Report of the Directors

The directors submit their report together with the audited financial statements of the Group for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES

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

The activities of the Company’s principal subsidiaries are set out in note 38 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.

BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2016 is set out in the sections headed “Chairman’s Statement”, “Management Discussion and Analysis”, “Corporate Social Responsibility”, “Statement on Corporate Governance”, “Statement on Risk Management and Internal Control” and “Five-Year Financial Summary” from pages 14 to 19, pages 20 to 25, pages 37 to 40, pages 41 to 63, pages 65 to 67 and page 166 respectively.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 88.

A first interim dividend in respect of the current year of US$0.500 cents (2014/2015: US$0.430 cents) per ordinary share totalling US$8,436,000 (2014/2015: US$7,255,000) was paid on 23 December 2015.

On 30 May 2016, the Board declared a second interim dividend of US$0.600 cents per ordinary share (2014/2015: US$0.500 cents per ordinary share) in lieu of a final dividend for the year ended 31 March 2016, totalling US$10,123,000 (2014/2015: US$8,436,000), payable on 13 July 2016.

Further details of the dividends of the Company are set out in note 12 to the financial statements.

DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately US$21,000.

SHARES ISSUED IN THE YEAR

Details of the shares issued in the year ended 31 March 2016 are set out in note 29 to the financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2016, calculated under the Companies Act 1981 of Bermuda (as amended), amounted to US$201,465,000 (2015: US$201,647,000).
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 166.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SHARES

On 27 August 2015, the Company repurchased 1,000 of its listed shares on the HK Stock Exchange from the open market at the price of HK$1.15 per share. The purchase involved a total cash outlay of HK$1,150 (equivalent to US$148) and was for the purpose of validating the declaration of solvency in relation to the share buyback mandate in accordance with the provision of the Malaysian Companies Act. The repurchase was financed by internally generated funds. All the shares repurchased during the year were cancelled.

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

DIRECTORS

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

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

Non-executive Director
Ms TIONG Choon

Independent Non-executive Directors
Mr David YU Hon To
Tan Sri Dato’ LAU Yin Pin (resigned as an INED on 1 April 2016)
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH (passed away on 1 March 2016)
Datuk CHONG Kee Yuon (appointed as an INED on 1 April 2016)
Mr KHOO Kar Khoon (appointed as an INED on 23 June 2016)

Datuk CHONG Kee Yuon and Mr KHOO Kar Khoon were appointed as INEDs of the Company on 1 April 2016 and 23 June 2016 respectively. In accordance with Bye-Law 102(B) of the Company’s Bye-Laws, they will hold office until the forthcoming annual general meeting and shall be eligible for re-election.

In accordance with Bye-Law 99(A) of the Company’s Bye-Laws, Mr TIONG Kiew Chiong, Mr NG Chek Yong and Ms TIONG Choon will retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

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

The Company has received from each of the INEDs 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 INEDs to be independent.

On 1 April 2016, Tan Sri Dato’ LAU Yin Pin resigned as an independent non-executive director due to his commitment in other business engagements.

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. 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 2016 until 31 March 2018, except for Mr LEONG Chew Meng and Ms TIONG Choon whose appointment letters with the Company commenced from 1 April 2015 to 31 March 2017; and Mr KHOO Kar Khoon whose appointment letter with the Company commenced from 23 June 2016 to 31 March 2018.

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 had 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 were 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 should be the offer price; and (b) no options would 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 might, 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 were 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 should 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 would 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 might be exercised later than 10 years from the date of offer of the option or 10 years after the Adoption Date, whichever was earlier. No option granted under the Pre-IPO Scheme would be exercisable within 6 months from the listing date of One Media. Save for the number of shares which might 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 had the same terms and conditions.

The offer of a grant of share option might 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 should be the offer price whereas for the Post-IPO Scheme, the subscription price in relation to each option should be determined by the board of One Media in its absolute discretion, but in any event should 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 would 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 would fully vest on the 1st anniversary of the One Media listing date, as the case might be, which had been specified in the offer letters to the grantees.
Both the Pre-IPO Scheme and the Post-IPO Scheme expired on 25 September 2015. No option had ever been granted or agreed to be granted by One Media under the Post-IPO Scheme.

