Kong jointly organised the “Prestigious Corporate Brand Awards 2014” in recognition of outstanding achievements in branding building and management among corporations in Hong Kong and Mainland China. This award programme aims at promoting the importance of branding in economic and corporate development.

Corporate Social Responsibility

WORKPLACE

The Group is committed to providing a workplace free from gender discrimination and harassment based on race, colour, gender, national origin, marital status, religion and creed or any other characteristic protected by laws.

To provide a rewarding and supportive working environment, the Group continues to invest in our people and encourages continuous professional training and personal development of staff through various training programmes, workshops and seminars. We offer competitive rewards and benefits to retain the best talent as well as emphasis on talent development to deliver a high-performing and progressive human capital for the Group.

The Group is committed to taking care of the well-being of its workforce through the effective and stringent implementation of good occupational safety and health practices in all business operations. The occupational safety and health guidelines are effectively developed, implemented and continuously improved in accordance to the current industry practices. We have also established the Safety and Health Committee within the Group to constantly train, monitor and ensure the safety and well-being of our employees. Regular meetings are held by the Committee to brainstorm and implement proposals in improving working environments for the benefit of the employees.

In promoting work-life balance, the Group encourages its employees to reduce over-time work in order to give more time to their families and friends. We also encourage social interaction amongst employees by organising various social events such as day trips, gatherings and feast during festive seasons. Sports and fitness activities within and outside the workplace were also held to promote healthier living.

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 is mainly produced from recycled paper. Moreover, all newsprint wastes, unsold newspapers, aluminium plates, plastics, ink and rags from the print sites are disposed of for recycling.

The Group continues participating in the "Toner & Ink Cartridges Recycling & Reuse 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.

The Group has also commenced a chiller plant system replacement project in 2014 in Hong Kong in order to enhance energy efficiency and reduce greenhouse gas (GHG) emission arising from electricity consumption. The new chiller plant system uses environmental friendly refrigerant and consumes about 15% less electricity energy as compared with the old system.

Statement on Corporate Governance

INTRODUCTION

The Board recognises the importance of good corporate governance and is therefore committed to practising the highest standard in corporate governance throughout the Group. Such commitment is based on the belief that a strong culture of good corporate governance practices is fundamental towards enhancing long-term sustainable business growth and safeguarding shareholders' value.

The Company has adopted all the code provisions in the Corporate Governance Code (the "Hong Kong Code") contained in Appendix 14 to 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. All the code provisions as set out in the Hong Kong Code have been complied with.

The Board also supports the Group's adoption of the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 (the "Malaysian Code") in the exercise of its responsibilities to promote and cultivate a strong culture of good corporate governance at all levels of the Group's businesses. The Board will continue to review and enhance the corporate governance framework to ensure its relevance and ability in meeting future challenges.

This statement describes how the Group has applied the principles of the Malaysian Code as well as the Hong Kong Code except where stated otherwise, for the year under review.

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 to 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) Board roles and responsibilities

The Board is responsible for the corporate governance practices of the Group which include 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. The Board guides and monitors the affairs of the Group on behalf of the shareholders and retains full and effective control over the Group.

The key responsibilities of the Board also cover a review of the strategic direction for the Group, directing future expansion, overseeing and evaluating the business operations of the Group, reviewing the adequacy and the integrity of internal control system, identifying principal risks and ensuring the implementation of appropriate systems to manage these risks, establishing a succession plan, and developing and implementing a shareholders' communication program for the Group. The responsibility for matters material to the Group is in the hands of the Board, with no individual having unfettered powers to make decisions.

Statement on Corporate Governance

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 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 43 to 45 of this Annual Report.

The Board Charter continues to provide reference for directors in relation to the roles and functions for the Board in discharging its stewardship effectively and efficiently. The Board Charter will be reviewed as and when required to ensure that any updates on relevant laws and regulations are duly incorporated. 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 in turn promotes the values of transparency, integrity, accountability and integrity.

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

The Group is also committed to building a sustainable business by taking into consideration the impact on the environment, social and governance aspect of business operations. A report on the Group's activities pertaining to corporate social responsibility is set out on pages 36 to 38.

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

Presently, 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 are 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 provide the Group with a wealth of knowledge, experience, skills and expertise that is important for the continued successful direction of the Group.

A brief description of the background 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 Board appreciates the distinct roles and responsibilities of the Group Executive Chairman and the Group Chief Executive Officer ("Group CEO"). As such, the roles of the Group Executive Chairman and the Group CEO are separate and clearly defined in the Board Charter, and are held by different individuals to ensure a proper 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.

Statement on Corporate Governance

Generally, the executive directors and the Group Executive Committee are responsible for making and implementing operational and corporate decisions as well as developing, co-ordinating and implementing business and corporate strategies. The non-executive directors' role is to provide unbiased and independent views, advice and judgment to board discussions and decisions.

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 non-executive 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 size and 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 with additional meetings convened for particular matters, as and when required. Board meetings for the whole year are scheduled in advance at the beginning of each calendar year. All proceedings of the Board meetings are duly minuted, approved and signed by the chairman of the meeting. Any director who has a direct or indirect interest in the subject matter to be discussed at the Board meetings will declare his or her interest and abstain from the deliberation and decision making process.

During the year, four (4) regular meetings were held and the attendance record for each director is as follows:

Name	Number of meetings attended	Percentage of attendance
<i>Executive directors</i>		
Tan Sri Datuk Sir TIONG Hiew King (<i>Group Executive Chairman</i>)	4/4	100%
Dato' Sri Dr TIONG Ik King	4/4	100%
Mr TIONG Kiew Chiong (<i>Group CEO</i>)	4/4	100%
Mr NG Chek Yong	4/4	100%
Mr LEONG Chew Meng	4/4	100%
<i>Non-executive director</i>		
Ms TIONG Choon	4/4	100%
<i>Independent non-executive directors</i>		
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%

Statement on Corporate Governance

(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. These reports provide information on the Group's performance and major operational, financial and corporate issues.

Monthly reports on the financial performance of the Group are also circulated to the directors for their review and comments. Minutes of the Board committees are also circulated to the Board for perusal.

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") or next general meeting 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 1 April 2015 to 31 March 2017 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 and Paragraph 1.01 of the Bursa Securities Listing Requirements. 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.

Statement on Corporate Governance

(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 2015 (save and except for the Audit Committee of which attendance is set out on page 63) are set out below:

Member	Number of meetings attended and percentage of attendance		Group Executive Committee	Remuneration Committee	Nomination Committee
Group Executive Committee					
Mr NG Chek Yong (<i>Chairman</i>)	4/4	100%			
Mr TIONG Kiew Chiong	4/4	100%			
Mr LEONG Chew Meng	4/4	100%			
Mr ONG See Boon	2/4	50%			
Mr NG Kait Leong (<i>appointed on 1 June 2014</i>)	2/3	67%			
Remuneration Committee					
Tan Sri Dato' LAU Yin Pin (<i>Chairman</i>)	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 (<i>Chairman</i>)	1/1	100%			
Mr David YU Hon To	1/1	100%			
Tan Sri Dato' LAU Yin Pin	1/1	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
- Mr LEONG Chew Meng
- Mr ONG See Boon
- Mr NG Kait Leong (*appointed on 1 June 2014*)

Statement on Corporate Governance

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 the 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 63 to 67 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

Statement on Corporate Governance

- 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 present size and composition remain optimal and relevant. The Nomination Committee also recommended on the renewal of the appointment of certain directors to 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 its terms of reference and 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.

Statement on Corporate Governance

(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. Nevertheless, the Board will only set specific targets in relation to gender diversity if the situation so requires and if it is in the best interest of the Company to do so.

(k) **Annual assessment of independence of INEDs**

The Board recognises the importance of independence and objectivity in the decision-making process. The Board and the Nomination Committee have, upon their annual assessment, concluded that each of the 3 INEDs continues to demonstrate conduct and behaviour that are essential indicators of independence, and that each of them continues to fulfil the definition and criteria of independence as prescribed by the Bursa Securities Listing Requirements and the HK Listing Rules.

(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 on the topic "Update on Chapter 14A of the HK Listing Rules – Connected Transactions" was conducted for the directors in May 2014. The directors have also attended external training programmes, among which are:

- Forbes Global CEO Conference
- Advocacy Session on Corporate Disclosure for Directors
- Malaysian Media Conference – MediaTech in Marketing
- MNPA Forum 2015 – Print 2020: Challenges & Opportunities

Statement on Corporate Governance

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

A: attend seminars/conferences/workshops/forums

B: read 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 equip themselves with relevant knowledge and ideas 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.

Statement on Corporate Governance

III. Benefits-in-kind

Other benefits (such as chauffeur, 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 2015 is categorised as follows:

	Fees	Salaries & other	Total
	US\$'000	emoluments	US\$'000
		US\$'000	
Executive directors	206	1,269	1,475
Non-executive directors	129	5	134

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	Non-executive	Senior
	directors	directors	management
from US\$14,913 to US\$29,825 (equivalent to RM50,001 to RM100,000)	1	3	—
from US\$44,738 to US\$59,650 (equivalent to RM150,001 to RM200,000)	—	1	1
from US\$59,650 to US\$74,562 (equivalent to RM200,001 to RM250,000)	—	—	1
from US\$149,125 to US\$164,037 (equivalent to RM500,001 to RM550,000)	—	—	1
from US\$178,950 to US\$193,862 (equivalent to RM600,001 to RM650,000)	—	—	3
from US\$238,600 to US\$253,512 (equivalent to RM800,001 to RM850,000)	—	—	1
from US\$253,512 to US\$268,424 (equivalent to RM850,001 to RM900,000)	1	—	—
from US\$328,075 to US\$342,987 (equivalent to RM1,100,001 to RM1,150,000)	—	—	1
from US\$372,812 to US\$387,724 (equivalent to RM1,250,001 to RM1,300,000)	1	—	1
from US\$387,724 to US\$402,637 (equivalent to RM1,300,001 to RM1,350,000)	1	—	—
from US\$417,549 to US\$432,461 (equivalent to RM1,400,001 to RM1,450,000)	1	—	—

Statement on Corporate Governance

JOINT COMPANY SECRETARIES

The Board is supported by the Joint Company Secretaries who facilitate the overall compliance with Bursa Securities Listing Requirements, the HK Listing Rules and other relevant laws and regulations. The Joint Company Secretaries are full time employees of the Group and report to the Group Executive Chairman and the Group CEO. During the year under review, the Joint Company Secretaries have complied with the professional training requirements under the Hong Kong Code.

SHAREHOLDERS

The Company values the importance of having effective communication with its shareholders and investors. In this respect, the Company has in place a shareholders' communication policy which provides accurate, balanced, clear, timely and complete disclosure of corporation information to enable informed and orderly market decisions by investors.

(a) Communications between the Company and investors

The Company is committed to 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.

Statement on Corporate Governance

The attendance record of directors at the general meetings for the year ended 31 March 2015 is set out below:

Name	Number of general meeting attended	Percentage of attendance
<i>Executive directors</i>		
Tan Sri Datuk Sir TIONG Hiew King (<i>Group Executive Chairman</i>)	1/1	100%
Dato' Sri Dr TIONG Ik King	1/1	100%
Mr TIONG Kiew Chiong (<i>Group CEO</i>)	1/1	100%
Mr NG Chek Yong	1/1	100%
Mr LEONG Chew Meng	1/1	100%
<i>Non-executive director</i>		
Ms TIONG Choon	1/1	100%
<i>Independent non-executive directors</i>		
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 information and financial data presented 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.

Statement on Corporate Governance

(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 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 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.

Statement on Corporate Governance

PUTTING FORWARD PROPOSALS 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.mediachineseigroup.com.

ACCOUNTABILITY AND AUDIT

(a) Financial reporting

The Board takes due care and responsibility for presenting a fair, balanced and comprehensive assessment of the Group's financial performance and prospects each time it releases its annual audited financial statements, interim financial information, quarterly results announcements and corporate announcements on significant developments affecting the Group to shareholders and the general public.

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 59 of this Annual Report.

(c) Risk management and internal controls

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 60 to 62.

Statement on Corporate Governance

(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 63 to 67.

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\$7,000 and US\$50,000 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	730
Non-audit services	
Tax services	76

PricewaterhouseCoopers will retire and offer itself for re-appointment at the AGM to be held in August 2015.

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

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 2015 are set out on page 69.

(b) Exercise of options, warrants or convertible securities

During the financial year ended 31 March 2015, 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 2015.

(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 2015.

(e) Variation in results

The audited results of the Group for the financial year ended 31 March 2015 did not differ by 10% or more from the unaudited results announced to Bursa Securities on 28 May 2015.

(f) Profit guarantee

There was no profit guarantee given by the Company or any of its subsidiaries during the financial year ended 31 March 2015.

Statement on Corporate Governance

(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 2015 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 2015 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	74,928	22,614
			— Nanyang Group	42,412	12,794
			(ii) Disposal of newsprint scraps to MNI:		
			— Sin Chew Group	3,272	984
			— Nanyang Group	4,566	1,372

Nature of relationship: 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.

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	50	15
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Nature of relationship: TSTHK is both a major shareholder and a director of the Company and TTS&S. He is also a director of Sin Chew (the holding company of MPSB).

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	16	5
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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.

