

# 世界 華文

媒體

MEDIA CHINESE

Annual Report  
**2015/16**

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  
Datuk CHONG Kee Yuon  
Mr KHOO Kar Khoon

## 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)*  
Datuk CHONG Kee Yuon  
Mr KHOO Kar Khoon

## REMUNERATION COMMITTEE

Datuk CHONG Kee Yuon *(Chairman)*  
Mr David YU Hon To  
Mr KHOO Kar Khoon  
Mr TIONG Kiew Chiong  
Mr NG Chek Yong

## NOMINATION COMMITTEE

Mr KHOO Kar Khoon *(Chairman)*  
Mr David YU Hon To  
Datuk CHONG Kee Yuon

## JOINT COMPANY SECRETARIES

Ms LAW Yuk Kuen  
Ms TONG Siew Kheng

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
Malayan Banking Berhad  
RHB Bank Berhad  
Public Bank Berhad  
OCBC Bank (Malaysia) Berhad

## AUDITOR

PricewaterhouseCoopers

## STOCK CODE

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

## WEBSITE

[www.mediachinesegroup.com](http://www.mediachinesegroup.com)



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# Corporate Information

## 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 & Issuing House Services Sdn Bhd  
Unit 32-01, Level 32  
Tower A, Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia  
Tel: (603) 2783 9299  
Fax: (603) 2783 9222

Customer Service Centre:  
Unit G-3, Ground Floor, Vertical Podium  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia



## Profile of Board of Directors



**Tan Sri Datuk Sir TIONG Hiew King**  
**Group Executive Chairman and**  
**Executive Director**  
*Malaysian, aged 81*

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 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 the “Malaysia Business Leadership Award 2010 — The Lifetime Achievement Award” by 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.

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。

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## Profile of Board of Directors



**Dato' Sri Dr TIONG Ik King**

**Executive Director**

*Malaysian, aged 65*

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.

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 56*

Mr TIONG Kiew Chiong was appointed as an executive director of the Company on 2 May 1998. He is 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. Mr TIONG also sits on the board of a number of subsidiaries of the Company. 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.

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.

張裘昌先生於1998年5月2日獲委任為本公司執行董事。他是集團行政總裁、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。他亦出任本公司多間附屬公司之董事。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。



**Mr NG Chek Yong**  
**Executive Director and Chairman of**  
**the Group Executive Committee**  
*Malaysian, aged 59*

Mr NG Chek Yong was appointed as an executive director of the Company on 1 March 2012. He is the Chairman of the Group Executive Committee, a member of the Remuneration Committee of the Company and the Managing Director of Sin Chew. Mr NG also sits on the board of a number of subsidiaries of the Company. He obtained his Cambridge Higher School Certificate from St. Patrick School, Kuching, Sarawak, Malaysia. He began his career as a reporter/feature writer with *See Hua Daily News* in 1979. In 1988, he joined *TO-DAY News Sabah* as the Chief Reporter. He then took up the position of a reporter in Sin Chew on 1 August 1988. From 1980 to 1988, he was the Secretary-General and Chairman of Sarawak Constellation Poetical Society. Moreover, he was the President of Federation of Sarawak Journalists Association as well as the President of Kuching Division Journalists Association in Malaysia from 1990 to 1991.

黃澤榮先生於2012年3月1日獲委任為本公司執行董事。他是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。黃先生亦出任本公司多間附屬公司的董事。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。



## Profile of Board of Directors



**Mr LEONG Chew Meng**  
**Executive Director**  
*Malaysian, aged 60*

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 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.

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。他是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。



**Ms TIONG Choon**  
**Non-executive Director (Non-independent)**  
*Malaysian, aged 47*

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.

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。

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 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.

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 68*

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 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 2016, 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.

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。

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2016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。

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## Profile of Board of Directors



**Datuk CHONG Kee Yuon**  
***Independent Non-executive Director***  
*Malaysian, aged 50*

Datuk CHONG Kee Yuon was appointed as an independent non-executive director of the Company on 1 April 2016. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. He graduated from the University of Wisconsin, Madison in the United States in 1989 with a Bachelor of Business Administration. Datuk CHONG has over 25 years of experience in the field of education and corporate training. He is the managing director of Erican Education Group, an education provider engaging in tertiary education, early education, language training and corporate training. He is also the president of Branding Association of Malaysia and an Advisor of Secretariat for the Advancement of Malaysian Entrepreneurs under the Prime Minister's Department of Malaysia.

拿督張啟揚於2016年4月1日獲委任為本公司獨立非執行董事。他也是本公司薪酬委員會主席，以及審核委員會及提名委員會成員。他於1989年畢業於美國威斯康辛大學麥迪遜分校，持有工商管理學位。拿督張啟揚擁有逾25年教育及企業培訓之經驗。他是Erican Education Group的董事總經理。該教育機構主要從事高等教育、早期教育、語言培訓及企業培訓等業務。他也是馬來西亞品牌協會會長及馬來西亞總理內閣部轄下之馬來西亞中小企業拓展中心之顧問。



# Profile of Board of Directors



**Mr KHOO Kar Khoon**  
**Independent Non-executive Director**  
*Malaysian, aged 51*

Mr KHOO Kar Khoon was appointed as an independent non-executive director of the Company on 23 June 2016. He is the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company. He has extensive experience in the media and advertising industry and is an Associate Member of the Chartered Institute of Management Accountants, United Kingdom. Mr KHOO started his career with Coopers & Lybrand in 1990 after graduation. He built his career in the advertising industry and joined Bates Advertising during 1991 to 1995, holding the position of Cost Accountant. He was one of the key founders of Zenith Media, which was established in 1995 and is the first and one of the largest media specialists in Malaysia, principally engages in providing advertising and marketing services in Malaysia. Mr KHOO then joined Nestle Products Sdn Bhd in 2000 as Media Manager. During 2009 and up to June 2016, he was promoted and acted as the Communications Director of the company.

Mr KHOO is a veteran and active player in the advertising scene in Malaysia where he was also the President and Advisor to the Malaysian Advertisers Association (MAA); Executive Member of Asian Federation of Advertising Association (AFAA); Board of Advisor to School of Marketing, University Utara Malaysia (UUM); Board Member of Audit Bureau of Circulation (ABC) and Board Member of Communication and Multimedia Content Forum (CMCF) 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 14 July 2016 and on pages 59 to 63 of this Annual Report, none of the other directors has any conflict of interest with the Company.

### Conviction of offences

None of the directors has been convicted of any offence within the past 10 years other than traffic offences.

### Family relationship

Saved as disclosed, none of the other directors has any family relationship with any director and/or major shareholders of the Company.

### Record of attendance

Record of attendance of directors for board meetings during the financial year ended 31 March 2016 is set out on page 44.

邱甲坤先生於2016年6月23日獲委任為本公司獨立非執行董事。他是本公司提名委員會主席，以及審核委員會及薪酬委員會成員。他在媒體及廣告行業擁有豐富經驗，並為英國特許管理會計師公會會員。邱先生畢業後，於1990年在Coopers & Lybrand開始其事業。於1991年至1995年間，他於廣告行業發展，加入Bates Advertising出任成本會計師。他為Zenith Media主要創辦人之一。該公司於1995年成立，為馬來西亞首間及其中一間大型媒體專業公司，主要於馬來西亞從事提供廣告及市場推廣服務。邱先生其後於2000年加入Nestle Products Sdn Bhd出任媒體經理，並於2009年晉升為傳訊總監，直至2016年6月他仍出任該職位。

邱先生為馬來西亞廣告行業資深人士，活躍於業界。他亦曾任馬來西亞廣告商協會(MAA)會長及顧問；亞洲廣告協會聯盟(AFAA)執行委員；馬來西亞北方大學(UUM)市場學院顧問委員會成員；出版銷數公證會(ABC)董事會成員以及馬來西亞通訊與多媒體內容論壇(CMCF)董事會成員。

## 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、張裴昌先生及張聰女士(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2016年7月14日刊發之通函及本年報第59至63頁)外，概無其他董事與本公司有任何利益衝突。

### 犯罪紀錄

除交通違規外，概無任何董事於過去十年內有任何犯罪紀錄。

### 家族成員關係

除所披露者外，概無其他董事與本公司任何董事及／或主要股東有任何家族關係。

### 會議出席記錄

董事於截至2016年3月31日止財政年度之董事會會議出席記錄載於第44頁。

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## Profile of Senior Management

### **Mr ONG See Boon**

*Malaysian, aged 65*

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 40 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 64*

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 TAN Chee Yuen**

*Malaysian, aged 45*

Mr TAN Chee Yuen joined the Group in 2011. He is a member of the Malaysian Executive Committee. Mr TAN is an accountant and lawyer by profession and joined Sin Chew in 2011 as the General Manager of Legal and Corporate Services Department. In December 2014, he was promoted to the Group Chief Operating Officer of Sin Chew, overseeing the smooth running of the operation aspect of the company.

### **翁昌文先生**

*馬來西亞公民，65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40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，64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。

### **陳志雲先生**

*馬來西亞公民，45歲*

陳志雲先生於2011年加入本集團。他是馬來西亞行政委員會成員。陳先生為專業會計師及律師，於2011年加入星洲媒體，出任法律及企業服務部總經理。於2014年12月，他擢升為星洲媒體的集團營運總裁，監督該公司業務暢順運作。

# Profile of Senior Management

## Mr LIEW Sam Ngan

*Malaysian, aged 58*

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 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 58*

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 59*

Mr Keith KAM Woon Ting joined the Group in 1995. He is the Chief Operating Officer of Ming Pao Holdings 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，58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，58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，59歲*

甘煥騰先生於1995年加入本集團。他是明報集團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。



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## Profile of Senior Management

### **Mr LAM Pak Cheong**

*Chinese, aged 47*

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 54*

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，47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，54歲*

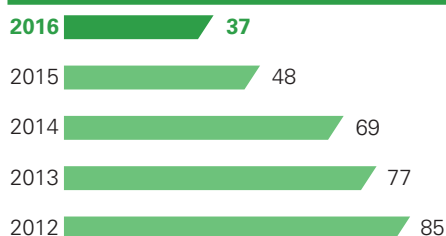
余華通先生於2009年加入本集團，曾任世華網絡資源有限公司的營運總監，直至2012年12月為止。他於2014年12月再度加入本集團，現任明報集團數碼媒體部主管及香港行政委員會成員。他畢業於新西蘭梅西大學，獲頒理學學士學位，主修計算機科學，並取得商學文憑。余先生於數碼媒體、電子商務及電訊業的銷售及市場推廣、一般管理及企業發展方面擁有超過25年行政經驗。他曾任Brightstar Corp(亞太區)總裁及Siemens Mobile (South & Southeast Asia)高級副總裁兼總經理。返回本集團前，他曾任顧問，為亞洲地區的中小企提供服務。

# Chairman's Statement

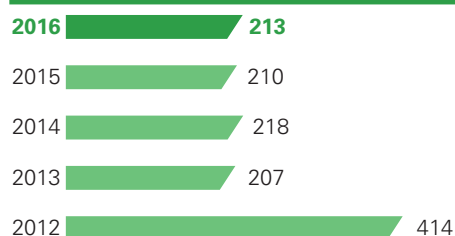
## Turnover (US\$ Million)



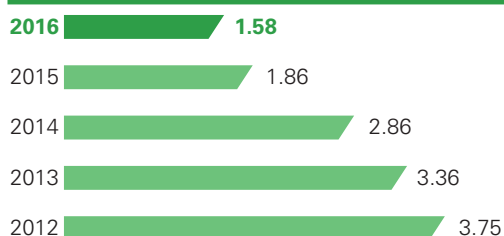
## Profit before income tax (US\$ Million)



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



## Basic earnings per share (US cents)



	2016	2015	2014	2013	2012
Turnover (US\$ million)	<b>349</b>	429	469	478	472
Profit before income tax (US\$ million)	<b>37</b>	48	69	77	85
Equity attributable to owners of the Company (US\$ million)	<b>213</b>	210	218	207	414
Basic earnings per share (US cents)	<b>1.58</b>	1.86	2.86	3.36	3.75
EBITDA (US\$ million)	<b>50</b>	63	86	90	95
Dividend per share (US cents)	<b>1.100</b>	0.930	1.430	14.688	2.648

# 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 2016.

## A CHALLENGING OPERATING ENVIRONMENT

The Group experienced a difficult year in 2015/2016 due to the global market uncertainties and challenging operating environment in each of its key markets.

The business environment in Malaysia was tough given the external economic headwinds and the muted local economy. The weakening Malaysian Ringgit ("RM"), plunge in oil and commodity prices and the implementation of Goods and Services Tax in April 2015, had adversely affected the consumer confidence as well as the market sentiment in Malaysia.

## 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2016年3月31日止財政年度之年度業績。

## 營商環境充滿挑戰

鑑於全球市場充斥不確定因素，而本集團各主要市場營商環境充滿挑戰，2015/2016年度對本集團而言為艱難的一年。

外在經濟逆境加上當地經濟放緩，令馬來西亞營商環境嚴峻。馬來西亞令吉(「馬幣」)貶值、原油及商品價格急跌，以及於2015年4月起徵收商品及服務稅，均對馬來西亞消費者信心及市場氣氛造成不利影響。



# Chairman's Statement

According to the Nielsen Advertising Information Services report on Malaysia, the total advertising expenditure (adex) based on rate cards for all media segments (excluding Pay-TV segment) from April 2015 to March 2016 registered a decrease of 10.1% year-on-year to RM7.4 billion. Total adex for the newspaper segment dipped 12.0% to RM4.0 billion from a year ago. The decline in performance of the newspaper segment was attributed to the contractions in the Malay medium segment by 12.2%, the Chinese segment by 9.3% and the English segment by 13.6%.

The Group's business in Hong Kong and Mainland China as well as North America were similarly adversely affected by the weak consumer spending and slowing economic conditions in these regions, which led to advertisers scaling down their spending.

Total gross advertising spending in Hong Kong fell 2.2% during the year under review according to the research data of admanGo. The digital media is getting more popular among advertisers and the Hong Kong market's online advertising expenditure for 2015/2016 reported a growth of 14.4% on the mobile and interactive platforms. On the other hand, advertising expenditure for paid newspapers decreased by 0.3% and spending on magazines dropped 18.4%.

## FINANCIAL RESULTS

For the year ended 31 March 2016, the Group registered a total turnover of US\$349,126,000, 18.6% down from the US\$429,140,000 reported in the last year. The decline in revenue was due largely to lower contribution from the Group's publishing and printing segment. Profit before income tax for the year amounted to US\$37,395,000, reflecting a 21.3% decrease when compared to US\$47,501,000 in the earlier year.

The appreciation of US dollar against RM and Canadian dollar during the year caused adverse currency effects of about US\$43,090,000 and US\$8,575,000 on the Group's turnover and profit before income tax respectively.

The advertising market was dragged down by cautious consumer and business spending under difficult retail market conditions in the Group's major operating areas, resulting in a 30.9% decline in profit before income tax of the Group's publishing and printing segment during the current financial year. Meanwhile, profit before income tax for the tour segment reported a notable 65.8% growth, mainly attributed to the Group's continuous efforts on profit margin enhancement and cost controls.

Basic earnings per share for the year was US1.58 cents, a decrease of 15.1% or US0.28 cent from US1.86 cents in the previous financial year. As at 31 March 2016, the Group's net assets stood at US\$218,727,000, 1.2% higher than the previous year's US\$216,105,000; and the Group's net gearing ratio came down to nil, compared to 5.9% as at 31 March 2015.

根據馬來西亞尼爾森廣告監播服務(Nielsen Advertising Information Services)報告，於2015年4月至2016年3月期間，所有媒體分部(不包括收費電視分部)按廣告價目表計算之廣告開支總額按年減少10.1%至74億馬幣。報章分部之廣告開支總額較去年下跌12.0%至40億馬幣。報章分部表現倒退乃因馬來文分部、華文分部及英文分部分別縮減12.2%、9.3%及13.6%所致。

本集團於香港及中國內地以及北美之業務同樣因該等地區消費意欲疲弱及經濟放緩而受到不利影響，導致廣告商削減廣告開支。

根據admanGo之研究數據，回顧年內香港廣告開支總額下跌2.2%。數碼媒體愈來愈受廣告商歡迎，於2015/2016年度，香港市場手機及互動平台方面之網上廣告開支錄得14.4%增長。另一方面，收費報章廣告開支減少0.3%，雜誌廣告開支則下跌18.4%。

## 財務業績

截至2016年3月31日止年度，本集團錄得總營業額349,126,000美元，較去年之429,140,000美元下跌18.6%。收益下跌主要由於本集團出版及印刷分部貢獻減少。除所得稅前年度溢利為37,395,000美元，較去年之47,501,000美元下跌21.3%。

年內，美元兌馬幣及加拿大元升值，對本集團營業額及除所得稅前溢利分別造成約43,090,000美元及8,575,000美元之負面匯兌影響。

本集團主要營運地區零售市況嚴峻，消費者及商界抱持審慎消費態度，拖累廣告市場，令本集團出版及印刷分部於本財政年度之除所得稅前溢利下跌30.9%。同時，旅遊分部除所得稅前溢利錄得65.8%可觀增長，主要由於本集團持續改善毛利率及控制成本。

年內每股基本盈利為1.58美仙，較上一財政年度之1.86美仙減少15.1%或0.28美元。於2016年3月31日，本集團之資產淨值為218,727,000美元，較去年之216,105,000美元增加1.2%；而本集團之淨資本負債比率則由2015年3月31日之5.9%降至零。

# Chairman's Statement

## ONGOING ENHANCEMENT OF OUR DIGITAL BUSINESS

Throughout the year, the Group has maintained a resolute focus on engaging with audiences and businesses through upgrading newsroom and technology advancements to enhance our core media businesses. The Group is maintaining and leveraging its strength and scale as a provider of quality, independent and professional journalism across all platforms that we serve. We continue to innovate but stay relevant, and we are ready to take full advantage of new opportunities.

In the 2014/2015 Annual Report, we set out the strategies taken to strengthen our digital ventures which would contribute to the Group's objectives to optimise its core strengths, diversify and expand its business, in order to enhance its positioning further as a global multi-media corporation.

During the year, the Group's publications have successfully established their presence in the digital media sphere by offering refreshed and new design of content through web portals, mobile apps as well as social media platforms. The web portals, news websites and mobile apps have also gained increasing popularity in terms of unique visitors, pageviews and video views. Adding to this, the Group's fast growing e-commerce business through the e-marketplace "Logon" further strengthened the Group's digital portfolio.

We are pleased to report that, circulation of the Group's e-papers in Malaysia has been on an upward trajectory and based on the company's data, *Sin Chew Daily* has achieved a record of 88,313 e-copies as of March 2016, in slightly more than two years since its launch in February 2014. The introduction of digital evening edition has further spurred the growth of e-subscriptions in the second half of the year. This has again demonstrated the newspaper's influence within the Chinese community in Malaysia.

In view of the changing media landscape, the Group has reshaped its business model and gone beyond the traditional advertising and content marketing strategies by rolling out its own digital products. Together with the print publications, our various websites and mobile apps continue to create more commercial opportunities across all platforms by offering integrated marketing solutions, content creation and video advertising on smartphones, tablets as well as mobile devices. This is to better capture readers and provide additional value to the advertisers.

At the same time, the Group will continue to engage with the customers and audiences, especially the new and young market segment, through compelling content and services, which will enable the Group to monetize and optimize its revenue base in the near future.

## 持續加強數碼業務

年內，本集團一直透過更新新聞中心及提升技術加強核心媒體業務，著眼於與觀眾及業界之溝通。本集團於所有媒體平台均有業務，將繼續維持及善用其提供優質、獨立及專業新聞報導之優勢及規模。我們將繼續創新及緊貼市場，並充分利用新機遇。

於2014/2015年報，我們制定策略加強數碼業務，旨在優化本集團核心優勢、多元化發展及擴充業務，致力鞏固其環球多媒體企業之地位。

年內，本集團出版業務透過門戶網站、手機應用程式以及社交媒體平台，提供更新及全新內容設計，成功將業務範圍拓展至數碼媒體。門戶網站、新聞網站及手機應用程式亦大獲好評，其個別訪客人數、頁面瀏覽量及影片瀏覽量均大幅上升。除此之外，本集團透過電子商務購物平台「熱購」(Logon)快速發展電子商貿業務，進一步加強本集團數碼業務組合。

我們欣然呈報，本集團自2014年2月起於馬來西亞推出電子報兩年多以來，電子報發行量日益增加，而根據公司數據，於2016年3月，發行《星洲日報》電子版本88,313份。引入晚報數碼版本更於下半年推高電子訂閱數量，再次證明報章於馬來西亞華人社區之影響力。

有見媒體生態不斷變化，本集團重塑其業務模型，除傳統廣告及內容營銷策略外，推出數碼產品。連同印刷出版業務，本集團多個網站及手機應用程式繼續透過智能手機、平板電腦及流動裝置，提供整合營銷解決方案、內容創作及影片廣告，於所有媒體平台創造更多商機，藉以吸引更多讀者，為廣告商帶來更大價值。

與此同時，本集團將透過具吸引力之內容及服務，繼續與客戶及觀眾(特別是全新年青市場分部)溝通，將有助本集團於不久將來實現及擴闊其收入基礎。

# Chairman's Statement

## CORPORATE GOVERNANCE

The Board is committed to practising high standards of corporate governance throughout the Group. Details of our corporate governance initiatives, risk management and internal control policies are set out in the relevant sections of this Annual Report.

## AWARDS AND ACCOLADES

As a leading media corporate, the Group continued to strive in providing high standards and top quality journalism with independence, insight and integrity. In the year under review, our publishing arm maintained its record of winning multiple awards which honoured the recipients with the highest publishing standards especially on editorial content, photojournalism, infographics and magazine design. A summary of achievements is set out on pages 26 to 32.

## DIVIDENDS

The Board has declared a second interim dividend in lieu of final dividend of US0.600 cents per share payable on 13 July 2016. Together with the first interim dividend of US0.500 cents paid on 23 December 2015, the Group has declared a total of US1.100 cents per ordinary share for the financial year 2015/2016. This represents a dividend payout ratio of about 70% and a yield of 6.0% based on the Company's closing share price on 31 March 2016.

## PROSPECTS

With the slower growth rates in most emerging markets, the Group expects 2016/2017 to be highly competitive and challenging in view of the volatile global environment. The sluggish economic conditions compounded by a fluctuating global oil price and volatile currencies is expected to continuously impact various economies and market confidence.

Whilst our key focus would be on strengthening the digital assets, the Group will invest and implement various strategies to expand the footprint and market share of our portfolio, both traditional and digital media assets. We are confident that the strategies put in place would enable us to prevail.

Meanwhile, the Group would also continue to explore new business opportunities, undertake prudent measures and drive further cost efficiencies to deliver greater value for our shareholders.

## 企業管治

董事會致力於本集團內貫徹實踐最高水平之企業管治。有關企業管治策略、風險管理及內部監控政策詳情載於本年報相關章節。

## 獎項及殊榮

作為領先媒體企業，本集團繼續致力製作高水平及優質新聞報道，秉承獨立、敏銳及誠信之作風。回顧年內，我們的印刷分部繼續奪得多個獎項，表揚得獎者特別於編採內容、攝影圖片報道、資訊圖表及雜誌設計方面發揮高水平。成就概要載於第26至32頁。

## 股息

董事會宣派及將於2016年7月13日派付第二次中期股息每股0.600美仙，以代替末期股息。連同已於2015年12月23日派付之第一次中期股息每股0.500美仙，本集團於2015/2016財政年度已宣派股息總額為每股普通股1.100美仙，相當於派息率約70%及以2016年3月31日本公司之收市股價計算，收益率6.0%。

## 前景

由於大部分新興市場增長放緩，本集團預期2016/2017年度全球經營環境動盪，市場競爭愈趨激烈，挑戰重重。經濟狀況疲弱，加上全球油價及匯率波動，預期將持續影響多個經濟體系及市場信心。

儘管我們主要著眼於加強數碼資產，本集團將投資於傳統及數碼媒體資產，並實施多個策略擴大我們的業務範圍及拓闊業務組合之市場份額。我們相信所實施策略將有助我們迎難而上。

與此同時，本集團亦將繼續探索新商機，採取審慎措施，進一步發揮成本效益，為股東帶來更大價值。

# Chairman's Statement

## CHANGE IN BOARDROOM

On behalf of the Board, I would like to thank Tan Sri Dato' Lau Yin Pin who resigned from the Board on 1 April 2016. Tan Sri Dato' Lau Yin Pin was appointed as an Independent Non-executive Director of the Company from 14 April 2008 to 31 March 2016. The Board would also like to pay its tribute to the late Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh who passed away on 1 March 2016. The late Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh was appointed to the Board on 20 March 2008. The Board would like to put on record its appreciation to both Directors as they have contributed greatly to steering the Group through the challenging times.

