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If you have sold or transferred all your shares in Media Chinese International Limited, you should at once hand this circular to the purchaser(s) or the transferee(s), or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or the transferee(s).

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MEDIA CHINESE INTERNATIONAL LIMITED

世界華文媒體有限公司

(Incorporated in Bermuda with limited liability)

(Malaysia Company No. 995098-A)

(Hong Kong Stock Code: 685, Malaysia Stock Code: 5090)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO
PART A
PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR
TRADING NATURE**

**PART B
STATEMENT IN RELATION TO PROPOSED RENEWAL OF
SHARE BUY-BACK MANDATE,
PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS AND
PROPOSED RETENTION OF AN INDEPENDENT DIRECTOR**

Notice of the Twenty-sixth Annual General Meeting of Media Chinese International Limited (the "Company") to 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. together with a proxy form are enclosed together with the Annual Report 2015/16.

The Shareholders are requested to complete the proxy form and deposit the original proxy form at (i) the 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 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 stipulated for holding the meeting or any adjournment thereof. The lodging of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting should you subsequently wish to do so.

Last date and time for lodging the proxy form : 10 August 2016 at 10:00 a.m.
Date and time of the Annual General Meeting : 12 August 2016 at 10:00 a.m.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
PART A — PROPOSED RENEWAL OF AND NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE	
Letter from the Board	
Introduction	7
Details of the Proposed Shareholders’ Mandate	8
Rationale and benefits for the Proposed Shareholders’ Mandate	20
Financial effects of the Proposed Shareholders’ Mandate	20
Interests of Directors, major shareholders and persons connected to them	21
Condition of the Proposed Shareholders’ Mandate	22
Directors’ recommendation	23
AGM	23
Action to be taken	23
Further information	23
PART B — STATEMENT IN RELATION TO PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE, PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES, RE-ELECTION OF DIRECTORS AND PROPOSED RETENTION OF AN INDEPENDENT DIRECTOR	
Letter from the Board	
Proposed Share Buy-back Mandate	24
Proposed general mandate to issue new Shares	25
Re-election of the retiring Directors	25
Proposed retention of an independent Director	25
Directors’ recommendation	26
AGM	26
Action to be taken	26
Further information	27
APPENDICES	
Appendix I — General information	28
Appendix II — Details of subsidiaries	31
Appendix III — Details of properties and rental	40
Appendix IV — Explanatory statement for Share Buy-back	41
Appendix V — Details of Directors proposed to be re-elected and retained ..	48

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this circular.

“Act”	the Malaysian Companies Act, 1965, as amended from time to time and any re-enactment thereof
“AGM”	the annual general meeting of the Company
“Annual Report 2015/16”	the annual report of the Company for the financial year ended 31 March 2016
“Audit Committee”	the audit committee of the Board, comprising all non-executive Directors, namely Mr David Yu Hon To, Datuk Chong Kee Yuon and Mr Khoo Kar Khoon
“Board”	the board of Directors
“Bursa Securities”	Bursa Malaysia Securities Berhad (Malaysia Company No. 635998-W)
“Bye-Law(s)”	the Bye-Laws(s) of the Company as may be amended from time to time
“Charming”	Charming Holidays Limited, a company incorporated in Hong Kong
“Cheerhold”	Cheerhold (H.K.) Limited, a company incorporated in Hong Kong
“Company”	Media Chinese International Limited (Malaysia Company No. 995098-A), a company incorporated in Bermuda with limited liability and the Shares of which are dual listed on Bursa Securities and the HKEx
“Conch”	Conch Company Limited, a company incorporated in the British Virgin Islands
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	shall have the meaning given in Section 2(1) of the Malaysian Capital Markets and Services Act, 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the Company or any other company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company

DEFINITIONS

“EA”	Evershine Agency Sdn Bhd (Malaysia Company No. 168726-X)
“Everfresh”	Everfresh Dairy Products Sdn Bhd (Malaysia Company No. 263971-U)
“Ezywood”	Ezywood Options Sdn Bhd (Malaysia Company No. 604068-X)
“Group”	the Company and its subsidiaries
“HKEx”	The Stock Exchange of Hong Kong Limited
“Holgain”	Holgain Limited, a company incorporated in Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Takeovers Code”	The Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong
“Kin Ming”	Kin Ming Printing Company Limited, a company incorporated in Hong Kong
“Latest Practicable Date”	23 June 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Requirements”	Main Market Listing Requirements of Bursa Securities
“Listing Rules”	The Rules Governing the Listing of Securities on HKEx
“Madigreen”	Madigreen Sdn Bhd (Malaysia Company No. 305806-M)
“major shareholder”	<p>as defined under the Listing Requirements, a person who has (which includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon) an interest or interests in one or more voting shares in a company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:</p> <ul style="list-style-type: none">(a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or(b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation;

DEFINITIONS

or any other corporation which is its subsidiary or holding company

(For the purposes of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act.)

“Malaysian Takeovers Code”	the Malaysian Code on Takeovers and Mergers 2010, as amended from time to time
“MCIL Digital”	MCIL Digital Limited, a company incorporated in Hong Kong
“MNI”	Malaysian Newsprint Industries Sdn Bhd (Malaysia Company No. 28382-H)
“MP New Media”	Ming Pao New Media Limited, a company incorporated in Hong Kong
“MPH”	Ming Pao Holdings Limited, a company incorporated in Hong Kong
“MPM”	Ming Pao Magazines Limited, a company incorporated in Hong Kong
“MPN”	Ming Pao Newspapers Limited, a company incorporated in Hong Kong
“MPSB”	Mulu Press Sdn Bhd (Malaysia Company No. 137647-P)
“Nanyang”	Nanyang Press Holdings Berhad (Malaysia Company No. 3245-K)
“Nanyang Group”	Nanyang and its subsidiary companies, the wholly-owned subsidiaries of the Company
“Narong”	Narong Investments Limited, a company incorporated in Hong Kong
“OMG”	One Media Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of HKEx
“OMG Group”	OMG and its subsidiary companies
“OMH”	One Media Holdings Limited, a company incorporated in the British Virgin Islands
“PAA”	Pertumbuhan Abadi Asia Sdn Bhd (Malaysia Company No. 67069-X)

DEFINITIONS

- “person connected” as defined under the Listing Requirements, in relation to a Director or a major shareholder means such person who falls under any one of the following categories:
- (a) a family member of the Director or major shareholder;
 - (b) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the Director, major shareholder or a family member of the Director or major shareholder, is the sole beneficiary;
 - (c) a partner of the Director, major shareholder or a partner of a person connected with that Director or major shareholder;
 - (d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or major shareholder;
 - (e) a person in accordance with whose directions, instructions or wishes the Director or major shareholder is accustomed or is under an obligation, whether formal or informal, to act;
 - (f) a body corporate or its Directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or major shareholder;
 - (g) a body corporate or its Directors whose directions, instructions or wishes the Director or major shareholder is accustomed or is under an obligation, whether formal or informal, to act;
 - (h) a body corporate in which the Director, major shareholder and/or persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
 - (i) a body corporate which is a related corporation.
- “Progresif” Progresif Growth Sdn Bhd (Malaysia Company No. 575150-P)

DEFINITIONS

“Proposed Shareholders’ Mandate”	the proposed renewal of and new shareholders’ mandate pursuant to paragraph 10.09 of the Listing Requirements in respect of the RRPT, details of which are set out in section 2 contained in Part A of this circular, for the Group to enter into recurrent related party transactions of a revenue or trading nature
“Related Party(ies)”	as defined under the Listing Requirements, Director(s), major shareholder(s) or person connected with such Director(s) or major shareholder(s)
“RHDC”	R. H. Development Corporation Sdn Bhd (Malaysia Company No. 110220-V)
“RHE”	Rimbunan Hijau Estate Sdn Bhd (Malaysia Company No. 153596-K)
“RHH”	Rimbunan Hijau Holdings Sdn Bhd (Malaysia Company No. 356773-H)
“RHS”	Rimbunan Hijau (Sarawak) Sdn Bhd (Malaysia Company No. 487227-D)
“RHSA”	Rimbunan Hijau Southeast Asia Sdn Bhd (Malaysia Company No. 487223-W)
“RHTT”	R.H. Tours & Travel Agency Sdn Bhd (Malaysia Company No. 156321-W)
“RRPT”	as defined under the Listing Requirements, related party transactions which are recurrent, of a revenue or trading nature and which are necessary for the Group’s day-to-day operations
“SCMCB”	Sin Chew Media Corporation Berhad (Malaysia Company No. 98702-V)
“SCMCB Group”	SCMCB and its subsidiary companies, the wholly-owned subsidiaries of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Buy-back Mandate”	the proposed general mandate to permit the Company to repurchase Shares up to a maximum of 10% of the total number of the issued and paid-up share capital of the Company as at the date of passing the Share Buy-back Resolution

DEFINITIONS

“Share Buy-back Resolution”	the proposed ordinary resolution pertaining to the Share Buy-back Mandate, to be tabled at the forthcoming AGM
“Share(s)”	the ordinary share(s) in the capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“SMISB”	Sun Media International Sdn Bhd (Malaysia Company No. 1155835-P)
“substantial shareholder”	as defined under the Listing Rules, in relation to a company, means a person who is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the company
“Sun Media”	Sun Media International Limited, a company incorporated in Hong Kong
“TCB”	TC Blessed Holdings Sdn Bhd (Malaysia Company No. 388652-A)
“TSL”	Teck Sing Lik Enterprise Sdn Bhd (Malaysia Company No. 057850-M)
“TSTHK”	Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King
“TTS&S”	Tiong Toh Siong & Sons Sdn Bhd (Malaysia Company No. 18223-P)
“TTSE”	Tiong Toh Siong Enterprises Sdn Bhd (Malaysia Company No. 178305-K)
“Zero New Media”	Zero New Media International Limited, a company incorporated in Hong Kong
“%”	per cent
Currencies:	
“CAD”	Canadian dollar(s), the lawful currency of Canada
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RM” and “sen”	Malaysian Ringgit and sen respectively, the lawful currency of Malaysia
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“TWD”	New Taiwan dollar(s), the lawful currency of Taiwan, the Republic of China
“US\$”	United States dollar(s), the lawful currency of the United States of America



MEDIA CHINESE INTERNATIONAL LIMITED

世界華文媒體有限公司

(Incorporated in Bermuda with limited liability)

(Malaysia Company No. 995098-A)

(Hong Kong Stock Code: 685, Malaysia Stock Code: 5090)

Board of Directors:

Executive Directors:

Tan Sri Datuk Sir Tiong Hiew King

(Group Executive Chairman)

Dato' Sri Dr Tiong Ik King

Mr Tiong Kiew Chiong *(Group CEO)*

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

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

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

Head Office and Principal Place of Business:

No. 19, Jalan Semangat

46200 Petaling Jaya

Selangor Darul Ehsan

Malaysia

15th Floor, Block A

Ming Pao Industrial Centre

18 Ka Yip Street

Chai Wan

Hong Kong

14 July 2016

To: The Shareholders

Dear Sir/Madam,

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

1 INTRODUCTION

At the AGM held on 6 August 2015, the Company had obtained a shareholders' mandate for the Group to enter into recurrent related party transactions of a revenue or trading nature

PART A: LETTER FROM THE BOARD

which are necessary for the Group's day-to-day operations in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public. The authority conferred by the said mandate shall, in accordance with the Listing Requirements lapse at the conclusion of the forthcoming 26th AGM unless authority for its renewal is obtained from the shareholders at the AGM.