Statement on Corporate Governance

No.	Related parties	Contracting parties	Nature of transactions	Transacted value	
				RM'000	Equivalents in US\$'000
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
<p><i>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.</i></p>					
5.	Evershine Agency Sdn Bhd ("EA")	MPSB	MPSB purchases motor vehicle insurance from EA	3	1
<p><i>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.</i></p>					
6.	R.H. Tours & Travel Agency Sdn Bhd ("RHTT")	the Group	Purchase of air tickets from RHTT	107	32
<p><i>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.</i></p>					
				Equivalents in	
				HK\$'000	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	143	18
<p><i>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 ultimate sole shareholder of Cheerhold.</i></p>					

Statement on Corporate Governance

No.	Related parties	Contracting parties	Nature of transactions	Transacted value	
				HK\$'000	Equivalents in US\$'000
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	1,436	185
<p><i>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. Ms TIONG Choon is both a shareholder and a director of the Company. She is also a shareholder of One Media.</i></p>					
9.	OMH	Ming Pao Holdings Limited ("MPH")	Provision of administrative support services by MPH to OMH and its subsidiaries	4,257	549
<p><i>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. Ms TIONG Choon is both a shareholder and a director of the Company. She is also a shareholder of One Media.</i></p>					
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	2,589	334
<p><i>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. Ms TIONG Choon is both a shareholder and a director of the Company. She is also a shareholder of One Media.</i></p>					
11.	One Media Group	Charming	Provision of services such as air tickets and accommodation arrangement services by Charming to One Media Group	817	105
<p><i>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. Ms TIONG Choon is both a shareholder and a director of the Company. She is also a shareholder of One Media.</i></p>					

Statement on Corporate Governance

No.	Related parties	Contracting parties	Nature of transactions	Transacted value	
				HK\$'000	Equivalents in US\$'000
12.	One Media Group	the Group	Provision of barter advertising services by the Group to One Media Group	1,216	157
<p><i>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. Ms TIONG Choon is both a shareholder and a director of the Company. She is also a shareholder of One Media.</i></p>					
13.	One Media Group	the Group	Receipt of barter advertising services by the Group from One Media Group	1,216	157
<p><i>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. Ms TIONG Choon is both a shareholder and a director of the Company. She is also a shareholder of One Media.</i></p>					
14.	OMH	Kin Ming Printing Company Limited ("Kin Ming")	Provision of pre-press services by Kin Ming to OMH and its subsidiaries	50	6
<p><i>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. Ms TIONG Choon is both a shareholder and a director of the Company. She is also a shareholder of One Media.</i></p>					
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	98
<p><i>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 MPH. He is also a director and a shareholder of the Company and One Media. Ms TIONG Choon is both a shareholder and a director of the Company. She is also a shareholder of One Media.</i></p>					
16.	OMH	Ming Pao New Media Limited ("MP New Media")	Provision of IS programming support services by MP New Media to OMH and its subsidiaries	4,076	526
<p><i>Nature of relationship: OMH is a wholly-owned subsidiary of One Media. MP New Media 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 MP New Media. Mr TIONG Kiew Chiong is a director of both OMH and MP New Media. He is also a director and a shareholder of the Company and One Media. Ms TIONG Choon is both a shareholder and a director of the Company. She is also a shareholder of One Media.</i></p>					

Statement on Corporate Governance

No.	Related parties	Contracting parties	Nature of transactions	Transacted value	
				HK\$'000	Equivalents in US\$'000
17.	Narong Investment Limited ("Narong")	MPH	MPH's tenancy of premises at Flat A, 15th Floor, Marigold Mansion, Taikoo Shing, Hong Kong	460	59
<p><i>Nature of relationship: MPH is a wholly-owned subsidiary of the Company. TSTHK and Dato' Sri Dr Tiong Ik King are both a major shareholder and a director of the Company. TSTHK is also a director of MPH. The sister-in-law of TSTHK and Dato' Sri Dr Tiong Ik King is the major shareholder of Narong. Dato' Sri Dr Tiong Ik King is also a director of Narong.</i></p>					
18.	TTS&S	Charming	Provision of services such as air-tickets and accommodation arrangement services by Charming to TTS&S	11	1
<p><i>Nature of relationship: Charming is a wholly-owned subsidiary of the Company. TSTHK is both a major shareholder and a director of the Company. He is also a director of TTS&S.</i></p>					
19.	Sun Media International Limited ("Sun Media")	Ming Pao Magazines Limited ("MPM")	Provision of accounting services by MPM to Sun Media	38	5
<p><i>Nature of relationship: MPM 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 Sun Media.</i></p>					
20.	Zero New Media International Limited ("Zero New Media")	MPM	Provision of accounting services by MPM to Zero New Media	32	4
<p><i>Nature of relationship: MPM 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 Zero New Media.</i></p>					

CONSTITUTIONAL DOCUMENTS

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

This Statement on Corporate Governance was approved by the Board on 28 May 2015.

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 predecessor Hong Kong Companies Ordinance (Cap. 32). 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 2015, 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 2015, 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 committed to taking reasonable steps in safeguarding the assets of the Company and of the Group, preventing and detecting fraud and other irregularities.

Statement on Risk Management and Internal Control

INTRODUCTION

This Statement on Risk Management and Internal Control (this “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. The Board is committed to maintaining a sound risk management and internal control system to safeguard shareholders’ investments and the Group’s assets.

BOARD RESPONSIBILITY

The Board affirms its overall responsibility for the Group’s system of risk management and internal control and for reviewing its adequacy and effectiveness. It should, however, be noted that such system is only designed to manage rather than totally eliminate the risk of failure to achieve business objectives. Hence, the system provides reasonable but not absolute assurance against material misstatement, losses, fraud or breaches of laws and regulations.

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

RISK MANAGEMENT FRAMEWORK

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 risks 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.

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.

INTERNAL AUDIT

The Group has an independent in-house Internal Audit Function which reports directly to the Audit Committee. An annual internal audit plan is presented to the Audit Committee for approval. The Internal Audit Function carries out its duties with impartiality, proficiency and due professional care. It undertakes regular reviews for risks identified and evaluates the control processes implemented by the Group and reports to the Audit Committee on a quarterly basis.

The internal audit findings are discussed at management level and actions are agreed in response to the issues highlighted. Management has to follow-up in ensuring the agreed actions are satisfactorily implemented. 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 also briefs the Board on the deliberations and recommendations made in the Audit Committee meetings.

Statement on Risk Management and Internal Control

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 limits of authority;
- Relevant executive directors and senior management have been delegated with specific authorities and responsibilities for monitoring the performance of designated business operating units;
- The Board reviews and approves the Group's annual business plans and budgets. 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. Key business risks relevant to each operating company are also 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 to suit the changes in business environment;
- 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.

Statement on Risk Management and Internal Control

WHISTLEBLOWING POLICY

The Group has established a whistleblowing policy. This is 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 framework and internal control activities to ensure 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 2015. 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 28 May 2015.

Audit Committee Report

The Board of the Company is pleased to present the Audit Committee Report for the year ended 31 March 2015.

MEMBERS AND MEETINGS

The Audit Committee comprises three members, all of whom are independent non-executive directors. Details of the composition of the Audit Committee and the attendance of each member during the year are set out below:

Name of member	Number of meetings attended	Percentage of attendance
Mr David YU Hon To (<i>Chairman/INED</i>)	4/4	100%
Tan Sri Dato' LAU Yin Pin (<i>INED</i>)	3/4	75%
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH (<i>INED</i>)	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 Audit Committee also held two separate private sessions with the external auditor, PricewaterhouseCoopers, without the presence of management.

After each meeting, the Chairman of the Audit Committee is responsible to brief the Board on principal matters deliberated at the Audit Committee meetings. Minutes of the meetings were circulated to the Board and significant issues were brought up and discussed at Board meetings.

TERMS OF REFERENCE

The Audit Committee is governed by its terms of reference which have been reviewed from time to time. The 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

Members of 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

Audit Committee Report

TERMS OF REFERENCE *(Continued)*

2. **Composition** *(Continued)*

- (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 the 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;

TERMS OF REFERENCE *(Continued)*

7. **Authority** *(Continued)*

- (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;

Audit Committee Report

TERMS OF REFERENCE *(Continued)*

8. Duties and responsibilities *(Continued)*

- (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. The main activities undertaken during the year were as follows:

Financial results

- (a) Reviewed the Group's quarterly, half-yearly and annual financial results, to ensure compliance with Bursa Securities Listing Requirements, HK Listing Rules, applicable approved accounting standards and other statutory and regulatory requirements prior to 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 2015;
- (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.

SUMMARY OF ACTIVITIES *(Continued)*

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 2015;
- (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 activities of the subsidiaries of the Group;
- (e) Reviewed the arrangement (including investigation and follow-up action) for employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters through the whistleblowing policy adopted by the Company;
- (f) Reviewed the training programmes for staff in the Group's accounting and financial reporting function.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit Function has a clear reporting line to the Audit Committee. It assists the Board in reviewing the adequacy and effectiveness of risk management, internal controls and governance processes. This is accomplished through a systematic and disciplined approach of regular reviews and appraisals of the risk management, internal controls and governance processes based on the annual plan approved by the Audit Committee.

The Internal Audit Function adopts a risk-based methodology, which is aligned with the risks of the Group to ensure that the relevant controls addressing those risks are reviewed on a timely basis. It conducts regular and systematic reviews on the effectiveness of the key controls and processes in the operating units and assesses compliance with the established policies and procedures. This provides reasonable assurance that such systems would continue to operate satisfactorily and effectively in the Group. Key audit findings and recommendations are discussed at Audit Committee meetings. Timely follow-up and proper implementation of audit recommendations are closely monitored by the management.

The total costs incurred by the Internal Audit Function in discharging its function and responsibilities in respect of the financial year ended 31 March 2015 was approximately US\$175,000.

This Audit Committee Report was approved by the Board on 28 May 2015.

Report of the Directors

The directors submit their report together with the audited financial statements of the Group for the year ended 31 March 2015.

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 81.

A first interim dividend in respect of the current year of US0.430 cents (2013/2014: US0.750 cents) per ordinary share totalling US\$7,255,000 (2013/2014: US\$12,654,000) was paid on 15 January 2015.

On 28 May 2015, the Board declared a second interim dividend of US0.500 cents per ordinary share (2013/2014: US0.680 cents per ordinary share) in lieu of a final dividend for the year ended 31 March 2015, totalling US\$8,436,000 (2013/2014: US\$11,473,000), payable on 31 July 2015.

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 87 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\$46,000.

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 as at 31 March 2015, calculated under the Companies Act 1981 of Bermuda (as amended), amounted to US\$201,647,000 (31 March 2014: US\$202,102,000).

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 161.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

On 2 September 2014, the Company repurchased 2,000 of its listed shares on the HK Stock Exchange from the open market at the price of HK\$2.15 per share. The purchase involved a total cash outlay of HK\$4,300 (equivalent to US\$555) 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 are:

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, Dato' Sri Dr TIONG Ik King, Mr LEONG Chew Meng and Mr David YU Hon To will retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election. In addition, Tan Sri Datuk Sir TIONG Hiew King, being the Chairman of the Board, shall be subject to and offer himself for re-election at the forthcoming annual general meeting.

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 Paragraph 1.01 of the Bursa Securities Listing Requirements and considers all the independent non-executive directors to be independent.

Report of the Directors

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 1 April 2015 to 31 March 2017.

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 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.

Report of the Directors

- (ii) As at 31 March 2015, no option has been granted or agreed to be granted by One Media under the Post-IPO Scheme.

During the year ended 31 March 2015, movements of the options granted under the Pre-IPO Scheme are as follows:

Grantee	Number of shares involved in share options				Percentage of issued ordinary shares of One Media	Exercise price per share HK\$	Date of grant	Exercisable period
	Balance at 1 April 2014	Exercised during the year (note 2)	Lapsed during the year (note 3)	Balance at 31 March 2015				
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)	3,450,000	–	(350,000)	3,100,000	0.78%	1.200	27/09/2005	18/10/2005-25/09/2015
Full time employees of the Group (note 1b)	768,000	–	(80,000)	688,000	0.17%	1.200	27/09/2005	18/10/2005-25/09/2015
Total	7,868,000	–	(430,000)	7,438,000	1.86%			

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 exercised or cancelled during the year.
- (3) During the year, 430,000 share options lapsed by reason of the grantees ceased their employment 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 of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire such rights in any other body corporate.

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 54 to 58, 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

As at 31 March 2015, 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 were as follows:

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

Name of director	Nature of interests	Number of shares held			At 31 March 2015	% of issued ordinary shares
		At 1 April 2014	Bought	Sold		
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	1,908,039	299,000	(81,000)	2,126,039	0.13%
Mr LEONG Chew Meng	Personal interests	80,000	–	–	80,000	–*
Ms TIONG Choon	Personal interests	2,654,593	–	–	2,654,593	
	Family interests ⁴	1,000,632	23,000	–	1,023,632	
	Corporate interests ⁵	653,320	–	–	653,320	
		4,308,545	23,000	–	4,331,545	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

Report of the Directors

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 1,023,632 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.

Report of the Directors

(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 31 March 2015	% of issued ordinary shares of One Media
		At 1 April 2014	Bought	Sold		
Tan Sri Datuk Sir TIONG Hiew King	Corporate interests ²	292,700,000	–	–	292,700,000	73.49%
	Share options ¹	1,250,000	–	–	1,250,000	
		<u>293,950,000</u>	–	–	<u>293,950,000</u>	
Dato' Sri Dr TIONG Ik King	Corporate interests ²	292,700,000	–	–	292,700,000	73.43%
	Share options ¹	1,000,000	–	–	1,000,000	
		<u>293,700,000</u>	–	–	<u>293,700,000</u>	
Mr TIONG Kiew Chiong	Personal interests	4,104,000	–	–	4,104,000	1.34%
	Share options ¹	1,250,000	–	–	1,250,000	
		<u>5,354,000</u>	–	–	<u>5,354,000</u>	
Ms TIONG Choon	Personal interests	<u>26,000</u>	–	–	<u>26,000</u>	0.01%
Mr David YU Hon To	Share options ¹	<u>150,000</u>	–	–	<u>150,000</u>	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 73.

Save as disclosed above and those disclosed under "Share Option Schemes", at 31 March 2015, none of the directors, chief executives and their associates had any interests and short positions 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.

Report of the Directors

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

As at 31 March 2015, 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 Part XV of the SFO:

Name of shareholder	Number of ordinary shares held	Percentage of issued ordinary shares
Progresif Growth Sdn Bhd (<i>note 1</i>)	326,463,556	19.35%
Conch Company Limited (<i>note 2</i>)	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 74.

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 2015.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Details of the Group's related party transactions for the year ended 31 March 2015 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 CONTRACT

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\$718,000 at 31 March 2015 (31 March 2014: US\$886,000).

The most recent independent actuarial valuation of the Scheme was carried out as at 31 March 2015 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\$1,500 per employee per month (the "MPF Contributions") (the amount has been revised from HK\$1,250 to HK\$1,500 per month since June 2014). 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.

Report of the Directors

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	17%
– 5 largest suppliers combined	38%

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 is 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

28 May 2015

Independent Auditor's Report



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 81 to 158, which comprise the consolidated and company statements of financial position as at 31 March 2015, 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 predecessor Hong Kong Companies Ordinance (Cap. 32), 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.

*PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

Independent Auditor's Report

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 2015, 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 predecessor Hong Kong Companies Ordinance (Cap. 32).

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out on page 159 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, 28 May 2015

Consolidated Income Statement

	Note	Year ended 31 March	
		2015 US\$'000	2014 US\$'000
Turnover	5	429,140	468,728
Cost of goods sold		(263,682)	(285,588)
Gross profit		165,458	183,140
Other income	6	10,829	12,995
Other (losses)/gains, net	7	(5,294)	1,032
Selling and distribution expenses		(69,298)	(72,744)
Administrative expenses		(39,172)	(40,499)
Other operating expenses		(6,385)	(6,814)
Operating profit		56,138	77,110
Finance costs	9	(6,595)	(8,150)
Share of losses of joint ventures and associates	20	(147)	(397)
Allowance for impairment loss of interest in an associate	20	(1,895)	–
Profit before income tax		47,501	68,563
Income tax expense	10	(16,411)	(19,292)
Profit for the year		31,090	49,271
Profit/(loss) attributable to:			
Owners of the Company		31,429	48,236
Non-controlling interests		(339)	1,035
		31,090	49,271
Earnings per share attributable to owners of the Company			
Basic (US cents)	12	1.86	2.86
Diluted (US cents)	12	1.86	2.86

The notes on pages 89 to 158 are an integral part of these consolidated financial statements.