I would like to welcome Datuk Chong Kee Yuon and Mr Khoo Kar Khoon, who joined the Board on 1 April 2016 and 23 June 2016 respectively. I am confident that with their rich and diverse experience, they will be able to contribute to the sustainable growth of the Group's business immensely.

## APPRECIATION

On behalf of the Board, I would like to thank our shareholders, readers, viewers, advertisers, business partners and other stakeholders for their continued support and confidence in the Group. 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*

30 June 2016

## 董事會成員變動

本人謹代表董事會，感謝丹斯里拿督劉衍明，彼於2016年4月1日辭任。丹斯里拿督劉衍明於2008年4月14日起至2016年3月31日止期間出任本公司獨立非執行董事。董事會亦向已故天猛公拿督肯勒甘雅安納天猛公柯致敬，彼於2016年3月1日離世。已故天猛公拿督肯勒甘雅安納天猛公柯於2008年3月20日獲委任加入董事會。兩名董事均對指導本集團渡過艱辛時刻貢獻良多，董事會謹對此深表感謝。

本人謹此歡迎拿督張啟揚及邱甲坤先生，彼等分別於2016年4月1日及2016年6月23日加入董事會。憑藉彼等豐富多元經驗，本人深信彼等能為本集團業務可持續增長作出貢獻。

## 致謝

本人謹代表董事會，感謝股東、讀者、觀眾、廣告商、業務夥伴及其他持份者一直以來的支持並對本集團充滿信心。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*

2016年6月30日

# Management Discussion and Analysis

## FINANCIAL HIGHLIGHTS

(US\$'000)	Year ended 31 March		Change
	2016	2015	
Turnover	<b>349,126</b>	429,140	-18.6%
Profit before income tax	<b>37,395</b>	47,501	-21.3%
Profit for the year	<b>26,122</b>	31,090	-16.0%
Profit attributable to owners of the Company	<b>26,649</b>	31,429	-15.2%
EBITDA	<b>50,228</b>	63,493	-20.9%
Basic earnings per share (US cents)	<b>1.58</b>	1.86	-15.1%

## OVERALL REVIEW OF OPERATIONS

For the year ended 31 March 2016, the Group recorded total turnover of US\$349,126,000, a decrease of 18.6% from US\$429,140,000 reported in the previous year. Profit before income tax for the year declined by 21.3% to US\$37,395,000 from last year's US\$47,501,000.

The decline in profit during the year was primarily due to weaker performance of the Group's publishing and printing segment amid the subdued advertising market conditions in the Group's major operating areas, partially offset by improved profitability of its tour segment as well as cost reduction initiatives during the year.

Turnover from the Group's publishing and printing segment dropped 22.4% or US\$76,813,000 to US\$266,421,000 from US\$343,234,000 in last year on the back of declining revenue. Segment profit before income tax decreased by 30.9% or US\$16,486,000 year-on-year to US\$36,802,000.

Turnover of the Group's travel segment amounted to US\$82,705,000, reflecting a year-on-year decrease of 3.7%. Despite the decline in turnover, the travel segment achieved a notable growth in segment profit before income tax of 65.8% or US\$2,480,000 to US\$6,250,000, mainly attributable to margin enhancement and continued efforts on cost containment.

Both Malaysian Ringgit ("RM") and the Canadian dollar ("CAD") weakened against the US dollar during the year under review, resulting in negative currency impact on the Group's turnover and profit before income tax of approximately US\$43,090,000 and US\$8,575,000 or 12.3% and 22.9% respectively for the year ended 31 March 2016.

Basic earnings per share for the year ended 31 March 2016 was US1.58 cents, a decrease of US0.28 cent or 15.1% from US1.86 cents in the previous financial year. As at 31 March 2016, the Group's cash and cash equivalents and net assets per share attributable to owners of the Company amounted to US\$140,950,000 and US12.63 cents, respectively.



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# Management Discussion and Analysis

## SEGMENTAL REVIEW

### Publishing and printing

#### Malaysia and other Southeast Asian countries

During the year, the Malaysian segment was faced with a challenging operating environment weighed down by the adverse global economic uncertainty, currency volatility and weak consumer sentiment — all of which contributed to the market challenges encountered by the domestic economy as well as the media industry in Malaysia.

Turnover for the Group's operations in Malaysia for the financial year ended 31 March 2016 was US\$186,387,000, representing a decline of 25.4% or US\$63,574,000 compared to the previous financial year. However, the decline was largely cushioned by the US\$54,819,000 or 27.2% year-on-year decrease in net operating expenditure due to the effective cost containment strategies. As a consequence, the segment profit before income tax reported a decrease of 18.1% or US\$8,755,000 from US\$48,374,000 to US\$39,619,000. The strengthening of the U.S. dollar against RM resulted in an adverse currency impact of US\$8,575,000 on the segment's result. If the currency impact was excluded, the decline in profit before income tax would be 0.4%.

The Group is the leading news and information providers in Malaysia, operating 4 Chinese language newspapers, 1 tabloid and 15 magazine titles. In terms of the combined circulation copies of the 4 newspaper titles in Malaysia, the Group has maintained its dominant position in the Chinese language segment and reached an aggregate average daily readership of 2.73 million in Peninsular Malaysia during the year. To combat the unrelenting challenges faced by the traditional media, the Group's print media business is now complemented by its growing multi-platform digital products. The Group's digital portfolio comprises the established websites of the Group's publication titles and standalone sites such as an online marketplace "Logon"; an online mobile video portal "Pocketimes"; and a range of mobile sites and apps.

*Sin Chew Daily's* success is built on its commitment to quality journalism and integrity reporting. During the year, *Sin Chew Daily* underwent a revamp of its content, layout and design that is refreshing and relevant to readers. As the most read daily publication in Malaysia, *Sin Chew Daily* first introduced its e-paper morning edition in February 2014 and subsequently its e-paper evening edition in August 2015. The average daily print circulation of *Sin Chew Daily* was 364,739 copies for the period of January to June 2015 according to the Audit Bureau of Circulation report ("ABC report"). With the concerted efforts taken throughout the year, *Sin Chew Daily* recorded a triple-digit growth in its digital subscription base during the year. This was evidenced by the achievement of a 20% growth over the past year in *Sin Chew Daily's* average daily readership to 1,433,000 readers in Peninsular Malaysia during the period of January to December 2015 (source: Q4 2015 Nielsen Consumer and Media View).

*China Press* will be celebrating its 70th anniversary in 2016 with a variety of special events to engage with readers and the public. It remains the most popular evening newspaper and continues to command the second-largest readership among all Chinese language newspapers in Malaysia. *China Press* introduced its digital replica in June 2014 to cater to readers' shifting reading habits. The paper had an average daily readership of 933,000 readers during the period of January to December 2015 (source: Q4 2015 Nielsen Consumer and Media View), and an average daily print circulation of 210,053 copies during the period of January to June 2015 (source: ABC report).

*Guang Ming Daily*, the leading Chinese language community newspaper in the northern region of Peninsular Malaysia, is famous for providing entertainment and lifestyle features and quality regional news. *Guang Ming Daily* embarked on its digital edition in February 2014. This initiative has contributed to a total average daily readership of about 277,000 readers during the period of January to December 2015 (source: Q4 2015 Nielsen Consumer and Media View). It also commanded an average daily print circulation of 87,414 copies during the period of January to June 2015 (source: ABC report).

*Nanyang Siang Pau* continues to appeal to a premium audience, with a sustainable and strong readership profile of highly educated Chinese business professionals, executives, and managerial readers. *Nanyang Siang Pau* provides comprehensive and in-depth business news that keeps readers abreast of the latest development in the business world.

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# Management Discussion and Analysis

Life Magazines is the largest Chinese language magazine publisher in Malaysia. In recent years, revenues of the Group's magazine titles and the magazine industry as a whole have come under pressure due to the stiff competition from digital platforms, declining discretionary spending by customers, changing reading habit and cover price increase induced by the introduction of Goods and Services Tax in Malaysia. In view of the changes in the magazines marketplace, Life Magazines has diversified its revenue stream through growing its digital portfolios and expanding its business in events management and exhibitions.

The Group has been actively involved in organising various signature events and activities to engage with readers as well as the community. These include Nanyang Golden Eagle Awards, Sin Chew Business Excellence Awards, Sin Chew Carnival, Bridal Fair, Nanyang Property Fair, entrepreneurship seminars, health forums and cultural events, which further extend the reach and influence of the Group's branding positions throughout Malaysia.

## **Hong Kong, Taiwan and Mainland China**

The Group's Hong Kong, Taiwan and Mainland China publishing and printing operations recorded a total turnover of US\$60,848,000 for the financial year ended 31 March 2016, reflecting a decrease of 12.8% or US\$8,896,000 from US\$69,744,000 in the previous year. The segment reported a loss before income tax of US\$1,821,000 for the year, as against a segment profit before income tax of US\$4,617,000 in the year of 2014/2015. This was mainly attributed to the decline in performance of Group's listed subsidiary, One Media Group, which reported a loss before income tax of US\$1,472,000 for the current year. The continued weakness in the local retail market and subdued consumer sentiment have a profound negative impact on media advertising spending, especially on luxury products, which in turn adversely affected the Group's advertising revenue.

*Ming Pao Daily News* ("Ming Pao"), the Group's flagship newspaper in Hong Kong, has been widely recognised as one of the most credible and influential newspapers over the years by providing high-standard journalism and comprehensive news reporting across the Greater China region. In the Hong Kong News Awards 2015 organised by The Newspaper Society of Hong Kong, *Ming Pao* won a total of 15 awards including 5 Winner awards, 2 First Runner-up awards and 4 Second Runner-up awards. Adding to this, it was also granted 8 awards in the "Focus at the Frontline 2015" Photo Contest organised by the Hong Kong Press Photographers Association.

The Group has been granted licenses to publish textbooks in both print and digital formats on certain subjects under the curricula of secondary schools in Hong Kong. During the year under review, the Group's education business maintained satisfactory growth in terms of both circulation and market share. Both print and digital textbooks have been well accepted among the secondary schools in Hong Kong given the books' quality content as well as the Group's extensive distribution channels and strong network with the local education community.

One Media Group, the Group's listed subsidiary providing Chinese language lifestyle publications and outdoor media services in the Greater China region, reported a turnover of US\$17,683,000 for the year ended 31 March 2016, representing a year-on-year decline of about 23.4%. The decrease in revenue was due primarily to the weak retail market conditions and reduced consumer spending which led to a cut-back in promotional spending by advertisers, in particular for branded and luxury products. The decline in revenue resulted in One Media Group reporting a loss before income tax of US\$1,472,000 for the year.

## **North America**

Turnover of the Group's publishing and printing operations in North America amounted to US\$19,186,000, reflecting a year-on-year decline of 18.5% or US\$4,343,000. The region's slow economy had a negative impact on the segment's business, in particular its advertising revenue. As a result, the segment reported a loss of US\$996,000 as against a profit before income tax of US\$297,000 a year ago.

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# Management Discussion and Analysis

## Travel and travel related services

For the fiscal year 2015/2016, the Group's travel operations in Hong Kong and North America recorded a total turnover of US\$82,705,000, a slight drop of 3.7% from last year, while segment profit before income tax surged a notable 65.8% or US\$2,480,000 to US\$6,250,000. The improved performance was attributed to product margin enhancement and the rigid cost-containment strategies applied during the year under review.

## Digital business

The Group has been successfully leveraging our editorial contents over multiple media platforms and generating audience growth. In recent years, we have deployed the Mobile First Strategy across webs, smartphones, mobiles, tablets and social media. Our digital portfolio ranges from news and entertainment sites providing regularly updated news and entertainment content to specialist sites aimed at targeted specific audiences based on interests and behaviours, etc.

We are providing reliable and up-to-date news on the mobile phone applications in extending our reach to both local and international readers. All our Group publication titles use Facebook, YouTube and other social media to reach our audience. Our news have been quoted, referenced, tweeted and circulated among the Chinese community that we served.

In Malaysia, the Group offers a wide variety of advertisement packages encompassing print, digital, video and electronic commerce platforms to satisfy the needs and expectation of advertisers. The recent introduction of the Group's Consumer Preference Targeting Advertisement packages also started to capture the eyeballs of specific audience groups and the responses received from advertisers have been very encouraging.

In March 2016, the Group expanded its digital footprint by offering the *Sin Chew-The Star* e-paper package in East Malaysia. This package is tailored exclusively for the local community and contains extensive national news coverage as well as comprehensive local news in East Malaysia. The introduction of the *Sin Chew* e-paper activation card has also eased and simplified the subscription process for readers, and is made available at various distribution centers throughout the nation. Working together with its technology partners, *China Press* launched its revamped website in November 2015 and subsequently presented its new smartphone app in March 2016.

To enhance engagement with young readers, the Group also organised various events and roadshows including the formation of Sin Chew E-paper Crew and VJ Search Reality Show to reach the online community while cultivating closer relationship with the youth and students from universities and colleges.

In line with the Group's commitment to develop its bilingual e-commerce business, improvements were made to the Logon e-marketplace to enrich the shopping experience for both e-shoppers and online merchants. This was followed by the launch of the Logon app in June 2015, making it more convenient for e-shoppers to make purchases from our growing online merchant base. We will further strengthen the Logon business model and relevance to our customers in order to achieve sustainable growth in the near future.

In Hong Kong, the ongoing digital revamp and content enhancement for *Ming Pao's* main website, mingpao.com, have been well accepted by the readers. In terms of the number of unique visitors, mingpao.com ranked 3rd and 4th places for its mobile and desktop platforms, respectively, among the digital extension of traditional printed newspapers and digital only platforms in the news/information category in Hong Kong. By March 2016, *Ming Pao's* news apps recorded a total number of cumulative downloads of 732,000. (Source: comScore's ranking report for January 2016). Furthermore, according to the market statistics for social media tracking from Socialbakers, the facebook page of mingpao.com ranked as number 20 out of the top 100 media pages in Hong Kong and 2nd place among the Chinese language newspapers.

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# Management Discussion and Analysis

During the current financial year, *Ming Pao* has launched two new mobile sites, namely the OL and the finance sites. Besides providing quality content to our readers, these mobile platforms also serve as channels for advertisers to market their products either by placing adverts or through content marketing, which are sources of revenue for the Group. New mobile apps have also been launched including one for *Ming Pao's* education supplements which is designed to support the print edition's subscription. Another income generating mobile app is the "Money Monday e-mag" which provides content from *Ming Pao's* finance supplements and is a platform for advertisers to integrate their print and mobile advertising.

With the rapid growth in digital communication and spending, the Group's various digital products and services are expected to become one of the main revenue streams in the future. The Group will continue to adapt to this changing market trend and aims to increase revenue through enhancing our digital resources.

## CORPORATE PROPOSAL

Reference is made to the announcements made by the Company dated 4 March 2016, 15 April 2016 and 28 June 2016 whereby the Board of Directors announced that the Company's wholly owned subsidiary, Comwell Investment Limited ("Comwell"), has entered into a memorandum of understanding (the "MOU"), a supplemental MOU and a second supplemental MOU on 4 March 2016, 15 April 2016 and 28 June 2016 respectively with a potential purchaser in relation to the possible disposal of 292,700,000 shares in One Media by Comwell, representing approximately 73.01% of the issued share capital of One Media (the "Possible Transaction"). No formal or legally binding agreement has been entered into between Comwell and the potential purchaser in respect of the Possible Transaction as at the date of this Annual Report.

## OUTLOOK

The Group navigated through a progressively more challenging business environment during the year under review, and the Board expects another tough year ahead in 2016/2017 in light of the ongoing economic uncertainties and currency volatility.

The Board remains cautious on the advertising markets in the coming year given the declining consumer and business spending sentiment in the Group's key operating markets. However, the Group will offer more innovative print and digital advertising packages and bundles, with greater value marketing solutions to advertisers. Furthermore, in light of the growing trend of digital marketing and social media usage, the Group will continue to allocate more resources to enhance its various digital platforms in order to attract targeted customers and to increase the Group's revenue base.

Although newsprint prices are likely to remain stable for the next financial year, any further appreciation of US dollar against RM and the CAD would negatively affect the Group's overall performance.

The Group's travel business is expected to continue to face difficult market conditions in the year ahead amid people's growing concerns about safety and security issues in tourist areas, especially in Europe.

Nevertheless, the Group will continue to strengthen its efforts to diversify its revenue stream, to exploit synergistic benefits by unlocking growth potentials of the existing content assets via multiple platforms besides reinforcing its cost-control efforts to achieve operational efficiencies in order to embrace the ever changing market conditions.

## PLEDGE OF ASSETS

As at 31 March 2016, general security agreements under which all the assets of certain subsidiaries with net carrying amount of nil (2015: US\$10,484,000) were pledged to certain banks to secure general banking facilities granted to the Group.

## CONTINGENT LIABILITIES

As at 31 March 2016, 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 this consolidated financial information is authorised for issue, the directors of the Company are of the opinion that the respective ultimate liability, if any, will not have a material adverse impact upon the Group's financial position.

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# Management Discussion and Analysis

## CAPITAL COMMITMENTS

As at 31 March 2016, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in this consolidated financial information amounted to US\$280,000 whereas authorised capital expenditure for property, plant and equipment not contracted and not provided for in this consolidated financial information amounted to US\$938,000.

## FINANCIAL GUARANTEE

As at 31 March 2016, the Company issued financial guarantees to banks in favour of certain of its subsidiaries totalling US\$2,579,000 (2015: US\$20,930,000) in connection with general banking facilities granted to those subsidiaries. At 31 March 2016, total facilities utilised amounted to US\$1,109,000 (2015: US\$6,499,000). 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 2016 under the financial guarantees was the facility drawn down by its subsidiaries. No provision was therefore made in this respect at 31 March 2016.

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

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

During the year ended 31 March 2016, the Group was 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\$7,015,000 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 2016, the Group's cash and cash equivalents were US\$140,950,000 (2015: US\$118,620,000) and total bank and other borrowings were US\$116,116,000 (2015: US\$131,091,000). The net cash position was US\$24,834,000 (2015: net debt of US\$12,471,000). Owners' equity was US\$213,024,000 (2015: US\$209,744,000).

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 31 March 2016 (2015: 5.9%).

## CAPITAL STRUCTURE

During the year, the Company repurchased a total of 1,000 shares at an aggregate purchase consideration of HK\$1,150 (equivalent to US\$148). Details of the repurchase are set out in note 29(a) to the financial statements.

## EMPLOYEES AND EMOLUMENT POLICY

As at 31 March 2016, the Group had 4,368 employees (2015: 4,554 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 2015

— The Newspaper Society of Hong Kong

Best Young Reporter



Best Scoop



Photographic Section (Features)



Photographic Section (News)



### Winner:

Best Young Reporter  
Best Arts and Culture News Reporting  
Best Scoop  
Photographic Section (News)  
Photographic Section (Features)

### 1st Runner-up:

Best News Reporting  
Best Business News Reporting

### 2nd Runner-up:

Best News Reporting  
Best Science News Reporting  
Best Headline (Chinese)  
Photographic Section (News)

### Merit:

Best News Reporting  
Best Science News Reporting  
Best News Page Design  
Photographic Section (News)

## "FOCUS AT FRONTLINE 2015" PHOTO CONTEST

— Hong Kong Press Photographers Association

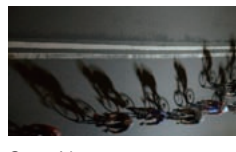
### 1st Prize:

General News



### 3rd Prize:

Sports



### Honourable Mention:

Portrait



### 2nd Prize:

Spot News



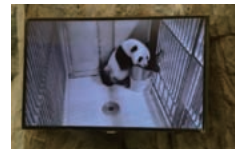
Spot News



General News



Nature & Environment



Nature & Environment



## THE 20TH ANNUAL HUMAN RIGHTS PRESS AWARDS 2015

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

### 2 Merits

Spot News



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

## THE 15TH CONSUMER RIGHTS REPORTING AWARDS 2015

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

### Gold Award:

News

## THE 7TH CHINESE UNIVERSITY JOURNALISM AWARD

— The Chinese University of Hong Kong Journalism and  
Communications Alumni Association

### Grand Award:

Best News Award (Newspaper / Magazine)

## THE 7TH ANNUAL KAM YIU-YU PRESS FREEDOM AWARDS

— Kam Yiu-Yu Foundation

### Winner:

Print Media



## HONG KONG JUNZI CORPORATION SURVEY 2015

— Hang Seng Management College

### Junzi Corporation Award

## THE 15TH ASIAN MEDIA AWARDS 2016

— WAN-IFRA

### Bronze Award:

Best in Design  
(Newspaper Front Page Design)



## MEDIA CONVERGENCE AWARDS 2015

— Hong Kong Association of Interactive Marketing

### 10 Outstanding Media Award

### Silver Award:

Social Media Platform (Newspaper)

### Bronze Award:

Mobile Applications (Newspaper)

Website (Newspaper)

Overall (Newspaper)

## THE 37TH BEST OF NEWS DESIGN CREATIVE COMPETITION

— The Society for News Design

### Award for Excellence:

Photography (Breaking News)



## SOPA 2016 AWARDS FOR EDITORIAL EXCELLENCE

— The Society of Publishers in Asia

### Award for Excellence:

Excellence in Human Rights Reporting

Excellence in News Photography

Excellence in Reporting Breaking News

### Honourable Mention:

The Scoop Award

Excellence in Information Graphics

Excellence in Editorial Cartooning



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

## THE 5TH JOHOR MEDIA AWARDS 2014

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



### Best Documentary Photography Award

*Sin Chew Daily*

### Best Development News Award (Chinese)

*Sin Chew Daily*

## THE 2ND DATO' LEE TIAN HOCK PRESS AWARDS 2015

— Negeri Sembilan Chinese Newspaper Journalists Association



### Dato' Sri Dr King LIM Chin Fui Best Harmonious News Reporting Award

Finalist: *Guang Ming Daily*

### Dato' LOOI Hei Tyng Best Association News Reporting Award

Excellence Award: *Guang Ming Daily*

### Aw Media Network Best Election News Reporting Award

3 Finalists: *Sin Chew Daily*, *Guang Ming Daily*

### William TAN Kim Book Best Political News Reporting Award

2 Finalists: *Sin Chew Daily*, *Guang Ming Daily*



### Datuk TING Chuen Peng Best Social News Reporting Award

2 Finalists: *Sin Chew Daily*, *Guang Ming Daily*

### Dato' Calvin KHIU Fu Siang Best Photography Award

Outstanding Award: *Sin Chew Daily*  
Finalist: *Guang Ming Daily*

### Dato' LEE Tian Hock Best Journalist Spirit Award

*Sin Chew Daily*

## THE 13TH TAN SRI LIM GAIT TONG PRESS AWARDS 2014

— Penang Press Club

### Tan Sri LIM Gait Tong Literature Writing Award

Excellence Award: *Guang Ming Daily*

### Dato' KHOR Chong Boon Breaking News Award

2 Outstanding Awards: *Guang Ming Daily*

### Tan Sri H'NG Bok San Feature Award

Excellence Award: *Guang Ming Daily*  
2 Outstanding Awards: *Guang Ming Daily*

### Dato' LIM Toh Meng Editing Award (News/Supplement)

Outstanding Award: *Guang Ming Daily*  
2 Excellence Awards: *Guang Ming Daily*

### Tan Sri TAN Khoon Hai News Photography Award

Outstanding Award: *Sin Chew Daily*

### Dato' Sri ONG Choo Hoon Sports News Award

Excellence Award: *Guang Ming Daily*

### Dato' TEO Seng Soon Feature Photography Award

Outstanding Award: *Guang Ming Daily*

### Dato' Wira Louis NG Chun Hau Financial Information Award

2 Outstanding Awards: *Guang Ming Daily*



## THE 28TH SOUTHEAST ASIAN GAMES 2015

— Southeast Asian Games Federation

### Invitational Match: Greco Roman Wrestling 75kg

Bronze Award: *Sin Chew Daily*





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

## THE 12TH DATO' TAN CHIN HUAT CHINESE MEDIA BADMINTON TOURNAMENT 2015

— Malaysia Chinese Sports Journalist Association

Champion: *Sin Chew Daily*



## THE 13TH HUA ZONG LITERATURE AWARD

— *Sin Chew Daily*

Malaysian Chinese Modern

Poetry Category

1st Prize: *Sin Chew Daily*



## THE 8TH SARAWAK CHIEF MINISTER'S ICT MEDIA AWARDS

— Sarawak Information System Sdn.Bhd

**1st Prize:**

*Sin Chew Daily*



## DATUK WONG KEE TAT JOURNALISM AWARDS 2014

— Editors' Association of Chinese Medium of Malaysia

**Tan Sri YAP Yong Seong Feature Writing Award**

Outstanding Prize: *Guang Ming Daily*

**Datuk WONG Kee Tat News Editing Award (News Section)**

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

**Datuk WONG Kee Tat News Editing Award (Feature Section)**

3 Outstanding Prizes: *Guang Ming Daily*

**Tan Sri TEONG Teck Leng Commentary Award**

Excellence Prize: *Sin Chew Daily*

2 Outstanding Prizes: *Sin Chew Daily*

**Dato' TAN Leong Ming News Photography Award**

Outstanding Prize: *Sin Chew Daily*

**Tan Sri NG Teck Fong News Reporting Award**

Outstanding Prize: *Sin Chew Daily*

**Mr TAN Yew Sing Education News Reporting Award**

Excellence Prize: *Sin Chew Daily*

2 Outstanding Prizes: *Sin Chew Daily*

**Tan Sri LAW Tien Seng Front Page of the Year Award**

Outstanding Prize: *Sin Chew Daily*



## THE 9TH MEDIA AWARDS OF THE MINISTRY OF HEALTH MALAYSIA 2015

— Ministry of Health Malaysia

**Best Health News Photography Award (Chinese Newspaper)**

2 Outstanding Prizes: *Sin Chew Daily*

**Best Health News Reporting Award (Chinese Newspaper)**

1st Prize: *Sin Chew Daily*

Outstanding Prize: *Sin Chew Daily*



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

## PENANG STATE GOVERNMENT GREEN JOURNALISM AWARD 2015

— Penang State Government and  
Penang Green Council

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

**Feature Reporting Award (Chinese)**  
Excellence Prize: *Guang Ming Daily*

**News Photography Award**  
1st Prize: *Guang Ming Daily*  
3rd Prize: *Guang Ming Daily*



## THE 7TH JOHOR STATE NEWS AWARDS 2013/2014

— South Johor Chinese Press Club

**Dato' TAN Liang Soong News  
Reporting Award (Feature Section)**  
1st Prize: *Sin Chew Daily*

**MOK Tai Dwan Best Commentary  
Award**  
1st Prize: *Sin Chew Daily*  
2nd Prize: *Sin Chew Daily*

**Grand Straits Garden Seafood  
Restaurant News Photography Award**  
1st Prize: *Guang Ming Daily*  
3rd Prize: *Sin Chew Daily*