In relation thereto, the Board had announced on 7 June 2016 its intention to seek shareholders' approval on the Proposed Shareholders' Mandate at the forthcoming AGM.

The purpose of Part A of this circular is to provide you with the relevant information of the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution to be tabled at the forthcoming AGM. Notice of the AGM and proxy form are enclosed in the Annual Report 2015/16 of the Company.

2 DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Pursuant to Part E, paragraph 10.09 of Chapter 10 of the Listing Requirements, a listed issuer may seek its shareholders' mandate with regard to the recurrent related party transactions of a revenue or trading nature which are necessary for its day-to-day operations subject to, inter alia, the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under paragraph 10.09(1) of the Listing Requirements;
- (iii) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by the Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder, and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and

PART A: LETTER FROM THE BOARD

- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular to shareholders by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Accordingly, the Board now proposes to procure the approval from the Shareholders for the Proposed Shareholders' Mandate which will apply to the RRPT as set out in Section 2.5 below.

2.2 Validity period of the Proposed Shareholders' Mandate

The authority to be conferred pursuant to the Proposed Shareholders' Mandate, if approved by the Shareholders at the forthcoming AGM will continue to be in force until:

- (i) the conclusion of the next AGM following the forthcoming 26th AGM when the Proposed Shareholders' Mandate is granted, at which time it will lapse, unless by an ordinary resolution passed at the general meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM is required by applicable laws or the Bye-Laws of the Company to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the Shareholders in a general meeting;

whichever is the earliest.

Thereafter, approval from the Shareholders for subsequent renewals will be sought at each subsequent AGM.

2.3 Principal activities of the Group

The Company is an investment holding company. The Group is principally engaged in the following core businesses while the principal activities of its subsidiaries are set out in Appendix II:

- (i) publishing, printing and distribution of newspapers, magazines, digital contents and books
- (ii) travel and travel related businesses
- (iii) investment holding

PART A: LETTER FROM THE BOARD

2.4 Classes of Related Party

The Proposed Shareholders' Mandate will apply to the following classes of Related Party:

- (i) Directors or major shareholders; and
- (ii) Persons connected with the Directors or major shareholders.

The Related Party and companies involved in the RRPT includes MNI, TTS&S, RHH, Everfresh, EA, RHTT, OMH, OMG Group, Cheerhold, Narong, Sun Media, SMISB and Zero New Media.

The categories of transactions involving the abovementioned companies are stated in item 2.5.

2.5 Nature of the RRPT and their estimated value

The RRPT which are intended to be entered into by the Group pursuant to the Proposed Shareholders' Mandate are detailed as below.

(A) Existing transactions

Related party	Principal activities	Nature of transaction	Estimated value disclosed in preceding year's circular to Shareholders dated 8 July 2015		Actual value transacted from the date of last AGM on 6 August 2015 upto the Latest Practicable Date		Estimated value from 12 August 2016 (date of AGM) up to next AGM (Note 1)		Transacting party	Nature of interest
			RM'000	US\$'000	RM'000	US\$'000	RM'000	US\$'000		
1. MNI	Manufacture and sales of newsprint	(i) SCMCB Group and Nanyang Group to purchase materials such as newsprint from MNI	160,000	39,816	23,360	5,813	160,000	39,816	SCMCB Group	RHDC and RHE are the substantial shareholders (pursuant to the Act) of MNI.
			90,000	22,396	13,329	3,317	90,000	22,396	Nanyang Group	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 SCMCB.
		(ii) Disposal of newsprint scraps from SCMCB Group and Nanyang Group to MNI	8,000	1,991	2,075	516	7,000	1,742	SCMCB Group	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.
			8,000	1,991	3,228	803	7,000	1,742	Nanyang Group	
2. TTS&S	Equipment rental, investment holding and operations in agriculture businesses	MPSB's tenancy of various properties from TTS&S as landlord. Please refer to Appendix III for details of the properties	34	8	28	7	50	12	MPSB	TSTHK is both a major shareholder and a director of the Company and TTS&S and a director of SCMCB (the holding company of MPSB).

PART A: LETTER FROM THE BOARD

Related party	Principal activities	Nature of transaction	Estimated value disclosed in preceding year's circular to Shareholders dated 8 July 2015		Actual value transacted from the date of last AGM on 6 August 2015 upto the Latest Practicable Date		Estimated value from 12 August 2016 (date of AGM) up to next AGM (Note 1)		Transacting party	Nature of interest
			RM'000	US\$'000	RM'000	US\$'000	RM'000	US\$'000		
3. RHH	Investment holding	MPSB's tenancy of office at Lot 235-236, Kemena Commercial Centre, Jalan Tanjung Batu, 97000 Bintulu, Sarawak, Malaysia (size of rented premises: 1,728 square feet) from RHH as landlord at a monthly rental of RM1,500	20	5	17	4	20	5	MPSB	<p>TSL is a major shareholder of RHH and a shareholder of the Company.</p> <p>TSTHK is both a major shareholder and a director of the Company, TSL and RHH. He is a director of SCMCB (the holding company of MPSB).</p> <p>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.</p>
4. Everfresh	Investment holdings and general farming	MPSB's tenancy of office at Lot 1054, Block 31, Kemena Commercial Centre, Jalan Tanjung Batu, 97000 Bintulu, Sarawak, Malaysia (size of rented premises: 1,421 square feet) from Everfresh as landlord at a monthly rental of RM500	8	2	5	1	8	2	MPSB	<p>TTSE and TSL are major shareholders of Everfresh and shareholders of the Company.</p> <p>TSTHK is both a major shareholder and a director of Everfresh, TTSE, TSL and the Company. TSTHK is a director of SCMCB (the holding company of MPSB).</p> <p>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.</p>
5. EA	Insurance agent and providing handling services	Receipt of services i.e. MPSB purchases motor vehicle insurance from EA	7	2	5	1	7	2	MPSB	<p>RHS is a shareholder of the Company and a major shareholder of EA.</p> <p>PAA, TSL and TTSE are major shareholders of RHS and shareholders of the Company.</p> <p>TSTHK is a major shareholder of EA and a director of SCMCB (the holding company of MPSB). He is both a major shareholder and a director of the Company, RHS, PAA, TSL and TTSE.</p> <p>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.</p>
6. RHTT	Tour operator & travel agent	Receipt of services i.e. to purchase air-tickets from RHTT	302	75	115	29	360	90	the Group	<p>RHS is a shareholder of the Company and a major shareholder of RHTT.</p> <p>PAA, TSL and TTSE are major shareholders of RHS and shareholders of the Company.</p> <p>TSTHK is both a major shareholder and a director of the Company, RHTT, RHS, PAA, TSL and TTSE.</p> <p>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.</p> <p>Ms Tiong Choon is both a shareholder and a director of the Company. She is a director of RHTT.</p>

PART A: LETTER FROM THE BOARD

Related party	Principal activities	Nature of transaction	Estimated value disclosed in preceding year's circular to Shareholders dated 8 July 2015		Actual value transacted from the date of last AGM on 6 August 2015 upto the Latest Practicable Date		Estimated value from 12 August 2016 (date of AGM) up to next AGM (Note 1)		Transacting party	Nature of interest
			HK\$'000	US\$'000	HK\$'000	US\$'000	HK\$'000	US\$'000		
7. OMH	Investment holding	Provision of circulation support services and library support services by MPN to OMH and its subsidiaries	2,420	312	1,131	146	1,480	191	MPN	<p>OMH is a wholly-owned subsidiary of OMG. MPN is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of OMG.</p> <p>TSTHK is both a major shareholder and a director of the Company and OMG.</p> <p>Mr Tiong Kiew Chiong is a director of OMG, OMH and MPN. He is also a director and a shareholder of the Company.</p> <p>Ms Tiong Choon is both a shareholder and a director of the Company. She is also a shareholder of OMG.</p>
8. OMH	Investment holding	Provision of administrative support services by MPH to OMH and its subsidiaries (Note 2)	5,700	735	3,708	478	5,130	661	MPH	<p>OMH is a wholly-owned subsidiary of OMG. MPH is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of OMG.</p> <p>TSTHK is both a major shareholder and a director of the Company and OMG. He is also a director of MPH.</p> <p>Mr Tiong Kiew Chiong is a director of OMG, OMH and MPH. He is also a director and a shareholder of the Company.</p> <p>Ms Tiong Choon is both a shareholder and a director of the Company. She is also a shareholder of OMG.</p>
9. OMH	Investment holding	Leasing and licensing of parking spaces, office space and storage space inside Ming Pao Industrial Centre situated at 18 Ka Yip Street, Chaiwan, Hong Kong (size of rented & licensed premises: approximately 15,817 & 740 square feet respectively which may be agreed between OMH and Holgain from time to time) from Holgain to OMH and its subsidiaries at the monthly rental & licensing fees in aggregate of approximately HK\$174,370	2,880	371	2,266	292	2,800	361	Holgain	<p>OMH is a wholly-owned subsidiary of OMG. Holgain is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of OMG.</p> <p>TSTHK is both a major shareholder and a director of the Company and OMG.</p> <p>Mr Tiong Kiew Chiong is a director of OMG, OMH and Holgain. He is also a director and a shareholder of the Company.</p> <p>Ms Tiong Choon is both a shareholder and a director of the Company. She is also a shareholder of OMG.</p>
10. OMG Group	Investment holding, magazine publishing and digital media business	Provision of services such as air-tickets and accommodation arrangement services by Charming to OMG Group	1,200	155	719	93	1,200	155	Charming	<p>Charming is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of OMG.</p> <p>TSTHK is both a major shareholder and a director of the Company and OMG.</p> <p>Mr Tiong Kiew Chiong is a director of OMG and Charming. He is also a director and a shareholder of the Company.</p> <p>Ms Tiong Choon is both a shareholder and a director of the Company. She is also a shareholder of OMG.</p>