	Note	Year ended 31 March	
		2015 US\$'000	2014 US\$'000
Dividends	13	15,691	24,127

Consolidated Statement of Comprehensive Income

	Year ended 31 March	
	2015 US\$'000	2014 US\$'000
Profit for the year	31,090	49,271
Other comprehensive (loss)/income		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	(20,842)	(8,319)
Item that will not be reclassified subsequently to profit or loss:		
Remeasurements of post-employment benefit obligations	45	652
Other comprehensive loss for the year, net of tax	(20,797)	(7,667)
Total comprehensive income for the year	10,293	41,604
Total comprehensive income/(loss) for the year attributable to:		
Owners of the Company	10,660	40,585
Non-controlling interests	(367)	1,019
	10,293	41,604

The notes on pages 89 to 158 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

		At 31 March	
		2015	2014
	Note	US\$'000	US\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	126,909	144,308
Investment properties	17	15,943	17,144
Intangible assets	18	59,004	72,920
Deferred income tax assets	19	723	1,455
Interests in joint ventures and associates	20	796	2,956
		203,375	238,783
Current assets			
Inventories	24	40,888	52,386
Available-for-sale financial assets	25	97	97
Financial assets at fair value through profit or loss	21	294	237
Trade and other receivables	26	58,911	67,779
Income tax recoverable		631	684
Cash and cash equivalents	27	118,620	102,852
		219,441	224,035
Current liabilities			
Trade and other payables	28	59,916	68,746
Income tax liabilities		3,657	5,384
Bank and other borrowings	29	9,585	12,726
Current portion of other non-current liabilities	30	58	62
		73,216	86,918
Net current assets		146,225	137,117
Total assets less current liabilities		349,600	375,900

Consolidated Statement of Financial Position

		At 31 March	
		2015	2014
	Note	US\$'000	US\$'000
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	(100,761)	(79,946)
Retained earnings			
— Proposed dividend	13	8,436	11,473
— Others		225,690	209,906
		234,126	221,379
		209,744	217,812
Non-controlling interests		6,361	7,237
Total equity		216,105	225,049
Non-current liabilities			
Bank and other borrowings	29	121,506	137,804
Deferred income tax liabilities	19	11,138	12,306
Other non-current liabilities	30	851	741
		133,495	150,851
		349,600	375,900

The notes on pages 89 to 158 are an integral part of these consolidated financial statements.

The financial statements and supplementary information on pages 81 to 159 were approved by the Board of Directors on 28 May 2015 and were signed on its behalf by:

Tan Sri Datuk Sir TIONG Hiew King
Director

TIONG Kiew Chiong
Director

Statement of Financial Position

		At 31 March	
		2015	2014
	<i>Note</i>	US\$'000	US\$'000
ASSETS			
Non-current assets			
Interests in subsidiaries	22	370,531	420,230
Current assets			
Other receivables	26	37	54
Cash and cash equivalents	27	85	120
		122	174
Current liabilities			
Other payables	28	2,902	2,901
		2,902	2,901
Net current liabilities			
		(2,780)	(2,727)
Total assets less current liabilities			
		367,751	417,503
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	(5,553)	27,446
Retained earnings			
— Proposed dividend	13	8,436	11,473
— Others		166,983	164,401
		175,419	175,874
Total equity			
		246,245	279,699
Non-current liabilities			
Bank and other borrowings	29	121,506	137,804
		367,751	417,503

The notes on pages 89 to 158 are an integral part of these consolidated financial statements.

The financial statements and supplementary information on pages 81 to 159 were approved by the Board of Directors on 28 May 2015 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					Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Total US\$'000		
Balance at 1 April 2013	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 (loss)/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 (loss)/income, net of tax	–	–	(8,303)	652	(7,651)	(16)	(7,667)
Total comprehensive (loss)/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 interim dividends paid by a subsidiary	–	–	–	–	–	(10)	(10)
2013/2014 interim dividends paid by a subsidiary	–	–	–	–	–	(19)	(19)
2012/2013 final dividend paid by a listed subsidiary	–	–	–	–	–	(484)	(484)
2013/2014 interim dividend paid by a listed subsidiary	–	–	–	–	–	(208)	(208)
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

Consolidated Statement of Changes in Equity

	Attributable to owners of the Company					Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Total US\$'000		
Balance at 1 April 2014	21,715	54,664	(79,946)	221,379	217,812	7,237	225,049
Comprehensive income/(loss)							
Profit/(loss) for the year	–	–	–	31,429	31,429	(339)	31,090
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	–	–	(20,815)	–	(20,815)	(27)	(20,842)
Item that will not be reclassified subsequently to profit or loss:							
Remeasurements of post-employment benefit obligations	–	–	–	46	46	(1)	45
Other comprehensive (loss)/income, net of tax	–	–	(20,815)	46	(20,769)	(28)	(20,797)
Total comprehensive (loss)/income for the year ended 31 March 2015	–	–	(20,815)	31,475	10,660	(367)	10,293
Total contributions by and distributions to owners of the Company recognised directly in equity							
2013/2014 second interim dividend paid	–	–	–	(11,473)	(11,473)	–	(11,473)
2014/2015 first interim dividend paid	–	–	–	(7,255)	(7,255)	–	(7,255)
Total contributions by and distributions to owners of the Company	–	–	–	(18,728)	(18,728)	–	(18,728)
2014/2015 interim dividends paid by a subsidiary	–	–	–	–	–	(11)	(11)
2013/2014 final dividend paid by a listed subsidiary	–	–	–	–	–	(415)	(415)
2014/2015 interim dividend paid by a listed subsidiary	–	–	–	–	–	(83)	(83)
Total transactions with owners	–	–	–	(18,728)	(18,728)	(509)	(19,237)
Balance at 31 March 2015	21,715	54,664	(100,761)	234,126	209,744	6,361	216,105

The notes on pages 89 to 158 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

		Year ended 31 March	
		2015	2014
	Note	US\$'000	US\$'000
Cash flows from operating activities			
Cash generated from operations	35(a)	76,600	84,562
Interest paid		(6,532)	(7,066)
Income tax paid		(16,970)	(20,461)
Net cash generated from operating activities		53,098	57,035
Cash flows from investing activities			
Acquisition of an associate	20	–	(115)
Additional investment in an associate		(98)	–
Purchases of property, plant and equipment	16	(8,223)	(10,823)
Purchases of intangible assets	18	(1,158)	(346)
Proceeds from disposal of property, plant and equipment	35(b)	719	45
Proceeds from disposal of interest in an associate	20	115	–
Interest received		2,131	1,691
Dividends received		17	15
Net cash used in investing activities		(6,497)	(9,533)
Cash flows from financing activities			
Dividends paid		(18,728)	(29,779)
Dividends paid to non-controlling interests by a subsidiary		(11)	(29)
Dividends paid to non-controlling interests by a listed subsidiary		(498)	(692)
Proceeds from bank and other borrowings		21,428	157,505
Repayments of bank and other borrowings		(24,162)	(169,268)
Net cash used in financing activities		(21,971)	(42,263)
Net increase in cash and cash equivalents		24,630	5,239
Cash and cash equivalents at beginning of year		102,852	101,829
Exchange adjustments on cash and cash equivalents		(8,862)	(4,216)
Cash and cash equivalents at end of year		118,620	102,852

The notes on pages 89 to 158 are an integral part of these consolidated financial statements.

Notes to the Financial Statements

For the year ended 31 March 2015

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 28 May 2015.

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") and under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, and financial assets at fair value through profit or loss, 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 and interpretations to existing standards adopted by the Group

- (i) Amendment to IAS 32, 'Financial instruments: Presentation', on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Group's financial statements.
- (ii) Amendment to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removes certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. It also enhances the disclosure of information about the recoverable amount of impaired assets, if that amount is based on fair value less costs of disposal.
- (iii) Amendment to IAS 39, 'Financial instruments: Recognition and measurement', on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The amendment did not have a significant effect on the Group's financial statements.

Notes to the Financial Statements

For the year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(a) New and amended standards and interpretations to existing standards adopted by the Group (Continued)

- (iv) IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to the payment of a levy and when a liability should be recognised. As the Group is not currently subject to significant levies, the impact on the Group is not material.

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 2014 that have a material impact on the Group.

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

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2014, 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
Amendment to IAS 19	Defined benefit plans — employee contributions	1 July 2014
IFRS 14	Regulatory deferral accounts	1 January 2016
Amendment to IFRS 11	Accounting for acquisitions of interests in joint operations	1 January 2016
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
Amendment to IAS 27	Equity method in separate financial statements	1 January 2016
IFRS 15	Revenue from contracts with customers	1 January 2017
IFRS 9	Financial Instruments	1 January 2018

(c) Amendments to Appendix 16 of the HK Listing Rules with reference to the New Companies Ordinance (Cap.622)

In addition, amendments to Appendix 16 of the Rules Governing the Listing of Securities on the HK Stock Exchange (the "HK Listing Rules") consequential to the enactment of the New Companies Ordinance (Cap.622) came into operation as from the Company's financial year ending on 31st March 2016, and have not been applied in preparing these consolidated financial statements. The Group is in the process of making an assessment of the expected impact of the amendments on the consolidated financial statements. The impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

Notes to the Financial Statements

For the year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the 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 acquisition-date fair value of any previously held interest 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.

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.

Notes to the Financial Statements

For the year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Subsidiaries *(Continued)*

2.2.1 Consolidation *(Continued)*

(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 of the subsidiary in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying amount 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.

2.2.2 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.

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.

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 joint ventures and associates 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 interests in associates include 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 a joint venture or associate equals or exceeds its interest in the joint venture or associate, 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 joint venture or associate.

Notes to the Financial Statements

For the year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Joint arrangements and associates *(Continued)*

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

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

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 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 consolidated income statement within 'finance costs'. All other foreign exchange gains and losses are presented in the consolidated income statement within 'Other (losses)/gains, net'.

Notes to the Financial Statements

For the year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.5 Foreign currency translation *(Continued)*

(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 rates on 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. Currency translation differences arising are recognised in other comprehensive income.

(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 currency translation 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.

Notes to the Financial Statements

For the year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.6 Property, plant and equipment *(Continued)*

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 to their residual values 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

The assets' depreciation method, useful lives and residual values 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 (losses)/gains, net".

Notes to the Financial Statements

For the year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 business 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.

(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. 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.

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.

Notes to the Financial Statements

For the year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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.

2.10.2 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, the financial assets 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 in the consolidated income statement within "Other (losses)/gains, net".

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

Notes to the Financial Statements

For the year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.12 Impairment of financial assets

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.

(a) Assets carried at amortised cost

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(b) Assets classified as available-for-sale

For debt securities, if any such evidence exists the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in profit or loss. 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 profit or loss, the impairment loss is reversed through the consolidated income statement.

Notes to the Financial Statements

For the year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.12 Impairment of financial assets *(Continued)*

(b) Assets classified as available-for-sale *(Continued)*

For equity investments, 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 the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not 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.

2.17 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.

Notes to the Financial Statements

For the year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 other 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.

(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 realised 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.

Notes to the Financial Statements

For the year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.20 Current and deferred income tax *(Continued)*

(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 same 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.

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 consolidated 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.

The current service cost of the defined benefit plan (recognised in the consolidated income statement in employee benefit expense), except where included in the cost of an asset, reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated income statement.

Notes to the Financial Statements

For the year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Employee benefits *(Continued)*

(a) Pension obligations *(Continued)*

Defined benefit plans (Continued)

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.
- (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.

Notes to the Financial Statements

For the year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Employee benefits *(Continued)*

(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 price);
- 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).

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.

Notes to the Financial Statements

For the year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of subsidiaries or associates to secure loans, overdrafts and other banking facilities.

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.

2.25 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 revenue from the provision of other travel related services is recognised when the services have been rendered.

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

Notes to the Financial Statements

For the year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.25 Revenue recognition *(Continued)*

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.

2.26 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.

Notes to the Financial Statements

For the year ended 31 March 2015

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 price risk for its listed equity securities which are classified on the consolidated statement of financial position as financial assets at fair value through profit or loss. Management adopts the quoted market prices as its best estimate of the fair values of such securities. Details are set out in note 21. Management monitors the market conditions and securities price fluctuations so as to minimise adverse effects on the Group.

(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 are exposed 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 to 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 1% per annum in interest rates would have reduced the Group's profit before income tax for the years ended 31 March 2015 and 2014 by approximately US\$96,000 and US\$127,000 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.

Notes to the Financial Statements

For the year ended 31 March 2015

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(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 there is no individually significant exposure. Maximum exposure to credit risk at the reporting date is the carrying amount of the cash at banks.

(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.

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	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Bank and other borrowings				
Medium term notes				
within one year	5,699	6,463	5,699	6,463
in the second year	66,452	6,463	66,452	6,463
in the third to fifth year	66,586	150,882	66,586	150,882
Short-term bank borrowings within one year	9,605	12,748	–	–
	148,342	176,556	138,737	163,808
Trade and other payables within one year	39,937	49,873	1,617	1,698
Amounts due to subsidiaries within one year	–	–	553	593
	188,279	226,429	140,907	166,099

Notes to the Financial Statements

For the year ended 31 March 2015

3 FINANCIAL RISK MANAGEMENT *(Continued)*

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 represents equity attributable to owners of the Company as shown in the consolidated statement of financial position.

During the year ended 31 March 2015, the Group's strategy was to maintain a net gearing ratio below 40% (2014: below 40%).

As at 31 March 2015, the Group's net gearing ratio was 5.9% (31 March 2014: 21.9%).

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 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's assets that are measured at fair value at 31 March 2015:

	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	294	–	–	294
Available-for-sale financial assets				
Unlisted club debentures	–	–	97	97
	294	–	97	391

Notes to the Financial Statements

For the year ended 31 March 2015

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

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 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.

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.

Notes to the Financial Statements

For the year ended 31 March 2015

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(b) **Income taxes**

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

(c) **Deferred income tax assets**

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

(d) **Fair value of investment properties**

Investment properties are stated at fair values which have been determined by 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 at the end of each reporting period 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. These estimates are based on the historical experience of the actual useful lives of the property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different from those previously estimated. 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

Notes to the Financial Statements

For the year ended 31 March 2015

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

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 sales 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.