## THE 2ND WORLD OVERSEAS CHINESE PHOTO CONTEST

— All-China Federation of Returned  
Overseas Chinese and Overseas  
Chinese Photographers Association

**Best Photography (Nature)**  
Outstanding Prize: *Sin Chew Daily*



## KENYALANG SHELL PRESS AWARDS 2015

— Shell Malaysia, Federation of Sarawak  
Journalists Association and Kuching  
Division Journalists Association

**Journalism Award (Feature and News  
Feature)**  
*Sin Chew Daily*

**News Reporting Award (Chinese)**  
*Sin Chew Daily*

**Sports News Reporting Award  
(Chinese)**  
*Sin Chew Daily*

**Environmental News Reporting Award  
(Chinese)**  
*Sin Chew Daily*



## THE 5TH MCPA PHOTO AWARD 2015

— Malaysia Chinese Photojournalists  
Association (MCPA)

**Dato' Sri ANG Lai Hee General News  
Photo Award**  
2 Bronze Awards: *Sin Chew Daily*

**Datuk ANG Say Tee Spot News Photo  
Award**  
Silver Award: *Guang Ming Daily*  
2 Bronze Awards: *Sin Chew Daily*

**Dato' Sri TAN Hock Chai Sports News  
Photo Award**  
Bronze Award: *Sin Chew Daily*

**Dato' Sri Dr. King LIM Chin Fui Portrait  
Photo Award**  
Bronze Award: *Guang Ming Daily*

**Dato' LOW Kok Chuan Culture & Art  
Photo Award**  
Silver Award: *Guang Ming Daily*  
Bronze Award: *Sin Chew Daily*

**Dato' NG Bong Ching Nature,  
Environment and Science Photo  
Award**  
3 Bronze Awards: *Sin Chew Daily*

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





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

## DATUK WONG KEE TAT JOURNALISM AWARDS 2014

— Editors' Association of Chinese Medium of Malaysia



### Tan Sri YAP Yong Seong Feature Writing Award

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

### Datuk WONG Kee Tat News Editing Award (News section)

Excellence Prize: *China Press*  
Outstanding Prize: *China Press*

### Datuk WONG Kee Tat News Editing Award (Feature section)

Excellence Prize: *Nanyang Siang Pau*

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

Excellence Prize: *Nanyang Siang Pau*  
2 Outstanding Prizes: *China Press*,  
*Nanyang Siang Pau*

### Tan Sri NG Teck Fong News Reporting Award

2 Outstanding Prizes: *China Press*

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

Excellence Prize: *China Press*  
2 Outstanding Prizes: *China Press*,  
*Nanyang Siang Pau*

### Tan Sri LAW Tien Seng Front Page of the Year Award

Excellence Prize: *Nanyang Siang Pau*  
2 Outstanding Prizes: *China Press*,  
*Nanyang Siang Pau*

### Dato' Sri LEE Ee Hoe Travel News Reporting Award

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

### Tan Sri TAN Kin Yan Entertainment Reporting Award

Excellence Prize: *China Press*  
2 Outstanding Prizes: *China Press*,  
*Feminine*

### Dato' TAN Leong Ming News Photography Award

Excellence Prize: *Nanyang Siang Pau*  
2 Outstanding Prizes: *China Press*,  
*Nanyang Siang Pau*

## THE 7TH JOHOR STATE NEWS AWARD 2013/14

— South Johor Chinese Press Club

### Johor Bahru Tiong Hua Association General News Award

1st Prize: *Nanyang Siang Pau*  
2nd Prize: *China Press*  
3rd Prize: *China Press*

### Johor Bahru Chinese Chamber of Commerce and Industry Commercial Business News Award

1st Prize: *Nanyang Siang Pau*  
2nd Prize: *Nanyang Siang Pau*

## PRIME MINISTER'S HIBISCUS AWARD (PMHA) 2014/15

— Prime Minister's Office, Ministry of Natural Resources & Environment and Department of Environment

### Environmental Journalism Award

*Nanyang Siang Pau*



## THE 5TH JOHOR MEDIA AWARDS 2014

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

### Best Economic News Award

*Nanyang Siang Pau*

### Best Sports News Award

*Nanyang Siang Pau*

### Best Travel & Culture News Award

*China Press*

### Best Feature News Award

*China Press*

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

## THE 5TH MCPA PHOTO AWARD 2015

— Malaysia Chinese Photojournalists Association (MCPA)



**Dato' LOW Kok Chuan Culture and Art Photo Award**

Gold Award: *China Press*

2 Bronze Awards: *China Press*, *Nanyang Siang Pau*

**Dato' ANG Say Tee Spot News Photo Award**

Gold Award: *Nanyang Siang Pau*

2 Bronze Awards: *China Press*, *Nanyang Siang Pau*



**Dato' Sri CHIA Hooi Huak Photo Essay Award**

Silver Award: *China Press*

Bronze Award: *Nanyang Siang Pau*

**Dato' Sri Dr King LIM Chin Fui Portrait Photo Award**

Silver Award: *China Press*

2 Bronze Awards: *Nanyang Siang Pau*



**Dato' Sri TAN Hock Chai Sports News Photo Award**

Silver Award: *China Press*

Bronze Award: *China Press*

**Dato' Sri ANG Lai Hee General News Photo Award**

2 Bronze Awards: *Nanyang Siang Pau*

## THE 2ND DATO' LEE TIAN HOCK PRESS AWARDS 2015

— Negeri Sembilan Chinese Newspaper Journalists Association

**William TAN Kim Book Best Government/Political News Reporting Award**

Excellence Prize: *China Press*

2 Finalist Prizes: *Nanyang Siang Pau*, *China Press*

**Dato' Sri Dr King LIM Chin Fui Best Harmonious News Reporting Award**

Excellence Prize: *Nanyang Siang Pau*

3 Finalist Prizes: *China Press*

**Dato' LOOI Hei Tyng Best Association News Reporting Award**

4 Finalist Prizes: *Nanyang Siang Pau*, *China Press*

**365M Shop The Best Business News Reporting Award**

Excellence Prize: *Nanyang Siang Pau*

4 Finalist Prizes: *Nanyang Siang Pau*, *China Press*

**Aw Media Network Best Election News Reporting Award**

Excellence Prize: *Nanyang Siang Pau*

Finalist Prize: *Nanyang Siang Pau*

**Datuk TING Chuen Peng Best Social News Reporting Award**

Excellence Prize: *Nanyang Siang Pau*

2 Finalist Prizes: *China Press*

**Dato' Calvin KHIU Fu Siang Best Photography Award**

Excellence Prize: *Nanyang Siang Pau*

Outstanding Prize: *China Press*

Finalist Prize: *Nanyang Siang Pau*



## THE 13TH TAN SRI LIM GAIT TONG PRESS AWARDS 2014

— Penang Press Club

**Dato' CHUAH Kooi Yong Business Information Award**

Excellence Award: *Nanyang Siang Pau*

Outstanding Award: *Nanyang Siang Pau*

**Dato' Sri ONG Choo Hoon Sports News Award**

Outstanding Award: *Nanyang Siang Pau*

# Significant Events — Hong Kong

## MING PAO DAILY NEWS

*Ming Pao Daily News* hosted the “New Opportunities for Hong Kong – the 13th Five-Year Plan” financial symposium to examine the opportunities and challenges brought about by China’s 13th Five-Year Plan. The Chief Executive of HKSAR, Mr LEUNG Chun Ying, officiated the forum. Tan Sri Datuk Sir TIONG Hiew King, Group Executive Chairman, made the welcome speech. The symposium was attended by hundreds of government officials, business leaders, academic elites and public policy advisors.



Tan Sri Datuk Sir TIONG Hiew King, Group Executive Chairman



Mr LEUNG Chun Ying, Chief Executive of HKSAR



Mr John C.W. TSANG, Financial Secretary of HKSAR



Mr Nicholas W. YANG, Secretary for Innovation and Technology of HKSAR



Mr Norman T.L. CHAN, Chief Executive of the Hong Kong Monetary Authority



Dr BA Shusong, Chief China Economist of Hong Kong Exchanges and Clearing Limited



Mr YUE Yi, Vice Chairman and Chief Executive, BOC Hong Kong (Holdings) Limited



Mr XIONG Xiong, General Manager, Overseas Business Division, Ant Financial Services Group



## MING PAO MONTHLY

“Jin Yong and Me – International Hwa Wen Prose Contribution Solicitation” and “The 5th International Conference on Travel Writings in Chinese”, co-organised by *Ming Pao Monthly*, received enthusiastic support from prominent writers, professors and scholars.



## YAZHOU ZHOUKAN

*Yazhou Zhoukan* celebrated its 28th Anniversary and presented awards to “Global Chinese Business 1000”, “Asia Bank 300” and “The 1st World Outstanding Young Chinese Leaders” winners.





## Significant Events — Hong Kong

### MING PAO PUBLICATIONS

Ming Pao Publications organised book fairs, workshops, book launching parties and signing events in which writers share their writing experiences with readers.



### CHARMING HOLIDAYS

Charming Holidays held seminars to give update travel information and introduce latest travel products to prospective vacationers.



### MING PAO EDUCATION PUBLICATIONS

Ming Po Education Publications offered seminars, workshops and book launching parties to update teachers and students with the latest market information. The events received enthusiastic response from the audience.



# Significant Events — Malaysia (Sin Chew Group)

## SIN CHEW DAILY



Tan Sri Datuk Sir TIONG Hiew King, Group Executive Chairman, officiated the tea ceremony at the Chinese New Year Celebration with the Chinese community.



Sin Chew Daily e-paper crew and Naruto performers played games with the youth from universities and colleges at various roadshows.



VJ Search Roadshow, jointly launched by Sin Chew Daily e-paper and Pocketimes, is to search for talented, versatile and adaptable individuals who are interested in presenting in front of camera nationwide.



"Sin Chew Business Awards 2015", jointly organised by Sin Chew Daily and sinchew.com.my, serves to recognise the business excellence of SMEs and to motivate the SMEs to showcase and spearhead Malaysian brands to the global market.



Tan Sri Datuk Sir TIONG Hiew King, Group Executive Chairman, said that Hua Zong (Floral Trail) Literature Award aims to promote a share and exchange platform for Chinese writers and make the literature and cultural heritage lively.



During the Sin Chew Daily Readers Financial Aid Project Granting Ceremony, a total of RM3 million fund was granted to 91 needy and deserving university students in their pursuit of tertiary education.



Tan Sri TIONG Hiew King, Group Executive Chairman and Tan Sri ADENAN Satem (4th from right), Chief Minister of Sarawak, launched the Sin Chew Daily and The Star e-papers special package programme in East Malaysia.



The 30th Cadet Reporters Camp – Federal Territory & Selangor Area received a warm response with participation of more than a hundred student reporters.



"REUSE Education Campaign", launched by Sin Chew Daily, has visited 30 Chinese primary schools nationwide imparting knowledges with catchy slogans and promoting environmental awareness to students.

## GUANG MING DAILY



The guests held Chinese New Year couplets at the opening ceremony of The 11th Guang Ming Daily Penang Spring Festival (Miao Hui).



Guests took a group photo at the 10th Anniversary "Guang Ming Wellness" launching party.

## YAYASAN SIN CHEW



Yayasan Sin Chew and Sunway Group jointly organised the senior's "Chinese New Year Festival", bringing the festive cheers to more than 200 senior citizens.



# Significant Events — Malaysia (Nanyang Group)

## NANYANG SIANG PAU



Nanyang Siang Pau's "Golden Eagle Award" added the new "International Eagles" category in 2015. Two winning enterprises were from China and Taiwan respectively. Themed with "Soaring High for New Horizons", prominent speakers shared their experiences on making cloud technology to explore trade opportunities. Malaysia's Second Minister of Finance Y.B. Dato' Sri Ahmad Husni Bin MOHAMAD HANADZLAH presented awards to 138 winners.



Nanyang Siang Pau, China Press and Sweet Home jointly organised the 3-day "Nanyang Property Fair" to enable house buyers and property investors to obtain update market trend as well as to spur the growth of nation property market.

## CHINA PRESS



China Press and Muar young children group co-organised "Sa-Zhong 1" writing camp, to provide dynamic writing skills learning environment through fun games, dance & singing.



China Press and the Yeo's joined efforts with Hong JieJie Workstation and Life Line Association Malaysia to present the drama entitled "What Are You Worry About?", aiming to cultivate positive energy, trustworthy & endurance among young students.

## YAYASAN NANYANG PRESS



"Dream House for the Hidden Star" is a special programme catered for families with autistic children, to assist them learning communication skills through painting, music playing, dancing and junior Robotic Class. Currently about 80 students have enrolled in this programme.



China Press organised "Pink Biz Talk". Invited speakers shared their ideas on topics covering financial investment, work and dress-up. It attracted an overwhelming response from audience.



Nanyang Siang Pau, China Press and Carlsberg Malaysia jointly organised a total of 12 road shows of "Top Ten Charity Concert" to raise fund for 12 Chinese schools.



Yayasan Nanyang Press provided aids in rehabilitation of water supply in 13 affected villages and handed 132 units of solar lights to the victims affected by the earthquake in Ranau, Sabah.

## LIFE MAGAZINES



Feminine & My Wedding organised the "Romance in Fate" bridal fair. Mr. CHONG Sin Woon, Deputy Minister of Education Malaysia officiated the opening ceremony.



Citta Bella organised a 2-day "Better Together" beauty camp. Readers attended beauty workshops and the gala dinner with local celebrities' participation.



The 3 different languages (Chinese, Malay, English) of ROD & LINE jointly organised "Kids! Let's Go Fishing" children charity fishing event to enhance building resilience in children.

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# Corporate Social Responsibility

All responsible organisations are established with the implicit idea that they will grow in the long term. We recognise that the sustainability and long-term success of the Group depend on our access to resources and the strength of our relationships with stakeholders — our workforce, business partners, shareholders and the regulators. As a media corporate, we are committed to product quality, customer satisfaction, positive work culture and well-being of employees, community development as well as best corporate governance practices.

## COMMUNITY

### Humanitarian assistance

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 corporate social responsibility (“CSR”) aims and activities as well as highlight stories and plights of poor families in need of assistance.

In Malaysia, most of the CSR initiatives of the Group are implemented through Yayasan Sin Chew and Yayasan Nanyang Press. 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. Financial assistance and relief schemes are also provided for the poor and distressed.

As a relief response to the devastating earthquake in Nepal, Yayasan Sin Chew and Yayasan Nanyang Press kicked-off fund raising drives to provide emergency aid and recovery supplies to the quake victims. With the support from readers and non-profit organisations, the Group helped survivors and homeless rebuild their lives including the construction of shelters, buildings and equipping of learning centres and infrastructures in the affected remote areas.

*Guang Ming Daily* continues to provide medical services and shares health tips and information with 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 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, *Ming Pao Daily News* has continued to redirect donations from kind-hearted readers to unfortunate families for meeting their immediate financial needs. Over the years, numerous families in need of financial assistance have been helped by our benevolent readers.

The Group also organises book donation activities. Staff members of the Group are encouraged to donate leisure books to those in need and the responses have been impressive. Books are collected, categorised and then distributed to charitable organisations. During the year, books were donated to Hong Kong Red Cross, The Wellness Centre of New Life Psychiatric Rehabilitation Association and Tung Wah Group of Hospitals Long Love Integrated Family Service Centre.

To support recycling and waste reduction, the Group donated used LCD monitors to the Caritas Computer Workshop for distribution to underprivileged students last year.

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# Corporate Social Responsibility

## 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 the “Tiger-Sin Chew Chinese Education Charity Concert”, which aims at raising funds for helping Chinese schools in urban and rural locations. In addition to this, *Sin Chew Daily* also co-organised with Yayasan Hai-O a series of charity variety shows to aid the Chinese schools in upgrading their facilities.

The “Adopt a Child” programme was established by Yayasan Sin Chew in 2003 with the goal of providing better education opportunities to the disadvantaged children. It encourages readers to make donations to poor children as monthly financial aid to support their tuition fees and other schooling needs. The children and their family members are also invited to attend gatherings and parties to celebrate special events together with readers and sponsors.

While continuing the “Sin Chew Education Fund” and “Nanyang Education Fund” projects, the Group also launched the “*Sin Chew Daily* Readers Study Aid Project” in October 2015. Through these projects, *Sin Chew Daily* and *Nanyang Siang Pau* have worked together with a number of private higher education institutions in Malaysia in offering scholarships and providing financial aid to deserving poor and needy in achieving their personal goals and ambitions.

In June 2015, *Sin Chew Daily* together with Yayasan Sin Chew sponsored University Malaya Medical Centre (“UMMC”) the entire funding for the “Establishment of Liver Transplantation Programme in UMMC”, in order to provide appropriate treatment for patients and develop a sustainable living donor and cadaveric liver transplantation programme in UMMC.

Yayasan Nanyang Press continues its effort in helping the autistic children. “Dream House for the Hidden Star” was launched in 2014 to help autistic children from poor families in developing life skills. These children 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 19th years serving almost 8,500 upper secondary students.

On national education, *Ming Pao Daily News* has continued to co-organise “The Hong Kong Cup Diplomatic Knowledge Contest”, now in its 10th 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 5,700 students participated in this year’s contest.

This year marked the 4th year in which *Ming Pao Daily News* co-organised the “Young Writers Training Programme” with the Standing Committee on Language Education and Research (SCOLAR). The programme aims at arousing students’ interest in writing and enhancing their organisation, observation and communication skills through creative and educational activities, including workshops, mobile classrooms, writing day camp and intensive reading sessions. In the past four years, over 1,500 students from 350 secondary and primary schools have participated in this programme.

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# Corporate Social Responsibility

*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 23rd 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.

Guided tours of *Ming Pao Daily News* have been organised on a regular basis to teachers, students and members of parent-teacher associations as a means to provide educational activities to our campus readers. The visitors are given in-depth information of newspaper publishing and are introduced to the Group’s philosophy of journalism. During the year, around 1,000 individuals participated in the company tours.

## 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. The Group also uses social media platforms such as Facebook, Twitter and Youtube, and employs surveys, advertisements, hotline numbers and email accounts to connect with our customers and suppliers.

Besides, we constantly ensure that the news are up-to-date and reliable, and keep the retail price of our publications low and affordable to readers, 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 other stakeholders.

In promoting the Chinese culture and heritage, *Sin Chew Daily* assumes the responsibility in organising the “Four Seasons Chinese Festival” celebrations such as senior citizen night, dumpling festival, mid-autumn festival, winter solstice festival and lunar new year.

Acknowledging the roles of enterprises in 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, *Yazhou Zhoukan* organised the “Asia Excellence Brand Award 2015” in appreciation of outstanding brandnames in the Asian region and to encourage Asian entrepreneurs to pursue business excellence.

*Yazhou Zhoukan* also hosted “The 8th Excellence in Achievement of World Chinese Young Entrepreneurs” award ceremony in recognition of the innovation and hard work of Chinese entrepreneurs aged 25 to 55 all over the world.

## 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.

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# Corporate Social Responsibility

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 implements 5-day and 5.5-day working weeks despite of the newspaper's 7-day week operation to enable employees to pursue more balanced lives. It also 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 are 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. In addition to turning off lighting, equipment and air-conditioning when not in use, employees are encouraged to use recycled toners, e-Xmas cards and used envelopes for internal mails. The Group has also set up recycle bins in our offices to promote recycling.

To conserve resources and protect the environment, our newsprint is mainly produced from recycled paper. Moreover, all newsprint wastes, unsold newspapers, used aluminium plates, plastics, ink and rags from the print sites are disposed of for recycling. The Group has also held a one-day recycling campaign in which recyclable items were collected from our readers and the general public for distribution to churches, refugees centres and disabled homes for the needy and the underprivileged.

In Hong Kong, the Group has continued to participate in Yan Oi Tong's "Plastic Recycling Partnership Scheme" by sending waste plastics from our printing room for recycling. The Group also participated in the "Toner & Ink Cartridges Recycling & Reuse Programme" organised by Friends of the Earth which helps reduce the amount of waste sent to the landfills.

Being a responsible media corporate citizen, the Group has worked together with Tenaga Nasional Berhad in Malaysia on a few environmental programmes such as Energy Efficiency Campaign and Electrical Safety Campaign, to raise community awareness to improve energy efficiency and importance of electrical safety as well as to provide safety tips for preventing electrical safety hazards.

In Hong Kong, to improve the efficiency and to reduce the amount of energy we consume, a new chiller plant system was installed in 2015. The new system has higher energy efficiency performance and is equipped with computerized control functions for better energy management. To minimise lighting energy use, we use energy-efficient fluorescent tubes and carry out de-lamping of lighting fixtures where practicable.

## ENGAGEMENT WITH STAKEHOLDERS

The Group continues to engage with the investing community, members of the media, suppliers and members of the public to build strong relationships throughout the year. Investors have access to our financial reports and announcements as well as company updates on our corporate website. We also engage with analysts, investors and members of the media on a more personal basis via periodical briefings.



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# Statement on Corporate Governance

## INTRODUCTION

In building a sustainable business, the Board is committed to ensuring that the highest standards of corporate governance are practised throughout the Group.

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.

The Board continues to support and implement the prescriptions of the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 (the “Malaysian Code”). The Board will continue to review the corporate governance framework and strive to make appropriate adjustments to ensure its relevance and ability in meeting future challenges.

This statement describes the extent of 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 the Malaysian Code and disclosure in the Statement on Corporate Governance. 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.



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# 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.

In order to ensure the effective discharge of its functions and responsibilities, the Board delegates specific powers to the relevant Board committees, all of which operate within defined terms of reference and as set out in the Board Charter. 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 45 to 49.

The Group Chief Executive Officer and the Group Executive Committee have been assigned for the day-to-day management and running of the Group with respect to both its regulatory and commercial functions. The Board has oversight on matters delegated to management whereby progress updates on key strategic initiatives, business targets and achievements to date, significant operational issues, business challenges and issues, are reported by management at least on a quarterly basis at the Board meetings.

The Board Charter continues to serve as a source reference providing guidance to the directors in relation to the roles and functions of the Board, membership guidelines, procedures for Board meeting, directors' remuneration, investor relations and shareholder communication, etc. The Board Charter was formalised on 26 February 2013, it will be periodically reviewed and updated in accordance to the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. 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 37 to 40.

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](http://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, Datuk CHONG Kee Yuen and Mr KHOO Kar Khoon.

Further to the demise of Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH on 1 March 2016, the number of INEDs fell below the minimum number and one-third of the Board as required under Rule 3.10(1) and Rule 3.10A respectively of the HK Listing Rules, and Paragraph 15.02 as stated in the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities Listing Requirements"). On 23 June 2016, Mr KHOO Kar Khoon was appointed as an INED. Following the appointment of Mr KHOO, the Board comprises 9 members including 3 INEDs representing one third of the Board, which fulfills the requirements under Rule 3.10(1) and Rule 3.10A of the HK Listing Rules and Paragraph 15.02 under the Bursa Securities Listing Requirements.

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# Statement on Corporate Governance

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 10. 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.

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.

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 INED. 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.