PART A: LETTER FROM THE BOARD

Related party	Principal activities	Nature of transaction	Estimated value disclosed in preceding year's circular to Shareholders dated 8 July 2015		Actual value transacted from the date of last AGM on 6 August 2015 up to the Latest Practicable Date		Estimated value from 12 August 2016 (date of AGM) up to next AGM (Note 1)		Transacting party	Nature of interest
			HK\$'000	US\$'000	HK\$'000	US\$'000	HK\$'000	US\$'000		
11. OMG Group	Investment holding, magazine publishing and digital media business	Provision of barter advertising services by the Group to OMG Group	2,000	258	832	107	2,000	258	the Group	<p>The Company is a major shareholder and a substantial shareholder of OMG.</p> <p>TSTHK is both a major shareholder and a director of the Company and OMG.</p> <p>Mr Tiong Kiew Chiong is a director and a shareholder of the Company. He is also a director of OMG.</p> <p>Ms Tiong Choon is both a shareholder and a director of the Company. She is also a shareholder of OMG.</p>
12. OMG Group	Investment holding, magazine publishing and digital media business	Receipt of barter advertising services by the Group from OMG Group	2,000	258	994	128	2,000	258	the Group	<p>The Company is a major shareholder and a substantial shareholder of OMG.</p> <p>TSTHK is both a major shareholder and a director of the Company and OMG.</p> <p>Mr Tiong Kiew Chiong is a director and a shareholder of the Company. He is also a director of OMG.</p> <p>Ms Tiong Choon is both a shareholder and a director of the Company. She is also a shareholder of OMG.</p>
13. OMH	Investment holding	Provision of pre-press services by Kin Ming to OMH and its subsidiaries	100	13	99	13	250	32	Kin Ming	<p>OMH is a wholly-owned subsidiary of OMG. Kin Ming is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of OMG.</p> <p>TSTHK is both a major shareholder and a director of the Company and OMG.</p> <p>Mr Tiong Kiew Chiong is a director of OMG, OMH and Kin Ming. He is also a director and a shareholder of the Company.</p> <p>Ms Tiong Choon is both a shareholder and a director of the Company. She is also a shareholder of OMG.</p>
14. Cheerhold	Management services	Provision of services such as air tickets and accommodation arrangement services by Charming to Cheerhold	1,000	129	208	27	1,000	129	Charming	<p>Charming is a wholly-owned subsidiary of the Company. TSTHK and Dato' Sri Dr Tiong Ik King are both a major shareholder and director of the Company.</p> <p>The sister-in-law of both TSTHK and Dato' Sri Dr Tiong Ik King is the ultimate sole shareholder of Cheerhold.</p>
15. Narong	Investment holding	MPH's tenancy of premises at Flat A, 15th Floor, Marigold Mansion, Taikoo Shing, Hong Kong (size of rented premises: 1,237 square feet) from Narong as landlord at a monthly rental of HK\$40,821	550	71	414	53	550	71	MPH	<p>MPH is a wholly-owned company of the Company. TSTHK and Dato' Sri Dr Tiong Ik King are both a major shareholder and director of the Company. TSTHK is also a director of MPH.</p> <p>The sister-in-law of both 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.</p>
16. TTS&S	Equipment rental, investment holding and operations in agriculture businesses	Provision of services such as air tickets and accommodation arrangement services by Charming to TTS&S	60	8	4	1	60	8	Charming	<p>Charming is a wholly-owned subsidiary of the Company.</p> <p>TSTHK is both a major shareholder and a director of the Company.</p>

PART A: LETTER FROM THE BOARD

(B) New transactions

Related party	Principal activities	Nature of transaction	Estimated value from 12 August 2016 (date of AGM) up to next AGM (Note 1)		Transacting party	Nature of interest
			RM'000	US\$'000		
1. RHH	Investment holding	MPSB's tenancy of office at Lot 9950, No. 103, Ground Floor & 2nd Floor, RH Commercial Centre, Lorong Lapangan Terbang 1, 93250 Kuching, Sarawak, Malaysia (size of rented premises: 2,400 square feet) from RHH as landlord at a monthly rental of RM3,800	60	15	MPSB	<p>TSL is a major shareholder of RHH and a shareholder of the Company.</p> <p>TSTHK is both a major shareholder and a director of the Company, TSL and RHH. He is a director of SCMCB (the holding company of MPSB).</p> <p>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.</p>
2. SMISB	Investment holding, production and trading of documentary and television programmes	Leasing of office space in SCMCB's office at 1st Floor, No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor, Malaysia (size of rented premises: 320 square feet) from SCMCB to SMISB at a monthly rental of RM1,600	30	7	SCMCB	<p>SCMCB is a wholly-owned subsidiary of the Company.</p> <p>SMISB is a wholly-owned subsidiary of Sun Media.</p> <p>TSTHK is both a major shareholder and director of the Company and Sun Media. He is also a director of SCMCB and SMISB.</p>

PART A: LETTER FROM THE BOARD

Related party	Principal activities	Nature of transaction	Estimated value from 12 August 2016 (date of AGM) up to next AGM (Note 1)		Transacting party	Nature of interest
			HK\$'000	US\$'000		
3. OMH	Investment holding	Provision of IS programming support services by MCIL Digital to OMH and its subsidiaries	2,900	374	MCIL Digital	<p>OMH is a wholly-owned subsidiary of OMG. MCIL Digital is a wholly-owned subsidiary of the Company. The Company is a major shareholder and a substantial shareholder of OMG.</p> <p>TSTHK is both a major shareholder and a director of the Company and OMG. He is also a director of MCIL Digital.</p> <p>Mr Tiong Kiew Chiong is a director of OMG, OMH and MCIL Digital. He is also a director and a shareholder of the Company.</p> <p>Ms Tiong Choon is both a shareholder and a director of the Company. She is also a shareholder of OMG.</p>
4. Sun Media	Investment holding	Provision of accounting and administrative services by MPH to Sun Media at a monthly fee of HK\$5,000	72	9	MPH	<p>MPH is a wholly-owned subsidiary of the Company.</p> <p>TSTHK is both a major shareholder and director of the Company and Sun Media. He is also a director of MPH.</p>
5. Zero New Media	Investment holding	Provision of accounting and administrative services by MPH to Zero New Media at a monthly fee of HK\$5,000	72	9	MPH	<p>MPH is a wholly-owned subsidiary of the Company.</p> <p>TSTHK is both a major shareholder and director of the Company and Sun Media. He is also a director of MPH.</p>

PART A: LETTER FROM THE BOARD

(C) Old transactions

Save for the above, the Company does not intend to seek approval from Shareholders on the following RRPT that appeared in the preceding year's circular to Shareholders:

Related party	Principal activities	Nature of transaction	Estimated value disclosed in preceding year's circular to Shareholders dated 8 July 2015		Actual value transacted from the date of last AGM on 6 August 2015 up to the Latest Practicable Date	
			RM'000	US\$'000	RM'000	US\$'000
1. TTS&S	Equipment rental, investment holding and operations in agriculture businesses	MPSB's tenancy of office at No. 29, Block F, Taman Sri Sarawak Mall, Jalan Padungan, 93100 Kuching, Sarawak, Malaysia (size of rented premise: 2,400 square feet) from TTS&S as landlord at a monthly rental of RM2,000	26	6	22	5
			HK\$'000	US\$'000	HK\$'000	US\$'000
2. OMH	Investment holding	Provision of IS programming support services by MP New Media to OMH and its subsidiaries	5,300	683	2,878	371
3. Sun Media	Investment holding	Provision of accounting services by MPM to Sun Media	42	5	24	3
4. Zero New Media	Investment holding	Provision of accounting services by MPM to Zero New Media	42	5	24	3

Notes:

- (1) The estimated transactions value, for the period from 12 August 2016 up to next AGM are based on information, budgets and forecast available at the point of estimation and the actual value of transactions may vary accordingly.
- (2) The administrative support services include administrative, human resources, corporate communications and legal services, and leasing of certain computer and office equipment from MPH to OMH and its subsidiaries.
- (3) The presentation currencies of this table are RM and HK\$. Supplementary information in US\$ is shown for reference only and has been made at the same exchange rate of US\$1.00 to RM4.0185 and US\$1.00 to HK\$7.7563, being the middle exchange rate quoted by Bank Negara Malaysia at 5:00 p.m. on the Latest Practicable Date.

PART A: LETTER FROM THE BOARD

2.6 Deviation from the previous shareholders' mandate

The actual value of RRPT did not exceed the estimated value as approved under the previous shareholders' mandate granted to the Company at the last AGM.

2.7 Amount due and owing by Related Party

As at 31 March 2016, there were no amounts due and owing to the Group which exceeded the credit term.

2.8 Methods and procedures of determining the terms of RRPT

To ensure that the RRPT are undertaken at arm's length and on transaction prices and normal commercial terms that are consistent with the Group's usual business practices and policies, which are not more favourable to the Related Parties than those generally available to the public, where applicable, and are not, in the Group's opinion, detrimental to the minority shareholders, the following principles will apply:

- (i) The purchase of materials or goods, receipt of services and provision of services shall be determined based on prevailing rates/prices of the goods or services (including where applicable, preferential rates/prices/discounts accorded to a class or classes of customers or for bulk sales) according to commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/considerations, or on a cost reimbursement basis;
- (ii) Provision of management/support service are based on normal commercial terms; and
- (iii) The tenancy/leasing/licensing/rental of properties shall be at the prevailing market rates for the same or substantially similar properties, and shall be on commercial terms.

At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the Board and Audit Committee will rely on their market knowledge of prevailing industry norms bearing in mind the urgency and efficiency of transactions to be provided or required to ensure that the RRPT is not detrimental to the Group.

PART A: LETTER FROM THE BOARD

2.9 Review procedures of RRPT

To identify, track and monitor the RRPT, the following review procedures have been established and implemented:

- (i) A list of Related Parties and a summary explaining what constitutes a RRPT will be circulated to the Directors and management of the Group, to notify that all such RRPT are required to be undertaken on an arm's length basis and on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority Shareholders.