The Group's turnover and results for the year ended 31 March 2015, analysed by operating segment, are as follows:

	Publishing and printing				Travel and travel related services	Total
	Malaysia and other Southeast Asian countries	Hong Kong and Mainland China	North America	Sub-total		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Turnover	249,961	69,744	23,529	343,234	85,906	429,140
Segment profit before income tax	48,374	4,617	297	53,288	3,770	57,058
Unallocated interest expense						(6,323)
Other net unallocated expenses						(1,192)
Share of losses of joint ventures and associates						(147)
Allowance for impairment loss of interest in an associate						(1,895)
Profit before income tax						47,501
Income tax expense						(16,411)
Profit for the year						31,090
Other information:						
Interest income	1,861	258	–	2,119	12	2,131
Interest expense	(201)	(71)	–	(272)	–	(272)
Depreciation of property, plant and equipment	(8,374)	(1,485)	(420)	(10,279)	(123)	(10,402)
Amortisation of intangible assets	(872)	(151)	(70)	(1,093)	(33)	(1,126)
Impairment loss of goodwill	(5,315)	(351)	–	(5,666)	–	(5,666)
Income tax expense	(14,030)	(1,387)	(13)	(15,430)	(981)	(16,411)

Notes to the Financial Statements

For the year ended 31 March 2015

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				Travel and travel related services	Total
	Malaysia and other Southeast Asian countries	Hong Kong and Mainland China	North America	Sub-total		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	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)

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:

	2015 US\$'000	2014 US\$'000
Advertising income, net of trade discounts	248,319	273,553
Sales of newspapers, magazines, digital contents and books, net of trade discounts and returns	94,915	106,752
Travel and travel related services income	85,906	88,423
	429,140	468,728

Notes to the Financial Statements

For the year ended 31 March 2015

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The segment assets and liabilities as at 31 March 2015 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	318,147	70,272	15,595	404,014	17,110	(175)	420,949
Unallocated assets							1,867
Total assets							422,816
Total assets include:							
Interests in joint ventures and associates	–	796	–	796	–	–	796
Additions to non-current assets (other than deferred income tax assets)	7,598	870	733	9,201	180	–	9,381
Segment liabilities	(26,620)	(20,597)	(7,065)	(54,282)	(13,375)	175	(67,482)
Unallocated liabilities							(139,229)
Total liabilities							(206,711)

Notes to the Financial Statements

For the year ended 31 March 2015

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The segment assets and liabilities as at 31 March 2014 are as follows:

	Publishing and printing				Travel and travel related services		Total
	Malaysia and other Southeast Asian countries	Hong Kong and Mainland China	North America	Sub-total	US\$'000	Elimination	US\$'000
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	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
Segment liabilities	(37,923)	(21,226)	(7,650)	(66,799)	(12,897)	221	(79,475)
Unallocated liabilities							(158,294)
Total liabilities							(237,769)

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.

Segment liabilities consist primarily of trade and other payables, retirement benefit obligations and bank and other borrowings. They exclude deferred income tax liabilities, defined benefit plan liabilities, income tax liabilities and liabilities of the Company.

Notes to the Financial Statements

For the year ended 31 March 2015

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 2015 and 2014, analysed by operating countries, is as follows:

	2015 US\$'000	2014 US\$'000
Main operating countries		
Malaysia and other Southeast Asian countries	249,961	282,387
Hong Kong and Mainland China	69,744	71,558
Other countries	23,529	26,360
	343,234	380,305

As at 31 March 2015, the Group's total non-current assets, other than deferred income tax assets, analysed by operating countries, are as follows:

	2015 US\$'000	2014 US\$'000
Main operating countries		
Malaysia and other Southeast Asian countries	176,608	207,786
Hong Kong and Mainland China	18,559	21,817
Other countries	7,485	7,725
	202,652	237,328

6 OTHER INCOME

	2015 US\$'000	2014 US\$'000
Scrap sales of old newspapers and magazines	4,212	4,920
Other media-related income	2,815	4,622
Interest income	2,131	1,691
Rental and management fee income	1,221	1,326
Licence fee and royalty income	274	269
Dividend income	12	12
Others	164	155
	10,829	12,995

Notes to the Financial Statements

For the year ended 31 March 2015

7 OTHER (LOSSES)/GAINS, NET

	2015 US\$'000	2014 US\$'000
Fair value gains on investment properties — net	438	322
Fair value gains on financial assets at fair value through profit or loss	58	6
Net exchange (losses)/gains	(124)	704
Impairment loss of goodwill	(5,666)	—
	(5,294)	1,032

8 EXPENSES BY NATURE

	2015 US\$'000	2014 US\$'000
Allowance for impairment and write-off of trade and other receivables	544	442
Allowance for impairment and write-off of inventories	276	108
Amortisation of intangible assets	1,126	1,134
Auditor's remuneration		
Current year	737	853
Under/(over) provision in prior years	94	(53)
Depreciation of property, plant and equipment	10,402	10,187
Direct costs of travel and travel related services	72,424	75,384
Employee benefit expense (including directors' emoluments) (note 14)	111,491	113,714
(Gains)/losses on disposal of property, plant and equipment — net (note 35(b))	(184)	256
Operating lease expenses		
Land and buildings	2,451	2,363
Machinery	18	20
Raw materials and consumables used	88,661	104,582
Other expenses	90,497	96,655
Total cost of goods sold, selling and distribution expenses, administrative expenses, and other operating expenses	378,537	405,645

Notes to the Financial Statements

For the year ended 31 March 2015

9 FINANCE COSTS

	2015 US\$'000	2014 US\$'000
Interest on medium term notes	6,323	606
Interest on short-term bank borrowings	272	7,544
	6,595	8,150

10 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2014: 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% (2014: 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.

Income tax expense in the consolidated income statement represents:

	2015 US\$'000	2014 US\$'000
Hong Kong taxation		
Current year	1,494	1,836
Over provision in prior years	(7)	(10)
Malaysian taxation		
Current year	13,599	16,831
Under/(over) provision in prior years	246	(154)
Other countries' taxation		
Current year	503	735
(Over)/under provision in prior years	(82)	94
Deferred income tax expense/(credit) (note 19)	658	(40)
	16,411	19,292

Notes to the Financial Statements

For the year ended 31 March 2015

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:

	2015 US\$'000	2014 US\$'000
Profit before income tax	47,501	68,563
Tax calculated at domestic tax rates applicable to profits in the respective countries	13,431	17,627
Tax effects of:		
Income not subject to tax	(244)	(588)
Expenses not deductible for tax purposes	2,369	1,764
Utilisation of previously unrecognised tax losses	(25)	(360)
Temporary differences not recognised	(102)	166
Tax losses for which no deferred income tax asset was recognised	968	1,195
Recognition of deferred income tax assets arising from previously unrecognised tax losses	(47)	(212)
Reduction in opening deferred taxes resulting from reduction in tax rate	(181)	(165)
Under/(over) provision in prior years — current tax	157	(70)
Under/(over) provision in prior years — deferred tax	85	(65)
Income tax expense	16,411	19,292

The weighted average applicable tax rate for the year was 28% (2014: 26%).

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\$18,273,000 (2014: US\$46,189,000).

Notes to the Financial Statements

For the year ended 31 March 2015

12 EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	2015	2014
Profit attributable to owners of the Company (US\$'000)	31,429	48,236
Weighted average number of ordinary shares in issue	1,687,238,085	1,687,239,605
Basic earnings per share (US cents)	1.86	2.86
Diluted earnings per share (US cents)	1.86	2.86

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 2015 and 2014.

13 DIVIDENDS

	2015 US\$'000	2014 US\$'000
Dividends attributable to the year:		
First interim, paid, US0.430 cents (2013/2014: US0.750 cents) per ordinary share (note (a))	7,255	12,654
Second interim, declared after the end of the reporting period of US0.500 cents (2013/2014: US0.680 cents) per ordinary share (note (b))	8,436	11,473
	15,691	24,127
Dividends paid during the year:		
Second interim, 2013/2014, US0.680 cents (2012/2013: US1.015 cents) per ordinary share (note (c))	11,473	17,125
First interim, 2014/2015, US0.430 cents (2013/2014: US0.750 cents) per ordinary share	7,255	12,654
	18,728	29,779

Notes to the Financial Statements

For the year ended 31 March 2015

13 DIVIDENDS (Continued)

Notes:

- (a) The first interim dividend of US0.430 cents (2013/2014: US0.750 cents) per ordinary share amounting to US\$7,255,000 in respect of the year ended 31 March 2015 was paid on 15 January 2015.
- (b) The Board of Directors has declared a second interim dividend of US0.500 cents per ordinary share in lieu of a final dividend for the year ended 31 March 2015. The dividend will be payable on 31 July 2015 to shareholders whose names appear on the register of members of the Company at the close of business on 10 July 2015 in cash in RM or in HK\$ at exchange rates determined on 28 May 2015 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 the Malaysian Income Tax Act 1967.

The middle exchange rates at 12:00 noon on 28 May 2015 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	3.6500	1.825 sen
US\$ to HK\$	7.7536	HK3.877 cents

- (c) The second interim dividend of US0.680 cents per ordinary share amounting to US\$11,473,000 in respect of the year ended 31 March 2014 was paid on 1 August 2014.

14 EMPLOYEE BENEFIT EXPENSE

	2015 US\$'000	2014 US\$'000
Wages and salaries	84,573	84,230
Unutilised annual leave	41	60
Pension costs — defined contribution plans	8,002	7,769
Pension costs — defined benefit plans (note 34(b))	236	195
Long service payments (note 30(a))	91	55
Other staff costs	18,548	21,405
	111,491	113,714

Notes to the Financial Statements

For the year ended 31 March 2015

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

(a) The remuneration of every director and chief executive for the years ended 31 March 2015 and 2014 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 (<i>note 1</i>)	17	315	73	16	421
Executive directors					
Tan Sri Datuk Sir TIONG Hiew King (<i>note 2</i>)	168	164	60	–	392
Dato' Sri Dr TIONG Ik King	21	–	–	–	21
Mr NG Chek Yong	–	259	66	48	373
Mr LEONG Chew Meng	–	187	47	34	268
Non-executive director					
Ms TIONG Choon	23	1	–	–	24
Independent non-executive directors					
Mr David YU Hon To (<i>note 3</i>)	54	–	–	–	54
Tan Sri Dato' LAU Yin Pin	26	2	–	–	28
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	26	2	–	–	28
Total for the year ended 31 March 2015	335	930	246	98	1,609
Group Chief Executive Officer and executive director					
Mr TIONG Kiew Chiong (<i>note 1</i>)	17	312	121	16	466
Executive directors					
Tan Sri Datuk Sir TIONG Hiew King (<i>note 2</i>)	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 (<i>note 3</i>)	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

Notes to the Financial Statements

For the year ended 31 March 2015

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

(Continued)

(a) (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\$48,000 (2014: US\$96,000).
 - (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 (2014: US\$17,000).
 - (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 (2014: US\$23,000).
 - (4) During the years ended 31 March 2015 and 2014, 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 2015 and 2014.
- (b) The 5 highest paid individuals during the year include 3 (2014: 3) executive directors whose emoluments are reflected in the analysis presented above. The emoluments paid to the remaining 2 (2014: 2) individual(s) during the year are as follows:

	2015 US\$'000	2014 US\$'000
Basic salaries, bonuses, other allowances and benefits in kind	709	761
Contributions to pension schemes	4	10
	713	771

The emoluments of the 2 (2014: 2) individual(s) fall within the following bands:

	Number of individuals	
	2015	2014
From US\$322,428 to US\$386,912 (equivalent to HK\$2,500,001 to HK\$3,000,000)	2	1
From US\$386,913 to US\$451,397 (equivalent to HK\$3,000,001 to HK\$3,500,000)	–	1
	2	2

Notes to the Financial Statements

For the year ended 31 March 2015

16 PROPERTY, PLANT AND EQUIPMENT

	Group										
	Property							Leasehold improvements, furniture, fixtures and office equipment			
	Freehold land and buildings outside Hong Kong	Long-term leasehold land outside Hong Kong	Long-term buildings outside Hong Kong	Medium-term leasehold land in Hong Kong	Medium-term buildings in Hong Kong	Medium-term leasehold land outside Hong Kong	Medium-term buildings outside Hong Kong	Machinery and printing equipment	Motor vehicles	Construction-in-progress	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 April 2013											
Cost	28,037	2,406	14,353	15,365	8,777	17,492	17,548	39,137	121,726	2,974	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	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	150,935
Additions	27	-	1,709	-	-	-	29	4,014	3,202	295	10,823
Currency translation differences	(1,376)	(115)	(97)	6	4	(782)	(992)	(538)	(2,839)	(47)	(6,962)
Reclassifications	-	-	(6,197)	-	-	-	6,503	(1,838)	1,931	-	-
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	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	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	144,308
Year ended 31 March 2015											
Opening net book amount	23,830	2,072	4,942	9,339	4,442	13,818	16,104	10,141	55,720	1,118	144,308
Additions	-	-	9	-	-	-	5	5,179	2,564	196	8,223
Currency translation differences	(2,738)	(242)	(570)	2	3	(1,559)	(1,773)	(974)	(6,356)	(89)	(14,499)
Reclassifications	-	-	-	-	-	-	-	(1,863)	1,894	-	-
Reclassification to intangible assets	-	-	-	-	-	-	-	(186)	-	-	(186)
Disposals	-	-	(6)	-	-	(373)	(51)	(78)	(2)	(25)	(535)
Depreciation (note (b))	(344)	(35)	(175)	(280)	(244)	(307)	(1,299)	(2,423)	(4,959)	(336)	(10,402)
Closing net book amount	20,748	1,795	4,200	9,061	4,201	11,579	12,986	9,796	48,861	864	126,909
At 31 March 2015											
Cost	23,404	2,010	4,824	15,382	8,787	14,230	23,545	37,115	112,550	2,634	247,299
Accumulated depreciation	(2,656)	(215)	(624)	(6,321)	(4,586)	(2,651)	(10,559)	(27,319)	(63,689)	(1,770)	(120,390)
Net book amount	20,748	1,795	4,200	9,061	4,201	11,579	12,986	9,796	48,861	864	126,909

Notes:

- Certain property, plant and equipment are pledged as collateral for the Group's banking facilities. The details are set out in note 36.
- Depreciation expense of US\$4,959,000 (2014: US\$4,763,000) was included in "Cost of goods sold" and US\$5,443,000 (2014: US\$5,424,000) was charged in "Other operating expenses".

Notes to the Financial Statements

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17 INVESTMENT PROPERTIES

	Group	
	2015	2014
	US\$'000	US\$'000
At 1 April	17,144	17,579
Net gains from fair value adjustments	438	322
Currency translation differences	(1,639)	(757)
At 31 March	15,943	17,144

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

	Group	
	2015	2014
	US\$'000	US\$'000
In Malaysia, held on:		
Freehold	4,739	5,237
Leases of over 50 years	4,852	5,183
Leases of between 10 to 50 years	3,027	3,424
	12,618	13,844
In USA, held on:		
Freehold	3,325	3,300
	15,943	17,144

Fair value hierarchy

Description	Fair value measurements at 31 March 2015 using		
	Quoted prices	Significant other	Significant
	in active markets	observable inputs	unobservable
	for identical assets		inputs
	(Level 1)	(Level 2)	(Level 3)
	US\$'000	US\$'000	US\$'000
Recurring fair value measurements			
Malaysia	—	12,618	—
USA	—	—	3,325

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

Notes to the Financial Statements

For the year ended 31 March 2015

17 INVESTMENT PROPERTIES (Continued)

Valuation processes and techniques

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 2015 and 2014. The revaluation gains or losses were included in 'Other (losses)/gains, net' in the consolidated income statement (note 7).