# Statement on Corporate Governance

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> )	2/4	50%
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 ( <i>note 1</i> )	4/4	100%
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH ( <i>note 2</i> )	3/4	75%
Datuk CHONG Kee Yuon ( <i>note 3</i> )	N/A	N/A
Mr KHOO Kar Khoon ( <i>note 3</i> )	N/A	N/A

Notes:

- (1) Tan Sri Dato' LAU Yin Pin resigned as an INED on 1 April 2016.
- (2) Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH passed away on 1 March 2016.
- (3) Datuk CHONG Kee Yuon and Mr KHOO Kar Khoon were appointed as INEDs on 1 April 2016 and 23 June 2016 respectively. Accordingly, they have not attended any Board meetings during the year.

## (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.

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# Statement on Corporate Governance

## **(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 and Datuk CHONG Kee Yuon for a term of two years from 1 April 2016 to 31 March 2018 and Mr KHOO Kar Khoon for a term of one year nine months and eight days from 23 June 2016 to 31 March 2018, 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.

## **(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

# Statement on Corporate Governance

The composition, functions and responsibilities of each Board committee and the attendance records of the board committee meetings for the year ended 31 March 2016 (save and except for the Audit Committee of which attendance is set out on page 68) are set out below:

Member	Number of meetings attended and percentage of attendance		
	Group Executive Committee	Remuneration Committee	Nomination Committee
<i>Group Executive Committee</i>			
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	4/4	100%	
Mr NG Kait Leong	4/4	100%	
<i>Remuneration Committee</i>			
Tan Sri Dato' LAU Yin Pin ( <i>Chairman</i> ) ( <i>note 1</i> )		3/3	100%
Datuk CHONG Kee Yuon ( <i>Chairman</i> ) ( <i>note 3</i> )		N/A	N/A
Mr David YU Hon To		3/3	100%
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH ( <i>note 2</i> )		2/3	67%
Mr KHOO Kar Khoon ( <i>note 4</i> )		N/A	N/A
Mr TIONG Kiew Chiong		3/3	100%
Mr NG Chek Yong		3/3	100%
<i>Nomination Committee</i>			
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH ( <i>Chairman</i> ) ( <i>note 2</i> )			1/1 100%
Mr KHOO Kar Khoon ( <i>Chairman</i> ) ( <i>note 4</i> )			N/A N/A
Mr David YU Hon To			1/1 100%
Tan Sri Dato' LAU Yin Pin ( <i>note 1</i> )			1/1 100%
Datuk CHONG Kee Yuon ( <i>note 3</i> )			N/A N/A

*Notes:*

- (1) Tan Sri Dato' LAU Yin Pin resigned as the Chairman of the Remuneration Committee, a member of Audit Committee and Nomination Committee on 1 April 2016.
- (2) Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH passed away on 1 March 2016.
- (3) Datuk CHONG Kee Yuon was appointed as the Chairman of the Remuneration Committee and a member of Audit Committee and Nomination Committee on 1 April 2016. Accordingly, he has not attended any committee meetings during the year.
- (4) Mr KHOO Kar Khoon was appointed as the Chairman of the Nomination Committee and a member of Audit Committee and Remuneration Committee on 23 June 2016. Accordingly, he has not attended any committee meetings during the year.

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# Statement on Corporate Governance

## 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

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, Taiwan, 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 (*resigned on 1 April 2016*)
- Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH (*passed away on 1 March 2016*)
- Datuk CHONG Kee Yuon (*appointed on 1 April 2016*)
- Mr KHOO Kar Khoon (*appointed on 23 June 2016*)

Following Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH's passing away, the number of Audit Committee members decreased from three to two, below the minimum number required under Rule 3.21 of the HK Listing Rules and Paragraph 15.09 under the Bursa Securities Listing Requirements. On 23 June 2016, Mr KHOO Kar Khoon was appointed as a member of Audit Committee. With the appointment of Mr KHOO, the number of the Audit Committee is three, which fulfills the requirements under Rule 3.21 of the HK Listing Rules and Paragraph 15.09 under the Bursa Securities Listing Requirements.

The Audit Committee's primary responsibilities include the review of and deliberation on the Group's financial statements, the external auditor's findings arising from the audit of the Group's financial statements and the 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 68 to 73.



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# Statement on Corporate Governance

## **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*) (*passed away on 1 March 2016*)
- Mr KHOO Kar Khoon (*Chairman*) (*appointed on 23 June 2016*)
- Mr David YU Hon To
- Tan Sri Dato' LAU Yin Pin (*resigned on 1 April 2016*)
- Datuk CHONG Kee Yuon (*appointed on 1 April 2016*)

The chairman's position of the Nomination Committee became vacant after the passing away of Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH, which did not fulfill the requirement under Code Provision A.5.1 of Appendix 14 of the HK Listing Rules. On 23 June 2016, Mr KHOO Kar Khoon was appointed as the Chairman of the Nomination Committee. Following the appointment of Mr KHOO, the relevant code provision under Appendix 14 of the HK Listing Rules has been complied with.

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

- Reviewing the structure, size and composition of the Board, including the balance mix of skills, knowledge, experience and independence of the INEDs at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- Assessing annually the effectiveness of the Board as a whole, the Board committees and the contribution of each individual director based on the process implemented by the Board; and
- Identifying and recommending new nominees to the Board and Board committees. The final decision as to who shall be appointed as director remains the responsibility of the full Board, after considering the recommendation of the Nomination Committee.

Meetings of the Nomination Committee are held as and when necessary, and at least once a year. During the year, the Nomination Committee has assessed the overall effectiveness of the Board, its committees and performance of the directors. It also reviewed the structure, size and composition of the Board and its committees (with particular reference to the board diversity policy); identified individual suitably qualified to become Board member and selected or made recommendations to the Board on the selection of individual nominated for directorship; and assessed the independence of INEDs. The Nomination Committee, upon its recent annual review carried out, is satisfied that the present size and composition of the Board is optimum and well-balanced. The Nomination Committee also recommended on the renewal of the appointment of certain directors to the Board.

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# Statement on Corporate Governance

## 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*) (*resigned on 1 April 2016*)
- Datuk CHONG Kee Yuon (*Chairman*) (*appointed on 1 April 2016*)
- Mr David YU Hon To
- Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH (*passed away on 1 March 2016*)
- Mr KHOO Kar Khoon (*appointed on 23 June 2016*)
- Mr TIONG Kiew Chiong
- Mr NG Chek Yong

After the passing away of Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH, the number of Remuneration Committee members decreased from five to four, comprising two INEDs, which failed to fulfill the requirement that a remuneration committee must comprise a majority of INEDs under Rule 3.25 of the HK Listing Rules. On 23 June 2016, Mr KHOO Kar Khoon was appointed as a member of the Remuneration Committee. Following the appointment of Mr KHOO, the number of INEDs has increased to three, which fulfills the requirement under Rule 3.25 of the HK Listing Rules.

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 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.

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# 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 INED 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, a media talk on the topic “Media Outlook in Malaysia” was conducted for the directors in August 2015. The directors have also attended external training programmes, among which are:

- The Eighth Forum on the Global Chinese Language Media
- Forbes Global CEO Conference
- Will You and Your Company Survive the Consequences of the Current Global Currency Warfare & the Dislocation of the World’s Financial System
- Audit Oversight Board Conversation with Audit Committee
- Independent Non-executive Directors Forum
- E-commerce Class 2015 Workshop
- The Best of Global Digital Marketing Conference 2015
- Directors Corporate Governance Series — Building Effective Finance Function: From Reporting to Analytics to Strategic Input
- Directors Corporate Governance Series — Board Remuneration & Fees
- Advocacy Session on Management Discussion and Analysis Statement
- Malaysian Media Conference — MediaTech in Marketing
- MNPA Forum 2016 — Malaysian Media Landscape Outlook 2016: Print Revenue Opportunities

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# Statement on Corporate Governance

Below is a summary of the training received by the directors 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 ( <i>resigned on 1 April 2016</i> )	A, B
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH ( <i>passed away on 1 March 2016</i> )	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.

Datuk CHONG Kee Yuen and Mr KHOO Kar Khoo were appointed as INEDs on 1 April 2016 and 23 June 2016 respectively. Accordingly, their training records have not been included above. The directors will continue to attend 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.

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# Statement on Corporate Governance

## (ii) **Remuneration package**

The remuneration package of directors is as follows:

### *I. Basic salary and bonus*

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

### *II. Fees and other emoluments*

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

### *III. Benefits-in-kind*

Other benefits (such as use of company cars, insurance coverage and housing) are made available as appropriate.



# Statement on Corporate Governance

## (iii) Disclosure on remuneration

The aggregate remuneration of the directors for the financial year ended 31 March 2016 is categorised as follows:

	<b>Fees US\$'000</b>	<b>Salaries &amp; other emoluments US\$'000</b>	<b>Total US\$'000</b>
Executive directors	189	1,165	1,354
Non-executive directors	115	4	119

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

<b>Range of remuneration</b>	<b>Executive directors</b>	<b>Non-executive directors</b>	<b>Senior management</b>
from US\$12,347 to US\$24,693 (equivalent to RM50,001 to RM100,000)	1	3	–
from US\$24,694 to US\$37,041 (equivalent to RM100,001 to RM150,000)	–	–	1
from US\$49,388 to US\$61,734 (equivalent to RM200,001 to RM250,000)	–	1	–
from US\$61,735 to US\$74,081 (equivalent to RM250,001 to RM300,000)	–	–	1
from US\$74,082 to US\$86,428 (equivalent to RM300,001 to RM350,000)	–	–	1
from US\$148,163 to US\$160,510 (equivalent to RM600,001 to RM650,000)	–	–	2
from US\$197,551 to US\$209,897 (equivalent to RM800,001 to RM850,000)	–	–	1
from US\$209,898 to US\$222,244 (equivalent to RM850,001 to RM900,000)	–	–	1
from US\$222,245 to US\$234,591 (equivalent to RM900,001 to RM950,000)	1	–	–
from US\$271,632 to US\$283,979 (equivalent to RM1,100,001 to RM1,150,000)	–	–	1
from US\$321,020 to US\$333,366 (equivalent to RM1,300,001 to RM1,350,000)	1	–	1
from US\$333,367 to US\$345,713 (equivalent to RM1,350,001 to RM1,400,000)	–	–	1
from US\$358,060 to US\$370,407 (equivalent to RM1,450,001 to RM1,500,000)	1	–	–
from US\$407,448 to US\$419,795 (equivalent to RM1,650,001 to RM1,700,000)	1	–	–

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# Statement on Corporate Governance

## JOINT COMPANY SECRETARIES

The Board is supported by the Joint Company Secretaries who are qualified to act as company secretaries under the prescribed companies act and the HK Listing Rules. One of the Joint Company Secretaries is a member of the Hong Kong Institute of Certified Public Accountants and the other is a member of the Malaysian Institute of Chartered Secretaries and Administrators.

The Joint Company Secretaries are accountable directly to the Board on all matters to do with proper functioning of the Board which includes reviewing and implementing corporate governance practices and processes; keeping the Board and Board committees up to date on regulatory rules, requirements, codes, guidance and relevant legislation; co-ordinating the timely completion and dispatch of Board and committee papers; attending Board, committee and general meetings, and ensuring that the business at meetings is accurately captured in the minutes; and providing assistance in organising and facilitating the induction and professional development of directors.

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, including 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 and Paragraph 8.29A under the Bursa Securities Listing Requirements, 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 2016 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 ( <i>resigned on 1 April 2016</i> )	1/1	100%
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH ( <i>passed away on 1 March 2016</i> )	1/1	100%
Datuk CHONG Kee Yuon ( <i>appointed on 1 April 2016</i> )	N/A	N/A
Mr KHOO Kar Khoon ( <i>appointed on 23 June 2016</i> )	N/A	N/A

## (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](http://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 & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 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](mailto: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.

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# 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.

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# 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.mediachinesegroup.com](http://www.mediachinesegroup.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 64.

### (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 on pages 65 to 67.



# 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 on pages 68 to 73.

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 nil and US\$53,000 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	684
Non-audit services	
Tax services	74
Other services	19

PricewaterhouseCoopers will retire and offer itself for re-appointment at the AGM to be held in August 2016.

A statement by PricewaterhouseCoopers about the reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 86 to 87.

## 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 2016 are set out on page 75.

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

During the financial year ended 31 March 2016, 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 2016.

### (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 2016.

### (e) Variation in results

The audited results of the Group for the financial year ended 31 March 2016 did not differ by 10% or more from the unaudited results announced to Bursa Securities on 30 May 2016.

### (f) Profit guarantee

There was no profit guarantee given by the Company or any of its subsidiaries during the financial year ended 31 March 2016.

# 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 2016 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 2016 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	34,040	8,501
			— Nanyang Group	17,765	4,424
			(ii) Disposal of newsprint scraps to MNI:		
			— Sin Chew Group	2,392	594
			— Nanyang Group	3,721	923

*Nature of relationship: R.H. Development Corporation Sdn Bhd ("RHDC") and Rimbanan 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	54	13
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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.	Rimbanan 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	18	4
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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	1
<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	5	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	136	34
<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 air ticketing and accommodation arrangement services by Charming to Cheerhold	269	35
<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	1,189	153
<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 One Media, OMH and MPN. He is also a director and a shareholder of the Company. 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	4,113	530
<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 One Media, OMH and MPH. He is also a director and a shareholder of the Company. 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, office and storage space in Ming Pao Industrial Centre situated at 18 Ka Yip Street, Chai Wan, Hong Kong from Holgain as landlord to OMH and its subsidiaries	2,553	329
<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 One Media, OMH and Holgain. He is also a director and a shareholder of the Company. 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 air ticketing and accommodation arrangement services by Charming to One Media Group	856	110
<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 One Media and Charming. He is also a director and a shareholder of the Company. 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	US\$'000
12.	One Media Group	the Group	Provision of barter advertising services by the Group to One Media Group	1,263	163
<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. He is also a director of 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	1,263	163
<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. He is also a director of 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	87	11
<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 One Media, OMH and Kin Ming. He is also a director and a shareholder of the Company. 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	128	17
<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 One Media and MPH. He is also a director and a shareholder of the Company. Ms TIONG Choon is both a shareholder and a director of the Company. She is also a shareholder of One Media.</i></p>					
16.	TTS&S	Charming	Provision of services such as air-tickets and accommodation arrangement services by Charming to TTS&S	4	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&amp;S.</i></p>					



# Statement on Corporate Governance

No.	Related parties	Contracting parties	Nature of transactions	Transacted value	
				HK\$'000	Equivalents in US\$'000
17.	OMH	Ming Pao New Media Limited ("MP New Media")	Provision of IS programming support services by MP New Media to OMH and its subsidiaries	4,262	550
<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 One Media, OMH and MP New Media. He is also a director and a shareholder of the Company. Ms TIONG Choon is both a shareholder and a director of the Company. She is also a shareholder of One Media.</i></p>					
18.	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 major shareholders and directors 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>					
19.	Sun Media International Limited ("Sun Media")	Ming Pao Magazines Limited ("MPM")	Provision of accounting services by MPM to Sun Media	37	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	37	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 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 30 June 2016.

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## Statement of Directors' Responsibilities in relation to the Financial Statements

The directors are responsible for ensuring that the financial statements of the Company and of the Group are prepared in accordance with International Financial Reporting Standards ("IFRSs") and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). 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 2016, 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 2016, the directors have:

- complied with all relevant accounting standards and regulatory disclosure requirements;
- made judgements and estimates that are reasonable and prudent;
- applied appropriate and relevant accounting policies consistently; 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.

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# 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 remains committed to maintaining a sound risk management and internal control system to manage risks and safeguard shareholders’ investments and the Group’s assets.

## BOARD RESPONSIBILITY

The Board affirms its overall responsibility in establishing a sound risk management framework and internal control system for the Group as well as reviewing its adequacy and effectiveness. The Board is of the view that the risk management framework and internal control system are designed to manage and mitigate the Group’s risks within the acceptable risk appetite, rather than to eliminate the risk of failure to achieve business objectives and strategies. In view of the inherent limitations in any system, such system can only provide reasonable but not absolute assurance against material misstatements, losses, frauds, breaches of laws and regulations, and unforeseen emerging risks.

The Group has established appropriate control structure and systematic process for identifying, evaluating, monitoring and managing significant risks pertinent to the achievement of its overall corporate objectives and strategies throughout the year. This process is regularly reviewed by the Board.

## RISK MANAGEMENT FRAMEWORK

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

The Group has established two separate risk management committees (“RMCs”), one in each of Malaysia and Hong Kong, to oversee and drive improvement in risk management. The two RMCs are responsible for overseeing the implementation of the risk management framework, periodically reviewing the risk management processes and ensuring that on-going measures taken are adequate to manage, address or mitigate the identified significant risks. All key management, heads of subsidiary companies and heads of departments have to identify, evaluate and manage risks associated with the business operations on an on-going basis with defined parameters. The deliberation of risks and related mitigating responses are carried out at regular management meetings of the Group. Significant risks are conveyed by the RMCs to the Group Executive Committee and the Audit Committee at the quarterly scheduled meetings.

## INTERNAL AUDIT

The Group’s Internal Audit Function is independent of all operations it reviews and reports directly to the Audit Committee. The Internal Audit Function undertakes regular reviews in accordance with the annual internal audit plan approved by the Audit Committee. The Internal Audit Function adopts risk-based approach in its audit strategy and focuses on major business functions of the Group.

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# Statement on Risk Management and Internal Control

The internal audit findings and improvement opportunities are discussed with management for appropriate actions to be taken 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 on a quarterly basis. Significant risk issues, if any, are reported to the Board for its attention.

## 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 organisation structure with clearly defined lines of responsibilities, authority limits and accountability aligned to businesses and operations requirements;
- 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 actual performance and significant variances against 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 coverage;
- The Board reviews all areas of significant financial risk and approves all significant capital projects and investments after detailed review and consideration;
- The Group has established IT Services Continuity Plans in key business units 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;
- The treasury department manages the cash balances and exposure to currency transaction risks through treasury policies, risk limits and monitoring procedures;
- Code of ethics are established and adhered to by all employees to ensure high standards of conduct and ethical values in all business practices; and
- The legal department monitors compliance with relevant laws and regulations which govern the Group's businesses.

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# Statement on Risk Management and Internal Control

## **WHISTLEBLOWING POLICY**

The Group has a whistleblowing policy approved by the Board. The policy outlines the Group's commitment toward enabling the 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. All the disclosures made under this policy will be handled with strict confidentiality. 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 Board has also received reasonable assurance from the Group CEO and Head of Finance that the Group's system of risk management and internal control, in all material aspects, is operating adequately and effectively. For the financial year under review and up to the date of this Statement, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

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 2016. 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 30 June 2016.



# Audit Committee Report

The Board of the Company is pleased to present the Audit Committee Report for the year ended 31 March 2016.

## 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> ) ( <i>resigned on 1 April 2016</i> )	4/4	100%
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH* ( <i>INED</i> )	3/4	75%
Datuk CHONG Kee Yuon ( <i>INED</i> ) ( <i>appointed on 1 April 2016</i> )	N/A	N/A
Mr KHOO Kar Khoon ( <i>INED</i> ) ( <i>appointed on 23 June 2016</i> )	N/A	N/A

\* Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH passed away on 1 March 2016.

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.

The Chairman of the Audit Committee, after each meeting, 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 and the last review was on 22 June 2016. The revised terms of reference of the Audit Committee is available on the Company's website at [www.mediachinesegroup.com](http://www.mediachinesegroup.com).

### 1. Formation

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

### 2. Composition

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

At least 1 member of the Audit Committee:

- (a) Must be a member of the Malaysian Institute of Accountants; or
- (b) If not a member of the Malaysian Institute of Accountants, that member must have at least 3 years' working experience and must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967, or must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or

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# Audit Committee Report

- (c) Must have a degree/master/doctorate in accounting or finance and at least 3 years' post qualification experience in accounting or finance; or
- (d) Must have at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation; and
- (e) Fulfills such other requirements as prescribed or approved by the Bursa Securities.
- (f) Is an INED with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the HK Listing Rules.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of the Bursa Securities Listing Requirements or the HK Listing Rules, the Board shall within 3 months of that event appoint such number of new members as may be required to 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 be heard at any meeting of the Audit Committee 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 Group's financial reporting process and internal controls.

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# Audit Committee Report

## 7. Authority

The Audit Committee is authorised by the Board:

- (a) to investigate any matter within the scope of its duties and responsibilities as outlined in its terms of reference;
- (b) to have sufficient resources to perform its duties;
- (c) to have full and unrestricted access to any information pertaining to the Company;
- (d) to have direct communication channels with the external and internal auditors;
- (e) to obtain independent professional or other advice; and
- (f) to convene meetings with the external auditor, the internal auditor or both, excluding the attendance of other directors of the Company and employees of the Group, 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;

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# Audit Committee Report

- going concern assumptions and qualifications;
  - compliance with accounting standards;
  - compliance with the HK Listing Rules, Bursa Securities Listing Requirements and other legal and regulatory requirements in relation to financial reporting; and
  - significant and unusual events;
- (viii) any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (b) to review and discuss the Group's financial controls, internal controls and risk management systems with management to ensure that management has performed its duty to have effective systems. The discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function;
- (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 main activities undertaken during the year were as follows:

### Financial results

- (a) Reviewed the Group's quarterly, half-yearly and annual financial results, including the press releases and announcements relating to the financial reports for quality of disclosure and presentation, and discussed with the management and external auditors to ensure compliance with Bursa Securities Listing Requirements, HK Listing Rules, applicable approved accounting standards and other statutory and regulatory requirements before recommending to the Board for approval and public release;
- (b) Reviewed the interim financial information and annual financial statements of the Company and of the Group with the external auditor and management prior to submission to the Board for approval.
- (c) The Audit Committee's recommendations were presented for approval at the subsequent Board meeting.

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# Audit Committee Report

## Internal audit

- (a) Reviewed the internal audit plan for the financial year ended 31 March 2016 ensuring the principal risk areas were adequately identified and covered in the plan;
- (b) Reviewed the scope and coverage of the audit over the activities of respective operating units of the Group and the basis of assessment and risk rating of the proposed areas of audit;
- (c) Reviewed and deliberated on the reports from the Internal Audit Function;
- (d) Reviewed the recommendations by the Internal Audit Function and appraised the adequacy and effectiveness of management's response in resolving the audit issues reported;
- (e) Reviewed the corrective actions taken by management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis;
- (f) Reviewed the adequacy of resources and competency of the Internal Audit Function in executing the audit plan.

## External audit

- (a) Reviewed with the external auditor the audit plan, strategy and scope of statutory audits of the Group's financial statements for the year under review;
- (b) Reviewed the results, audit findings 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) Considered and recommended to the Board for approval of the proposed audit fees payable to the external auditor;
- (d) Assessed the qualification, expertise, resources and effectiveness of the external auditor;
- (e) Reviewed the performance and assess the independence, objectivity and suitability of the external auditors and services provided, including non-audit services. Non-audit fees totaling US\$146,000 were paid to the external auditors and their associates during the financial year, for the provision of corporate tax advisory and planning and other advisory services;
- (f) Reviewed the level of assistance given by the employees of the Group to the external auditor.



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# Audit Committee Report

## 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 effectiveness of the risk management system and the risk assessment reports from the Risk Management Committee. Significant risk issues were summarised and communicated to the Board;
- (e) Reviewed the risk register and risk assessment activities of the subsidiaries of the Group;
- (f) 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;
- (g) Reviewed the training programmes for staff in the Group's accounting and financial reporting function.

## INTERNAL AUDIT FUNCTION

The Internal Audit Function is an integral part of the assurance framework within the Group. It plays an intermediate role in discharging the oversight function delegated by the Board to the Audit Committee. It reviews the adequacy and effectiveness of key controls in business processes and assesses compliance with the established policies and procedures. This provides reasonable assurance to the Board that the risk, control and governance processes are in place and operate satisfactorily.

The Group's Internal Audit Function has a clear reporting line to the Audit Committee and its activities are conducted in accordance with the Internal Audit Charter. It adopts a risk-based methodology so that relevant controls addressing risks are assessed on a timely basis. The annual audit plan is approved by the Audit Committee.

The Internal Audit Function carries out its duties with impartiality, proficiency and due professional care. It is guided by the International Professional Practice Framework (IPPF) promulgated by the Institute of Internal Auditors (IIA). Key audit findings and recommendations are reported at Audit Committee meetings on a quarterly basis. Timely follow-up and proper implementation of agreed action plans 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 2016 was approximately US\$184,000.

This Audit Committee Report was approved by the Board on 30 June 2016.

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# 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 US0.500 cents (2014/2015: US0.430 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 US0.600 cents per ordinary share (2014/2015: US0.500 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).

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# Report of the Directors

## 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.

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# 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 Khoo 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.