The list of Related Parties will be continuously updated and circulated to the Directors and management of the Group, as and when the RRPT's status changes or additional RRPT are included or in any event, at least once a year if there is no change in the RRPT's status;

- (ii) Records of RRPT will be retained and compiled for review by the Audit Committee;
- (iii) The Audit Committee will review all RRPT at each quarterly meeting and will report and make necessary recommendation to the Board. Any member of the Audit Committee may as he deems fit, request for additional information pertaining to the transaction including from independent sources or advisors;
- (iv) The annual internal audit plan shall incorporate a review of all RRPT entered into pursuant to the Proposed Shareholders' Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to. Any divergence will be reported to the Audit Committee;
- (v) The Board and the Audit Committee shall review the internal audit reports to ascertain that the guidelines and review procedures established to monitor RRPT have been complied with and the review shall be done at every quarter together with the review of quarterly results; and
- (vi) The Board and the Audit Committee have reviewed the above guidelines and procedures, and shall continue to review the procedures as and when required, with the authority to sub-delegate such function to individuals or committees within the Group as they deem appropriate. If a member of the Board or Audit Committee has an interest in the transaction to be reviewed by the Board or the Audit Committee as the case may be, he will not participate in the deliberation of such transaction and will abstain from any decision making by the Board or the Audit Committee in respect of that transaction.

PART A: LETTER FROM THE BOARD

2.10 Threshold of authority

There are no specific thresholds for approval of RRPT within the Group. Nevertheless, all RRPT are subject to the approval of appropriate level of authority as determined by senior management and/or the Board from time to time, subject to the provisions in the Listing Requirements, where necessary.

In compliance with Paragraph 10.09(1)(a) of the Listing Requirements, the Group shall immediately announces a RRPT where:

- (i) The consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
- (ii) The percentage ratio of such RRPT is 1% or more, whichever is higher.

2.11 Statement by Audit Committee

The Audit Committee has seen and reviewed the procedures as outlined in section 2.8 and 2.9 above and is of the view that:

- (i) the Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner, and that these procedures and processes are reviewed annually; and
- (ii) the procedures are sufficient to ensure that the RRPT of a revenue or trading nature are conducted at arm's length and on normal commercial terms which are consistent with the Group's usual business practices and policies; and
- (iii) on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

2.12 Disclosure

Disclosure will be made in the annual report of the Company in accordance with paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT entered into during the financial year based on the following information:

- (i) the type of the RRPT made; and
- (ii) the names of the Related Parties involved in each type of the RRPT made and their relationships with the Company.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed Shareholders' Mandate has been obtained.

PART A: LETTER FROM THE BOARD

3 RATIONALE AND BENEFITS FOR THE PROPOSED SHAREHOLDERS' MANDATE

The rationale and benefits of the Proposed Shareholders' Mandate to the Group are as follows:

- (i) to facilitate transactions with Related Parties which are in the ordinary course of business of the Group undertaken at arms' length, normal commercial terms and on terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interests of minority Shareholders;
- (ii) to enable the Group to transact with the Related Parties in an expeditious manner to meet business needs for the supply and/or provision of goods and services which are necessary for its day-to-day operations particularly business needs which are time sensitive in nature;
- (iii) for certain transactions where it is vital that confidentiality be maintained, it will not be viable for prior Shareholders' mandate to be obtained as this will entail the release of details of the transactions and may adversely affect the interests of the Group and place the Group at a disadvantage to its competitors who may not require Shareholders' mandate to be obtained; and
- (iv) will eliminate the need to announce and convene separate general meetings to seek shareholders' mandate for each transaction and as such, substantially reduce expenses, time and other resources associated with the making of announcements and convening general meetings on an ad hoc basis, improve administrative efficiency considerably and allow financial and manpower resources to be channeled to attain more productive objectives.

4 FINANCIAL EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any effect on the share capital, dividend, gearing, net assets, earnings and the shareholdings of the Directors and major shareholders of the Company.

PART A: LETTER FROM THE BOARD

5 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

Save as disclosed below, none of the other Directors and major shareholders of the Company and/or persons connected with them has any interest, direct and indirect in the Proposed Shareholders' Mandate:

- (i) TSTHK and Dato' Sri Dr Tiong Ik King are Directors and major shareholders of the Company, with direct and indirect shareholdings in the Company. Mr Tiong Kiew Chiong and Ms Tiong Choon are Directors and shareholders of the Company, with direct/indirect shareholdings in the Company. As such, they are deemed interested in the Proposed Shareholders' Mandate. Their respective shareholdings in the Company as at the Latest Practicable Date are as follows:

Name	Direct		Indirect (as calculated under the Act)	
	No. of Shares held	%	No. of Shares held	%
TSTHK	87,109,058	5.16	798,478,690 ⁽¹⁾ 11,495,034 ⁽²⁾	47.32 0.68
Dato' Sri Dr Tiong Ik King	11,144,189	0.66	252,487,700 ⁽³⁾	14.96
Mr Tiong Kiew Chiong	2,141,039	0.13	—	—
Ms Tiong Choon	2,654,593	0.16	653,320 ⁽⁴⁾ 1,023,632 ⁽⁵⁾	0.04 0.06

⁽¹⁾ Deemed interested by virtue of his interests in Progresif, Conch, Ezywood, TSL, Madigreen, RHS, RHSA, PAA and TTSE.

⁽²⁾ Deemed interested by virtue of his family's interests.

⁽³⁾ Deemed interested by virtue of his interests in Conch.

⁽⁴⁾ Deemed interested by virtue of her interests in TCB.

⁽⁵⁾ Deemed interested by virtue of her spouse's interests.

PART A: LETTER FROM THE BOARD

- (ii) RHS, TSL, PAA and TTSE are Shareholders and also persons connected to interested Directors and major shareholders of the Company (“Interested Persons Connected”). They are deemed interested in the Proposed Shareholders’ Mandate. Their respective shareholdings in the Company as at the Latest Practicable Date are as follows:

Name	Direct		Indirect (as calculated under the Act)	
	<i>No. of Shares held</i>	%	<i>No. of Shares held</i>	%
RHS	15,536,696	0.92	—	—
TSL	65,319,186	3.87	76,688,321 ⁽⁶⁾	4.55
PAA	1,902,432	0.11	477,025,055 ⁽⁷⁾	28.27
TTSE	1,744,317	0.10	22,068,884 ⁽⁸⁾	1.31

⁽⁶⁾ Deemed interested by virtue of its interests in Madigreen, RHS, RHSA and TTSE.

⁽⁷⁾ Deemed interested by virtue of its interests in Progresif, Ezywood, Madigreen, RHS and RHSA.

⁽⁸⁾ Deemed interested by virtue of its interests in RHS and RHSA.

The interested Directors and/or major shareholders of the Company, namely, TSTHK, Dato’ Sri Dr Tiong Ik King, Mr Tiong Kiew Chiong and Ms Tiong Choon, have abstained and will continue to abstain from Board deliberations and voting on the Proposed Shareholders’ Mandate. TSTHK, Dato’ Sri Dr Tiong Ik King, Mr Tiong Kiew Chiong and Ms Tiong Choon will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the Proposed Shareholders’ Mandate at the forthcoming AGM.

The Interested Persons Connected, namely, Progresif, Ezywood, TSL, Madigreen, RHS, RHSA, PAA and TTSE will abstain from voting on the Proposed Shareholders’ Mandate in respect of their direct and/or indirect shareholdings in the Company at the forthcoming AGM.

In addition, the interested Directors and/or major shareholders of the Company have also undertaken to ensure that persons connected with them will abstain from voting on the Proposed Shareholders’ Mandate in respect of their direct and/or indirect shareholdings in the Company at the forthcoming AGM.

6 CONDITION OF THE PROPOSED SHAREHOLDERS’ MANDATE

The Proposed Shareholders’ Mandate is conditional upon the approval of the Shareholders at the forthcoming AGM.

PART A: LETTER FROM THE BOARD

7 DIRECTORS' RECOMMENDATION

The Board, save for TSTHK, Dato' Sri Dr Tiong Ik King, Mr Tiong Kiew Chiong and Ms Tiong Choon, having considered all aspects of the Proposed Shareholders' Mandate is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company and the Shareholders. Accordingly, save for TSTHK, Dato' Sri Dr Tiong Ik King, Mr Tiong Kiew Chiong and Ms Tiong Choon, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

8 AGM

The resolution to vote on the Proposed Shareholders' Mandate is set out as special business in the notice of AGM contained in the Annual Report 2015/16 which was sent to you together with this circular.

The notice convening the AGM to vote on the ordinary resolution and the proxy form are enclosed in the Annual Report 2015/16 accompanying this circular. The AGM 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 purpose of considering, and if thought fit, passing, inter alia, the ordinary resolution on the Proposed Shareholders' Mandate under the agenda of special business as set out in the notice enclosed in the Annual Report 2015/16.

9 ACTION TO BE TAKEN

If you are unable to attend and vote in person at the AGM, you are requested to complete and return the proxy form enclosed in the Annual Report 2015/16 in accordance with the instructions printed thereon as soon as possible, in any event, so as to arrive at (i) the 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 at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong, not less than forty eight (48) hours before the time fixed for the AGM or any adjournment thereof.

10 FURTHER INFORMATION

Shareholders are requested to refer to the attached appendices for additional information.

Yours faithfully,
On behalf of the Board of
MEDIA CHINESE INTERNATIONAL LIMITED
Ng Chek Yong
Executive Director



MEDIA CHINESE INTERNATIONAL LIMITED

世界華文媒體有限公司

(Incorporated in Bermuda with limited liability)

(Malaysia Company No. 995098-A)

(Hong Kong Stock Code: 685, Malaysia Stock Code: 5090)

Board of Directors:

Executive Directors:

Tan Sri Datuk Sir Tiong Hiew King

(Group Executive Chairman)

Dato' Sri Dr Tiong Ik King

Mr Tiong Kiew Chiong *(Group CEO)*

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

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

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

Head Office and Principal Place of Business:

No. 19, Jalan Semangat

46200 Petaling Jaya

Selangor Darul Ehsan

Malaysia

15th Floor, Block A

Ming Pao Industrial Centre

18 Ka Yip Street

Chai Wan

Hong Kong

14 July 2016

To: The Shareholders

Dear Sir/Madam,

**PART B — STATEMENT IN RELATION TO PROPOSED RENEWAL OF
SHARE BUY-BACK MANDATE, PROPOSED GENERAL MANDATE TO
ISSUE NEW SHARES, RE-ELECTION OF DIRECTORS AND
PROPOSED RETENTION OF AN INDEPENDENT DIRECTOR**

1 PROPOSED SHARE BUY-BACK MANDATE

At the Company's AGM held on 6 August 2015, a Shareholders' mandate was obtained for the Company to purchase up to a maximum of ten per cent (10%) of its issued and paid-up share capital. The said mandate shall, in accordance with the Listing Requirements and the Listing Rules, lapse at the conclusion of the forthcoming AGM, which has been scheduled on 12 August 2016 unless the approval is renewed.

PART B: LETTER FROM THE BOARD

The Company had on 7 June 2016 announced that the Board proposes to seek from the Shareholders the approval for the renewal of Share Buy-back Mandate.