For the property in the USA, the valuation was determined using income capitalisation approach and sales comparison 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.

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

Description	Fair value at 31 March 2015 US\$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Commercial building — USA	3,325	Income capitalisation approach and sales comparison approach	Rental value	US\$220,641 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\$21.18 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.

Notes to the Financial Statements

For the year ended 31 March 2015

17 INVESTMENT PROPERTIES *(Continued)*

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

	Group 2015 US\$'000	2014 US\$'000
Rental income	1,113	1,119
Direct operating expenses arising from investment properties that generate rental income	(112)	(141)
	1,001	978

At 31 March 2015, the Group has future aggregate minimum rental receivables under non-cancellable operating leases as follows:

	Group 2015 US\$'000	2014 US\$'000
No later than one year	393	787
Later than one year and no later than five years	393	769
	786	1,556

Notes to the Financial Statements

For the year ended 31 March 2015

17 INVESTMENT PROPERTIES *(Continued)*

Particulars of the Group's investment properties at fair values as at 31 March 2015 are as follows:

	Location	Tenure/Expiry of lease	Uses	US\$'000
1	No. 25, Rawang Integrated Industrial Park, Jalan Batu Arang, 48000 Rawang, Selangor Darul Ehsan, Malaysia	Freehold	Office building and single storey factory building	4,645
2	37-06, Prince Street, Flushing NY 11354, the USA	Freehold	Commercial building	3,325
3	PT12917 HS(D) 103390 (Ground Floor) Putra Indah A, Putra Nilai, 71800 Nilai, Negeri Sembilan Darul Khusus, Malaysia	Freehold	Commercial building	70
4	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)	24
5	No. 3, Lorong Kilang F, Kelombong, 88450 Kota Kinabalu, Sabah, Malaysia	Leasehold/2920	Office building	1,569
6	Lot 22, Jalan Sultan Mohamed 4, Taman Perindustrian Bandar Sultan Sulaiman, 42000 Pelabuhan Klang Utara, Selangor Darul Ehsan, Malaysia	Leasehold/2105	Warehouse	2,970
7	AR09-F3A0, Ara Ria 09, Jalan UTL 9, Bandar University Teknologi Lagenda, 71700 Mantin, Negeri Sembilan Darul Khusus, Malaysia	Leasehold/2099	Residential building	16
8	59-1-2, Jalan TMR 2, Taman Melaka Raya, 75000 Melaka, Malaysia	Leasehold/2094	Commercial building	297
9	No. 76 Jalan Universiti, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Leasehold/2063	Office building	3,027
				15,943

Notes to the Financial Statements

For the year ended 31 March 2015

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
At 1 April 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
Year ended 31 March 2015					
Opening net book amount	13,827	1,873	15,700	57,220	72,920
Additions	–	1,158	1,158	–	1,158
Reclassification from property, plant and equipment	–	186	186	–	186
Amortisation expense (note (a))	(439)	(687)	(1,126)	–	(1,126)
Impairment loss of goodwill	–	–	–	(5,666)	(5,666)
Currency translation differences	(1,612)	(166)	(1,778)	(6,690)	(8,468)
Closing net book amount	11,776	2,364	14,140	44,864	59,004
At 31 March 2015					
Cost	24,153	6,022	30,175	57,251	87,426
Accumulated amortisation and impairment	(12,377)	(3,658)	(16,035)	(12,387)	(28,422)
Net book amount	11,776	2,364	14,140	44,864	59,004

Notes to the Financial Statements

For the year ended 31 March 2015

18 INTANGIBLE ASSETS (Continued)

Notes:

- (a) Amortisation expense of US\$1,126,000 (2014: US\$1,134,000) 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 combination.

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

	Group	
	2015	2014
	US\$'000	US\$'000
Guang-Ming Ribao Sdn Bhd (note (i))	2,150	8,429
Mulu Press Sdn Bhd (note (i))	490	556
Sinchew-i Sdn Bhd (note (i))	38	43
Subsidiaries in Mainland China (note (iii))	—	348
Sin Chew Media Corporation Berhad (note (ii))	42,186	47,844
	44,864	57,220

The recoverable amount of each CGU has been determined based on a value-in-use calculation using cash flow projections 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	Pre-tax discount rate
	2015	2015
Goodwill of Guang-Ming Ribao Sdn Bhd (note (i))	0%	11%
Goodwill of Sin Chew Media Corporation Berhad (note (ii))	1%	11%

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.

- (i) These 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 years ended 31 March 2011 and 31 March 2015, impairment of US\$4,132,000 and US\$5,315,000, respectively, in the goodwill of Guang-Ming Ribao Sdn Bhd was recognised 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 charges were included in "Other operating expenses" and "Other (losses)/gains, net" in the consolidated income statement for the years ended 31 March 2011 and 31 March 2015 respectively.

Notes to the Financial Statements

For the year ended 31 March 2015

18 INTANGIBLE ASSETS (Continued)

Notes: (Continued)

(b) (Continued)

- (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 2015, the goodwill amounted to US\$42,186,000 (2014: US\$47,844,000) after a currency translation adjustment of US\$5,658,000 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 11% (2014: 10.1%). As an increase in the discount rate of 1% (2014: 1%) would result in approximately US\$9,247,000 (2014: US\$13,729,000) change in the recoverable amount of Sin Chew, whereas an increase in the discount rate of 1% (2014: 1%) would result in approximately US\$277,000 (2014: US\$718,000) 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) This arose from the acquisition of the Group's subsidiaries in Mainland China in 2004. During the year ended 31 March 2015, the goodwill of the Group's subsidiaries in Mainland China was impaired by US\$351,000 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 these subsidiaries. The impairment charge was included in "Other (losses)/gains, net" in the consolidated income statement.

19 DEFERRED INCOME TAX

The analysis of deferred income tax assets and liabilities is as follows:

	Group	
	2015	2014
	US\$'000	US\$'000
Deferred income tax assets:		
to be recovered within 12 months	(283)	(734)
to be recovered after 12 months	(440)	(721)
	(723)	(1,455)
Deferred income tax liabilities:		
to be settled within 12 months	502	529
to be settled after 12 months	10,636	11,777
	11,138	12,306
Deferred income tax liabilities — net	10,415	10,851

Notes to the Financial Statements

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19 DEFERRED INCOME TAX (Continued)

Movements in net deferred income tax liabilities are as follows:

	Group	
	2015	2014
	US\$'000	US\$'000
At 1 April	10,851	11,431
Charged/(credited) to the consolidated income statement (note 10)	658	(40)
Currency translation differences	(1,094)	(540)
At 31 March	10,415	10,851

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 and write-off of trade and other 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 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
At 1 April 2014	13,410	(494)	(1,768)	(403)	(565)	671	10,851
(Credited)/charged to the consolidated income statement	(350)	344	214	2	394	54	658
Currency translation differences	(1,302)	16	208	(5)	24	(35)	(1,094)
At 31 March 2015	11,758	(134)	(1,346)	(406)	(147)	690	10,415

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\$69,426,000 (2014: US\$65,309,000) to be carried forward against future taxable income. Losses amounting to US\$9,186,000 (2014: US\$3,219,000) will expire within 5 years. Losses amounting to US\$27,959,000 (2014: US\$30,765,000) will expire between 6 and 20 years. The remaining tax losses amounting to US\$32,281,000 (2014: US\$31,325,000) can be carried forward indefinitely.

Notes to the Financial Statements

For the year ended 31 March 2015

20 INTERESTS IN JOINT VENTURES AND ASSOCIATES

	Group 2015 US\$'000	2014 US\$'000
Interests in associates (<i>note (a)</i>)	410	2,399
Interests in joint ventures (<i>note (b)</i>)	386	557
	796	2,956

Movements in the interests in joint ventures and associates are as follows:

	Group 2015 US\$'000	2014 US\$'000
At 1 April	2,956	3,142
Additional investment in an associate	–	97
Acquisition of an associate	–	115
Share of losses		
Share of results of joint ventures and associates	(104)	(350)
Amortisation of trademark and customer list	(43)	(47)
Dividends received from an associate	(5)	(3)
Disposal of interest in an associate	(115)	–
Allowance for impairment loss of interest in an associate	(1,895)	–
Currency translation differences	2	2
At 31 March	796	2,956

The Group's share of results of the joint ventures and associates are as follows:

	Group 2015 US\$'000	2014 US\$'000
Joint ventures		
Post-tax loss	(171)	(406)
Other comprehensive income	–	–
Total comprehensive loss	(171)	(406)
Associates		
Post-tax profit	67	56
Other comprehensive income	–	–
Total comprehensive income	67	56

Notes to the Financial Statements

For the year ended 31 March 2015

20 INTERESTS IN JOINT VENTURES AND ASSOCIATES (Continued)

Notes:

(a) Particulars of the Group's associates are as follows:

Name of associate	Place of incorporation	Effective equity interest		Principal activities
		2015	2014	
ByRead Inc.	The Cayman Islands	24.97%	24.97%	Note (ii)
Blackpaper Limited	Hong Kong	10%	10%	Note (iii)
Guangzhou Tangde Advertising Company Limited	Peoples Republic of China	0%	10%	Note (iv)

Notes:

- (i) All the investments in associates are owned by the subsidiaries of 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 the provision of mobile value-added services such as entertainment and online reading for individuals and enterprises in Mainland China. As at 31 March 2014, the Group's interest in ByRead Inc. included goodwill of US\$1,751,000, trademark of US\$752,000 and customer list of US\$13,000 which have been identified from the acquisition. The useful lives for trademark and customer list are 30 years and 5 years respectively. During the year ended 31 March 2015, the Group's interest in ByRead Inc. was fully impaired.
- (iii) Blackpaper Limited is engaged in the publication of a magazine and books as well as the provision of 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. During the year ended 31 March 2015, the Group disposed of all its interest in Guangzhou Tangde Advertising Company Limited.

(b) Particulars of the Group's joint ventures are as follows:

Name of joint venture	Place of incorporation	Effective equity interest		Principal activities
		2015	2014	
Chu Kong Culture Media Company Limited	The British Virgin Islands	40%	40%	Investment holding
Connect Media Company Limited	Hong Kong	40%	40%	Provision of advertising services in Hong Kong

Note: All the above investments in joint ventures are owned by the subsidiaries of One Media.

Notes to the Financial Statements

For the year ended 31 March 2015

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2015	2014
	US\$'000	US\$'000
Listed equity securities in Hong Kong, at market value	294	237

Note:

The listed equity securities 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 2015 of US\$58,000 (2014: gains of US\$6,000) were included under "Other (losses)/gains, net" in the consolidated income statement.

22 INTERESTS IN SUBSIDIARIES

	Company	
	2015	2014
	US\$'000	US\$'000
Unlisted shares, at cost	466,667	466,667
Less: allowance for impairment	(36,126)	(36,126)
Currency translation differences	(60,010)	(10,311)
	370,531	420,230

Details of the Company's principal subsidiaries are set out in note 40.

Notes to the Financial Statements

For the year ended 31 March 2015

23 FINANCIAL INSTRUMENTS BY CATEGORY

	Group				Company
	Loans and receivables US\$'000	Assets at fair value through profit or loss US\$'000	Available- for-sale US\$'000	Total US\$'000	Loans and receivables US\$'000
Assets					
At 31 March 2015					
Available-for-sale financial assets (note 25)	–	–	97	97	–
Trade and other receivables excluding prepayments	53,002	–	–	53,002	37
Financial assets at fair value through profit or loss (note 21)	–	294	–	294	–
Cash and cash equivalents (note 27)	118,620	–	–	118,620	85
Total	171,622	294	97	172,013	122
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
Financial liabilities at amortised cost					
	Group		Company		
	2015	2014	2015	2014	
	US\$'000	US\$'000	US\$'000	US\$'000	
Liabilities					
Bank and other borrowings (note 29)	131,091	150,530	121,506		137,804
Trade and other payables excluding non-financial liabilities	37,448	46,250	2,349		2,308
Amounts due to subsidiaries (note 28)	–	–	553		593
Total	168,539	196,780	124,408		140,705

Notes to the Financial Statements

For the year ended 31 March 2015

24 INVENTORIES

	Group	
	2015	2014
	US\$'000	US\$'000
Raw materials and consumables	40,008	51,463
Finished goods	880	923
	40,888	52,386

Raw materials and consumables recognised as expenses and included in "Cost of goods sold" amounted to US\$88,661,000 (2014: US\$104,582,000).

25 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2015	2014
	US\$'000	US\$'000
At 1 April and 31 March	97	97

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

As at 31 March 2015, 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	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables	50,172	57,228	—	—
Less: allowance for impairment of trade receivables	(2,064)	(1,848)	—	—
Trade receivables, net (note (a))	48,108	55,380	—	—
Deposits and prepayments (note (b))	7,073	8,227	37	54
Other receivables (note (b))	3,730	4,172	—	—
	58,911	67,779	37	54

At 31 March 2015, the fair values of trade and other receivables approximated the carrying amounts.

Notes to the Financial Statements

For the year ended 31 March 2015

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 2015, the ageing analysis of the net trade receivables based on invoice date is as follows:

	Group	
	2015	2014
	US\$'000	US\$'000
1 to 60 days	34,767	38,400
61 to 120 days	10,050	13,412
121 to 180 days	2,217	2,366
Over 180 days	1,074	1,202
	48,108	55,380

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

	Group	
	2015	2014
	US\$'000	US\$'000
Malaysian Ringgit	30,445	35,656
HK dollars	11,508	13,256
Canadian dollars	3,593	4,312
Renminbi	1,204	1,054
US dollars	1,027	830
Other currencies	331	272
	48,108	55,380

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 2015, trade receivables that were neither past due nor impaired amounted to US\$32,207,000 (2014: US\$35,849,000), which represented about 67% (2014: 65%) 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.

Notes to the Financial Statements

For the year ended 31 March 2015

26 TRADE AND OTHER RECEIVABLES *(Continued)*

Notes: *(Continued)*

(a) *(Continued)*

As at 31 March 2015, the ageing analysis of the net trade receivables that were past due but not impaired is as follows:

	Group	
	2015	2014
	US\$'000	US\$'000
Overdue by:		
1 to 60 days	12,608	16,079
61 to 120 days	2,060	2,015
121 to 180 days	679	797
Over 180 days	554	640
	15,901	19,531

During the year ended 31 March 2015, the Group has recognised a net loss of US\$611,000 (2014: US\$206,000) for the impairment of its trade receivables and recovered an amount of US\$67,000 (2014: directly written off US\$236,000 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	
	2015	2014
	US\$'000	US\$'000
At 1 April	1,848	2,362
Allowance for impairment of receivables	1,116	861
Receivables written off against allowance	(214)	(644)
Allowance reversed	(505)	(655)
Currency translation differences	(181)	(76)
At 31 March	2,064	1,848

The creation and release of allowance for impairment of receivables have been included in "Selling and distribution expenses" in the consolidated income statement. Amounts in the allowance account are generally utilised to write off receivables when there is no expectation of further recovery.