# Report of the Directors

- (ii) 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:

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 2015	Exercised during the year <i>(note 3)</i>	Lapsed during the year <i>(note 4)</i>	Balance at 31 March 2016				
Directors:								
Tan Sri Datuk Sir TIONG Hiew King <i>(note 1a)</i>	1,250,000	–	(1,250,000)	–	–	1.200	27/09/2005	18/10/2005–25/09/2015
Dato' Sri Dr TIONG Ik King <i>(note 1a)</i>	1,000,000	–	(1,000,000)	–	–	1.200	27/09/2005	18/10/2005–25/09/2015
Mr TIONG Kiew Chiong <i>(note 1a)</i>	1,250,000	–	(1,250,000)	–	–	1.200	27/09/2005	18/10/2005–25/09/2015
Mr David YU Hon To <i>(note 1a)</i>	150,000	–	(150,000)	–	–	1.200	27/09/2005	18/10/2005–25/09/2015
	3,650,000	–	(3,650,000)	–	–			
Directors of One Media and full time employees of the Group <i>(note 1a)</i>	3,100,000	(798,000)	(2,302,000)	–	–	1.200	27/09/2005	18/10/2005–25/09/2015
Full time employees of the Group <i>(note 1b)</i>	688,000	(102,000)	(586,000)	–	–	1.200	27/09/2005	18/10/2005–25/09/2015
Total	7,438,000	(900,000)	(6,538,000)	–	–			

## 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.



# Report of the Directors

## 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

Name of director	Nature of interests	Number of shares held			At 31 March 2016	% of issued ordinary shares
		At 1 April 2015	Bought	Sold		
Tan Sri Datuk Sir TIONG Hiew King	Personal interests	87,109,058	–	–	87,109,058	
	Family interests <sup>1</sup>	234,566	–	–	234,566	
	Corporate interests <sup>2</sup>	796,734,373	–	–	796,734,373	
		<u>884,077,997</u>	–	–	<u>884,077,997</u>	52.40%
Dato' Sri Dr TIONG Ik King	Personal interests	11,144,189	–	–	11,144,189	
	Corporate interests <sup>3</sup>	252,487,700	–	–	252,487,700	
		<u>263,631,889</u>	–	–	<u>263,631,889</u>	15.63%
Mr TIONG Kiew Chiong	Personal interests	<u>2,126,039</u>	134,000	(119,000)	<u>2,141,039</u>	0.13%
Mr LEONG Chew Meng	Personal interests	<u>80,000</u>	–	–	<u>80,000</u>	–*
Ms TIONG Choon	Personal interests	2,654,593	–	–	2,654,593	
	Family interests <sup>4</sup>	1,023,632	–	–	1,023,632	
	Corporate interests <sup>5</sup>	<u>653,320</u>	–	–	<u>653,320</u>	
		<u>4,331,545</u>	–	–	<u>4,331,545</u>	0.26%

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

\* negligible

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

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.

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# 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:

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 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.

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# Report of the Directors

## 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.

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# 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.



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# 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

# 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 set out on pages 88 to 163, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, 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](http://www.pwchk.com)

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# Independent Auditor's Report

## OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 March 2016, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## OTHER REPORTING RESPONSIBILITIES

The supplementary information set out on page 164 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

## OTHER MATTERS

This report, including the opinion, has been prepared for and only for you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 30 June 2016

# Consolidated Income Statement

		Year ended 31 March	
		2016	2015
	Note	US\$'000	US\$'000
Turnover	5	349,126	429,140
Cost of goods sold	8	(215,589)	(263,682)
<b>Gross profit</b>		<b>133,537</b>	165,458
Other income	6	9,105	10,829
Other losses, net	8	(1,801)	(5,294)
Selling and distribution expenses	8	(59,353)	(69,298)
Administrative expenses	8	(32,988)	(39,172)
Other operating expenses	8	(5,859)	(6,385)
<b>Operating profit</b>		<b>42,641</b>	56,138
Finance costs	9	(5,328)	(6,595)
Share of profits/(losses) of joint ventures and associates	19	82	(147)
Allowance for impairment loss of interest in an associate	19	–	(1,895)
<b>Profit before income tax</b>		<b>37,395</b>	47,501
Income tax expense	10	(11,273)	(16,411)
<b>Profit for the year</b>		<b>26,122</b>	31,090
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		26,649	31,429
Non-controlling interests		(527)	(339)
		<b>26,122</b>	31,090
<b>Earnings per share attributable to owners of the Company</b>			
Basic (US cents)	11	1.58	1.86
Diluted (US cents)	11	1.58	1.86

The notes on pages 95 to 163 are an integral part of these consolidated financial statements.

# Consolidated Statement of Comprehensive Income

	<b>Year ended 31 March</b>	
	<b>2016</b>	2015
	<b>US\$'000</b>	US\$'000
<b>Profit for the year</b>	<b>26,122</b>	31,090
<b>Other comprehensive (loss)/income</b>		
<b>Item that may be reclassified subsequently to profit or loss:</b>		
Currency translation differences	<b>(6,643)</b>	(20,842)
<b>Item that will not be reclassified subsequently to profit or loss:</b>		
Remeasurements of post-employment benefit obligations	<b>29</b>	45
<b>Other comprehensive loss for the year, net of tax</b>	<b>(6,614)</b>	(20,797)
<b>Total comprehensive income for the year</b>	<b>19,508</b>	10,293
<b>Total comprehensive income/(loss) for the year attributable to:</b>		
Owners of the Company	<b>20,091</b>	10,660
Non-controlling interests	<b>(583)</b>	(367)
	<b>19,508</b>	10,293

The notes on pages 95 to 163 are an integral part of these consolidated financial statements.

# Consolidated Statement of Financial Position

		At 31 March	
		2016	2015
	Note	US\$'000	US\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	114,596	126,909
Investment properties	16	15,451	15,943
Intangible assets	17	53,516	59,004
Deferred income tax assets	18	300	723
Interests in joint ventures and associates	19	749	796
		<b>184,612</b>	203,375
<b>Current assets</b>			
Inventories	22	23,869	40,888
Available-for-sale financial assets	23	97	97
Financial assets at fair value through profit or loss	20	340	294
Trade and other receivables	24	51,669	58,911
Income tax recoverable		1,403	631
Cash and cash equivalents	25	140,950	118,620
		<b>218,328</b>	219,441
<b>Current liabilities</b>			
Trade and other payables	26	53,131	59,916
Income tax liabilities		3,871	3,657
Bank and other borrowings	27	58,453	9,585
Current portion of other non-current liabilities	28	83	58
		<b>115,538</b>	73,216
<b>Net current assets</b>		<b>102,790</b>	146,225
<b>Total assets less current liabilities</b>		<b>287,402</b>	349,600



# Consolidated Statement of Financial Position

		<b>At 31 March</b>	
		<b>2016</b>	2015
	<i>Note</i>	<b>US\$'000</b>	US\$'000
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	29	<b>21,715</b>	21,715
Share premium	29	<b>54,664</b>	54,664
Other reserves	30	<b>(107,715)</b>	(100,761)
Retained earnings			
— Proposed dividend	12	<b>10,123</b>	8,436
— Others		<b>234,237</b>	225,690
		<b>244,360</b>	234,126
		<b>213,024</b>	209,744
<b>Non-controlling interests</b>		<b>5,703</b>	6,361
<b>Total equity</b>		<b>218,727</b>	216,105
<b>Non-current liabilities</b>			
Bank and other borrowings	27	<b>57,663</b>	121,506
Deferred income tax liabilities	18	<b>9,981</b>	11,138
Other non-current liabilities	28	<b>1,031</b>	851
		<b>68,675</b>	133,495
		<b>287,402</b>	349,600

The notes on pages 95 to 163 are an integral part of these consolidated financial statements.

The financial statements and supplementary information on pages 88 to 164 were approved by the Board of Directors on 30 June 2016 and were signed on its behalf by:

**Tan Sri Datuk Sir TIONG Hiew King**  
Director

**TIONG Kiew Chiong**  
Director

# Consolidated Statement of Financial Position

		At 31 March	
		2016	2015
	Note	US\$'000	US\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	114,596	126,909
Investment properties	16	15,451	15,943
Intangible assets	17	53,516	59,004
Deferred income tax assets	18	300	723
Interests in joint ventures and associates	19	749	796
		<b>184,612</b>	203,375
<b>Current assets</b>			
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		<b>218,328</b>	219,441
<b>Current liabilities</b>			
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Income tax liabilities		3,871	3,657
Bank and other borrowings	27	58,453	9,585
Current portion of other non-current liabilities	28	83	58
		<b>115,538</b>	73,216
<b>Net current assets</b>		<b>102,790</b>	146,225
<b>Total assets less current liabilities</b>		<b>287,402</b>	349,600

# Consolidated Statement of Financial Position

		<b>At 31 March</b>	
		<b>2016</b>	2015
	<i>Note</i>	<b>US\$'000</b>	US\$'000
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	29	<b>21,715</b>	21,715
Share premium	29	<b>54,664</b>	54,664
Other reserves	30	<b>(107,715)</b>	(100,761)
Retained earnings			
— Proposed dividend	12	<b>10,123</b>	8,436
— Others		<b>234,237</b>	225,690
		<b>244,360</b>	234,126
		<b>213,024</b>	209,744
<b>Non-controlling interests</b>		<b>5,703</b>	6,361
<b>Total equity</b>		<b>218,727</b>	216,105
<b>Non-current liabilities</b>			
Bank and other borrowings	27	<b>57,663</b>	121,506
Deferred income tax liabilities	18	<b>9,981</b>	11,138
Other non-current liabilities	28	<b>1,031</b>	851
		<b>68,675</b>	133,495
		<b>287,402</b>	349,600

The notes on pages 95 to 163 are an integral part of these consolidated financial statements.

The financial statements and supplementary information on pages 88 to 164 were approved by the Board of Directors on 30 June 2016 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-	Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Total US\$'000	controlling interests US\$'000	
<b>Balance at 1 April 2014</b>	21,715	54,664	(79,946)	221,379	217,812	7,237	225,049
<b>Comprehensive income/(loss)</b>							
Profit/(loss) for the year	–	–	–	31,429	31,429	(339)	31,090
<b>Other comprehensive (loss)/income</b>							
<b>Item that may be reclassified subsequently to profit or loss:</b>							
Currency translation differences	–	–	(20,815)	–	(20,815)	(27)	(20,842)
<b>Item that will not be reclassified subsequently to profit or loss:</b>							
Remeasurements of post-employment benefit obligations	–	–	–	46	46	(1)	45
<b>Other comprehensive (loss)/income, net of tax</b>	–	–	(20,815)	46	(20,769)	(28)	(20,797)
<b>Total comprehensive (loss)/income for the year ended 31 March 2015</b>	–	–	(20,815)	31,475	10,660	(367)	10,293
<b>Total contributions by and distributions to owners of the Company recognised directly in equity</b>							
2013/2014 second interim dividend paid	–	–	–	(11,473)	(11,473)	–	(11,473)
2014/2015 first interim dividend paid	–	–	–	(7,255)	(7,255)	–	(7,255)
<b>Total contributions by and distributions to owners of the Company</b>	–	–	–	(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)
<b>Total transactions with owners</b>	–	–	–	(18,728)	(18,728)	(509)	(19,237)
<b>Balance at 31 March 2015</b>	21,715	54,664	(100,761)	234,126	209,744	6,361	216,105

# Consolidated Statement of Changes in Equity

	Attributable to owners of the Company					Non-	Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Total US\$'000	controlling interests US\$'000	
<b>Balance at 1 April 2015</b>	<b>21,715</b>	<b>54,664</b>	<b>(100,761)</b>	<b>234,126</b>	<b>209,744</b>	<b>6,361</b>	<b>216,105</b>
<b>Comprehensive income/(loss)</b>							
Profit/(loss) for the year	–	–	–	26,649	26,649	(527)	26,122
<b>Other comprehensive (loss)/income</b>							
<b>Item that may be reclassified subsequently to profit or loss:</b>							
Currency translation differences	–	–	(7,015)	426	(6,589)	(54)	(6,643)
<b>Item that will not be reclassified subsequently to profit or loss:</b>							
Remeasurements of post-employment benefit obligations	–	–	–	31	31	(2)	29
<b>Other comprehensive (loss)/income, net of tax</b>	<b>–</b>	<b>–</b>	<b>(7,015)</b>	<b>457</b>	<b>(6,558)</b>	<b>(56)</b>	<b>(6,614)</b>
<b>Total comprehensive (loss)/income for the year ended 31 March 2016</b>	<b>–</b>	<b>–</b>	<b>(7,015)</b>	<b>27,106</b>	<b>20,091</b>	<b>(583)</b>	<b>19,508</b>
<b>Total contributions by and distributions to owners of the Company recognised directly in equity</b>							
Repurchase of ordinary shares	–*	–*	–*	–	–*	–	–*
2014/2015 second interim dividend paid	–	–	–	(8,436)	(8,436)	–	(8,436)
2015/2016 first interim dividend paid	–	–	–	(8,436)	(8,436)	–	(8,436)
<b>Total contributions by and distributions to owners of the Company</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(16,872)</b>	<b>(16,872)</b>	<b>–</b>	<b>(16,872)</b>
Issue of shares under the share option scheme of a listed subsidiary	–	–	61	–	61	78	139
2014/2015 interim dividend paid by a subsidiary	–	–	–	–	–	(8)	(8)
2015/2016 interim dividends paid by a subsidiary	–	–	–	–	–	(5)	(5)
2014/2015 final dividend paid by a listed subsidiary	–	–	–	–	–	(140)	(140)
<b>Total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>61</b>	<b>(16,872)</b>	<b>(16,811)</b>	<b>(75)</b>	<b>(16,886)</b>
<b>Balance at 31 March 2016</b>	<b>21,715</b>	<b>54,664</b>	<b>(107,715)</b>	<b>244,360</b>	<b>213,024</b>	<b>5,703</b>	<b>218,727</b>

\* negligible

The notes on pages 95 to 163 are an integral part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

		Year ended 31 March	
		2016 US\$'000	2015 US\$'000
	Note		
<b>Cash flows from operating activities</b>			
Cash generated from operations	33(a)	67,463	76,600
Interest paid		(5,083)	(6,532)
Income tax paid		(12,091)	(16,970)
Net cash generated from operating activities		50,289	53,098
<b>Cash flows from investing activities</b>			
Additional investment in an associate		–	(98)
Purchases of property, plant and equipment	15	(2,812)	(8,223)
Purchases of intangible assets	17	(500)	(1,158)
Proceeds from disposal of property, plant and equipment	33(b)	34	719
Proceeds from disposal of interest in an associate	19	–	115
Interest received		2,810	2,131
Dividends received		141	17
Net cash used in investing activities		(327)	(6,497)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares under the share option scheme of a listed subsidiary		139	–
Dividends paid		(16,872)	(18,728)
Dividends paid to non-controlling interests by a subsidiary		(13)	(11)
Dividends paid to non-controlling interests by a listed subsidiary		(140)	(498)
Proceeds from bank and other borrowings		2,353	21,428
Repayments of bank and other borrowings		(11,125)	(24,162)
Net cash used in financing activities		(25,658)	(21,971)
<b>Net increase in cash and cash equivalents</b>		24,304	24,630
Cash and cash equivalents at beginning of year		118,620	102,852
Exchange adjustments on cash and cash equivalents		(1,974)	(8,862)
<b>Cash and cash equivalents at end of year</b>	25	140,950	118,620

The notes on pages 95 to 163 are an integral part of these consolidated financial statements.



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# Notes to the Financial Statements

For the year ended 31 March 2016

## 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, books and digital contents primarily in 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 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 30 June 2016.

## 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 19 on contributions from employees or third parties to defined benefit plans. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.
- (ii) Amendments from annual improvements to IFRSs — 2010–2012 Cycle, on IFRS 8, ‘Operating segments’, IAS 16, ‘Property, plant and equipment’, IAS 38, ‘Intangible assets’ and IAS 24, ‘Related party disclosures’. The adoption of the improvements made in the 2010–2012 Cycle has required additional disclosures in the segment note.
- (iii) Amendments from annual improvements to IFRSs — 2011–2013 Cycle, on IFRS 3, ‘Business combinations’, IFRS 13, ‘Fair value measurement’ and IAS 40, ‘Investment property’.

# Notes to the Financial Statements

For the year ended 31 March 2016

## 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)*

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 2015 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

The following new standards and amendments to standards are effective for annual periods beginning after 1 April 2015, and have not been applied in preparing these consolidated financial statements:

		Effective for annual periods beginning on or after
IFRS 14	Regulatory deferral accounts	1 January 2016
Amendments to IAS 1	Disclosure initiative	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 IAS 16 and IAS 41	Agriculture: bearer plants	1 January 2016
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Note
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment entities: applying the consolidation exception	1 January 2016
Amendment to IAS 27	Equity method in separate financial statements	1 January 2016
Annual improvements 2014	Annual improvements for 2012–2014 cycle	1 January 2016
Amendments to IAS 7	Statement of cash flows	1 January 2017
Amendments to IAS 12	Income taxes	1 January 2017
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019

*Note:* The effective date was postponed indefinitely.

None of the above is expected to have a significant effect on the consolidated financial statements.

#### (c) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) came into operation during the financial year, as a result, there are changes to the presentation and disclosures of certain information in the consolidated financial statements.

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# Notes to the Financial Statements

For the year ended 31 March 2016

## 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 unless the transaction provides evidence of an impairment of the transferred asset. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

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# Notes to the Financial Statements

For the year ended 31 March 2016

## 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.

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

### 2.3 Joint arrangements and associates

An Associate is an entity 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.

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# Notes to the Financial Statements

For the year ended 31 March 2016

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

### 2.3 Joint arrangements and associates *(Continued)*

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.

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 profits/(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, net'.

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# Notes to the Financial Statements

For the year ended 31 March 2016

## 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 currency translation 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.

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# Notes to the Financial Statements

For the year ended 31 March 2016

## 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, net".



# Notes to the Financial Statements

For the year ended 31 March 2016

## 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.

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# Notes to the Financial Statements

For the year ended 31 March 2016

## 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, net".

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

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# Notes to the Financial Statements

For the year ended 31 March 2016

## 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.

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.

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# Notes to the Financial Statements

For the year ended 31 March 2016

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

### 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.

### 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.

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# Notes to the Financial Statements

For the year ended 31 March 2016

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

### 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.

#### (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.

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# Notes to the Financial Statements

For the year ended 31 March 2016

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

### 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 resulting 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.

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).

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# Notes to the Financial Statements

For the year ended 31 March 2016

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

### 2.21 Employee benefits *(Continued)*

#### (a) Pension obligations *(Continued)*

##### *Defined benefit plans (Continued)*

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.



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# Notes to the Financial Statements

For the year ended 31 March 2016

## 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.

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# Notes to the Financial Statements

For the year ended 31 March 2016

## 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 guarantees 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.

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# Notes to the Financial Statements

For the year ended 31 March 2016

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

### 2.25 Revenue recognition *(Continued)*

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

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

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Management fee income is recognised on an accrual basis.

Operating lease rental income is recognised in equal instalments over the periods covered by the lease term.

Dividend income is recognised when the right to receive payment is established.

### 2.26 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.

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# Notes to the Financial Statements

For the year ended 31 March 2016

## 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 20. 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 2016 and 2015 by approximately US\$8,000 and US\$96,000 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 2016

## 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 24. 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 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.

	2016 US\$'000	2015 US\$'000
Bank and other borrowings		
Medium-term notes		
within one year	62,847	5,699
in the second year	2,768	66,452
in the third to fifth year	60,196	66,586
Short-term bank borrowings within one year	792	9,605
	126,603	148,342
Trade and other payables within one year	38,483	39,937
	165,086	188,279

# Notes to the Financial Statements

For the year ended 31 March 2016

## 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 over owners' equity. Net debt is calculated as total borrowings less cash and cash equivalents. Owners' equity represents equity attributable to owners of the Company as shown in the consolidated statement of financial position.

During the year ended 31 March 2016, the Group's strategy was to maintain a net gearing ratio below 40% (2015: below 40%).

As at 31 March 2016, the Group's net gearing ratio was nil (2015: 5.9%).

### 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 2016:

	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	340	–	–	340
Available-for-sale financial assets				
Unlisted club debentures	–	–	97	97
	340	–	97	437

# Notes to the Financial Statements

For the year ended 31 March 2016

## 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 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

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 17.



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# Notes to the Financial Statements

For the year ended 31 March 2016

## 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 16.

### (e) **Allowance for impairment loss 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, Taiwan and Mainland China

Publishing and printing: North America

Travel and travel related services

# Notes to the Financial Statements

For the year ended 31 March 2016

## 5 TURNOVER AND SEGMENT INFORMATION (Continued)

Publishing and printing segments are engaged in the publication, printing and distribution of newspapers, magazines, books and digital contents primarily in the 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 presented in 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 2016, analysed by operating segment, are as follows:

	Publishing and printing				Travel and travel related services US\$'000	Total US\$'000
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong, Taiwan and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000		
<b>Turnover</b>	186,387	60,848	19,186	266,421	82,705	349,126
<b>Segment profit/(loss) before income tax</b>	39,619	(1,821)	(996)	36,802	6,250	43,052
Unallocated interest expense						(5,250)
Other net unallocated expenses						(489)
Share of profits of joint ventures and associates						82
Profit before income tax						37,395
Income tax expense						(11,273)
<b>Profit for the year</b>						26,122
<b>Other information:</b>						
Interest income	2,640	153	–	2,793	17	2,810
Interest expense	(51)	(27)	–	(78)	–	(78)
Depreciation of property, plant and equipment	(7,196)	(1,532)	(370)	(9,098)	(125)	(9,223)
Amortisation of intangible assets	(862)	(166)	(19)	(1,047)	(45)	(1,092)
Impairment loss of goodwill	(1,957)	–	–	(1,957)	–	(1,957)
Income tax (expense)/credit	(10,603)	(719)	1,190	(10,132)	(1,141)	(11,273)

# Notes to the Financial Statements

For the year ended 31 March 2016

## 5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

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

	Publishing and printing					
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
<b>Turnover</b>	249,961	69,744	23,529	343,234	85,906	429,140
<b>Segment profit before income tax</b>	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)
<b>Profit for the year</b>						31,090
<b>Other information:</b>						
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)

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

	2016 US\$'000	2015 US\$'000
Advertising income, net of trade discounts	190,109	248,319
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	76,312	94,915
Travel and travel related services income	82,705	85,906
	<b>349,126</b>	429,140

# Notes to the Financial Statements

For the year ended 31 March 2016

## 5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The segment assets and liabilities as at 31 March 2016 are as follows:

	Publishing and printing				Travel and travel related services	Elimination	Total
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong, Taiwan and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	US\$'000	US\$'000	US\$'000
<b>Segment assets</b>	<b>309,346</b>	<b>60,419</b>	<b>14,197</b>	<b>383,962</b>	<b>16,877</b>	<b>(167)</b>	<b>400,672</b>
Unallocated assets							2,268
<b>Total assets</b>							<b>402,940</b>
<b>Total assets include:</b>							
Interests in joint ventures and associates	–	749	–	749	–	–	749
Additions to non-current assets (other than deferred income tax assets)	2,065	1,075	103	3,243	69	–	3,312
<b>Segment liabilities</b>	<b>(20,901)</b>	<b>(16,255)</b>	<b>(6,690)</b>	<b>(43,846)</b>	<b>(8,968)</b>	<b>167</b>	<b>(52,647)</b>
Unallocated liabilities							(131,566)
<b>Total liabilities</b>							<b>(184,213)</b>

The segment assets and liabilities as at 31 March 2015 are as follows:

	Publishing and printing				Travel and travel related services	Elimination	Total
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	US\$'000	US\$'000	US\$'000
<b>Segment assets</b>	<b>318,147</b>	<b>70,272</b>	<b>15,595</b>	<b>404,014</b>	<b>17,110</b>	<b>(175)</b>	<b>420,949</b>
Unallocated assets							1,867
<b>Total assets</b>							<b>422,816</b>
<b>Total assets include:</b>							
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
<b>Segment liabilities</b>	<b>(26,620)</b>	<b>(20,597)</b>	<b>(7,065)</b>	<b>(54,282)</b>	<b>(13,375)</b>	<b>175</b>	<b>(67,482)</b>
Unallocated liabilities							(139,229)
<b>Total liabilities</b>							<b>(206,711)</b>

# Notes to the Financial Statements

For the year ended 31 March 2016

## 5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

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 assets held by the Company, deferred income tax assets, available-for-sale financial assets, financial assets at fair value through profit or loss and income tax recoverable.