An explanatory statement which serves to provide you with the relevant information on the Share Buy-back Mandate is set out in Appendix IV.

2 PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES

Furthermore, at the forthcoming AGM, two ordinary resolutions will be proposed which aim to grant to the Directors (i) a general mandate to allot, issue and deal with Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolutions; and (ii) an extension to the general mandate so granted to the Directors, by the addition of any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the Share Buy-back Mandate as at the date of passing the Share Buy-back Resolution.

3 RE-ELECTION OF THE RETIRING DIRECTORS

Datuk Chong Kee Yuon and Mr Khoo Kar Khoon were appointed as independent non-executive Directors 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 AGM and, being eligible, offer themselves for re-election. Details of the Directors proposed to be re-elected at the forthcoming AGM are set out in Appendix V.

4 PROPOSED RETENTION OF AN INDEPENDENT DIRECTOR

Mr David Yu Hon To was appointed as an independent non-executive Director of the Company on 30 March 1999 and has served the Company for more than 9 years.

During his tenure of office, Mr Yu has fulfilled all the requirements regarding independence of an independent non-executive Director and has provided annual confirmation of independence to the Company under Rule 3.13 of the Listing Rules and Paragraph 1.01 of the Listing Requirements. In addition, Mr Yu continues to demonstrate the attributes of an independent non-executive Director by providing independent views and advices. 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 of the Company, the Board viewed that Mr David Yu Hon To 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 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.

PART B: LETTER FROM THE BOARD

In view of the above, the Board considers that it is in the best interests of the Board, the Company and the Shareholders as a whole to retain Mr Yu as an independent non-executive Director and recommends him for retention at the forthcoming AGM, pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012.

5 DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the Share Buy-back Mandate, the general mandate to issue new Shares, the extension of the general mandate to issue additional Shares, the re-election of the retiring Directors and the proposed retention of an independent Director are in the best interests of the Company and the Shareholders as a whole. Accordingly, they recommend that you vote in favour of all the relevant resolutions to be tabled at the forthcoming AGM.

6 AGM

The notice convening the AGM to vote on the relevant resolutions and the proxy form are enclosed in the Annual Report 2015/16 accompanying this circular. The AGM 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 purpose of considering, and, if thought fit, passing, inter alia, the Share Buy-back Resolution, and the ordinary resolutions pertaining to the general mandate to issue new Shares, the extension of the general mandate to issue additional Shares, the re-election of the retiring Directors and the retention of an independent Director, under the agenda of special business as set out in the notice enclosed in the Annual Report 2015/16.

7 ACTION TO BE TAKEN

If you are unable to attend and vote in person at the AGM, you are requested to complete and return the proxy form enclosed in the Annual Report 2015/16 in accordance with the instructions printed thereon as soon as possible, in any event, so as to arrive at (i) the 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 at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong, not less than forty eight (48) hours before the time fixed for the AGM or any adjournment thereof.

PART B: LETTER FROM THE BOARD

8 FURTHER INFORMATION

Shareholders are requested to refer to the attached appendices for additional information.

Yours faithfully,
On behalf of the Board of
MEDIA CHINESE INTERNATIONAL LIMITED
Tan Sri Datuk Sir Tiong Hiew King
Group Executive Chairman

1 RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Requirements and the Listing Rules for the purpose of giving information with regard to the Group. The Directors have seen and approved this circular and they collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this circular misleading.

2 VOTING BY POLL

As required under Rule 13.39(4) of the Listing Rules and Paragraph 8.29A of the Listing Requirements, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all resolutions will be put to vote by way of poll at the AGM. An announcement on the poll results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

3 LITIGATION

As at the Latest Practicable Date, save as disclosed below, the Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group and the Directors are not aware of any proceedings, pending or threatened, against the Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

- (i) MPH and MPN have been named as the first and second defendants in the High Court Action No. 854 of 2010 whereby the plaintiff, Pui Kwan Kay commenced proceedings on 10 June 2010 against the MPH and MPN for alleged libel in relation to the article dated 10 April 2009. The trial before a jury was heard and judgment was given on 27 June 2013 in favor of the plaintiff. The defendants were adjudged to pay damages in the sum of HK\$500,000 together with interest and costs to the plaintiff. In the Court of Appeal Action No. 201 of 2013, MPH and MPN as the first and second defendants appealed against the judgment in High Court Action No.854 of 2010. The appeal hearing was heard before the Court of Appeal on 22 October 2015 and the judgment was handed down on 17 November 2015, in which the Court of Appeal allowed the appeal, set aside the order of the High Court Judge, dismissed the plaintiff's claim and awarded costs of the appeal to the defendants. The plaintiff then made a summons application on 27 November 2015 to vary the Court of Appeal's costs order, and a motion application on 15 December 2015 to apply to the Court of Appeal for leave to appeal to the Court of Final Appeal. On the other hand, the defendants made a summons application on 30 November 2015 to vary the Court of Appeal's costs order. The Court of Appeal made a further judgment on 11 April 2016, in which the Court of Appeal dismissed the plaintiff's application for leave to appeal to the Court of Final Appeal and adjudged that the defendants were entitled to: (1) 50% of costs in HCA 854/2010; (2) costs of the appeal in CACV 201/2013; (3) costs of the plaintiff's motion; and (4) costs of defendants' summons for vary

costs. On 18 April 2016 the plaintiff issued a notice of intended application for leave to appeal to the Court of Final Appeal. The legal counsel for MPH and MPN is of the view that the defendants would have an arguable case that leave should not be granted to the plaintiff to appeal to the Court of Final Appeal. By the Notice of Motion dated 9 May 2016, leave was sought by the plaintiff to appeal to the Court of Final Appeal from the judgment of the Court of Appeal in Civil Appeal No. 201 of 2013.

- (ii) MPN was named as the defendant in High Court Action No. 2664 of 2015, whereby the plaintiff, Asia Fortune Media Group Limited, commenced proceedings on 13 November 2015 for alleged libel in relation to the article dated 27 September 2015. The statement of claim was filed on 28 December 2015 and the defence was filed on 25 January 2016. On 15 February 2016, MPN made an application to the Court for an order that the plaintiff do furnish security for MPN's costs in this action in the sum of HK\$2,775,000.00. On 4 March 2016, the Court ordered that the plaintiff do give security for MPN's costs by paying the sum of HK\$2,775,000 into court, and that the Court will dismiss this action and award costs to MPN if the plaintiff fails to pay security within 21 days after the service of the order. On 12 April 2016, as the plaintiff failed to comply with the Court's order to give security for MPN's costs, the Court ordered that this action is missed and awarded costs of the action to MPN. MPN will proceed to recover costs from the plaintiff.

The Company or the Group has received a number of complaints and letters of demand, some of which have not yet resulted in proceedings being issued, and the Company believes that these are not likely to be pursued. Other matters have involved proceedings being issued but further recent action has not been taken, and the Company believes it is unlikely that the plaintiff will take further action in these inactive cases.

4 MATERIAL CONTRACTS

Save as disclosed below, the Group has not entered into any material contracts, not being contracts in the ordinary course of business, within two years immediately preceding the date of this circular, and are or may be material:

- (a) On 4 March 2016, the Company's wholly owned subsidiary, Comwell Investment Limited, as vendor (the "Vendor") entered into a memorandum of understanding (the "MOU") with Qingdao West Coast Holdings (Internation) Limited (青島西海岸控股(國際)有限公司) as potential purchaser (the "Potential Purchaser") regarding the possible disposal of 292,700,000 shares in OMG, representing approximately 73.01% of the issued share capital of OMG (the "Possible Transaction").
- (b) On 15 April 2016 and 28 June 2016, the Vendor and the Potential Purchaser had entered into a supplemental MOU and a second supplemental MOU respectively in relation to the Possible Transaction.

5 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours on any weekday (except public holidays) at (i) the registered office of the Company in Malaysia at Level 8, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia; and (ii) the Hong Kong head office and principal place of business at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong for a period from the date of this circular to the date of the AGM:

- (i) the memorandum of association and Bye-Laws of the Company;
- (ii) the audited consolidated financial statements of the Company for the past two financial years ended 31 March 2015 and 31 March 2016 and the latest unaudited results since the last audited accounts;
- (iii) the Annual Report 2015/16;
- (iv) cause papers of the litigation as referred to in the paragraphs headed “Litigation” in this appendix; and
- (v) the material contracts as referred to in the paragraph headed “Material Contracts” in this appendix.

SUBSIDIARIES OF THE COMPANY

In compliance with the Listing Requirements, details of the subsidiaries of the Company as at the Latest Practicable Date are as follows:

Name of company	Date and country of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
<i>Subsidiaries of the Company in Hong Kong</i>				
Charming Holidays Limited	13.01.1987; Hong Kong	HK\$1,000,000	100.00	Provision of travel and travel related services
Charming Holidays (North America) Limited	01.06.1993; Hong Kong	HK\$2	100.00	Investment holding
Holgain Limited	11.02.1992; Hong Kong	HK\$20	100.00	Property investment
Kin Ming Printing Company Limited	26.11.1964; Hong Kong	HK\$10,000	100.00	Provision of printing services
Maribo Brief Limited	24.08.1993; Hong Kong	HK\$2	100.00	Dormant
MCIL Digital Limited	07.08.2015; Hong Kong	HK\$1	100.00	Digital multimedia business
Media2U Company Limited	29.09.1994; Hong Kong	HK\$101	73.01	Magazines advertising & operation
MediaNet Advertising Limited	27.03.2002; Hong Kong	HK\$100	73.01	Media operation
Mingpao.com Limited	24.03.1994; Hong Kong	HK\$2	97.78	Internet related businesses
Ming Pao Education Publications Limited	11.12.2007; Hong Kong	HK\$1	100.00	Digital multimedia business and books publishing
Ming Pao Enterprise Corporation Limited	24.11.1972; Hong Kong	HK\$9,300	100.00	Dormant

Name of company	Date and country of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
Ming Pao Holdings Limited	26.11.1964; Hong Kong	HK\$1,000,000	100.00	Investment holding and provision of management services
Ming Pao Magazines Limited	02.05.1991; Hong Kong	HK\$1,650,000	73.01	Publication and distribution of magazines
Ming Pao New Media Limited	23.04.1992; Hong Kong	HK\$2	100.00	Digital multimedia business
Ming Pao Newspapers Limited	26.05.1987; Hong Kong	HK\$2	100.00	Publication and distribution of newspaper and periodical
Ming Pao Nominees Limited	24.05.1994; Hong Kong	HK\$2	100.00	Provision of nominees services
Ming Pao Publications Limited	16.09.1986; Hong Kong	HK\$10	100.00	Publication and distribution of books
Ming Pao Secretarial Services Limited	24.05.1994; Hong Kong	HK\$2	100.00	Provision of secretarial services
One Media (HK) Limited	03.10.1986; Hong Kong	HK\$10	73.01	Investment holding
ST Productions Limited	27.03.2015; Hong Kong	HK\$3,000,003	51.11	Artiste and events management
Yazhou Zhoukan Limited	25.11.1993; Hong Kong	HK\$9,500	100.00	Publication and distribution of magazine