During the year ended 31 March 2016, movements of the options granted under the Pre-IPO Scheme are as follows:

<table>
<thead>
<tr>
<th>Number of shares involved in share options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 April 2015</td>
</tr>
<tr>
<td>Grantee</td>
</tr>
<tr>
<td>Tan Sri Datuk Sir TIONG Hiew King (note 1a)</td>
</tr>
<tr>
<td>Dato’ Sri Dr TIONG Ik King (note 1a)</td>
</tr>
<tr>
<td>Mr TIONG Kiew Chiong (note 1a)</td>
</tr>
<tr>
<td>Mr David YU Hon To (note 1a)</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Directors of One Media and full time employees of the Group (note 1a)</td>
</tr>
<tr>
<td>Full time employees of the Group (note 1b)</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Notes:

(1) In relation to each option granted to the grantees:
   a. 20% of the shares in the option would 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 would fully vest on the 1st anniversary of the One Media listing date.

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

(3) During the year, 900,000 shares were issued at HK$1.20 per share as a result of the exercise of the options under the Pre-IPO Scheme. The weighted average of the closing price of One Media’s shares immediately before the dates on which the above share options were exercised was HK$1.64 per share.

(4) During the year, 638,000 share options lapsed by reason of the grantees ceased to be full time employees of One Media Group and 5,900,000 share options lapsed upon expiration of the Pre-IPO Scheme on 25 September 2015.

(5) The fair value of the options granted is set out in note 29 to the financial statements.

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

Save as disclosed in the Statement on Corporate Governance under “Recurrent Related Party Transactions of a Revenue Nature or Trading Nature” on pages 59 to 63, and in note 37 to the financial statements “Related Party Transactions”, no transactions, arrangements or 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 or his/her connected entities 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 2016, the interests and short positions of the directors, chief executives and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the HK Stock Exchange pursuant to the Model Code are as follows:

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

<table>
<thead>
<tr>
<th>Name of director</th>
<th>Nature of interests</th>
<th>At 1 April 2015</th>
<th>Bought</th>
<th>Sold</th>
<th>At 31 March 2016</th>
<th>% of issued ordinary shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tan Sri Datuk Sir TIONG Hiew King</td>
<td>Personal interests</td>
<td>87,109,058</td>
<td>–</td>
<td>–</td>
<td>87,109,058</td>
<td>52.40%</td>
</tr>
<tr>
<td></td>
<td>Family interests</td>
<td>234,566</td>
<td>–</td>
<td>–</td>
<td>234,566</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Corporate interests</td>
<td>796,734,373</td>
<td>–</td>
<td>–</td>
<td>796,734,373</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>884,077,997</td>
<td>–</td>
<td>–</td>
<td>884,077,997</td>
<td></td>
</tr>
<tr>
<td>Dato’ Sri Dr TIONG Ik King</td>
<td>Personal interests</td>
<td>11,144,189</td>
<td>–</td>
<td>–</td>
<td>11,144,189</td>
<td>15.63%</td>
</tr>
<tr>
<td></td>
<td>Corporate interests</td>
<td>252,487,700</td>
<td>–</td>
<td>–</td>
<td>252,487,700</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>263,631,889</td>
<td>–</td>
<td>–</td>
<td>263,631,889</td>
<td></td>
</tr>
<tr>
<td>Mr TIONG Kiew Chiong</td>
<td>Personal interests</td>
<td>2,126,039</td>
<td>134,000</td>
<td>(119,000)</td>
<td>2,141,039</td>
<td>0.13%</td>
</tr>
<tr>
<td>Mr LEONG Chew Meng</td>
<td>Personal interests</td>
<td>80,000</td>
<td>–</td>
<td>–</td>
<td>80,000</td>
<td>–*</td>
</tr>
<tr>
<td>Ms TIONG Choon</td>
<td>Personal interests</td>
<td>2,654,593</td>
<td>–</td>
<td>–</td>
<td>2,654,593</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Family interests</td>
<td>1,023,632</td>
<td>–</td>
<td>–</td>
<td>1,023,632</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Corporate interests</td>
<td>653,320</td>
<td>–</td>
<td>–</td>
<td>653,320</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4,331,545</td>
<td>–</td>
<td>–</td>
<td>4,331,545</td>
<td>0.26%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Name of director</th>
<th>Nature of interests</th>
<th>At 1 April 2015</th>
<th>Lapsed</th>
<th>Sold</th>
<th>At 31 March 2016</th>
<th>% of issued ordinary shares of One Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tan Sri Datuk Sir TIONG Hiew King</td>
<td>Corporate interests(^2)</td>
<td>292,700,000</td>
<td>–</td>
<td>–</td>
<td>292,700,000</td>
<td>73.01%</td>
</tr>
<tr>
<td></td>
<td>Share options(^1)</td>
<td>1,250,000</td>
<td>(1,250,000)</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>293,950,000</td>
<td>(1,250,000)</td>
<td>–</td>
<td>292,700,000</td>
<td>73.01%</td>
</tr>
<tr>
<td>Dato' Sri Dr TIONG Ik King</td>
<td>Corporate interests(^2)</td>
<td>292,700,000</td>
<td>–</td>
<td>–</td>
<td>292,700,000</td>
<td>73.01%</td>
</tr>
<tr>
<td></td>
<td>Share options(^1)</td>
<td>1,000,000</td>
<td>(1,000,000)</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>293,700,000</td>
<td>(1,000,000)</td>
<td>–</td>
<td>292,700,000</td>
<td>73.01%</td>
</tr>
<tr>
<td>Mr TIONG Kiew Chiong</td>
<td>Personal interests</td>
<td>4,104,000</td>
<td>–</td>
<td>(4,104,000)</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Share options(^1)</td>
<td>1,250,000</td>
<td>(1,250,000)</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5,354,000</td>
<td>(1,250,000)</td>
<td>(4,104,000)</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Ms TIONG Choon</td>
<td>Personal interests</td>
<td>26,000</td>
<td>–</td>
<td>–</td>
<td>26,000</td>
<td>0.01%</td>
</tr>
<tr>
<td>Mr David YU Hon To</td>
<td>Share options(^1)</td>
<td>150,000</td>
<td>(150,000)</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
</tbody>
</table>

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 79.

Save as disclosed above and those disclosed under “Share Option Schemes”, at 31 March 2016, 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 2016, 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:

<table>
<thead>
<tr>
<th>Name of shareholder</th>
<th>Number of ordinary shares held</th>
<th>Percentage of issued ordinary shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progresif Growth Sdn Bhd (note 1)</td>
<td>326,463,556</td>
<td>19.35%</td>
</tr>
<tr>
<td>Conch Company Limited (note 2)</td>
<td>252,487,700</td>
<td>14.96%</td>
</tr>
</tbody>
</table>

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 80.

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 2016.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Details of the Group’s related party transactions for the year ended 31 March 2016 are set out in note 37 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 4% 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$457,000 at 31 March 2016 (2015: US$718,000).

The most recent independent funding actuarial valuation of the Scheme was carried out by Towers Watson Hong Kong Limited, a professionally qualified independent actuary, as at 31 March 2015 (the “Valuation”). 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 scheme for its eligible employees in Malaysia (the “Malaysia Scheme”). 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 9%
— 5 largest suppliers combined 28%

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.

PERMITTED INDEMNITY

The Bye-Laws of the Company provide that the directors for the time being of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices except such (if any) as they shall incur or sustain through their own willful neglect or default respectively.

The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against the directors of the Company and its subsidiaries.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the above paragraphs headed “Share Option Schemes”, no equity-linked agreements were entered into during the year and subsisted at the end of the year.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 March 2016 are set out in note 27 to the financial statements.
Report of the Directors

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
30 June 2016