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

The Group operates its publishing and printing businesses mainly in Malaysia, other Southeast Asian countries, Hong Kong, Taiwan and Mainland China ("Main operating countries"). Revenue from external customers of the Group's publishing and printing businesses for the years ended 31 March 2016 and 2015, analysed by operating countries, is as follows:

	2016 US\$'000	2015 US\$'000
Main operating countries		
Malaysia and other Southeast Asian countries	186,387	249,961
Hong Kong, Taiwan and Mainland China	60,848	69,744
Other countries	19,186	23,529
	<b>266,421</b>	<b>343,234</b>

As at 31 March 2016, the Group's total non-current assets, other than deferred income tax assets, analysed by operating countries, are as follows:

	2016 US\$'000	2015 US\$'000
Main operating countries		
Malaysia and other Southeast Asian countries	159,413	176,608
Hong Kong, Taiwan and Mainland China	17,755	18,559
Other countries	7,144	7,485
	<b>184,312</b>	<b>202,652</b>

# Notes to the Financial Statements

For the year ended 31 March 2016

## 6 OTHER INCOME

	2016 US\$'000	2015 US\$'000
Scrap sales of old newspapers and magazines	2,905	4,212
Interest income	2,810	2,131
Other media-related income	2,064	2,815
Rental and management fee income	810	1,221
Licence fee and royalty income	226	274
Dividend income	11	12
Others	279	164
	<b>9,105</b>	<b>10,829</b>

## 7 EXPENSES BY NATURE

	2016 US\$'000	2015 US\$'000
Allowance for impairment and write-off of trade and other receivables	605	544
Allowance for impairment and write-off of inventories	119	276
Amortisation of intangible assets	1,092	1,126
Auditor's remuneration		
Current year	684	737
(Over)/under provision in prior years	(7)	94
Depreciation of property, plant and equipment	9,223	10,402
Direct costs of travel and travel related services	67,777	72,424
Employee benefit expense (including directors' emoluments) (note 13)	99,345	111,491
Losses/(gains) on disposal of property, plant and equipment — net (note 33(b))	50	(184)
Operating lease expenses		
Land and buildings	2,393	2,451
Machinery	17	18
Raw materials and consumables used	61,328	88,661
Other expenses	71,163	90,497
Total cost of goods sold, selling and distribution expenses, administrative expenses, and other operating expenses	<b>313,789</b>	<b>378,537</b>

# Notes to the Financial Statements

For the year ended 31 March 2016

## 8 OTHER LOSSES, NET

	2016 US\$'000	2015 US\$'000
Fair value gains on investment properties — net	145	438
Fair value gains on financial assets at fair value through profit or loss	46	58
Net exchange losses	(68)	(124)
Impairment loss of goodwill	(1,957)	(5,666)
Others	33	—
	<b>(1,801)</b>	<b>(5,294)</b>

## 9 FINANCE COSTS

	2016 US\$'000	2015 US\$'000
Interest on medium-term notes	5,250	6,323
Interest on short-term bank borrowings	78	272
	<b>5,328</b>	<b>6,595</b>

## 10 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2015: 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% (2015: 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.



# Notes to the Financial Statements

For the year ended 31 March 2016

## 10 INCOME TAX EXPENSE *(Continued)*

Income tax expense in the consolidated income statement represents:

	<b>2016</b> <b>US\$'000</b>	2015 US\$'000
Hong Kong taxation		
Current year	<b>972</b>	1,494
Over provision in prior years	<b>(7)</b>	(7)
Malaysian taxation		
Current year	<b>11,396</b>	13,599
(Over)/under provision in prior years	<b>(65)</b>	246
Other countries' taxation		
Current year	<b>357</b>	503
Over provision in prior years	<b>(1,108)</b>	(82)
Deferred income tax (credit)/expense <i>(note 18)</i>	<b>(272)</b>	658
	<b>11,273</b>	16,411

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:

	<b>2016</b> <b>US\$'000</b>	2015 US\$'000
Profit before income tax	<b>37,395</b>	47,501
Tax calculated at domestic tax rates applicable to profits in the respective countries	<b>10,869</b>	13,431
Tax effects of:		
Reduction in opening deferred taxes resulting from reduction in tax rate	—	(181)
Income not subject to tax	<b>(850)</b>	(244)
Expenses not deductible for tax purposes	<b>669</b>	2,369
Utilisation of previously unrecognised tax losses	<b>(51)</b>	(25)
Temporary differences not recognised	<b>149</b>	(102)
Tax losses for which no deferred income tax asset was recognised	<b>1,153</b>	968
Recognition of deferred income tax assets arising from previously unrecognised tax losses	<b>(8)</b>	(47)
(Over)/under provision in prior years — current tax	<b>(1,180)</b>	157
Under provision in prior years — deferred tax	<b>140</b>	85
De-recognition of deferred tax assets arising from previously recognised tax loss	<b>382</b>	—
Income tax expense	<b>11,273</b>	16,411

The weighted average applicable tax rate for the year was 29% (2015: 28%).

# Notes to the Financial Statements

For the year ended 31 March 2016

## 11 EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	2016	2015
Profit attributable to owners of the Company (US\$'000)	<b>26,649</b>	31,429
Weighted average number of ordinary shares in issue	<b>1,687,236,645</b>	1,687,238,085
Basic earnings per share (US cents)	<b>1.58</b>	1.86
Diluted earnings per share (US cents)	<b>1.58</b>	1.86

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 2016 and 2015.

## 12 DIVIDENDS

	2016 US\$'000	2015 US\$'000
<b>Dividends attributable to the year:</b>		
First interim, paid, US0.500 cents (2014/2015: US0.430 cents) per ordinary share (note (a))	<b>8,436</b>	7,255
Second interim, declared after the end of the reporting period of US0.600 cents (2014/2015: US0.500 cents) per ordinary share (note (b))	<b>10,123</b>	8,436
	<b>18,559</b>	15,691
<b>Dividends paid during the year:</b>		
Second interim, 2014/2015, US0.500 cents (2013/2014: US0.680 cents) per ordinary share (note (c))	<b>8,436</b>	11,473
First interim, 2015/2016, US0.500 cents (2014/2015: US0.430 cents) per ordinary share	<b>8,436</b>	7,255
	<b>16,872</b>	18,728

# Notes to the Financial Statements

For the year ended 31 March 2016

## 12 DIVIDENDS *(Continued)*

Notes:

- (a) The first interim dividend of US0.500 cents (2014/2015: US0.430 cents) per ordinary share amounting to US\$8,436,000 in respect of the year ended 31 March 2016 was paid on 23 December 2015.
- (b) On 30 May 2016, the Board of Directors declared a second interim dividend of US0.600 cents (2014/2015: US0.500 cents) per ordinary share in lieu of a final dividend for the year ended 31 March 2016. The dividend will be payable on 13 July 2016 to shareholders whose names appear on the register of members of the Company at the close of business on 23 June 2016 in cash in RM or in HK\$ at the average exchange rates used during the year ended 31 March 2016 for the translation of the results of the subsidiaries whose functional currencies are not US\$. 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 with paragraph 28 of Schedule 6 of Malaysian Income Tax Act 1967.

The average exchange rates used during the year ended 31 March 2016 of US\$ to RM and US\$ to HK\$, and the amount of the second interim dividend payable are as follows:

	Exchange rates	Dividend per ordinary share
US\$ to RM	4.0506	2.430 sen
US\$ to HK\$	7.7363	HK4.642 cents

- (c) The second interim dividend of US0.500 cents per ordinary share amounting to US\$8,436,000 in respect of the year ended 31 March 2015 was paid on 31 July 2015.

## 13 EMPLOYEE BENEFIT EXPENSE

	2016 US\$'000	2015 US\$'000
Wages and salaries	76,456	84,573
Unutilised annual leave	(73)	41
Pension costs — defined contribution plans	7,192	8,002
Pension costs — defined benefit plans <i>(note 32(b))</i>	211	236
Long service payments <i>(note 28(a))</i>	155	91
Other staff costs	15,404	18,548
	<b>99,345</b>	111,491

# Notes to the Financial Statements

For the year ended 31 March 2016

## 14 BENEFITS AND INTERESTS OF DIRECTORS

(a) The remuneration of every director and chief executive for the years ended 31 March 2016 and 2015 is set out below:

Name of Director	Fees	Salaries	Bonuses	Cash allowance	Other benefits in kind (note i)	Employer's contributions to pension schemes	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group Executive Chairman and executive director</b>							
Tan Sri Datuk Sir TIONG Hiew King (note ii)	151	136	74	–	–	–	361
<b>Group Chief Executive Officer and executive director</b>							
Mr TIONG Kiew Chiong (note iii)	17	315	26	–	41	16	415
<b>Executive directors</b>							
Dato' Sri Dr TIONG Ik King	21	–	–	–	–	–	21
Mr NG Chek Yong	–	211	69	–	7	42	329
Mr LEONG Chew Meng	–	150	43	–	6	29	228
<b>Non-executive director</b>							
Ms TIONG Choon	19	–	–	1	–	–	20
<b>Independent non-executive directors</b>							
Mr David YU Hon To (note iv)	54	–	–	–	–	–	54
Tan Sri Dato' LAU Yin Pin	21	–	–	2	–	–	23
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	21	–	–	1	–	–	22
Total for the year ended 31 March 2016	304	812	212	4	54	87	1,473
<b>Group Executive Chairman and executive director</b>							
Tan Sri Datuk Sir TIONG Hiew King (note ii)	168	164	60	–	–	–	392
<b>Group Chief Executive Officer and executive director</b>							
Mr TIONG Kiew Chiong (note iii)	17	315	73	–	44	16	465
<b>Executive directors</b>							
Dato' Sri Dr TIONG Ik King	21	–	–	–	–	–	21
Mr NG Chek Yong	–	251	66	–	8	48	373
Mr LEONG Chew Meng	–	180	47	–	7	34	268
<b>Non-executive director</b>							
Ms TIONG Choon	23	–	–	1	–	–	24
<b>Independent non-executive directors</b>							
Mr David YU Hon To (note iv)	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 (restated)	335	910	246	5	59	98	1,653

# Notes to the Financial Statements

For the year ended 31 March 2016

## 14 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) (Continued)

Notes:

- (i) Other benefits in kind included housing, use of company cars, air tickets for home trips, insurance coverage and club membership.
  - (ii) 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 (2015: US\$17,000).
  - (iii) The remuneration of Mr TIONG Kiew Chiong included his fee and bonus as an executive director of One Media in the amount of US\$17,000 (2015: US\$48,000).
  - (iv) 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 (2015: US\$23,000).
  - (v) During the years ended 31 March 2016 and 2015, no option was granted to the directors under the Post-IPO Scheme of One Media.
  - (vi) 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 2016 and 2015.
- (b) The 5 highest paid individuals during the year included 3 (2015: 3) executive directors whose emoluments are reflected in the analysis presented above. The emoluments paid to the remaining 2 (2015: 2) individuals during the year are as follows:

	2016 US\$'000	2015 US\$'000 (restated)
Fees	17	17
Salaries	592	592
Bonuses	44	100
Other benefits in kind	2	2
Employer's contributions to pension schemes	4	4
	<b>659</b>	<b>715</b>

The emoluments of the 2 (2015: 2) individuals fall within the following bands:

	Number of individuals 2016	2015
From US\$322,294 to US\$386,752 (equivalent to HK\$2,500,001 to HK\$3,000,000)	2	2
	<b>2</b>	<b>2</b>

# Notes to the Financial Statements

For the year ended 31 March 2016

## 15 PROPERTY, PLANT AND EQUIPMENT

	Property						Leasehold improvements, furniture, fixtures and office equipment				Motor vehicles	Construction-in-progress	Total
	Freehold land and buildings outside Hong Kong US\$'000	Long-term leasehold land outside Hong Kong US\$'000	Long-term buildings outside Hong Kong US\$'000	Medium-term leasehold land in Hong Kong US\$'000	Medium-term buildings in Hong Kong US\$'000	Medium-term leasehold land outside Hong Kong US\$'000	Medium-term buildings outside Hong Kong US\$'000	Machinery and printing equipment US\$'000					
<b>At 31 March 2014</b>													
Cost	26,495	2,280	5,470	15,375	8,783	16,571	26,815	38,099	120,827	2,830	2,782		266,327
Accumulated depreciation	(2,665)	(208)	(528)	(6,036)	(4,341)	(2,753)	(10,711)	(27,958)	(65,107)	(1,712)	-		(122,019)
Net book amount	23,830	2,072	4,942	9,339	4,442	13,818	16,104	10,141	55,720	1,118	2,782		144,308
<b>Year ended 31 March 2015</b>													
Opening net book amount	23,830	2,072	4,942	9,339	4,442	13,818	16,104	10,141	55,720	1,118	2,782		144,308
Additions	-	-	9	-	-	-	5	5,179	2,564	196	270		8,223
Currency translation differences	(2,738)	(242)	(570)	2	3	(1,559)	(1,773)	(974)	(6,356)	(89)	(203)		(14,499)
Reclassifications	-	-	-	-	-	-	-	(1,863)	1,894	-	(31)		-
Reclassifications to intangible assets	-	-	-	-	-	-	-	(186)	-	-	-		(186)
Disposals	-	-	(6)	-	-	(373)	(51)	(78)	(2)	(25)	-		(535)
Depreciation (note (a))	(344)	(35)	(175)	(280)	(244)	(307)	(1,239)	(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	2,818		126,909
<b>At 31 March 2015</b>													
Cost	23,404	2,010	4,824	15,382	8,787	14,230	23,545	37,115	112,550	2,634	2,818		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	2,818		126,909
<b>Year ended 31 March 2016</b>													
Opening net book amount	20,748	1,795	4,200	9,061	4,201	11,579	12,986	9,796	48,861	864	2,818		126,909
Additions	-	-	-	-	-	-	17	2,229	368	157	41		2,812
Currency translation differences	(1,008)	(91)	(217)	(2)	-	(595)	(697)	(590)	(2,258)	(31)	(245)		(5,734)
Reclassifications	-	-	-	-	-	-	-	(2,224)	4,707	-	(2,483)		-
Reclassifications to intangible assets	-	-	-	-	-	-	-	-	-	-	(84)		(84)
Disposals	-	-	-	-	-	-	-	(54)	(30)	-	-		(84)
Depreciation (note (a))	(288)	(30)	(148)	(279)	(244)	(250)	(1,075)	(2,116)	(4,506)	(287)	-		(9,223)
Closing net book amount	19,452	1,674	3,835	8,780	3,957	10,734	11,231	7,041	47,142	703	47		114,596
<b>At 31 March 2016</b>													
Cost	22,281	1,908	4,579	15,382	8,787	13,510	22,364	34,626	113,135	2,632	47		239,251
Accumulated depreciation	(2,829)	(234)	(744)	(6,602)	(4,830)	(2,776)	(11,133)	(27,585)	(65,993)	(1,929)	-		(124,655)
Net book amount	19,452	1,674	3,835	8,780	3,957	10,734	11,231	7,041	47,142	703	47		114,596

### Notes:

- (a) Depreciation expense of US\$4,506,000 (2015: US\$4,959,000) was included in "Cost of goods sold" and US\$4,717,000 (2015: US\$5,443,000) was included in "Other operating expenses".

# Notes to the Financial Statements

For the year ended 31 March 2016

## 16 INVESTMENT PROPERTIES

	2016 US\$'000	2015 US\$'000
<b>At 1 April</b>	<b>15,943</b>	17,144
Fair value gains on investment properties — net ( <i>note 33</i> )	<b>145</b>	438
Currency translation differences	<b>(637)</b>	(1,639)
<b>At 31 March</b>	<b>15,451</b>	15,943

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

	2016 US\$'000	2015 US\$'000
In Malaysia, held on:		
Freehold	<b>4,567</b>	4,739
Leases of over 50 years	<b>4,682</b>	4,852
Leases of between 10 to 50 years	<b>2,832</b>	3,027
	<b>12,081</b>	12,618
In USA, held on:		
Freehold	<b>3,370</b>	3,325
	<b>15,451</b>	15,943

### Fair value hierarchy

Description	Fair value measurements at 31 March 2016 using		
	Quoted prices in	Significant other	Significant
	active markets	observable inputs	unobservable
	for identical assets (Level 1) US\$'000	(Level 2) US\$'000	inputs (Level 3) US\$'000
Recurring fair value measurements			
Malaysia	—	12,081	—
USA	—	—	3,370

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



# Notes to the Financial Statements

For the year ended 31 March 2016

## 16 INVESTMENT PROPERTIES (Continued)

### Valuation processes and techniques

Independent valuations were performed by Raine & Horne International Zaki + Partners Sdn Bhd and Betsy Mak Appraisal Group to determine the fair values of the Group's investment properties as at 31 March 2016 and 2015. The revaluation gains or losses were included in 'Other losses, net' in the consolidated income statement (note 7).

For the properties in the Malaysia, fair values of investment properties have been generally determined using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

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 included:

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 2016 US\$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Commercial building — USA	3,370	Income capitalisation approach and sales comparison approach	Rental value	US\$226,092 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\$23.39 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 2016

## 16 INVESTMENT PROPERTIES *(Continued)*

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

	<b>2016</b> <b>US\$'000</b>	2015 US\$'000
Rental income	<b>729</b>	1,113
Direct operating expenses arising from investment properties that generate rental income	<b>(235)</b>	(112)
	<b>494</b>	1,001

At 31 March 2016, the Group has future aggregate minimum rental receivables under non-cancellable operating leases as follows:

	<b>2016</b> <b>US\$'000</b>	2015 US\$'000
No later than one year	<b>407</b>	393
Later than one year and no later than five years	<b>585</b>	393
	<b>992</b>	786

# Notes to the Financial Statements

For the year ended 31 March 2016

## 16 INVESTMENT PROPERTIES *(Continued)*

Particulars of the Group's investment properties at fair values as at 31 March 2016 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	4,485
2	37-06, Prince Street, Flushing NY 11354, the USA	Freehold	Commercial building	3,370
3	PT12917 HS(D) 103390 (Ground Floor) Putra Indah A, Putra Nilai, 71800 Nilai, Negeri Sembilan Darul Khusus, Malaysia	Freehold	Commercial building	67
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)	15
5	No. 3, Lorong Kilang F, Kelombong, 88450 Kota Kinabalu, Sabah, Malaysia	Leasehold/2920	Office building	1,489
6	Lot 22, Jalan Sultan Mohamed 4, Taman Perindustrian Bandar Sultan Sulaiman, 42000 Pelabuhan Klang Utara, Selangor Darul Ehsan, Malaysia	Leasehold/2105	Warehouse	2,896
7	AR09-F3A0, Ara Ria 09, Jalan UTL 9, Bandar University Teknologi Lagenda, 71700 Mantin, Negeri Sembilan Darul Khusus, Malaysia	Leasehold/2099	Residential building	15
8	59-1-2, Jalan TMR 2, Taman Melaka Raya, 75000 Melaka, Malaysia	Leasehold/2094	Commercial building	282
9	No. 76 Jalan Universiti, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Leasehold/2063	Office building	2,832
				15,451

# Notes to the Financial Statements

For the year ended 31 March 2016

## 17 INTANGIBLE ASSETS

	Archives, mastheads and publishing rights US\$'000	Computer softwares US\$'000	Sub-total US\$'000	Goodwill US\$'000 <i>(note (b))</i>	Total US\$'000
<b>At 1 April 2014</b>					
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
<b>Year ended 31 March 2015</b>					
Opening net book amount	13,827	1,873	15,700	57,220	72,920
Additions	–	1,158	1,158	–	1,158
Reclassifications from property, plant and equipment	–	186	186	–	186
Amortisation expense <i>(note (a))</i>	(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
<b>At 31 March 2015</b>					
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
<b>Year ended 31 March 2016</b>					
Opening net book amount	11,776	2,364	14,140	44,864	59,004
Additions	–	500	500	–	500
Reclassifications from property, plant and equipment	–	84	84	–	84
Amortisation expense <i>(note (a))</i>	(375)	(717)	(1,092)	–	(1,092)
Impairment loss of goodwill	–	–	–	(1,957)	(1,957)
Currency translation differences	(565)	(92)	(657)	(2,366)	(3,023)
Closing net book amount	10,836	2,139	12,975	40,541	53,516
<b>At 31 March 2016</b>					
Cost	23,261	6,380	29,641	54,524	84,165
Accumulated amortisation and impairment	(12,425)	(4,241)	(16,666)	(13,983)	(30,649)
Net book amount	10,836	2,139	12,975	40,541	53,516

# Notes to the Financial Statements

For the year ended 31 March 2016

## 17 INTANGIBLE ASSETS *(Continued)*

Notes:

- (a) Amortisation expense of US\$1,092,000 (2015: US\$1,126,000) 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:

	2016 US\$'000	2015 US\$'000
Guang-Ming Ribao Sdn Bhd <i>(note (i))</i>	–	2,150
Mulu Press Sdn Bhd	466	490
Sinchew-i Sdn Bhd	36	38
Sin Chew Media Corporation Berhad <i>(note (iii))</i>	40,039	42,186
	<b>40,541</b>	44,864

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 2016	Pre-tax discount rate 2016
Goodwill of Guang-Ming Ribao Sdn Bhd	1%	11%
Goodwill of Sin Chew Media Corporation Berhad	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) During the years ended 31 March 2011, 31 March 2015 and 31 March 2016, impairment of US\$4,132,000, US\$5,315,000 and US\$1,957,000, 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 the consolidated income statement under "Other losses, net" for the years ended 31 March 2015 and 31 March 2016.

# Notes to the Financial Statements

For the year ended 31 March 2016

## 17 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 2016, the goodwill amounted to US\$40,039,000 (2015: US\$42,186,000) after a currency translation adjustment of US\$2,147,000 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 amount of the CGU was 11% (2015: 11%). An increase in the discount rate of 1% (2015: 1%) would result in approximately US\$10,787,000 (2015: US\$9,247,000) decrease in the recoverable amount of Sin Chew. There is still sufficient headroom after considering the reasonably possible change in the recoverable amount as mentioned above.

## 18 DEFERRED INCOME TAX

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

	2016 US\$'000	2015 US\$'000
Deferred income tax assets:		
to be recovered within 12 months	(48)	(283)
to be recovered after 12 months	(252)	(440)
	(300)	(723)
Deferred income tax liabilities:		
to be settled within 12 months	842	502
to be settled after 12 months	9,139	10,636
	9,981	11,138
Deferred income tax liabilities — net	9,681	10,415

# Notes to the Financial Statements

For the year ended 31 March 2016

## 18 DEFERRED INCOME TAX *(Continued)*

Movements in net deferred income tax liabilities are as follows:

	2016 US\$'000	2015 US\$'000
<b>At 1 April</b>	<b>10,415</b>	10,851
(Credited)/charged to the consolidated income statement ( <i>note 10</i> )	<b>(272)</b>	658
Currency translation differences	<b>(462)</b>	(1,094)
<b>At 31 March</b>	<b>9,681</b>	10,415

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:

	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	Deferred revenue US\$'000	Total US\$'000
<b>At 1 April 2014</b>	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)
<b>At 31 March 2015</b>	11,758	(134)	(1,346)	(406)	(147)	690	–	10,415
<b>At 1 April 2015</b>	11,758	(134)	(1,346)	(406)	(147)	690	–	10,415
(Credited)/charged to the consolidated income statement	(5)	71	(222)	360	96	(21)	(551)	(272)
Currency translation differences	(490)	6	61	22	–	(16)	(45)	(462)
<b>At 31 March 2016</b>	11,263	(57)	(1,507)	(24)	(51)	653	(596)	9,681

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\$72,488,000 (2015: US\$69,426,000) to be carried forward against future taxable income. Losses amounting to US\$11,029,000 (2015: US\$9,186,000) will expire within 5 years. Losses amounting to US\$25,991,000 (2015: US\$27,959,000) will expire between 6 and 20 years. The remaining tax losses amounting to US\$35,468,000 (2015: US\$32,281,000) can be carried forward indefinitely.



# Notes to the Financial Statements

For the year ended 31 March 2016

## 19 INTERESTS IN JOINT VENTURES AND ASSOCIATES

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

	2016 US\$'000	2015 US\$'000
<b>At 1 April</b>	<b>796</b>	2,956
Share of profits/(losses)		
Share of results of joint ventures and associates	<b>82</b>	(104)
Amortisation of trademark and customer list	–	(43)
Dividend received from an associate	<b>(130)</b>	(5)
Disposal of interest in an associate	–	(115)
Allowance for impairment loss of interest in an associate	–	(1,895)
Currency translation differences	<b>1</b>	2
<b>At 31 March</b>	<b>749</b>	796

Notes:

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

Name of associate	Place of incorporation	Effective equity interest		Principal activities
		2016	2015	
ByRead Inc.	The Cayman Islands	<b>24.97%</b>	24.97%	Note (ii)
Blackpaper Limited	Hong Kong	<b>10%</b>	10%	Note (iii)

Notes:

- (i) All the investments in associates are owned by the subsidiaries of One Media, a listed subsidiary owned as to 73.01% (2015:73.18%) 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. 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.

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

Name of joint venture	Place of incorporation	Effective equity interest		Principal activities
		2016	2015	
Chu Kong Culture Media Company Limited	The British Virgin Islands	<b>40%</b>	40%	Investment holding
Connect Media Company Limited	Hong Kong	<b>40%</b>	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 2016

## 20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016 US\$'000	2015 US\$'000
Listed equity securities in Hong Kong, at market value	340	294

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 2016 of US\$46,000 (2015: gains of US\$58,000) were included under "Other losses, net" in the consolidated income statement.