Name of company	Date and country of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
<i>Subsidiaries of the Company in Malaysia</i>				
Capital Foremost Sdn Bhd	22.07.1993; Malaysia	RM3	100.00	Dormant
The China Press Berhad	15.05.1947; Malaysia	RM4,246,682	99.75	Publication of newspaper and provision of printing services
Cittabella (Malaysia) Sdn Bhd	08.09.1994; Malaysia	RM1,000,000	100.00	Dormant
Guang-Ming Ribao Sdn Bhd	26.10.1984; Malaysia	RM4,000,000	100.00	Publication and distribution of newspaper and electronic commerce activities
Lifepap Sdn Bhd	22.10.1981; Malaysia	RM1,210,010	100.00	In voluntary liquidation
Life Publishers Berhad	28.07.1971; Malaysia	RM9,000,000	100.00	Dormant
Malaysia Daily News Sdn Bhd	20.11.1968; Malaysia	RM2,499,934	100.00	Dormant
MCIL Multimedia Sdn Bhd	01.06.2000; Malaysia	RM16,500,000	100.00	Electronic commerce activities and multimedia
Media Communications Sdn Bhd	13.01.1982; Malaysia	RM100,000	100.00	Electronic commerce activities
Mulu Press Sdn Bhd	29.03.1985; Malaysia	RM500,000	100.00	Distribution of newspapers and provision of editorial and advertising services

Name of company	Date and country of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
Nanyang Press Holdings Berhad	23.07.1958; Malaysia	RM76,107,375	100.00	Publication and distribution of newspapers and magazines, investment holding and letting of properties
Nanyang Press Marketing Sdn Bhd	04.09.1963; Malaysia	RM1,000,000	100.00	Provision of marketing and circulation services of newspapers
Nanyang Siang Pau Sdn Bhd	23.09.1965; Malaysia	RM60,000,000	100.00	Publication of newspapers and magazines
Sinchew-i Sdn Bhd	31.05.2000; Malaysia	RM25,000,000	100.00	Investment holding
Sin Chew Media Corporation Berhad	15.03.1983; Malaysia	RM151,000,000	100.00	Publication and distribution of newspaper and magazines, provision of printing and electronic commerce activities
<i>Subsidiaries of the Company outside Hong Kong and Malaysia</i>				
Beijing OMG Advertising Company Limited ⁽ⁱⁱ⁾	18.01.2004; The People's Republic of China	RMB30,000,000	73.01	Magazines operation
Beijing OMG M2U Advertising Company Limited ⁽ⁱⁱ⁾	20.05.2005; The People's Republic of China	RMB50,000,000	73.01	Magazines advertising
Beijing Times Resource Technology Consulting Limited ⁽ⁱⁱⁱ⁾	02.08.2000; The People's Republic of China	RMB3,000,000	73.01	Magazines operation

Name of company	Date and country of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
Best Gold Resources Limited	01.08.2012; British Virgin Islands	HK\$1	73.01	Investment holding
Charming Holidays (Canada) Inc.	23.10.1990; Canada	CAD15,000	100.00	Dormant
Charming Holidays (Guangdong) Limited ⁽ⁱⁱ⁾	05.12.2008; The People's Republic of China	HK\$4,000,000	100.00	Dormant
Charming Holidays Holdings Limited	15.08.2012; British Virgin Islands	US\$1	100.00	Investment holding
Charming Holidays International Limited	15.08.2012; Cayman Islands	HK\$0.01	100.00	Investment holding
Comwell Investment Limited	30.08.2007; British Virgin Islands	HK\$1	100.00	Investment holding
Delta Tour & Travel Services (Canada), Inc.	25.11.1987; Canada	CAD530,000	100.00	Provision of travel and travel related services
Delta Tour & Travel Services, Inc.	09.03.1981; The United States of America	US\$300,500	100.00	Provision of travel and travel related services
Easy Trillion Limited	29.05.2012; British Virgin Islands	US\$1	100.00	Investment holding
Enston Investment Limited	12.12.2012; British Virgin Islands	HK\$1	73.01	Investment holding
Ever Gallant Limited	23.05.2012; British Virgin Islands	US\$1	100.00	Investment holding

Name of company	Date and country of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
First Collection Limited	21.12.1994; British Virgin Islands	US\$1	100.00	Investment holding
Loka Investment Limited	12.12.2012; British Virgin Islands	HK\$1	73.01	Investment holding
Media2U (BVI) Company Limited	02.01.2004; British Virgin Islands	US\$1	73.01	Investment holding
Media Chinese International Holdings Limited	24.10.2007; British Virgin Islands	HK\$1	100.00	Investment holding
Media Connect Investment Limited	06.08.2009; British Virgin Islands	HK\$1	73.01	Investment holding
MediaNet Investment Limited	24.10.2007; British Virgin Islands	HK\$1	100.00	Investment holding
MediaNet Resources Limited	03.10.2007; British Virgin Islands	HK\$1	100.00	Investment holding
Mingpao.com Holdings Limited	09.11.1999; Cayman Islands	HK\$71,773.50	97.78	Investment holding
Ming Pao Enterprise Corporation Limited	29.09.2008; Cayman Islands	US\$1	100.00	Investment holding
Ming Pao Finance Limited	24.01.1991; British Virgin Islands	US\$10	73.01	Licensing of trademarks
Ming Pao Holdings (Canada) Limited	22.01.1993; Canada	CAD1	100.00	Investment holding

Name of company	Date and country of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
Ming Pao Holdings (USA) Inc.	24.03.1994; The United States of America	US\$1	100.00	Investment holding
Ming Pao International Investment Limited	23.01.1991; British Virgin Islands	US\$100	100.00	Dormant
Ming Pao Investment (Canada) Limited	16.03.2007; Canada	CAD1	100.00	Investment holding
Ming Pao Investment (USA) L.P.	03.05.2007; The United States of America	US\$150,150	100.00	Publication and distribution of newspaper and periodicals
Ming Pao Newspapers (Canada) Limited	04.01.1993; Canada	CAD11	100.00	Publication and distribution of newspapers and periodicals
Ming Pao (New York) Inc.	05.04.1994; The United States of America	US\$1	100.00	Dormant
Ming Pao (San Francisco) Inc.	25.03.1994; The United States of America	US\$1	100.00	Dormant
MP Printing Inc.	29.10.2003; The United States of America	US\$1	100.00	Dormant
One Media Group Limited	11.03.2005; Cayman Islands	HK\$400,900	73.01	Investment holding

Name of company	Date and country of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
One Media Holdings Limited	16.01.2004; British Virgin Islands	US\$200	73.01	Investment holding
One Media Investment Limited	28.01.2013; British Virgin Islands	HK\$1	73.01	Dormant
Polyman Investment Limited	02.01.2013; British Virgin Islands	HK\$1	73.01	Investment holding
PT Sinchew Indonesia	10.08.2012; Republic of Indonesia	US\$1,500,000	80.00	Acting as newspaper distribution agent
Shenzhen MediaNet Internet Services Company Limited ⁽ⁱⁱ⁾	08.11.2012; The People's Republic of China	RMB1,000,000	100.00	Provision of information technology services
Sinchew (USA) Inc.	31.08.2012; The United State of America	US\$200	100.00	Letting of property
Sky Success Enterprises Limited	17.03.2011; British Virgin Islands	US\$1	73.01	Investment holding
Sueur Investments Limited	20.12.1989; British Virgin Islands	US\$1	100.00	Investment holding
Sun Bloom Limited	29.05.2012; British Virgin Islands	US\$1	100.00	Investment holding
Taiwan One Media Group Limited	04.09.2015; Taiwan	TWD1,000,000	73.01	Magazine publishing

Name of company	Date and country of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
Top Plus Limited	30.12.2003; British Virgin Islands	US\$10	73.01	Investment holding
Tronix Investment Limited	02.01.2013; British Virgin Islands	HK\$1	73.01	Investment holding
Yazhou Zhoukan Holdings Limited	15.01.2001; British Virgin Islands	HK\$12,000	100.00	Investment holding

Notes:

- (i) All companies operate in their respective places of incorporation, except for Best Gold Resources Limited, Charming Holidays Holdings Limited, Charming Holidays International Limited, Comwell Investment Limited, Easy Trillion Limited, Enston Investment Limited, Ever Gallant Limited, First Collection Limited, Loka Investment Limited, Media2U (BVI) Company Limited, Media Chinese International Holdings Limited, Media Connect Investment Limited, MediaNet Investment Limited, MediaNet Resources Limited, Mingpao.com Holdings Limited, Ming Pao Enterprise Corporation Limited, Ming Pao Finance Limited, Ming Pao International Investment Limited, One Media Group Limited, One Media Holdings Limited, One Media Investment Limited, Polyman Investment Limited, Sky Success Enterprises Limited, Sueur Investments Limited, Sun Bloom Limited, Top Plus Limited, Tronix Investment Limited and Yazhou Zhoukan Holdings Limited, which operate principally in Hong Kong.
- (ii) These subsidiaries were established in the People's Republic of China in the form of wholly-owned foreign enterprises.
- (iii) Beijing Times Resource Technology Consulting Limited ("Beijing TRT") is a domestic enterprise in the People's Republic of China ("PRC") owned legally by a PRC national. The Group has entered into contractual arrangements with the legal owner of Beijing TRT so that the decision-making rights, operating and financing activities of Beijing TRT are ultimately controlled by the Group. The Group is also entitled to substantially all of the operating profits and residual benefits generated by Beijing TRT under these arrangements. In particular, the legal owner of Beijing TRT is required under the contractual arrangements with the Group to transfer the interests in Beijing TRT to the Group or the Group's designee upon request at a pre-agreed nominal consideration. Further, the Group can receive the cash flow derived from the operations of Beijing TRT through the levying of service and consultancy fees. The ownership interests in Beijing TRT have also been pledged by the legal owner of Beijing TRT to the Group. Based on the above, the directors of the Company regard Beijing TRT as a subsidiary of the Company.