The Group holds deposits and bank guarantees of US\$2,993,000 (2014: US\$3,563,000) and US\$7,224,000 (2014: US\$8,085,000) respectively provided by the customers as security for certain trade receivables with a carrying amount of US\$9,440,000 (2014: US\$10,772,000). 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.

Notes to the Financial Statements

For the year ended 31 March 2015

27 CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at bank and on hand	43,727	50,956	85	120
Short-term bank deposits	74,893	51,896	–	–
Cash and cash equivalents	118,620	102,852	85	120

The effective interest rates on short-term bank deposits ranged from 1.74% to 3.50% per annum during the year ended 31 March 2015 (2014: 1.46% to 3.35%); the maturity dates of these deposits ranged from 2 to 86 days (2014: 2 to 91 days).

28 TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Trade payables (note (a))	13,099	18,855	–	–
Accrued charges and other payables	29,069	29,922	2,349	2,308
Receipts in advance	17,440	16,737	–	–
Amounts due to subsidiaries (note (b))	–	–	553	593
Amounts due to related parties (note 39)	308	3,232	–	–
	59,916	68,746	2,902	2,901

As at 31 March 2015, the fair values of trade and other payables approximated the carrying amounts.

Notes:

(a) At 31 March 2015, the ageing analysis of the trade payables based on invoice date is as follows:

	Group	
	2015	2014
	US\$'000	US\$'000
1 to 60 days	10,978	16,025
61 to 120 days	1,689	1,956
121 to 180 days	76	212
Over 180 days	356	662
	13,099	18,855

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

Notes to the Financial Statements

For the year ended 31 March 2015

29 BANK AND OTHER BORROWINGS

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Current				
Short-term bank borrowings (note (a))	9,585	12,726	—	—
Non-current				
Medium term notes (note (b))	121,506	137,804	121,506	137,804
Total bank and other borrowings	131,091	150,530	121,506	137,804

Notes:

(a) Short-term bank borrowings

	Group	
	2015	2014
	US\$'000	US\$'000
Secured	892	765
Unsecured	8,693	11,961
	9,585	12,726

The carrying amounts of the short-term bank borrowings are denominated in the following currencies:

	Group	
	2015	2014
	US\$'000	US\$'000
Malaysian Ringgit	4,824	8,094
US dollars	892	765
Hong Kong dollars	3,869	3,867
	9,585	12,726

As at 31 March 2015, the fair values of the short-term bank borrowings approximated the carrying amounts.

Notes to the Financial Statements

For the year ended 31 March 2015

29 BANK AND OTHER BORROWINGS *(Continued)*

Notes: *(Continued)*

(b) Medium term notes

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
4.58% notes due on 24 February 2017	60,753	68,902	60,753	68,902
4.80% notes due on 24 February 2019	60,753	68,902	60,753	68,902
	121,506	137,804	121,506	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.

The carrying amounts of the Notes are denominated in the following currency:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Malaysian Ringgit	121,506	137,804	121,506	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% (2014: 4.69%) and the Notes are classified within level 2 of the fair value hierarchy.

30 OTHER NON-CURRENT LIABILITIES

	Group	
	2015	2014
	US\$'000	US\$'000
Retirement benefit obligations <i>(note (a))</i>	771	752
Defined benefit plan liabilities <i>(note 34)</i>	138	51
	909	803
Current portion of other non-current liabilities	(58)	(62)
	851	741

Notes to the Financial Statements

For the year ended 31 March 2015

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 2015 US\$'000	2014 US\$'000
Present value of the retirement benefit obligations	771	752

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

	Group 2015 US\$'000	2014 US\$'000
At 1 April	752	1,025
Current service cost	90	27
Interest cost	1	28
Long service payments made	(32)	(56)
Remeasurements of post-employment benefit obligations	38	(224)
Currency translation differences	(78)	(48)
At 31 March	771	752

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

	Group 2015 US\$'000	2014 US\$'000
Current service cost	90	27
Interest cost	1	28
Total included in employee benefit expense (note 14)	91	55

Notes to the Financial Statements

For the year ended 31 March 2015

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 2015	2014
Average future working lifetime (in years)	19	20
Discount rate	2.0%	1.9%
Expected inflation rate	3.5%	3.5%
Expected rate of future salary increases		
2014 and onwards	—	3.5%
2015 and onwards	3.5%	—

For obligations under the Malaysia Scheme:

	Group 2015	2014
Discount rate	4.7%	4.4%
Expected inflation rate	3.5%	3.5%
Expected rate of future salary increases	8.5%	8.5%

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 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
Repurchase of ordinary shares (note (a))	(2,000)	—*	—*	—*
At 31 March 2015	1,687,237,241	21,715	54,664	76,379

* negligible

The number of authorised ordinary shares is 2,500 million shares (2014: 2,500 million shares) with a par value of HK\$0.10 per share. All issued shares are fully paid.

Notes to the Financial Statements

For the year ended 31 March 2015

31 SHARE CAPITAL AND PREMIUM *(Continued)*

Notes:

- (a) During the year, the Company repurchased a total of 2,000 (2014: 1,000) of its listed shares on the HK Stock Exchange from the open market at the price of HK\$2.15 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 2015 and 2014 are summarised as follows:

Month/Year	Number of ordinary shares repurchased	Purchase price per share		Aggregate purchase consideration HK\$	Equivalents in US\$
		Highest	Lowest		
		HK\$	HK\$		
Year ended 31 March 2015					
September 2014	2,000	2.15	2.15	4,300	555
Year ended 31 March 2014					
August 2013	1,000	2.90	2.90	2,900	374

- (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 is the final HK dollar price per share at which shares were 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 for a period of 10 years from the Adoption Date. No further options may be granted under the Pre-IPO Scheme after 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.

Notes to the Financial Statements

For the year ended 31 March 2015

31 SHARE CAPITAL AND PREMIUM (Continued)

Notes: (Continued)

(b) (Continued)

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 2015 and 2014 are as follows:

	2015			2014		
	Exercise price per share HK\$	Equivalents in US\$	Number of shares under options	Exercise price per share HK\$	Equivalents in US\$	Number of shares under options
At 1 April	1.200	0.155	7,868,000	1.200	0.155	7,926,000
Lapsed	1.200	0.155	(430,000)	1.200	0.155	(58,000)
At 31 March	1.200	0.155	7,438,000	1.200	0.155	7,868,000

The above share options were conditionally granted on 27 September 2005 and the exercisable period is from 18 October 2005 to 25 September 2015.

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 2015, no share compensation cost (2014: Nil) was recognised in the consolidated income statement.

During the years ended 31 March 2015 and 2014, no option was granted or agreed to be granted under the Post-IPO Scheme.

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For the year ended 31 March 2015

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
At 1 April 2013	183	20,256	506	(92,647)	59
Currency translation differences	–	(8,303)	–	–	–
Repurchase of ordinary shares (<i>note 31</i>)	–*	–	–	–	–
At 31 March 2014	183	11,953	506	(92,647)	59
At 1 April 2014	183	11,953	506	(92,647)	59
Currency translation differences	–	(20,815)	–	–	–
Repurchase of ordinary shares (<i>note 31</i>)	–*	–	–	–	–
At 31 March 2015	183	(8,862)	506	(92,647)	59

* negligible

	Company		
	Capital redemption reserve US\$'000	Exchange fluctuation reserve US\$'000	Contributed surplus US\$'000
At 1 April 2013	183	2,434	26,228
Currency translation differences	–	(1,399)	–
Repurchase of ordinary shares (<i>note 31</i>)	–*	–	–
At 31 March 2014	183	1,035	26,228
At 1 April 2014	183	1,035	26,228
Currency translation differences	–	(32,999)	–
Repurchase of ordinary shares (<i>note 31</i>)	–*	–	–
At 31 March 2015	183	(31,964)	26,228

* 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.

Notes to the Financial Statements

For the year ended 31 March 2015

33 RETAINED EARNINGS

- (a) Movements in the Group's retained earnings for the years ended 31 March 2015 and 2014 are presented in the consolidated statement of changes in equity on pages 86 and 87.
- (b) Movements in the Company's retained earnings for the years ended 31 March 2015 and 2014 are as follows:

	Company	
	2015	2014
	US\$'000	US\$'000
At 1 April	175,874	159,464
Profit for the year	18,273	46,189
Second interim dividend, 2013/2014, paid, US0.680 cents (2012/2013: US1.015 cents)	(11,473)	(17,125)
First interim dividend, 2014/2015, paid, US0.430 cents (2013/2014: US0.750 cents)	(7,255)	(12,654)
At 31 March	175,419	175,874

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 employer's 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 2016 are US\$64,000.

Notes to the Financial Statements

For the year ended 31 March 2015

34 DEFINED BENEFIT PLAN LIABILITIES *(Continued)*

(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	
	2015	2014
	US\$'000	US\$'000
Fair value of the plan assets	3,986	4,479
Present value of the defined benefit obligations	(4,124)	(4,530)
Net liabilities in the consolidated statement of financial position	(138)	(51)

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

	Group	
	2015	2014
	US\$'000	US\$'000
At 1 April	4,479	4,871
Group contributions paid	65	81
Interest income	84	38
Scheme administration costs	(108)	(42)
Actual benefits paid	(671)	(428)
Remeasurements on plan assets	135	(44)
Currency translation differences	2	3
At 31 March	3,986	4,479

Notes to the Financial Statements

For the year ended 31 March 2015

34 DEFINED BENEFIT PLAN LIABILITIES *(Continued)*

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

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

	Group	
	2015	2014
	US\$'000	US\$'000
At 1 April	4,530	5,236
Current service costs	128	150
Interest cost	84	41
Actual benefits paid	(671)	(428)
Remeasurements on obligations	52	(472)
Currency translation differences	1	3
At 31 March	4,124	4,530

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

	Group	
	2015	2014
	US\$'000	US\$'000
Current service costs	(128)	(150)
Interest cost	(84)	(41)
Interest income	84	38
Scheme administration costs	(108)	(42)
Total pension costs included in employee benefit expense (<i>note 14</i>)	(236)	(195)

Movements in the net liabilities recognised in the consolidated statement of financial position are as follows:

	Group	
	2015	2014
	US\$'000	US\$'000
At 1 April	(51)	(365)
Total pension costs recognised in the consolidated income statement (<i>note 14</i>)	(236)	(195)
Remeasurements recognised in other comprehensive income	83	428
Group contributions paid	65	81
Currency translation differences	1	–
At 31 March	(138)	(51)

Notes to the Financial Statements

For the year ended 31 March 2015

34 DEFINED BENEFIT PLAN LIABILITIES *(Continued)*

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

The principal actuarial assumptions used are as follows:

	Group	
	2015	2014
Discount rate	1.3%	1.9%
Expected rate of future salary increases	3.5%	3.5%

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

	Group				
	2015	2014	2013	2012	2011
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Present value of the defined benefit obligations	(4,124)	(4,530)	(5,236)	(5,361)	(5,341)
Fair value of the plan assets	3,986	4,479	4,871	4,971	5,618
(Deficit)/surplus	(138)	(51)	(365)	(390)	277

The plan assets are managed by independent investment managers and are invested in unit trusts based on the long-term benchmark allocation of roughly 70% in equity type securities and 30% in fixed income securities or cash.

Notes to the Financial Statements

For the year ended 31 March 2015

35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	2015 US\$'000	2014 US\$'000
Operating profit	56,138	77,110
Fair value gains on financial assets at fair value through profit or loss	(58)	(6)
Fair value gains on investment properties — net (<i>note 17</i>)	(438)	(322)
Depreciation of property, plant and equipment (<i>note 16</i>)	10,402	10,187
Amortisation of intangible assets (<i>note 18</i>)	1,126	1,134
Allowance for impairment and write-off of trade and other receivables	544	442
Allowance for impairment and write-off of inventories	276	108
Dividend income	(12)	(12)
Interest income	(2,131)	(1,691)
Impairment loss of goodwill	5,666	—
(Gains)/losses on disposals of property, plant and equipment — net	(184)	256
Pension costs	236	195
Long service payment obligations	91	55
Operating profit before working capital changes	71,656	87,456
Changes in working capital		
Inventories	5,378	(5,311)
Trade and other receivables	3,737	4,158
Trade and other payables	(4,171)	(1,741)
Cash generated from operations	76,600	84,562

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

	2015 US\$'000	2014 US\$'000
Property, plant and equipment — net book amount (<i>note 16</i>)	535	301
Gains/(losses) on disposals of property, plant and equipment — net	184	(256)
Proceeds from disposals of property, plant and equipment	719	45

Notes to the Financial Statements

For the year ended 31 March 2015

36 BANKING FACILITIES, PLEDGE OF ASSETS AND FINANCIAL GUARANTEES

At 31 March 2015, 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 amount of US\$989,000 at 31 March 2015 (2014: US\$1,104,000) and assignment of rental income derived therefrom;
- (b) general security agreements under which all the assets of certain subsidiaries with net carrying amount of US\$10,484,000 at 31 March 2015 (2014: US\$11,974,000) were pledged to certain banks, including US\$989,000 (2014: US\$1,104,000) attributable to freehold properties disclosed under note (a) above; and
- (c) corporate guarantees issued by the Company:

The Company issued financial guarantees to banks in favour of certain of its subsidiaries totaling US\$20,930,000 (2014: US\$21,792,000) in connection with general banking facilities granted to those subsidiaries. At 31 March 2015, total facilities utilised amounted to US\$6,499,000 (2014: US\$5,865,000). 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 2015 and 2014 under the financial guarantees was the facility drawn down by its subsidiaries. No provision was therefore made in this respect at 31 March 2015 and 2014.

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 2015 and 31 March 2014 are as follows:

	Group 2015 US\$'000	2014 US\$'000
Property, plant and equipment		
Authorised and contracted for	4,003	3,204
Authorised but not contracted for	1,753	1,390
	5,756	4,594

Notes to the Financial Statements

For the year ended 31 March 2015

38 COMMITMENTS *(Continued)*

(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 2015, the Group has future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2015	2014
	US\$'000	US\$'000
No later than one year	1,844	2,193
Later than one year and no later than five years	688	1,422
Later than five years	36	25
	2,568	3,640

The Company did not have any capital commitments or operating lease commitments at 31 March 2015 and 31 March 2014.