## 21 FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and receivables US\$'000	Assets at fair value through profit or loss US\$'000	Available- for-sale US\$'000	Total US\$'000
<b>Assets</b>				
<b>At 31 March 2016</b>				
Available-for-sale financial assets (note 23)	–	–	97	97
Trade and other receivables excluding prepayments	46,282	–	–	46,282
Financial assets at fair value through profit or loss (note 20)	–	340	–	340
Cash and cash equivalents (note 25)	140,950	–	–	140,950
<b>Total</b>	<b>187,232</b>	<b>340</b>	<b>97</b>	<b>187,669</b>
<b>At 31 March 2015</b>				
Available-for-sale financial assets (note 23)	–	–	97	97
Trade and other receivables excluding prepayments	53,002	–	–	53,002
Financial assets at fair value through profit or loss (note 20)	–	294	–	294
Cash and cash equivalents (note 25)	118,620	–	–	118,620
<b>Total</b>	<b>171,622</b>	<b>294</b>	<b>97</b>	<b>172,013</b>

# Notes to the Financial Statements

For the year ended 31 March 2016

## 21 FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

	<b>Financial liabilities at amortised cost</b>	
	<b>2016</b>	2015
	<b>US\$'000</b>	US\$'000
<b>Liabilities</b>		
Bank and other borrowings <i>(note 27)</i>	<b>116,116</b>	131,091
Trade and other payables excluding non-financial liabilities	<b>35,346</b>	37,448
<b>Total</b>	<b>151,462</b>	168,539

## 22 INVENTORIES

	<b>2016</b>	2015
	<b>US\$'000</b>	US\$'000
Raw materials and consumables	<b>22,937</b>	40,008
Finished goods	<b>932</b>	880
	<b>23,869</b>	40,888

Raw materials and consumables recognised as expenses and included in "Cost of goods sold" amounted to US\$61,328,000 (2015: US\$88,661,000).

## 23 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<b>2016</b>	2015
	<b>US\$'000</b>	US\$'000
At 1 April and 31 March	<b>97</b>	97

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

As at 31 March 2016, 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.

# Notes to the Financial Statements

For the year ended 31 March 2016

## 24 TRADE AND OTHER RECEIVABLES

	2016 US\$'000	2015 US\$'000
Trade receivables	44,144	50,172
Less: allowance for impairment of trade receivables	(2,132)	(2,064)
Trade receivables, net (note (a))	42,012	48,108
Deposits and prepayments (note (b))	6,274	7,073
Other receivables (note (b))	3,383	3,730
	51,669	58,911

At 31 March 2016, the fair values of trade and other receivables approximated the carrying amounts.

Notes:

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

At 31 March 2016, the ageing analysis of the net trade receivables based on invoice date is as follows:

	2016 US\$'000	2015 US\$'000
1 to 60 days	29,113	34,767
61 to 120 days	9,409	10,050
121 to 180 days	2,140	2,217
Over 180 days	1,350	1,074
	42,012	48,108

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

	2016 US\$'000	2015 US\$'000
Malaysian Ringgit	25,669	30,445
HK dollars	11,070	11,508
Canadian dollars	3,311	3,593
Renminbi	878	1,204
US dollars	618	1,027
Other currencies	466	331
	42,012	48,108

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.

# Notes to the Financial Statements

For the year ended 31 March 2016

## 24 TRADE AND OTHER RECEIVABLES *(Continued)*

Notes: *(Continued)*

(a) *(Continued)*

As at 31 March 2016, trade receivables that were neither past due nor impaired amounted to US\$26,312,000 (2015: US\$32,207,000), which represented about 63% (2015: 67%) 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.

As at 31 March 2016, the ageing analysis of the net trade receivables that were past due but not impaired is as follows:

	2016 US\$'000	2015 US\$'000
Overdue by:		
1 to 60 days	12,032	12,608
61 to 120 days	2,016	2,060
121 to 180 days	630	679
Over 180 days	1,022	554
	<b>15,700</b>	15,901

During the year ended 31 March 2016, the Group has recognised a net loss of US\$463,000 (2015: US\$611,000) for the impairment of its trade receivables and directly written off an amount of US\$142,000 as bad debts (2015: recovered US\$67,000). These are included in "Selling and distribution expenses" in the consolidated income statement.

As at 31 March 2016, trade receivables amounted to US\$2,132,000 (2015: US\$2,064,000) were past due and fully impaired.

Movements in the allowance for impairment of trade receivables are as follows:

	2016 US\$'000	2015 US\$'000
<b>At 1 April</b>	<b>2,064</b>	1,848
Allowance for impairment of receivables	847	1,116
Receivables written off against allowance	(325)	(214)
Allowance reversed	(384)	(505)
Currency translation differences	(70)	(181)
<b>At 31 March</b>	<b>2,132</b>	2,064

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\$2,716,000 (2015: US\$2,993,000) and US\$6,415,000 (2015: US\$7,224,000) respectively provided by the customers as security for certain trade receivables with a carrying amount of US\$8,245,000 (2015: US\$9,440,000). 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 2016

## 25 CASH AND CASH EQUIVALENTS

	2016 US\$'000	2015 US\$'000
Cash at bank and on hand	41,711	43,727
Short-term bank deposits	99,239	74,893
Cash and cash equivalents	140,950	118,620

The effective interest rates on short-term bank deposits ranged from 1.13% to 3.95% per annum during the year ended 31 March 2016 (2015: 1.74% to 3.50%); the maturity dates of these deposits ranged from 2 to 91 days (2015: 2 to 86 days).

## 26 TRADE AND OTHER PAYABLES

	2016 US\$'000	2015 US\$'000
Trade payables ( <i>note (a)</i> )	13,089	13,099
Accrued charges and other payables	26,011	29,069
Receipts in advance	13,711	17,440
Amounts due to related parties ( <i>note 37</i> )	320	308
	53,131	59,916

As at 31 March 2016, the fair values of trade and other payables approximated the carrying amounts.

Notes:

(a) At 31 March 2016, the ageing analysis of the trade payables based on invoice date is as follows:

	2016 US\$'000	2015 US\$'000
1 to 60 days	11,076	10,978
61 to 120 days	1,796	1,689
121 to 180 days	84	76
Over 180 days	133	356
	13,089	13,099

# Notes to the Financial Statements

For the year ended 31 March 2016

## 27 BANK AND OTHER BORROWINGS

	2016 US\$'000	2015 US\$'000
Current		
Short-term bank borrowings ( <i>note (a)</i> )	790	9,585
Medium-term notes ( <i>note (b)</i> )	57,663	–
	58,453	9,585
Non-current		
Medium-term notes ( <i>note (b)</i> )	57,663	121,506
Total bank and other borrowings	116,116	131,091

Notes:

(a) Short-term bank borrowings

	2016 US\$'000	2015 US\$'000
Secured	361	892
Unsecured	429	8,693
	790	9,585

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

	2016 US\$'000	2015 US\$'000
Malaysian Ringgit	308	4,824
US dollars	482	892
Hong Kong dollars	–	3,869
	790	9,585

As at 31 March 2016, the fair values of the short-term bank borrowings approximated the carrying amounts.

# Notes to the Financial Statements

For the year ended 31 March 2016

## 27 BANK AND OTHER BORROWINGS *(Continued)*

Notes: *(Continued)*

(b) Medium-term notes

	2016 US\$'000	2015 US\$'000
4.58% notes due on 24 February 2017	57,663	60,753
4.80% notes due on 24 February 2019	57,663	60,753
	<b>115,326</b>	121,506

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 were denominated in the following currencies:

	2016 US\$'000	2015 US\$'000
Malaysian Ringgit	<b>115,326</b>	121,506

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% (2015: 4.69%) and the Notes are classified within level 2 of the fair value hierarchy.

## 28 OTHER NON-CURRENT LIABILITIES

	2016 US\$'000	2015 US\$'000
Retirement benefit obligations <i>(note (a))</i>	841	771
Defined benefit plan liabilities <i>(note 32)</i>	273	138
	<b>1,114</b>	909
Current portion of other non-current liabilities	<b>(83)</b>	(58)
	<b>1,031</b>	851



# Notes to the Financial Statements

For the year ended 31 March 2016

## 28 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 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 13).

The amounts recognised in the consolidated statement of financial position are as follows:

	2016 US\$'000	2015 US\$'000
Present value of the retirement benefit obligations	841	771

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

	2016 US\$'000	2015 US\$'000
<b>At 1 April</b>	<b>771</b>	<b>752</b>
Current service cost	153	90
Interest cost	2	1
Retirement benefit obligations paid	(34)	(32)
Remeasurements of post-employment benefit obligations	(16)	38
Currency translation differences	(35)	(78)
<b>At 31 March</b>	<b>841</b>	<b>771</b>

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

	2016 US\$'000	2015 US\$'000
Current service cost	153	90
Interest cost	2	1
Total included in employee benefit expense (note 13)	155	91

# Notes to the Financial Statements

For the year ended 31 March 2016

## 28 OTHER NON-CURRENT LIABILITIES (Continued)

Notes: (Continued)

(a) (Continued)

The principal actuarial assumptions used are as follows:

For obligations under the HK Scheme:

	2016	2015
Average future working lifetime (in years)	18	19
Discount rate	2.0%	2.0%
Expected inflation rate	3.5%	3.5%
Expected rate of future salary increases		
2015 and onwards	–	3.5%
2016 and onwards	3.5%	–

For obligations under the Malaysia Scheme:

	2016	2015
Discount rate	4.7%	4.7%
Expected inflation rate	3.5%	3.5%
Expected rate of future salary increases	7.0%	8.5%

## 29 SHARE CAPITAL AND PREMIUM

	Number of ordinary shares	Issued share capital US\$'000	Share premium US\$'000	Total US\$'000
<b>At 31 March 2014</b>	1,687,239,241	21,715	54,664	76,379
Repurchase of ordinary shares (note (a))	(2,000)	–*	–*	–*
<b>At 31 March 2015</b>	<b>1,687,237,241</b>	<b>21,715</b>	<b>54,664</b>	<b>76,379</b>
Repurchase of ordinary shares (note (a))	<b>(1,000)</b>	<b>–*</b>	<b>–*</b>	<b>–*</b>
<b>At 31 March 2016</b>	<b>1,687,236,241</b>	<b>21,715</b>	<b>54,664</b>	<b>76,379</b>

\* negligible

The number of authorised ordinary shares is 2,500 million shares (2015: 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 2016

## 29 SHARE CAPITAL AND PREMIUM *(Continued)*

Notes:

- (a) During the year, the Company repurchased a total of 1,000 (2015: 2,000) of its listed shares on the HK Stock Exchange from the open market at the price of HK\$1.15 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 2016 and 2015 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\$		
<hr/>					
Year ended 31 March 2016					
August 2015	1,000	1.15	1.15	1,150	148
<hr/>					
Year ended 31 March 2015					
September 2014	2,000	2.15	2.15	4,300	555

- (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 2016

## 29 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.

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.

Details of the movements in the options granted under the Pre-IPO Scheme during the years ended 31 March 2016 and 2015 are as follows:

	2016			2015		
	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	7,438,000	1.200	0.155	7,868,000
Exercised	1.200	0.155	(900,000)	—	—	—
Lapsed	1.200	0.155	(6,538,000)	1.200	0.155	(430,000)
At 31 March	1.200	0.155	—	1.200	0.155	7,438,000

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 2016, no share compensation cost (2015: Nil) was recognised in the consolidated income statement.

# Notes to the Financial Statements

For the year ended 31 March 2016

## 30 OTHER RESERVES

	Capital redemption reserve US\$'000	Exchange fluctuation reserve US\$'000	Employee share-based payment reserve US\$'000	Merger reserve US\$'000	Other reserves US\$'000	Total US\$'000
<b>At 1 April 2014</b>	183	11,953	506	(92,647)	59	(79,946)
Currency translation differences	–	(20,815)	–	–	–	(20,815)
Repurchase of ordinary shares ( <i>note 29</i> )	–*	–	–	–	–	–*
<b>At 31 March 2015</b>	183	(8,862)	506	(92,647)	59	(100,761)
<b>At 1 April 2015</b>	<b>183</b>	<b>(8,862)</b>	<b>506</b>	<b>(92,647)</b>	<b>59</b>	<b>(100,761)</b>
Currency translation differences	–	(7,015)	–	–	–	(7,015)
Repurchase of ordinary shares ( <i>note 29</i> )	–*	–	–	–	–	–*
Issue of shares under the share option scheme of a listed subsidiary	–	–	–	–	61	61
Reclassification of equity elements upon exercise of the share option scheme of a listed subsidiary	–	–	(50)	–	50	–
<b>At 31 March 2016</b>	<b>183</b>	<b>(15,877)</b>	<b>456</b>	<b>(92,647)</b>	<b>170</b>	<b>(107,715)</b>

\* negligible

# Notes to the Financial Statements

For the year ended 31 March 2016

## 31 RETAINED EARNINGS

- (a) Movements in the Group's retained earnings for the years ended 31 March 2016 and 2015 are presented in the consolidated statement of changes in equity on pages 92 and 93.
- (b) Movement in the retained earnings of the Company for the years ended 31 March 2016 and 2015 are presented in Note 39(b).

## 32 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 2017 are US\$60,000.

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

Pension costs are assessed using the projected unit credit method. The pension costs are charged to the consolidated income statement so as to spread the regular costs over the service lives of employees. A full valuation of the defined benefit scheme based on the projected unit credit method has been carried out by Towers Watson Hong Kong Limited, an independent qualified actuary, and the pension costs are charged to the consolidated income statement in accordance with its advice.

The amounts recognised in the consolidated statement of financial position are determined as follows:

	<b>2016</b> <b>US\$'000</b>	2015 US\$'000
Fair value of the plan assets	<b>2,989</b>	3,986
Present value of the defined benefit obligations	<b>(3,262)</b>	(4,124)
Net liabilities in the consolidated statement of financial position	<b>(273)</b>	(138)

# Notes to the Financial Statements

For the year ended 31 March 2016

## 32 DEFINED BENEFIT PLAN LIABILITIES *(Continued)*

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

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

	2016 US\$'000	2015 US\$'000
<b>At 1 April</b>	<b>3,986</b>	4,479
Group contributions paid	<b>62</b>	65
Interest income	<b>51</b>	84
Scheme administration costs	<b>(102)</b>	(108)
Actual benefits paid	<b>(579)</b>	(671)
Remeasurements on plan assets	<b>(432)</b>	135
Currency translation differences	<b>3</b>	2
<b>At 31 March</b>	<b>2,989</b>	3,986

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

	2016 US\$'000	2015 US\$'000
<b>At 1 April</b>	<b>4,124</b>	4,530
Current service costs	<b>108</b>	128
Interest cost	<b>52</b>	84
Actual benefits paid	<b>(579)</b>	(671)
Remeasurements on obligations	<b>(445)</b>	52
Currency translation differences	<b>2</b>	1
<b>At 31 March</b>	<b>3,262</b>	4,124

# Notes to the Financial Statements

For the year ended 31 March 2016

## 32 DEFINED BENEFIT PLAN LIABILITIES *(Continued)*

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

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

	2016 US\$'000	2015 US\$'000
Current service costs	(108)	(128)
Interest cost	(52)	(84)
Interest income	51	84
Scheme administration costs	(102)	(108)
Total pension costs included in employee benefit expense <i>(note 13)</i>	(211)	(236)

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

	2016 US\$'000	2015 US\$'000
<b>At 1 April</b>	<b>(138)</b>	<b>(51)</b>
Total pension costs recognised in the consolidated income statement <i>(note 13)</i>	(211)	(236)
Remeasurements recognised in other comprehensive income	13	83
Group contributions paid	62	65
Currency translation differences	1	1
<b>At 31 March</b>	<b>(273)</b>	<b>(138)</b>

The principal actuarial assumptions used are as follows:

	2016	2015
Discount rate	1.1%	1.3%
Expected rate of future salary increases	3.5%	3.5%



# Notes to the Financial Statements

For the year ended 31 March 2016

## 32 DEFINED BENEFIT PLAN LIABILITIES *(Continued)*

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

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

	2016 US\$'000	2015 US\$'000	2014 US\$'000	2013 US\$'000	2012 US\$'000
Present value of the defined benefit obligations	(3,262)	(4,124)	(4,530)	(5,236)	(5,361)
Fair value of the plan assets	2,989	3,986	4,479	4,871	4,971
Deficit	(273)	(138)	(51)	(365)	(390)

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.

## 33 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Cash generated from operations

	2016 US\$'000	2015 US\$'000
Operating profit	42,641	56,138
Fair value gains on financial assets at fair value through profit or loss	(46)	(58)
Fair value gains on investment properties — net <i>(note 16)</i>	(145)	(438)
Depreciation of property, plant and equipment <i>(note 15)</i>	9,223	10,402
Amortisation of intangible assets <i>(note 17)</i>	1,092	1,126
Allowance for impairment and write-off of trade and other receivables	605	544
Allowance for impairment and write-off of inventories	119	276
Dividend income	(11)	(12)
Interest income	(2,810)	(2,131)
Impairment loss of goodwill	1,957	5,666
Losses/(gains) on disposal of property, plant and equipment — net	50	(184)
Pension costs	211	236
Retirement benefit obligations	155	91
Operating profit before working capital changes	53,041	71,656
Changes in working capital		
Inventories	15,128	5,378
Trade and other receivables	4,966	3,737
Trade and other payables	(5,672)	(4,171)
<b>Cash generated from operations</b>	<b>67,463</b>	<b>76,600</b>

# Notes to the Financial Statements

For the year ended 31 March 2016

## 33 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

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

	2016 US\$'000	2015 US\$'000
Property, plant and equipment — net book amount ( <i>note 15</i> )	84	535
(Losses)/gains on disposal of property, plant and equipment — net	(50)	184
Proceeds from disposal of property, plant and equipment	34	719

## 34 BANKING FACILITIES AND PLEDGE OF ASSETS

At 31 March 2016, 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 nil at 31 March 2016 (2015: US\$989,000) and assignment of rental income derived therefrom;
- (b) general security agreements under which all the assets of certain subsidiaries with net carrying amount of nil at 31 March 2016 (2015: US\$10,484,000) were pledged to certain banks, including nil (2015: US\$989,000) attributable to freehold properties disclosed under note (a) above.

## 35 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.

# Notes to the Financial Statements

For the year ended 31 March 2016

## 36 COMMITMENTS

### (a) Capital commitments

Capital commitments outstanding at 31 March 2016 and 31 March 2015 are as follows:

	2016 US\$'000	2015 US\$'000
Property, plant and equipment		
Authorised and contracted for	280	4,003
Authorised but not contracted for	938	1,753
	<b>1,218</b>	5,756

### (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 2016, the Group has future aggregate minimum lease payments under non-cancellable operating leases as follows:

	2016 US\$'000	2015 US\$'000
No later than one year	1,813	1,844
Later than one year and no later than five years	1,084	688
Later than five years	517	36
	<b>3,414</b>	2,568

# Notes to the Financial Statements

For the year ended 31 March 2016

## 37 RELATED PARTY TRANSACTIONS

### (a) Transactions with related parties

	2016 US\$'000	2015 US\$'000
Newsprint purchases from a related company (note (a))	12,925	35,408
Rental expenses paid to related companies (note (a))	77	81
Purchases of air tickets from a related company (note (a))	34	32
Motor vehicle insurance premiums paid to a related company (note (a))	1	1
Royalty fee for sales of books and DVDs to a related company (note (a))	–	3
Scrap sales of old newspapers and magazines to a related company (note (a))	(1,517)	(2,356)
Provision of accounting service to an associate	(78)	–
Content providing income received from a joint venture	(66)	(120)
Provision of air-tickets and accommodation arrangement services to related companies (note (a))	(36)	(20)
Advertising income received from a related company (note (a))	(21)	–
Provision of accounting service to related companies (note (a))	(10)	(9)
Provision of administrative service to related companies (note (a))	(2)	–
Agency fee income received from an associate	–	(353)
Rental income received from a related company (note (a))	–	(9)
Packaging fee received from a related company (note (a))	–	(2)

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:

	2016 US\$'000	2015 US\$'000 (Restated)
Directors' fees, basic salaries, bonuses, other allowances and benefits in kind	2,668	2,767
Contributions to pension scheme	157	177
	<b>2,825</b>	<b>2,944</b>

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# Notes to the Financial Statements

For the year ended 31 March 2016

## 37 RELATED PARTY TRANSACTIONS *(Continued)*

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

	2016 US\$'000	2015 US\$'000
Payables to related companies of certain directors	(320)	(308)

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.

### (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 2016. 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 79.

# Notes to the Financial Statements

For the year ended 31 March 2016

## 38 PARTICULARS OF PRINCIPAL SUBSIDIARIES

- (a) Particulars of the Company's principal subsidiaries at 31 March 2016 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
MCIL Digital Limited	HK\$1	100%	Digital multimedia business
Media2U Company Limited	HK\$101	73.01%	Magazines advertising and operation
MediaNet Advertising Limited	HK\$100	73.01%	Media operation
Mingpao.com Limited	HK\$2	97.78%	Internet related businesses
Ming Pao Education Publications Limited	HK\$1	100%	Digital multimedia 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	73.01%	Publication and distribution of magazines
Ming Pao New Media Limited	HK\$2	100%	Digital 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
ST Productions Limited	HK\$3,000,003	51.11%	Artiste and events management
Yazhou Zhoukan Limited	HK\$9,500	100%	Publication and distribution of magazine

# Notes to the Financial Statements

For the year ended 31 March 2016

## 38 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

- (b) Particulars of the Company's principal subsidiaries at 31 March 2016 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 electronic commerce services
MCIL Multimedia Sdn Bhd	RM16,500,000	100%	Electronic commerce activities and multimedia
Media Communications Sdn Bhd	RM100,000	100%	Electronic commerce activities
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, provision of printing and electronic commerce services

# Notes to the Financial Statements

For the year ended 31 March 2016

## 38 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

- (c) Particulars of the Company's principal subsidiaries at 31 March 2016 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 ii)</i>	The People's Republic of China ("PRC")/PRC	RMB30,000,000	73.01%	Magazines operation
Beijing OMG M2U Advertising Company Limited <i>(note ii)</i>	PRC/PRC	RMB50,000,000	73.01%	Magazines advertising
Beijing Times Resource Technology Consulting Limited <i>(notes i &amp; ii)</i>	PRC/PRC	RMB3,000,000	73.01%	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	73.01%	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	73.01%	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 2016

## 38 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\$400,900	73.01%	Investment holding
One Media Holdings Limited	BVI/HK	US\$200	73.01%	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
Taiwan One Media Group Limited	Taiwan/Taiwan	TWD1,000,000	73.01%	Magazine publishing

Notes:

- (i) 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.
- (ii) 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.

# Notes to the Financial Statements

For the year ended 31 March 2016

## 39 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		At 31 March 2016 US\$'000	2015 US\$'000
	Note		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Interests in subsidiaries		351,682	370,531
<b>Current assets</b>			
Other receivables		47	37
Cash and cash equivalents		81	85
		<b>128</b>	122
<b>Current liabilities</b>			
Other payables		2,762	2,902
Bank and other borrowings		57,663	—
		<b>60,425</b>	2,902
<b>Net current liabilities</b>		<b>(60,297)</b>	(2,780)
<b>Total assets less current liabilities</b>		<b>291,385</b>	367,751
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		21,715	21,715
Share premium		54,664	54,664
Other reserves	(a)	(17,894)	(5,553)
Retained earnings	(b)		
— Proposed dividend		10,123	8,436
— Others		165,114	166,983
		<b>175,237</b>	175,419
<b>Total equity</b>		<b>233,722</b>	246,245
<b>Non-current liabilities</b>			
Bank and other borrowings		57,663	121,506
		<b>291,385</b>	367,751

The statement of financial position of the Company was approved by the Board of Directors on 30 June 2016 and was signed on its behalf by:

**Tan Sri Datuk Sir TIONG Hiew King**  
Director

**TIONG Kiew Chiong**  
Director

# Notes to the Financial Statements

For the year ended 31 March 2016

## 39 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Notes:

(a) Movements in the Company's other reserves for the years ended 31 March 2016 and 2015 are as follows:

	Company			
	Capital redemption reserve	Exchange fluctuation reserve	Contributed surplus	Total
	US\$'000	US\$'000	US\$'000	US\$'000
<b>At 1 April 2014</b>	183	1,035	26,228	27,446
Currency translation differences	—	(32,999)	—	(32,999)
Repurchase of ordinary shares (note 29)	—*	—	—	—*
<b>At 31 March 2015</b>	183	(31,964)	26,228	(5,553)
<b>At 1 April 2015</b>	<b>183</b>	<b>(31,964)</b>	<b>26,228</b>	<b>(5,553)</b>
Currency translation differences	—	(12,341)	—	(12,341)
Repurchase of ordinary shares (note 29)	—*	—	—	—*
<b>At 31 March 2016</b>	<b>183</b>	<b>(44,305)</b>	<b>26,228</b>	<b>(17,894)</b>

\* 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.