MPSB's tenancy of the following properties from TTS&S as landlord:

	Location of properties	Type of property	Size of premises rented <i>(square feet)</i>	Monthly rental <i>(RM)</i>
1.	No. 25, Second Floor, Jalan Kampung Nyabor, 96000 Sibul, Sarawak, Malaysia	Office	1,200	400
2.	No. 25, Ground Floor, Jalan Kampung Nyabor, 96000 Sibul, Sarawak, Malaysia	Office	1,200	2,100
				2,500

This appendix serves as an explanatory statement, as required by the Listing Requirements and the Listing Rules, to provide you with the relevant information for your consideration of the proposal to permit the Company to repurchase Shares up to a maximum of 10% of the total number of the issued and paid-up share capital of the Company as at the date of passing the Share Buy-back Resolution.

1 SHARE CAPITAL

The Board proposes to seek a renewal of the authority from its Shareholders to purchase up to 10% of its issued and paid-up share capital.

As at the Latest Practicable Date, the issued and paid-up share capital of the Company is HK\$168,723,624.10 comprising 1,687,236,241 Shares of HK\$0.10 each. Subject to the passing of the Share Buy-back Resolution and on the basis that no further Shares are issued or repurchased prior to the forthcoming AGM, the maximum number of Shares which the Company may repurchase is 168,723,624, representing not more than 10% of the total number of the issued and paid-up share capital of the Company as at the Latest Practicable Date.

The authorisation from the Shareholders for the Share Buy-back Mandate will be effective immediately after the passing of the Share Buy-back Resolution to be tabled at the forthcoming AGM and will continue to be in full force until:

- (a) 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;
- (b) the expiration of the period within which the next AGM of the Company is required by applicable laws or the Bye-Laws of the Company to be held; or
- (c) revoked or varied by ordinary resolution passed by the Shareholders in general meeting,

whichever occurs first.

2 SOURCES OF FUNDS

In repurchasing Shares, the Company may only apply funds which will be legally available for such purpose in accordance with the Company's memorandum of association, the Bye-Laws and the Companies Act 1981 of Bermuda. The Companies Act 1981 of Bermuda provides that the amount of capital repayable in connection with a repurchase of Shares may only be paid out of the capital paid up on such Shares or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of Shares made for the purpose. The Companies Act 1981 of Bermuda further provides that the amount of premium payable on repurchase may only be paid out of the funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account before the Shares are repurchased.

The Board proposes to allocate up to the amount available under the retained profits and/or share premium account of the Company for the repurchase of Shares pursuant to the Share Buy-back Mandate, subject to compliance with Section 67A of the Act, and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by relevant authorities at the time of the purchase. Based on the latest audited financial statements for the financial year ended 31 March 2016, the retained profits and share premium account of the Company were US\$175,237,000 and US\$54,664,000, respectively.

The amount of funds allocated for the repurchase of Shares pursuant to the Share Buy-back Mandate shall be financed from internally generated funds and/or external borrowings, the proportion of which will only be determined later depending on the available internally generated funds, actual number of Shares to be repurchased and other relevant cost factors. In the event the Company decides to use external borrowings, the Company will ensure that it has sufficient financial capability to repay such borrowings and that the external borrowings are not expected to have any adverse effects on the cash flow of the Company.

3 RATIONALE FOR THE SHARE BUY-BACK MANDATE

The Share Buy-back Mandate will enable the Company to utilise its surplus financial resources to repurchase Shares as and when the Board deems fit in the interest of the Shareholders during the proposed mandate period. It may stabilise the supply and demand of Shares traded on HKEx and Bursa Securities and thereby support the fundamental value of the Shares if required.

The Share Buy-back Mandate would effectively reduce the number of Shares carrying voting and participation rights. As such, in arriving at the earning per share of the Company, the earnings of the Company would be divided by a reduced number of Shares. Based on among other things, the current market price of the Shares, Shareholders may enjoy an increase in the value of their investment in the Company arising from the consequent increase in earning per Share.

4 RISK ASSESSMENT OF THE SHARE BUY-BACK MANDATE

The Share Buy-back Mandate is not expected to have any potential material disadvantages to the Group and Shareholders.

The Share Buy-back Mandate, if implemented, would reduce the financial resources of the Group. This may result in the Group having to forego future investment opportunities and/or any income that may be derived from the deposit of such funds in interest bearing instruments. The Share Buy-back Mandate may also result in a reduction of financial resources available for distribution in the form of cash dividends to Shareholders.

Nevertheless, the Board will be mindful of the interest of the Company and its Shareholders in implementing the Share Buy-back Mandate.

5 EFFECTS OF THE SHARE BUY-BACK MANDATE

5.1 Share Capital

The Share Buy-back Mandate will result in the reduction of the issued and paid-up share capital of the Company as the Shares repurchased are to be cancelled pursuant to Rule 10.06(5) of the Listing Rules. The pro forma effects of the Share Buy-back Mandate on the issued and paid-up share capital of the Company as at the Latest Practicable Date, assuming the repurchased Shares are cancelled, are illustrated below:

	Number of Shares
Issued and paid-up share capital as at Latest Practicable Date	1,687,236,241
Maximum number of Shares which may be repurchased and cancelled pursuant to the Share Buy-Back Mandate	<u>168,723,624</u>
Resulting issued share capital upon completion of cancellation of maximum number of Shares which may be repurchased under the Share Buy-Back Mandate	<u><u>1,518,512,617</u></u>

5.2 Net Assets (“NA”)

The effects of the Share Buy-back Mandate on the NA of the Company will depend on the purchase price and number of Shares purchased. The Share Buy-back Mandate will reduce the consolidated NA per Share if the purchase price exceeds the consolidated NA per Share at the time of the purchase. Conversely, it would increase the consolidated NA per Share if the purchase price is less than the consolidated NA per Share of the Company at the time of the purchase.

5.3 Earnings

The impact on the earnings of the Company and the Group depends on the purchase prices, the number of Shares purchased and the effective funding cost of the purchase or loss in interest income to the Group. The Shares purchased by the Company will be cancelled, hence the net earnings per Share may increase as a result of the reduction in the issued and paid-up Share capital of the Company.

5.4 Working Capital

The Share Buy-back Mandate is likely to reduce funds available for working capital purposes of the Group, the quantum depends on the purchase prices and the actual number of Shares repurchased. The cash flow of the Company will be reduced relatively to the number of Shares eventually purchased and the purchase prices of the Shares.

5.5 Dividends

Assuming the proposed Share Buy-back is implemented in full and the dividend quantum is maintained at historical levels, the proposed Share Buy-back will have the effect of increasing the dividend rate of the Company as a result of the reduction in the issued and paid-up share capital of the Company.

The Company has declared the following dividends for the financial year ended 31 March 2016:

Dividend rate US cents per ordinary share of HK\$0.1 each		
First interim dividend	US0.500 cents	Paid on 23 December 2015
Second interim dividend	US0.600 cents	Payable on 13 July 2016
 Total	 US1.100 cents	

5.6 Shareholding of Directors and Substantial Shareholders

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates, have any present intention to sell any Shares to the Company under the Share Buy-back Mandate.

No core connected persons (as defined under the Listing Requirements and Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Share Buy-back Mandate is approved by the Shareholders.

APPENDIX IV EXPLANATORY STATEMENT FOR SHARE BUY-BACK

In the event that the Share Buy-back Mandate is exercised in full and all the Shares repurchased are cancelled, and on the assumption and that the Company will repurchase Shares from Shareholders other than the Directors and substantial Shareholders, the proforma effects of the Share Buy-back Mandate on the shareholdings of the Directors and substantial Shareholders of the Company as at the Latest Practicable Date, are set out as follows:

	As at Latest Practicable Date				After full exercise of Share Buy-back Mandate			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Director⁽⁵⁾								
TSTHK	87,109,058	5.16%	796,968,939 ⁽¹⁾	47.24%	87,109,058	5.74%	796,968,939 ⁽¹⁾	52.48%
Dato' Sri Dr Tiong Ik King	11,144,189	0.66%	252,487,700 ⁽²⁾	14.96%	11,144,189	0.73%	252,487,700 ⁽²⁾	16.63%
Mr Tiong Kiew Chiong	2,141,039	0.13%	—	—	2,141,039	0.14%	—	—
Mr Leong Chew Meng	80,000	—*	—	—	80,000	0.01%	—	—
Ms Tiong Choon	2,654,593	0.16%	1,676,952 ⁽³⁾	0.10%	2,654,593	0.17%	1,676,952 ⁽³⁾	0.11%
Substantial Shareholder⁽⁶⁾								
Progresif	326,463,556	19.35%	—	—	326,463,556	21.50%	—	—
Conch	252,487,700	14.96%	—	—	252,487,700	16.63%	—	—
TSTHK	87,109,058	5.16%	796,968,939 ⁽¹⁾	47.24%	87,109,058	5.74%	796,968,939 ⁽¹⁾	52.48%
Dato' Sri Dr Tiong Ik King	11,144,189	0.66%	252,487,700 ⁽²⁾	14.96%	11,144,189	0.73%	252,487,700 ⁽²⁾	16.63%
Seaview Global Company Limited	—	—	252,487,700 ⁽⁴⁾	14.96%	—	—	252,487,700 ⁽⁴⁾	16.63%

* negligible

Notes:

- (1) Deemed interested by virtue of his spouse's interests and his interests in Progresif, Conch, Ezywood, TSL, Madigreen, RHS, RHSA and PAA.
- (2) Deemed interested by virtue of his interests in Seaview Global Company Limited and Conch.
- (3) Deemed interested by virtue of her interests in TCB and her spouse's interests.
- (4) Deemed interested by virtue of its interests in Conch.
- (5) The interests of the directors of the Company presented in the above are based on information set out in the register of interests of the directors, chief executives and their associates in the shares, underlying shares or debentures of the Company maintained under Section 352 of the SFO as at the Latest Practicable Date.
- (6) The interests of the substantial shareholders of the Company presented in the above are based on information set out in the register of interests and short positions maintained under Section 336 of the SFO as at the Latest Practicable Date.

6 PUBLIC SHAREHOLDINGS SPREAD

As at the Latest Practicable Date, approximately 762,398,923 Shares were held by public Shareholders and the public shareholding spread of the Company was approximately 45.19% of its issued and paid-up share capital.

The public shareholding spread would be reduced to approximately 39.10% pursuant to the Share Buy-back Mandate, assuming the Company implements the Share Buy-back Mandate in full and that the Shares purchased are from public shareholders.

In this regard, the Board has undertaken to Bursa Securities and to HKEx to exercise the power of the Company to make repurchases pursuant to the Share Buy-back Mandate in accordance with the Listing Requirements, the Listing Rules, and the laws of Bermuda prevailing at the time of the repurchase including compliance with the twenty-five per cent (25%) public shareholding spread as required by the Listing Requirements and the Listing Rules.