39 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	Group	
	2015	2014
	US\$'000	US\$'000
Newsprint purchases from a related company <i>(note a)</i>	35,408	49,971
Rental expenses paid to related companies <i>(note a)</i>	81	21
Purchases of air tickets from a related company <i>(note a)</i>	32	51
Royalty fee for sales of books and DVDs to a related company <i>(note a)</i>	3	–
Motor vehicle insurance premiums paid to a related company <i>(note a)</i>	1	1
Advertising expenses paid to an associate	–	1
Scrap sales of old newspapers and magazines to a related company <i>(note a)</i>	(2,356)	(2,973)
Agency fee income received from an associate	(353)	(250)
Content providing and video production income received from a joint venture	(120)	(312)
Provision of air-tickets and accommodation arrangement services to related companies <i>(note a)</i>	(20)	(72)
Rental income received from a related company <i>(note a)</i>	(9)	(102)
Provision of accounting service to a related company <i>(note a)</i>	(9)	(3)
Packaging fee received from a related company <i>(note a)</i>	(2)	–
Software development income from a joint venture	–	(10)

Notes to the Financial Statements

For the year ended 31 March 2015

39 RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

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.

(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	
	2015	2014
	US\$'000	US\$'000
Directors' fees, basic salaries, bonuses, other allowances and benefits in kind	2,680	3,365
Contributions to pension schemes	177	243
	2,857	3,608

(c) Year-end balances with related parties

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Payables to related companies of certain directors	(308)	(3,232)	–	–
Payables to subsidiaries	–	–	(553)	(593)

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 2015. 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 73.

Notes to the Financial Statements

For the year ended 31 March 2015

40 PARTICULARS OF PRINCIPAL SUBSIDIARIES

- (a) Particulars of the Company's principal subsidiaries at 31 March 2015 that are incorporated and operate in Hong Kong are as follows:

Name of subsidiary	Paid-up issued/ registered capital	Effective equity interest	Principal activities
Charming Holidays Limited	HK\$1,000,000	100%	Provision of travel and travel related services
Charming Holidays (North America) Limited	HK\$2	100%	Investment holding
Holgain Limited	HK\$20	100%	Property investment
Kin Ming Printing Company Limited	HK\$10,000	100%	Provision of printing services
Media2U Company Limited	HK\$101	73.18%	Magazines advertising and operation
MediaNet Advertising Limited	HK\$100	73.18%	Media operation
Mingpao.com Limited	HK\$2	97.78%	Internet related businesses
Ming Pao Education Publications Limited	HK\$1	100%	Digital media business and books publishing
Ming Pao Holdings Limited	HK\$1,000,000	100%	Investment holding and provision of management services
Ming Pao Magazines Limited	HK\$1,650,000	73.18%	Publication and distribution of magazines
Ming Pao New Media Limited	HK\$2	100%	Digital and multimedia business
Ming Pao Newspapers Limited	HK\$2	100%	Publication and distribution of newspaper and periodical
Ming Pao Publications Limited	HK\$10	100%	Publication and distribution of books
Yazhou Zhoukan Limited	HK\$9,500	100%	Publication and distribution of magazine

Notes to the Financial Statements

For the year ended 31 March 2015

40 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

- (b) Particulars of the Company's principal subsidiaries at 31 March 2015 that are incorporated and operate in Malaysia are as follows:

Name of subsidiary	Paid-up issued/ registered capital	Effective equity interest	Principal activities
The China Press Berhad	RM4,246,682	99.75%	Publication of newspaper and provision of printing services
Guang-Ming Ribao Sdn Bhd	RM4,000,000	100%	Publication and distribution of newspaper and magazines
MCIL Multimedia Sdn Bhd	RM16,500,000	100%	Electronic commerce activities through the internet and multimedia
Mulu Press Sdn Bhd	RM500,000	100%	Distribution of newspapers and provision of editorial and advertising services
Nanyang Press Holdings Berhad	RM76,107,375	100%	Publication and distribution of newspapers and magazines, investment holding and letting of properties
Nanyang Press Marketing Sdn Bhd	RM1,000,000	100%	Provision of marketing and circulation services of newspapers
Nanyang Siang Pau Sdn Bhd	RM60,000,000	100%	Publication of newspapers and magazines
Sinchew-i Sdn Bhd	RM25,000,000	100%	Investment holding
Sin Chew Media Corporation Berhad	RM151,000,000	100%	Publication and distribution of newspaper and magazines, and provision of printing services

Notes to the Financial Statements

For the year ended 31 March 2015

40 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

- (c) Particulars of the Company's principal subsidiaries at 31 March 2015 that are incorporated outside Hong Kong and Malaysia are as follows:

Name of subsidiary	Place of incorporation/ operation	Paid-up issued/ registered capital	Effective equity interest	Principal activities
Beijing OMG Advertising Company Limited (<i>note 2</i>)	The People's Republic of China ("PRC")/PRC	RMB30,000,000	73.18%	Magazines operation
Beijing OMG M2U Advertising Company Limited (<i>note 2</i>)	PRC/PRC	RMB50,000,000	73.18%	Magazines advertising
Beijing Times Resource Technology Consulting Limited (<i>notes 1 & 2</i>)	PRC/PRC	RMB3,000,000	73.18%	Magazines operation
Comwell Investment Limited	The British Virgin Islands ("BVI")/HK	HK\$1	100%	Investment holding
Delta Tour & Travel Services (Canada), Inc.	Canada/Canada	CAD530,000	100%	Provision of travel and travel related services
Delta Tour & Travel Services, Inc.	The United States of America ("USA")/USA	US\$300,500	100%	Provision of travel and travel related services
First Collection Limited	BVI/HK	US\$1	100%	Investment holding
Media Connect Investment Limited	BVI/HK	HK\$1	73.18%	Investment holding
Ming Pao Enterprise Corporation Limited	The Cayman Islands ("CI")/HK	US\$1	100%	Investment holding
Ming Pao Finance Limited	BVI/HK	US\$10	73.18%	Licensing of trademarks
Ming Pao Holdings (Canada) Limited	Canada/Canada	CAD1	100%	Investment holding
Ming Pao Holdings (USA) Inc.	USA/USA	US\$1	100%	Investment holding

Notes to the Financial Statements

For the year ended 31 March 2015

40 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

(c) *(Continued)*

Name of subsidiary	Place of incorporation/ operation	Paid-up issued/ registered capital	Effective equity interest	Principal activities
Ming Pao Investment (USA) L.P.	USA/USA	US\$150,150	100%	Publication and distribution of newspaper and periodicals
Ming Pao Newspapers (Canada) Limited	Canada/Canada	CAD11	100%	Publication and distribution of newspapers and periodicals
One Media Group Limited	CI/HK	HK\$400,000	73.18%	Investment holding
One Media Holdings Limited	BVI/HK	US\$200	73.18%	Investment holding
PT Sinchew Indonesia	Indonesia/Indonesia	US\$1,500,000	80%	Acting as newspaper distribution agent
Sinchew (USA) Inc.	USA/USA	US\$200	100%	Letting of property

Notes:

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

Supplementary Information

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 Malaysia Securities Berhad Listing Requirements", as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

	Group		Company	
	As at 31 March 2015 US\$'000	As at 31 March 2014 US\$'000	As at 31 March 2015 US\$'000	As at 31 March 2014 US\$'000
Total retained profits:				
Realised	262,220	248,231	175,419	175,874
Unrealised	(9,725)	(10,300)	–	–
	252,495	237,931	175,419	175,874
Total share of accumulated losses from joint ventures and associates:				
Realised	(1,385)	(1,271)	–	–
Unrealised	–	33	–	–
	(1,385)	(1,238)	–	–
Less: consolidation adjustments	(16,984)	(15,314)	–	–
Retained profits as per consolidated statement of financial position/statement of financial position	234,126	221,379	175,419	175,874

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

Additional Compliance Information

STATUTORY DECLARATION

Pursuant to Paragraph 4A.16 of the Listing Requirements of Bursa Malaysia Securities Berhad

I, FU Shuk Kuen, being the person primarily responsible for the financial management of Media Chinese International Limited, do solemnly and sincerely declare that the financial statements and supplementary information set out on pages 81 to 159 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 28 May 2015

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				
	2015 US\$'000	2014 US\$'000	2013 US\$'000	2012 US\$'000	2011 US\$'000
Turnover	429,140	468,728	477,853	472,237	445,844
Profit attributable to owners of the Company	31,429	48,236	56,678	63,209	54,825
Basic earnings per share (US cents)	1.86	2.86	3.36	3.75	3.26

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

	As at 31 March				
	2015 US\$'000	2014 US\$'000	2013 US\$'000	2012 US\$'000	2011 US\$'000
Property, plant and equipment	126,909	144,308	150,935	151,049	157,145
Investment properties	15,943	17,144	17,579	11,212	11,428
Land use rights	–	–	–	2,025	2,079
Intangible assets	59,004	72,920	77,908	78,124	79,300
Deferred income tax assets	723	1,455	1,674	1,426	972
Interests in joint ventures and associates	796	2,956	3,142	2,253	2,379
Investment in convertible notes – debt portion	–	–	–	–	537
Defined benefit plan assets	–	–	–	–	277
Non-current assets	203,375	238,783	251,238	246,089	254,117
Current assets	219,441	224,035	227,849	271,177	250,364
Current liabilities	(73,216)	(86,918)	(250,705)	(81,573)	(89,803)
Net current assets/(liabilities)	146,225	137,117	(22,856)	189,604	160,561
Total assets less current liabilities	349,600	375,900	228,382	435,693	414,678
Non-controlling interests	(6,361)	(7,237)	(6,939)	(6,229)	(5,457)
Bank and other borrowings	(121,506)	(137,804)	–	–	–
Deferred income tax liabilities	(11,138)	(12,306)	(13,105)	(14,552)	(13,546)
Other non-current liabilities	(851)	(741)	(1,332)	(1,348)	(1,267)
Equity attributable to owners of the Company	209,744	217,812	207,006	413,564	394,408

Additional Information

CONSOLIDATED INCOME STATEMENT

	(Unaudited)	
	Year ended 31 March	
	2015	2014
	RM'000	RM'000
	(Note)	(Note)
Turnover	1,589,320	1,735,934
Cost of goods sold	(976,546)	(1,057,675)
Gross profit	612,774	678,259
Other income	40,105	48,127
Other (losses)/gains, net	(19,606)	3,822
Selling and distribution expenses	(256,645)	(269,407)
Administrative expenses	(145,074)	(149,988)
Other operating expenses	(23,647)	(25,236)
Operating profit	207,907	285,577
Finance costs	(24,425)	(30,184)
Share of losses of joint ventures and associates	(544)	(1,470)
Allowance for impairment loss of interest in an associate	(7,018)	–
Profit before income tax	175,920	253,923
Income tax expense	(60,778)	(71,448)
Profit for the year	115,142	182,475
Profit/(loss) attributable to:		
Owners of the Company	116,397	178,642
Non-controlling interests	(1,255)	3,833
	115,142	182,475
Earnings per share attributable to owners of the Company		
Basic (sen)	6.89	10.59
Diluted (sen)	6.89	10.59
Dividends	58,112	89,354

Note: The presentation currency of these consolidated financial statements is US\$. Additional information in RM for the year ended 31 March 2015 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.7035 ruling at 31 March 2015. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

Additional Information

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited)	
	Year ended 31 March	
	2015	2014
	RM'000	RM'000
	(Note)	(Note)
Profit for the year	115,142	182,475
Other comprehensive (loss)/income		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	(77,188)	(30,809)
Item that will not be reclassified subsequently to profit or loss:		
Remeasurements of post-employment benefit obligations	167	2,414
Other comprehensive loss for the year, net of tax	(77,021)	(28,395)
Total comprehensive income for the year	38,121	154,080
Total comprehensive income/(loss) for the year attributable to:		
Owners of the Company	39,480	150,306
Non-controlling interests	(1,359)	3,774
	38,121	154,080

Note: The presentation currency of these consolidated financial statements is US\$. Additional information in RM for the year ended 31 March 2015 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.7035 ruling at 31 March 2015. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

Additional Information

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited)	
	At 31 March	
	2015	2014
	RM'000	RM'000
	(Note)	(Note)
ASSETS		
Non-current assets		
Property, plant and equipment	470,008	534,445
Investment properties	59,045	63,493
Intangible assets	218,521	270,059
Deferred income tax assets	2,678	5,388
Interests in joint ventures and associates	2,948	10,948
	753,200	884,333
Current assets		
Inventories	151,429	194,012
Available-for-sale financial assets	359	359
Financial assets at fair value through profit or loss	1,089	878
Trade and other receivables	218,177	251,020
Income tax recoverable	2,337	2,533
Cash and cash equivalents	439,309	380,912
	812,700	829,714
Current liabilities		
Trade and other payables	221,898	254,601
Income tax liabilities	13,544	19,940
Bank and other borrowings	35,498	47,131
Current portion of other non-current liabilities	215	229
	271,155	321,901
Net current assets	541,545	507,813
Total assets less current liabilities	1,294,745	1,392,146

Additional Information

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited)	
	At 31 March	
	2015	2014
	RM'000	RM'000
	(Note)	(Note)
EQUITY		
Equity attributable to owners of the Company		
Share capital	80,422	80,422
Share premium	202,448	202,448
Other reserves	(373,168)	(296,080)
Retained earnings		
— Proposed dividend	31,243	42,490
— Others	835,842	777,386
	867,085	819,876
	776,787	806,666
Non-controlling interests	23,558	26,803
Total equity	800,345	833,469
Non-current liabilities		
Bank and other borrowings	450,000	510,357
Deferred income tax liabilities	41,249	45,576
Other non-current liabilities	3,151	2,744
	494,400	558,677
	1,294,745	1,392,146

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Additional Information

STATEMENT OF FINANCIAL POSITION

	(Unaudited)	
	At 31 March	
	2015	2014
	RM'000	RM'000
	(Note)	(Note)
ASSETS		
Non-current assets		
Interests in subsidiaries	1,372,262	1,556,322
Current assets		
Other receivables	137	200
Cash and cash equivalents	315	444
	452	644
Current liabilities		
Other payables	10,747	10,744
	10,747	10,744
Net current liabilities	(10,295)	(10,100)
Total assets less current liabilities	1,361,967	1,546,222
EQUITY		
Equity attributable to owners of the Company		
Share capital	80,422	80,422
Share premium	202,448	202,448
Other reserves	(20,566)	101,646
Retained earnings		
— Proposed dividend	31,243	42,490
— Others	618,420	608,859
	649,663	651,349
Total equity	911,967	1,035,865
Non-current liabilities		
Bank and other borrowings	450,000	510,357
	1,361,967	1,546,222