(b) Movements in the Company's retained earnings for the years ended 31 March 2016 and 2015 are as follows:

	Company	
	2016	2015
	US\$'000	US\$'000
<b>At 1 April</b>	<b>175,419</b>	175,874
Profit for the year	<b>16,690</b>	18,273
Second interim dividend, 2014/2015, paid, US0.500 cents (2013/2014: US0.680 cents)	<b>(8,436)</b>	(11,473)
First interim dividend, 2015/2016, paid, US0.500 cents (2014/2015: US0.430 cents)	<b>(8,436)</b>	(7,255)
<b>At 31 March</b>	<b>175,237</b>	175,419

# 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 Securities Listing Requirements", as issued by the Malaysian Institute of Accountants and based on the prescribed format by Bursa Securities.

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>	As at	<b>As at</b>	As at
	<b>31 March</b>	31 March	<b>31 March</b>	31 March
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>US\$'000</b>	US\$'000	<b>US\$'000</b>	US\$'000
Total retained profits:				
Realised	<b>271,806</b>	262,220	<b>175,237</b>	175,419
Unrealised	<b>(8,903)</b>	(9,725)	<b>–</b>	–
	<b>262,903</b>	252,495	<b>175,237</b>	175,419
Total share of accumulated losses of joint ventures and associates:				
Realised	<b>(1,303)</b>	(1,385)	<b>–</b>	–
Unrealised	<b>–</b>	–	<b>–</b>	–
	<b>(1,303)</b>	(1,385)	<b>–</b>	–
Less: consolidation adjustments	<b>(17,240)</b>	(16,984)	<b>–</b>	–
Retained profits as per consolidated statement of financial position/statement of financial position	<b>244,360</b>	234,126	<b>175,237</b>	175,419

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

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# 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 88 to 164 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Ordinance (Chapter 11) of the Laws of Hong Kong.

Subscribed and solemnly declared by FU Shuk Kuen  
at Hong Kong  
on 30 June 2016

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				
	2016 US\$'000	2015 US\$'000	2014 US\$'000	2013 US\$'000	2012 US\$'000
Turnover	<b>349,126</b>	429,140	468,728	477,853	472,237
Profit attributable to owners of the Company	<b>26,649</b>	31,429	48,236	56,678	63,209
Basic earnings per share (US cents)	<b>1.58</b>	1.86	2.86	3.36	3.75

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

	As at 31 March				
	2016 US\$'000	2015 US\$'000	2014 US\$'000	2013 US\$'000	2012 US\$'000
Property, plant and equipment	<b>114,596</b>	126,909	144,308	150,935	151,049
Investment properties	<b>15,451</b>	15,943	17,144	17,579	11,212
Land use rights	–	–	–	–	2,025
Intangible assets	<b>53,516</b>	59,004	72,920	77,908	78,124
Deferred income tax assets	<b>300</b>	723	1,455	1,674	1,426
Interests in joint ventures and associates	<b>749</b>	796	2,956	3,142	2,253
Non-current assets	<b>184,612</b>	203,375	238,783	251,238	246,089
Current assets	<b>218,328</b>	219,441	224,035	227,849	271,177
Current liabilities	<b>(115,538)</b>	(73,216)	(86,918)	(250,705)	(81,573)
Net current assets/(liabilities)	<b>102,790</b>	146,225	137,117	(22,856)	189,604
Total assets less current liabilities	<b>287,402</b>	349,600	375,900	228,382	435,693
Non-controlling interests	<b>(5,703)</b>	(6,361)	(7,237)	(6,939)	(6,229)
Bank and other borrowings	<b>(57,663)</b>	(121,506)	(137,804)	–	–
Deferred income tax liabilities	<b>(9,981)</b>	(11,138)	(12,306)	(13,105)	(14,552)
Other non-current liabilities	<b>(1,031)</b>	(851)	(741)	(1,332)	(1,348)
Equity attributable to owners of the Company	<b>213,024</b>	209,744	217,812	207,006	413,564

# Additional Information

## CONSOLIDATED INCOME STATEMENT

	<b>(Unaudited)</b>	
	<b>Year ended 31 March</b>	
	<b>2016</b>	2015
	<b>RM'000</b>	RM'000
	<b>(Note)</b>	(Note)
Turnover	<b>1,362,289</b>	1,674,504
Cost of goods sold	<b>(841,228)</b>	(1,028,887)
<b>Gross profit</b>	<b>521,061</b>	645,617
Other income	<b>35,528</b>	42,255
Other losses, net	<b>(7,028)</b>	(20,657)
Selling and distribution expenses	<b>(231,595)</b>	(270,401)
Administrative expenses	<b>(128,719)</b>	(152,849)
Other operating expenses	<b>(22,862)</b>	(24,914)
<b>Operating profit</b>	<b>166,385</b>	219,051
Finance costs	<b>(20,790)</b>	(25,734)
Share of profits/(losses) of joint ventures and associates	<b>320</b>	(574)
Allowance for impairment loss of interest in an associate	<b>–</b>	(7,394)
<b>Profit before income tax</b>	<b>145,915</b>	185,349
Income tax expense	<b>(43,987)</b>	(64,036)
<b>Profit for the year</b>	<b>101,928</b>	121,313
<b>Profit/(loss) attributable to:</b>		
Owners of the Company	<b>103,984</b>	122,636
Non-controlling interests	<b>(2,056)</b>	(1,323)
	<b>101,928</b>	121,313
<b>Earnings per share attributable to owners of the Company</b>		
Basic (sen)	<b>6.17</b>	7.26
Diluted (sen)	<b>6.17</b>	7.26

*Note:* The presentation currency of these consolidated financial statements is US\$. Additional information in RM for the year ended 31 March 2016 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.9020 ruling at 31 March 2016. 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	
	2016	2015
	RM'000	RM'000
	(Note)	(Note)
<b>Profit for the year</b>	<b>101,928</b>	121,313
<b>Other comprehensive (loss)/income</b>		
<b>Item that may be reclassified subsequently to profit or loss:</b>		
Currency translation differences	(25,921)	(81,325)
<b>Item that will not be reclassified subsequently to profit or loss:</b>		
Remeasurements of post-employment benefit obligations	113	175
<b>Other comprehensive loss for the year, net of tax</b>	<b>(25,808)</b>	(81,150)
<b>Total comprehensive income for the year</b>	<b>76,120</b>	40,163
<b>Total comprehensive income/(loss) for the year attributable to:</b>		
Owners of the Company	78,395	41,595
Non-controlling interests	(2,275)	(1,432)
	<b>76,120</b>	40,163

Note: The presentation currency of these consolidated financial statements is US\$. Additional information in RM for the year ended 31 March 2016 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.9020 ruling at 31 March 2016. 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

	<b>(Unaudited)</b>	
	<b>At 31 March</b>	
	<b>2016</b>	2015
	<b>RM'000</b>	RM'000
	<b>(Note)</b>	(Note)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	<b>447,154</b>	495,199
Investment properties	<b>60,290</b>	62,210
Intangible assets	<b>208,819</b>	230,234
Deferred income tax assets	<b>1,171</b>	2,821
Interests in joint ventures and associates	<b>2,923</b>	3,106
	<b>720,357</b>	793,570
<b>Current assets</b>		
Inventories	<b>93,136</b>	159,545
Available-for-sale financial assets	<b>378</b>	378
Financial assets at fair value through profit or loss	<b>1,327</b>	1,147
Trade and other receivables	<b>201,612</b>	229,871
Income tax recoverable	<b>5,475</b>	2,462
Cash and cash equivalents	<b>549,987</b>	462,855
	<b>851,915</b>	856,258
<b>Current liabilities</b>		
Trade and other payables	<b>207,317</b>	233,792
Income tax liabilities	<b>15,105</b>	14,270
Bank and other borrowings	<b>228,084</b>	37,401
Current portion of other non-current liabilities	<b>324</b>	226
	<b>450,830</b>	285,689
<b>Net current assets</b>	<b>401,085</b>	570,569
<b>Total assets less current liabilities</b>	<b>1,121,442</b>	1,364,139

# Additional Information

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<b>(Unaudited)</b>	
	<b>At 31 March</b>	
	<b>2016</b>	2015
	<b>RM'000</b>	RM'000
	<b>(Note)</b>	(Note)
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	<b>84,732</b>	84,732
Share premium	<b>213,299</b>	213,299
Other reserves	<b>(420,303)</b>	(393,169)
Retained earnings		
— Proposed dividend	<b>39,500</b>	32,917
— Others	<b>913,992</b>	880,642
	<b>953,492</b>	913,559
	<b>831,220</b>	818,421
<b>Non-controlling interests</b>	<b>22,253</b>	24,821
<b>Total equity</b>	<b>853,473</b>	843,242
<b>Non-current liabilities</b>		
Bank and other borrowings	<b>225,000</b>	474,116
Deferred income tax liabilities	<b>38,946</b>	43,460
Other non-current liabilities	<b>4,023</b>	3,321
	<b>267,969</b>	520,897
	<b>1,121,442</b>	1,364,139

*Note:* The presentation currency of these consolidated financial statements is US\$. Additional information in RM as at 31 March 2016 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.9020 ruling at 31 March 2016. 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 CHANGES IN EQUITY

	(Unaudited) Attributable to owners of the Company					Non- controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)
<b>Balance at 1 April 2014</b>	84,732	213,299	(311,949)	863,821	849,903	28,239	878,142
<b>Comprehensive income/(loss)</b>							
Profit/(loss) for the year	–	–	–	122,636	122,636	(1,323)	121,313
<b>Other comprehensive (loss)/income</b>							
<b>Item that may be reclassified subsequently to profit or loss:</b>							
Currency translation differences	–	–	(81,220)	–	(81,220)	(105)	(81,325)
<b>Item that will not be reclassified subsequently to profit or loss:</b>							
Remeasurements of post-employment benefit obligations	–	–	–	179	179	(4)	175
<b>Other comprehensive (loss)/income, net of tax</b>	–	–	(81,220)	179	(81,041)	(109)	(81,150)
<b>Total comprehensive (loss)/income for the year ended 31 March 2015</b>	–	–	(81,220)	122,815	41,595	(1,432)	40,163
<b>Total contributions by and distributions to owners of the Company recognised directly in equity</b>							
2013/2014 second interim dividend paid	–	–	–	(44,768)	(44,768)	–	(44,768)
2014/2015 first interim dividend paid	–	–	–	(28,309)	(28,309)	–	(28,309)
<b>Total contributions by and distributions to owners of the Company</b>	–	–	–	(73,077)	(73,077)	–	(73,077)
2014/2015 interim dividends paid by a subsidiary	–	–	–	–	–	(43)	(43)
2013/2014 final dividend paid by a listed subsidiary	–	–	–	–	–	(1,619)	(1,619)
2014/2015 interim dividend paid by a listed subsidiary	–	–	–	–	–	(324)	(324)
<b>Total transactions with owners</b>	–	–	–	(73,077)	(73,077)	(1,986)	(75,063)
<b>Balance at 31 March 2015</b>	84,732	213,299	(393,169)	913,559	818,421	24,821	843,242

# Additional Information

	(Unaudited) Attributable to owners of the Company						
	Share capital RM'000 (Note)	Share premium RM'000 (Note)	Other reserves RM'000 (Note)	Retained earnings RM'000 (Note)	Total RM'000 (Note)	Non- controlling interests RM'000 (Note)	Total equity RM'000 (Note)
<b>Balance at 1 April 2015</b>	<b>84,732</b>	<b>213,299</b>	<b>(393,169)</b>	<b>913,559</b>	<b>818,421</b>	<b>24,821</b>	<b>843,242</b>
<b>Comprehensive income/(loss)</b>							
Profit/(loss) for the year	–	–	–	103,984	103,984	(2,056)	101,928
<b>Other comprehensive (loss)/income</b>							
<b>Item that may be reclassified subsequently to profit or loss:</b>							
Currency translation differences	–	–	(27,372)	1,662	(25,710)	(211)	(25,921)
<b>Item that will not be reclassified subsequently to profit or loss:</b>							
Remeasurements of post-employment benefit obligations	–	–	–	121	121	(8)	113
<b>Other comprehensive (loss)/income, net of tax</b>	<b>–</b>	<b>–</b>	<b>(27,372)</b>	<b>1,783</b>	<b>(25,589)</b>	<b>(219)</b>	<b>(25,808)</b>
<b>Total comprehensive (loss)/income for the year ended 31 March 2016</b>	<b>–</b>	<b>–</b>	<b>(27,372)</b>	<b>105,767</b>	<b>78,395</b>	<b>(2,275)</b>	<b>76,120</b>
<b>Total contributions by and distributions to owners of the Company recognised directly in equity</b>							
Repurchase of ordinary shares	–*	–*	–*	–	–*	–	–*
2014/2015 second interim dividend paid	–	–	–	(32,917)	(32,917)	–	(32,917)
2015/2016 first interim dividend paid	–	–	–	(32,917)	(32,917)	–	(32,917)
<b>Total contributions by and distributions to owners of the Company</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(65,834)</b>	<b>(65,834)</b>	<b>–</b>	<b>(65,834)</b>
Issue of shares under the share option scheme of a listed subsidiary	–	–	238	–	238	304	542
2014/2015 interim dividend paid by a subsidiary	–	–	–	–	–	(31)	(31)
2015/2016 interim dividends paid by a subsidiary	–	–	–	–	–	(20)	(20)
2014/2015 final dividend paid by a listed subsidiary	–	–	–	–	–	(546)	(546)
<b>Total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>238</b>	<b>(65,834)</b>	<b>(65,596)</b>	<b>(293)</b>	<b>(65,889)</b>
<b>Balance at 31 March 2016</b>	<b>84,732</b>	<b>213,299</b>	<b>(420,303)</b>	<b>953,492</b>	<b>831,220</b>	<b>22,253</b>	<b>853,473</b>

\* negligible

Note: The presentation currency of these consolidated financial statements is US\$. Additional information in RM for the year ended 31 March 2016 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.9020 ruling at 31 March 2016. 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 CASH FLOWS

	(Unaudited)	
	Year ended 31 March	
	2016	2015
	RM'000	RM'000
	(Note)	(Note)
<b>Cash flows from operating activities</b>		
Cash generated from operations	263,241	298,893
Interest paid	(19,834)	(25,488)
Income tax paid	(47,179)	(66,217)
Net cash generated from operating activities	196,228	207,188
<b>Cash flows from investing activities</b>		
Additional investment in an associate	–	(382)
Purchases of property, plant and equipment	(10,973)	(32,086)
Purchases of intangible assets	(1,951)	(4,519)
Proceeds from disposal of property, plant and equipment	133	2,806
Proceeds from disposal of interest in an associate	–	449
Interest received	10,965	8,315
Dividends received	550	66
Net cash used in investing activities	(1,276)	(25,351)
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares under the share option scheme of a listed subsidiary	542	–
Dividends paid	(65,834)	(73,077)
Dividends paid to non-controlling interests by a subsidiary	(51)	(43)
Dividends paid to non-controlling interests by a listed subsidiary	(546)	(1,943)
Proceeds from bank and other borrowings	9,181	83,612
Repayments of bank and other borrowings	(43,410)	(94,280)
Net cash used in financing activities	(100,118)	(85,731)
<b>Net increase in cash and cash equivalents</b>	94,834	96,106
Cash and cash equivalents at beginning of year	462,855	401,329
Exchange adjustments on cash and cash equivalents	(7,702)	(34,580)
<b>Cash and cash equivalents at end of year</b>	549,987	462,855

Note: The presentation currency of these consolidated financial statements is US\$. Additional information in RM for the year ended 31 March 2016 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.9020 ruling at 31 March 2016. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

# Analysis of Shareholdings

As at 23 June 2016

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\$168,723,624.10
Class of shares	:	ordinary shares of HK\$0.10 each
Voting rights	:	one vote per ordinary share

## ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	Number of shareholders	% of shareholders	Number of shares held	% of issued ordinary shares
1 to 99	589	5.96	25,970	—*
100 to 1,000	1,324	13.40	914,494	0.05
1,001 to 10,000	5,499	55.64	25,712,050	1.53
10,001 to 100,000	2,138	21.63	60,797,552	3.60
100,001 to less than 5% of issued shares	331	3.35	980,593,120	58.12
5% and above of issued shares	2	0.02	619,193,055	36.70
TOTAL	9,883	100.00	1,687,236,241	100.00

\* negligible

## DIRECTORS' INTERESTS

### (a) The Company

Name of directors	Direct interest		Indirect interest <sup>(8)</sup>	
	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 <sup>(1)</sup> 11,495,034 <sup>(2)</sup>	47.32 0.68
Dato' Sri Dr TIONG Ik King	11,144,189	0.66	252,487,700 <sup>(3)</sup>	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 <sup>(4)</sup> 1,023,632 <sup>(5)</sup>	0.04 0.06

\* negligible

# Analysis of Shareholdings

As at 23 June 2016

## DIRECTORS' INTERESTS *(Continued)*

### (b) Subsidiary — One Media Group Limited

Name of directors	Direct interest		Indirect interest <sup>(8)</sup>	
	Number of shares	% of issued ordinary shares	Number of shares	% of issued ordinary shares
Tan Sri Datuk Sir TIONG Hiew King	—	—	292,700,000	73.01
Dato' Sri Dr TIONG Ik King	—	—	292,700,000	73.01
Ms TIONG Choon	26,000	0.01	—	—

## SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of shareholder	Direct interest		Indirect interest <sup>(8)</sup>	
	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 <sup>(1)</sup> 11,495,034 <sup>(2)</sup>	47.32 0.68
Dato' Sri Dr TIONG Ik King	11,144,189	0.66	252,487,700 <sup>(3)</sup>	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 <sup>(6)</sup>	28.27
Seaview Global Company Limited	—	—	252,487,700 <sup>(7)</sup>	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 23 June 2016

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

	<b>Name of shareholders</b>	<b>Number of shares held</b>	<b>% of Issued ordinary shares</b>
1	Progresif Growth Sdn Bhd	326,463,556	19.35
2	HKSCC Nominees Limited	292,729,499	17.35
3	Citigroup Nominees (Tempatan) Sdn Bhd (Exempt An for AIA Bhd)	76,906,490	4.56
4	Ezywood Options Sdn Bhd	75,617,495	4.48
5	Citigroup Nominees (Tempatan) Sdn Bhd (Employees Provident Fund Board)	71,494,317	4.24
6	Zaman Pemimpin Sdn Bhd	70,500,000	4.18
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	CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB Bank for Nustinas Sdn Bhd (MQ0516))	34,803,864	2.06
11	Kinta Hijau Sdn Bhd	34,750,000	2.06
12	Tan Sri Datuk Sir TIONG Hiew King	26,359,058	1.56
13	Raya Abadi Sdn Bhd	25,124,065	1.49
14	Suria Kilat Sdn Bhd	23,429,297	1.39
15	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (PAR 1))	23,402,491	1.39
16	Persada Jaya Sdn Bhd	20,695,560	1.23
17	Globegate Alliance Sdn Bhd	16,750,000	0.99
18	Rimbunan Hijau (Sarawak) Sdn Bhd	15,536,696	0.92
19	Amanahraya Trustees Berhad (Public Ittikal Sequel Fund)	14,655,700	0.87
20	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (LGF))	11,544,100	0.68
21	Maybank Securities Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Dato' Sri TIONG Ik King)	11,144,189	0.66
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 Ngiik	10,126,000	0.60
25	Insan Anggun Sdn Bhd	9,999,442	0.59
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))	8,620,500	0.51
28	Roseate Garland Sdn Bhd	7,881,117	0.47
29	Rimbunan Hijau Southeast Asia Sdn Bhd	6,532,188	0.39
30	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Datuk TIONG Thai King)	6,520,300	0.39
		1,429,090,312	84.70



# List of Properties

As at 31 March 2016

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	22 years	9,887
2	No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2008	Leasehold/2059	Office building	150,470	7 years	8,755
3	No. 76, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2001	Leasehold/2063	Printing plant	151,769	11 years	6,769
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	21 years	4,485
5	No. 37-06, Prince Street, Flushing NY 11354, USA	2012	Freehold	Commercial building	3,938	12 years	3,370
6	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	21 years	2,896
7	No. 76 Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2001	Leasehold/2063	Office building	40,500	25 years	2,832
8	No. 31, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Malaysia	1990	Leasehold/2066	Office building and factory building	46,866	8 years	2,756
9	No. 80, Jalan Riong, 59100 Kuala Lumpur, Malaysia	1976	Freehold	Office building and factory building	42,716	41 years	2,709
10	Workshops 1-16 on G/F MP Industrial Centre No.18 Ka Yip Street, Chai Wan, Hong Kong	1992	Leasehold/2047	Industrial	33,232	24 years	2,189

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# Notice of the 26th Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-sixth 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 Friday, 12 August 2016 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 2016 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 2016 in the amount of US\$304,000.   | Ordinary Resolution 2 |
| 3. | To re-elect the following Directors who retire pursuant to the Company's Bye-Laws:   |                       |
|    | i. Mr TIONG Kiew Chiong  | Ordinary Resolution 3 |
|    | ii. Mr NG Chek Yong  | Ordinary Resolution 4 |
|    | iii. Ms TIONG Choon  | Ordinary Resolution 5 |
|    | iv. Datuk CHONG Kee Yuon   | Ordinary Resolution 6 |
|    | v. Mr KHOO Kar Khoon   | Ordinary Resolution 7 |
| 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 8 |

### AS SPECIAL BUSINESS

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

- |    |                     |                       |
|----|---------------------|-----------------------|
| 5. | ORDINARY RESOLUTION | Ordinary Resolution 9 |
|----|---------------------|-----------------------|

#### RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

**"THAT**, authority 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 until the conclusion of the next AGM in accordance with the Malaysian Code on Corporate Governance 2012."

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

#### PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

**"THAT**, subject to the provisions of Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with specific classes of Related Parties (as set out in Section 2 of Part A of the circular to shareholders dated 14 July 2016), 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 10

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# Notice of the 26th 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 11

- (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 total number of issued and paid-up ordinary shares of the Company as at the date of passing this resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of the shares of the Company into a smaller or larger number of shares of the Company after the passing of 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.

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# Notice of the 26th 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 12

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## Notice of the 26th 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 total number of the issued shares of the Company as at the date of passing this resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of the shares of the Company into a smaller or larger number of shares of the Company after the passing of 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).”

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# Notice of the 26th 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. 11 and 12 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. 12 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the total number of issued shares of the Company repurchased by the Company under the authority granted pursuant to resolution No. 11 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the total number of issued shares of the Company as the date of the said resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of the shares of the Company into a smaller or larger number of shares of the Company after the passing of this resolution).”

Ordinary Resolution 13

By Order of the Board

**MEDIA CHINESE INTERNATIONAL LIMITED**

**LAW Yuk Kuen**

**TONG Siew Kheng**

*Joint Company Secretaries*

14 July 2016

#### 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 is 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 4 August 2016 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 Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 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.

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# Notice of the 26th Annual General Meeting

## 5. Explanatory notes on special business:

- (a) For the proposed Ordinary Resolution No. 9, in line with the Malaysian Code on Corporate Governance 2012, the Nomination Committee and the Board had assessed the independence of Mr. David YU Hon To, who has served as an independent director for a cumulative term of more than nine years, and recommended him to continue to act as an INED of the Company, based on the following justifications:
- (i) he 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 Listing Requirements of Bursa Securities. There is no evidence that his tenure has had any impact on his independence;
  - (ii) he has professional expertise in audit and finance sector, and detailed knowledge in corporate governance and regulatory matters. He has proven commitment and experience to provide an element of objectivity, independent judgement and balance to the Board for informed and balance decision-makings; and
  - (iii) he has exercised due care during his tenure as INED and has discharged his duties with reasonable skill and competence, bringing independent judgement and depth into the Board's decision-making in the interest of the Company and its shareholders.
- (b) The proposed Ordinary Resolution No. 10, 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 14 July 2016 for more information.
- (c) The detailed information on Ordinary Resolution No. 11 on the proposed renewal of share buy-back mandate is set out in the circular to shareholders dated 14 July 2016 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 25th AGM held on 6 August 2015 and which will lapse at the conclusion of the 26th AGM to be held on 12 August 2016. A renewal of this mandate is sought at the 26th AGM under proposed Ordinary Resolution No. 12.

The proposed Ordinary Resolution No. 12, 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.

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## Statement Accompanying Notice of Annual General Meeting

Mr TIONG Kiew Chiong, Mr NG Chek Yong, Ms TIONG Choon, Datuk CHONG Kee Yuon and Mr KHOO Kar Khoo are the Directors standing for re-election at the forthcoming Twenty-sixth Annual General Meeting of the Company. In addition, pursuant to the Malaysian Code on 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	4–10
(b)	Working experience and occupation	4–10
(c)	Any other directorships of public companies	4–10
(d)	Details of any interest in the Company and/or its subsidiaries	4–10
(e)	Family relationship with any director and/or major shareholder of the Company	4–10
(f)	Any conflict of interest that he/she has with the Company	10
(g)	The list of convictions for offences within the past 10 years other than traffic offences, if any	10

Details of attendance of directors at board meetings are set out on page 44 of this Annual Report.



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