7 IMPLICATIONS RELATING TO THE HONG KONG TAKEOVERS CODE AND MALAYSIAN TAKEOVERS CODE

As it is not intended for the Share Buy-back Mandate to trigger the obligation to undertake a mandatory general offer under the Hong Kong Takeovers Code or the Malaysian Takeovers Code for any of the substantial Shareholders and parties acting in concert with them, the Board will ensure that only such number of Shares will be repurchased and cancelled so that neither the Hong Kong Takeovers Code nor the Malaysian Takeovers Code will be triggered. In this connection, the Board is mindful of the requirements when making any repurchase of Shares pursuant to the Share Buy-back Mandate. The Directors are not aware of any consequences which will arise under the Hong Kong Takeovers Code or the Malaysian Takeovers Code as a result of any repurchases made under the Share Buy-back Mandate. The Board has reasonable grounds to believe that there is no implication relating to the Hong Kong Takeovers Code or the Malaysian Takeovers Code arising from the authority given under the Share Buy-back Mandate.

8 INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS' INTERESTS AND PERSONS CONNECTED TO THEM

Save for the consequential increase in the percentage shareholdings of the Directors and the substantial Shareholders as a result of the Share Buy-back Mandate, none of the Directors and/or substantial Shareholders of the Company and persons connected to them have any interest, direct or indirect, in the Share Buy-back Mandate.

9 SHARE BUY-BACKS/REPURCHASES MADE BY THE COMPANY

During the financial year ended 31 March 2016, the Company purchased a total of 1,000 Shares from the open market at an average price of HK\$1.15 per Share or a total consideration of HK\$1,150. All the Shares purchased during the financial year ended 31 March 2016 have been cancelled pursuant to the Listing Rules. Further information on the Shares repurchased by the Company during the financial year ended 31 March 2016 is set out under page 75, “Report of the Directors” in the Annual Report 2015/16.

The Company has not repurchased any of its Shares (whether on HKEx or Bursa Securities) in the six months preceding the Last Practicable Date.

10 HISTORICAL PRICES OF SHARES

The monthly highest and lowest prices of the Shares as traded on HKEx and Bursa Securities for the past twelve (12) months before the Latest Practicable Date are as follows:

	Highest price		Lowest price	
	HKEx	Bursa	HKEx	Bursa
	<i>(HK\$)</i>	<i>(RM)</i>	<i>(HK\$)</i>	<i>(RM)</i>
June 2016 (up to the Latest Practicable Date)	1.31	0.755	1.19	0.695
May 2016	1.31	0.745	1.15	0.705
April 2016	1.30	0.750	1.15	0.700
March 2016	1.26	0.730	1.10	0.640
February 2016	1.28	0.675	1.10	0.640
January 2016	1.32	0.685	1.06	0.595
December 2015	1.50	0.640	1.05	0.580
November 2015	1.20	0.635	1.03	0.575
October 2015	1.15	0.580	0.93	0.525
September 2015	1.08	0.555	0.93	0.500
August 2015	1.46	0.590	1.00	0.500
July 2015	1.56	0.615	1.14	0.575
June 2015	2.10	0.640	1.53	0.600

(source: HKEx and Bursa Securities)

11 APPROVALS REQUIRED

The Share Buy-back Mandate is subject to approval of the Share Buy-back Resolution being obtained from the Shareholders at the forthcoming AGM.

The following are the particulars of the Directors proposed to be re-elected and retained at the forthcoming AGM in accordance with Bye-Laws and the Malaysian Code on Governance 2012:

1. **Mr Tiong Kiew Chiong**, Malaysian, aged 56, was appointed as an executive director of the Company on 2 May 1998. He is currently the Group Chief Executive Officer, a member of the Group Executive Committee and Remuneration Committee of the Company. Mr Tiong is also the Deputy Chairman of OMG, a subsidiary of the Company which has been listed on the main board of HKEx since October 2005. He has extensive experience in media and publishing business and is also one of the founders of *The National*, an English newspaper in Papua New Guinea launched in 1993. Mr Tiong obtained his Bachelor Degree of Business Administration (Honours) from York University, Toronto, Canada in 1982. Mr Tiong currently sits on the board of a number of subsidiaries of the Company.

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.

Saved as disclosed herein, Mr Tiong has not held any directorship in other public companies in the past three years and does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other positions with any members of the Group.

As at the Latest Practicable Date, Mr Tiong has personal interest in 2,141,039 Shares within the meaning of Part XV of the SFO.

Mr Tiong has entered into a letter of appointment with the Company for a term of 2 years commencing on 1 April 2016 to 31 March 2018. The appointment as Director of Mr Tiong is subject to retirement and re-election at annual general meetings of the Company in accordance with the Bye-Laws. The remuneration to be received by Mr Tiong will be determined with reference to his experience and responsibilities in the Company. For the year ended 31 March 2016, total emoluments paid by the Group to Mr Tiong amounted to US\$415,000.

Mr Tiong has confirmed that there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in connection with his re-election.

2. **Mr Ng Chek Yong**, Malaysian, aged 59, 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 SCM CB. 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 SCM CB on 1 August 1988. From 1980 to 1988, he was the Secretary-General and Chairman of Sarawak Constellation Poetical Society. Moreover, he was the President of Federation of Sarawak Journalists Association as well as the President of Kuching Division Journalists Association in Malaysia from 1990 to 1991. Mr Ng currently sits on the board of a number of subsidiaries of the Company.

Saved as disclosed herein, Mr Ng has not held any directorship in other public companies in the past three years and does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other positions with any members of the Group.

As at the Latest Practicable Date, Mr Ng was not interested in any Shares within the meaning of Part XV of the SFO.

Ms Ng has entered into a letter of appointment with the Company for a term of 2 years commencing on 1 April 2016 to 31 March 2018. The appointment as Director of Mr Ng is subject to retirement and re-election at annual general meetings of the Company in accordance with the Bye-Laws. The remuneration to be received by Mr Ng will be determined with reference to his experience and responsibilities in the Company. For the year ended 31 March 2016, total emoluments paid by the Group to Mr Ng amounted to US\$329,000.

Mr Ng has confirmed that there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in connection with his re-election.

3. **Ms Tiong Choon**, Malaysian, aged 47, was appointed as a non-executive director of the Company on 31 March 2013. She has started her career with Rimbunan Hijau Group since 1991 and served in various managerial and senior positions in plantation and hospitality sectors. She holds a Bachelor of Economics Degree from Monash University, Australia. She is currently a non-independent non-executive director of Jaya Tiasa Holdings Berhad, a listed company in Malaysia.

Ms Tiong is 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.

Saved as disclosed herein, Ms Tiong has not held any directorship in other public companies in the past three years and does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other positions with any members of the Group.

As at the Latest Practicable Date, Ms Tiong has personal interest in 2,654,593 Shares, family interest in 1,023,632 Shares and corporate interest in 653,320 Shares within the meaning of Part XV of the SFO.

Ms Tiong has entered into a letter of appointment with the Company for a term of 2 years commencing on 1 April 2015 to 31 March 2017. The appointment as Director of Ms Tiong is subject to retirement and re-election at annual general meetings of the Company in accordance with the Bye-Laws. The remuneration to be received by Ms Tiong will be determined with reference to her experience and responsibilities in the Company. For the year ended 31 March 2016, total emoluments paid by the Group to Ms Tiong amounted to US\$20,000.

Ms Tiong has confirmed that there is no information which is discloseable nor is/was she involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in connection with her re-election.

4. **Datuk Chong Kee Yuon**, Malaysian, aged 50, 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. Datuk Chong has over 25 years of experience in the field of education and corporate training. He is currently the managing director of Erican Education Group, an education provider engaging in tertiary education, early education, language training and corporate training. Datuk Chong is also currently the president of Branding Association of Malaysia and an Advisor of Secretariat for the Advancement of Malaysia Entrepreneurs under the Prime Minister's Department of Malaysia. He graduated from the University of Wisconsin, Madison in the United States in 1989 with a Bachelor of Business Administration.

Saved as disclosed herein, Datuk Chong has not held any directorship in other public companies in the past three years and does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other positions with any members of the Group.

As at the Latest Practicable Date, Datuk Chong was not interested in any Shares within the meaning of Part XV of the SFO.

Datuk Chong has entered into a letter of appointment with the Company for a term of 2 years commencing on 1 April 2016 to 31 March 2018. The appointment as Director of Datuk Chong is subject to retirement and re-election at annual general meetings of the Company in accordance with the Bye-Laws. The remuneration to be received by Datuk Chong will be determined with reference to his experience and responsibilities in the Company. He will be entitled to receive a director fee of US\$21,000 per annum.

Datuk Chong has confirmed that there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in connection with his re-election.

5. **Mr Khoo Kar Khoon**, Malaysian, aged 51, 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 the 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.

Saved as disclosed herein, Mr Khoo has not held any directorship in other public companies in the past three years and does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other positions with any members of the Group.

As at the Latest Practicable Date, Mr Khoo was not interested in any Shares within the meaning of Part XV of the SFO.

Mr Khoo has entered into a letter of appointment with the Company for a term of 1 year and 9 months and 8 days commencing on 23 June 2016 to 31 March 2018. The appointment as Director of Mr Khoo is subject to retirement and re-election at annual general meetings of the Company in accordance with the Bye-Laws. The remuneration to be received by Mr Khoo will be determined with reference to his experience and responsibilities in the Company. He will be entitled to receive a director fee of US\$21,000 per annum.

Mr Khoo has confirmed that there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in connection with his re-election.

6. **Mr David Yu Hon To**, Chinese, aged 68, was appointed as an independent non-executive director of the Company on 30 March 1999. He is the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company. He is also an independent non-executive director of OMG, a subsidiary of the Company which has been listed on the main board of HKEx since October 2005 and MPH, 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 HKEx), Playmates Holdings Limited and Synergis Holdings Limited, which are listed companies in Hong Kong. In the past three years, 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.

Saved as disclosed herein, Mr Yu has not held any directorship in other public companies in the past three years and does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other positions with any members of the Group.

As at the Latest Practicable Date, Mr Yu was not interested in any Shares within the meaning of Part XV of the SFO.

Mr Yu has entered into a letter of appointment with the Company for a term of 2 years commencing on 1 April 2016 to 31 March 2018. The appointment as Director of Mr Yu is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-Laws. The remuneration to be received by Mr Yu will be determined with reference to his experience and responsibilities in the Company. For the year ended 31 March 2016, total emoluments paid by the Group to Mr Yu amounted to US\$54,000.

Mr Yu has confirmed that there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in connection with his retention as an independent Director.