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Additional Information

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)						
	Attributable to owners of the Company					Non-	
	Share capital	Share premium	Other reserves	Retained earnings	Total	controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)
Balance at 1 April 2013	80,422	202,448	(265,330)	749,107	766,647	25,699	792,346
Comprehensive income							
Profit for the year	–	–	–	178,642	178,642	3,833	182,475
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	–	–	(30,750)	–	(30,750)	(59)	(30,809)
Item that will not be reclassified subsequently to profit or loss:							
Remeasurements of post-employment benefit obligations	–	–	–	2,414	2,414	–	2,414
Other comprehensive (loss)/income, net of tax	–	–	(30,750)	2,414	(28,336)	(59)	(28,395)
Total comprehensive (loss)/income for the year ended 31 March 2014	–	–	(30,750)	181,056	150,306	3,774	154,080
Total contributions by and distributions to owners of the Company recognised directly in equity							
2012/2013 second interim dividend paid	–	–	–	(63,423)	(63,423)	–	(63,423)
2013/2014 first interim dividend paid	–	–	–	(46,864)	(46,864)	–	(46,864)
Total contributions by and distributions to owners of the Company	–	–	–	(110,287)	(110,287)	–	(110,287)
2012/2013 interim dividends paid by a subsidiary	–	–	–	–	–	(37)	(37)
2013/2014 interim dividends paid by a subsidiary	–	–	–	–	–	(70)	(70)
2012/2013 final dividend paid by a listed subsidiary	–	–	–	–	–	(1,792)	(1,792)
2013/2014 interim dividend paid by a listed subsidiary	–	–	–	–	–	(771)	(771)
Total transactions with owners	–	–	–	(110,287)	(110,287)	(2,670)	(112,957)
Balance at 31 March 2014	80,422	202,448	(296,080)	819,876	806,666	26,803	833,469

Additional Information

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)						
	Attributable to owners of the Company						
	Share capital	Share premium	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)
Balance at 1 April 2014	80,422	202,448	(296,080)	819,876	806,666	26,803	833,469
Comprehensive income/(loss)							
Profit/(loss) for the year	–	–	–	116,397	116,397	(1,255)	115,142
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	–	–	(77,088)	–	(77,088)	(100)	(77,188)
Item that will not be reclassified subsequently to profit or loss:							
Remeasurements of post-employment benefit obligations	–	–	–	171	171	(4)	167
Other comprehensive (loss)/income, net of tax	–	–	(77,088)	171	(76,917)	(104)	(77,021)
Total comprehensive (loss)/income for the year ended 31 March 2015	–	–	(77,088)	116,568	39,480	(1,359)	38,121
Total contributions by and distributions to owners of the Company recognised directly in equity							
2013/2014 second interim dividend paid	–	–	–	(42,490)	(42,490)	–	(42,490)
2014/2015 first interim dividend paid	–	–	–	(26,869)	(26,869)	–	(26,869)
Total contributions by and distributions to owners of the Company	–	–	–	(69,359)	(69,359)	–	(69,359)
2014/2015 interim dividends paid by a subsidiary	–	–	–	–	–	(41)	(41)
2013/2014 final dividend paid by a listed subsidiary	–	–	–	–	–	(1,537)	(1,537)
2014/2015 interim dividend paid by a listed subsidiary	–	–	–	–	–	(308)	(308)
Total transactions with owners	–	–	–	(69,359)	(69,359)	(1,886)	(71,245)
Balance at 31 March 2015	80,422	202,448	(373,168)	867,085	776,787	23,558	800,345

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Additional Information

CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)	
	Year ended 31 March	
	2015	2014
	RM'000	RM'000
	(Note)	(Note)
Cash flows from operating activities		
Cash generated from operations	283,688	313,175
Interest paid	(24,191)	(26,169)
Income tax paid	(62,848)	(75,777)
Net cash generated from operating activities	196,649	211,229
Cash flows from investing activities		
Acquisition of an associate	–	(426)
Additional investment in an associate	(363)	–
Purchases of property, plant and equipment	(30,454)	(40,083)
Purchases of intangible assets	(4,289)	(1,281)
Proceeds from disposal of property, plant and equipment	2,663	167
Proceeds from disposal of interest in an associate	426	–
Interest received	7,892	6,262
Dividends received	63	56
Net cash used in investing activities	(24,062)	(35,305)
Cash flows from financing activities		
Dividends paid	(69,359)	(110,287)
Dividends paid to non-controlling interests by a subsidiary	(41)	(107)
Dividends paid to non-controlling interests by a listed subsidiary	(1,845)	(2,563)
Proceeds from bank and other borrowings	79,359	583,320
Repayments of bank and other borrowings	(89,484)	(626,884)
Net cash used in financing activities	(81,370)	(156,521)
Net increase in cash and cash equivalents	91,217	19,403
Cash and cash equivalents at beginning of year	380,912	377,123
Exchange adjustments on cash and cash equivalents	(32,820)	(15,614)
Cash and cash equivalents at end of year	439,309	380,912

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Analysis of Shareholdings

As at 19 June 2015

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\$168,723,724.10
Class of shares	:	ordinary shares of HK\$0.10 each
Voting rights	:	one vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	Number of shareholders	% of shareholders	Number of shares held	% of issued ordinary shares
Less than 100	578	5.80	25,463	—*
100 to 1,000	1,302	13.06	908,459	0.05
1,001 to 10,000	5,644	56.62	26,434,038	1.57
10,001 to 100,000	2,113	21.20	57,869,018	3.43
100,001 to less than 5% of issued shares	329	3.30	985,242,209	58.39
5% and above of issued shares	2	0.02	616,758,054	36.56
TOTAL	9,968	100.00	1,687,237,241	100.00

* negligible

DIRECTORS' INTERESTS

(a) The Company

Name of directors	Direct interest		Indirect interest ⁽⁸⁾	
	Number of shares	% of issued ordinary shares	Number of shares	% of issued ordinary shares
Tan Sri Datuk Sir TIONG Hiew King	87,109,058	5.16	798,478,690 ⁽¹⁾ 12,511,695 ⁽²⁾	47.32 0.74
Dato' Sri Dr TIONG Ik King	11,144,189	0.66	252,487,700 ⁽³⁾	14.96
Mr TIONG Kiew Chiong	2,141,039	0.13	—	—
Mr LEONG Chew Meng	80,000	— *	—	—
Ms TIONG Choon	2,654,593	0.16	653,320 ⁽⁴⁾ 1,023,632 ⁽⁵⁾	0.04 0.06
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	135,925	0.01	—	—

* negligible

Analysis of Shareholdings

As at 19 June 2015

DIRECTORS' INTERESTS *(Continued)*

(b) Subsidiary – One Media Group Limited

Name of directors	Direct interest		Indirect interest ⁽⁸⁾		Number of share options granted
	Number of shares	% of issued ordinary shares	Number of shares	% of issued ordinary shares	
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	–	–	–	–	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		Indirect interest ⁽⁸⁾	
	Number of shares	% of issued ordinary shares	Number of shares	% of issued ordinary shares
Tan Sri Datuk Sir TIONG Hiew King	87,109,058	5.16	798,478,690 ⁽¹⁾ 12,511,695 ⁽²⁾	47.32 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.

Analysis of Shareholdings

As at 19 June 2015

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

	Name of shareholders	Number of shares held	% of Issued ordinary shares
1	Progresif Growth Sdn Bhd	326,463,556	19.35
2	HKCSS Nominees Limited	289,544,498	17.16
3	Zaman Pemimpin Sdn Bhd	84,121,183	4.99
4	Citigroup Nominees (Tempatan) Sdn Bhd (Exempt An for AIA Bhd)	75,926,690	4.50
5	Ezywood Options Sdn Bhd	75,617,495	4.48
6	Citigroup Nominees (Tempatan) Sdn Bhd (Employees Provident Fund Board)	66,138,517	3.92
7	Teck Sing Lik Enterprise Sdn Bhd	65,319,186	3.87
8	HLB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tan Sri Datuk Sir TIONG Hiew King)	60,000,000	3.56
9	Madigreen Sdn Bhd	52,875,120	3.13
10	Persada Jaya Sdn Bhd	40,695,560	2.41
11	Kinta Hijau Sdn Bhd	34,750,000	2.06
12	Tan Sri Datuk Sir TIONG Hiew King	27,109,058	1.61
13	Raya Abadi Sdn Bhd	25,124,065	1.49
14	Suria Kilat Sdn Bhd	23,429,297	1.39
15	Cartaban Nominees (Asing) Sdn Bhd (BBH (LUX) SCA for Fidelity Funds Asean)	18,844,300	1.12
16	Globegate Alliance Sdn Bhd	16,750,000	0.99
17	Rimbunan Hijau (Sarawak) Sdn Bhd	15,536,696	0.92
18	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (Par 2))	14,540,591	0.86
19	Maybank Securities Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Dato' Sri Dr TIONG Ik King)	11,144,189	0.66
20	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (LGF))	10,975,500	0.65
21	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Datuk TIONG Thai King)	10,345,900	0.61
22	Pertumbuhan Tiasa Sdn Bhd	10,230,945	0.61
23	Amanahraya Trustees Berhad (Public Islamic Select Treasures Fund)	10,219,000	0.61
24	Ms WONG Yiing Ngik	10,126,000	0.60
25	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (Par 1))	8,861,900	0.53
26	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (Par 3))	8,860,137	0.52
27	Hong Leong Assurance Berhad (As Beneficial Owner (Life Par))	8,520,500	0.50
28	Roseate Garland Sdn Bhd	7,881,117	0.47
29	Amanahraya Trustees Berhad (Public Ittikal Sequel Fund)	7,130,400	0.42
30	Rimbunan Hijau Southeast Asia Sdn Bhd	6,532,188	0.39
		1,423,613,588	84.38

List of Properties

As at 31 March 2015

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	No. 1, Jalan SS7/2, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia	1994	Freehold	Office building and factory building	269,892	21 years	10,550
2	No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2008	Leasehold/2059	Office building	150,470	6 years	9,605
3	No. 76, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2001	Leasehold/2063	Printing plant	151,769	10 years	7,623
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	20 years	4,645
5	No. 37-06, Prince Street, Flushing NY 11354, USA	2012	Freehold	Commercial building	3,938	11 years	3,325
6	Workshops 1-16 on 1/F MP Industrial Centre No.18 Ka Yip Street, Chai Wan, Hong Kong	1992	Leasehold/2047	Storage	33,232	23 years	3,122
7	No. 76 Jalan Universiti, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2001	Leasehold/2063	Office building	40,500	24 years	3,027
8	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	20 years	2,970
9	No. 31, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Malaysia	1990	Leasehold/2066	Office building and factory building	46,866	7 years	2,964
10	No. 80, Jalan Riong, 59100 Kuala Lumpur, Malaysia	1976	Freehold	Office building and factory building	42,716	40 years	2,884

Notice of the 25th Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-fifth 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 Thursday, 6 August 2015 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 2015 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 2015 in the amount of US\$335,000. | Ordinary Resolution 2 |
| 3. | To re-elect the following Directors who retire pursuant to the Company's Bye-Laws: | |
| i. | Tan Sri Datuk Sir TIONG Hiew King | Ordinary Resolution 3 |
| ii. | Dato' Sri Dr TIONG Ik King | Ordinary Resolution 4 |
| iii. | Mr LEONG Chew Meng | Ordinary Resolution 5 |
| iv. | Mr David YU Hon To | Ordinary Resolution 6 |
| 4. | To re-appoint Messrs PricewaterhouseCoopers as auditor of the Company for the ensuing year and to authorise the Directors to fix its remuneration. | Ordinary Resolution 7 |

AS SPECIAL BUSINESS

To consider and, if thought fit, pass with or without amendments the following resolutions:

- | | | |
|----|---------------------|-----------------------|
| 5. | ORDINARY RESOLUTION | Ordinary Resolution 8 |
|----|---------------------|-----------------------|

RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

"**THAT**, subject to the passing of resolution No. 6, approval be and is hereby given to Mr David YU Hon To, who has served as an Independent Non-executive Director ("INED") for a cumulative term of more than nine (9) years, to continue to act as INED of the Company in accordance with the Malaysian Code of Corporate Governance 2012."

- | | | |
|----|---------------------|--|
| 6. | ORDINARY RESOLUTION | |
|----|---------------------|--|

PROPOSED RENEWAL OF 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 2015), which are necessary for the day-to-day operations of the Company and its subsidiaries, in the ordinary course of business on terms not more favourable than those generally available to the public and are not detrimental to the minority shareholders of the Company;

Ordinary Resolution 9

Notice of the 25th Annual General Meeting

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 "HK 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 10

- (a) the aggregate nominal amount of shares of the Company which may be repurchased pursuant to the approval in the paragraph above shall not exceed 10% of the aggregate nominal amount of the total issued and paid-up ordinary share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings and share premium reserves of the Company at the time of the said purchase(s); and
- (c) the authority conferred by this resolution shall commence immediately upon the passing of this resolution and continue to be in force during the Relevant Period.

Notice of the 25th Annual General Meeting

For the purposes of this resolution, "Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next AGM of the Company following the passing of the share buy-back resolution, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by any applicable laws or the Bye-Laws of the Company to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to cancel all the shares so purchased pursuant to Rule 10.06(5) of the HK 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 HK 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;
- (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;

Ordinary Resolution 11

Notice of the 25th Annual General Meeting

- (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)."

Notice of the 25th Annual General Meeting

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. 10 and 11 set out in the notice convening the meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to resolution No. 11 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to resolution No. 10 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as the date of the said resolution."

Ordinary Resolution 12

By Order of the Board

MEDIA CHINESE INTERNATIONAL LIMITED

LAW Yuk Kuen

TONG Siew Kheng

Joint Company Secretaries

8 July 2015

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. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there should be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
3. In respect of the members in Malaysia, only members registered in the Record of Depositors as at 29 July 2015 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.

Notice of the 25th Annual General Meeting

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. 8. 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 and Paragraph 1.01 of the Listing Requirements of Bursa Securities. 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. 9, if passed, will empower the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties in the ordinary course of business based on normal commercial terms which are not more favourable to the related parties than those generally available to the public which are necessary for the day-to-day operations of the Company and its subsidiaries. Please refer to the circular to shareholders dated 8 July 2015 for more information.
- (c) The explanatory notes on Ordinary Resolution No. 10 are set out in the circular to shareholders dated 8 July 2015 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 24th AGM held on 6 August 2014 and which will lapse at the conclusion of the 25th AGM to be held on 6 August 2015. A renewal of this mandate is sought at the 25th AGM under proposed Ordinary Resolution No. 11.

The proposed Ordinary Resolution No. 11, if passed, will authorise the Directors to issue and allot shares up to 10% of the issued and paid-up capital of the Company for the time being for such purposes as the Directors would consider to be in the interest of the Company. This is to avoid any delay and cost involved in convening a general meeting to approve such an issue of shares. This authority, unless revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

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

Tan Sri Datuk Sir TIONG Hiew King, Dato' Sri Dr TIONG Ik King, Mr LEONG Chew Meng and Mr David YU Hon To are the Directors standing for re-election at the forthcoming Twenty-fifth 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 41 of this Annual Report.

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