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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-seventh 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, 11 August 2017 at 10:00 a.m. together with a proxy form are enclosed together with the Annual Report 2016/17.

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 : 9 August 2017 at 10:00 a.m.
Date and time of the Annual General Meeting : 11 August 2017 at 10:00 a.m.

This circular is dated 13 July 2017

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DEFINITIONS

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

“Act”	the Malaysian Companies Act, 2016, as amended from time to time and any re-enactment thereof
“AGM”	the annual general meeting of the Company
“Annual Report 2016/17”	the annual report of the Company for the financial year ended 31 March 2017
“Audit Committee”	the audit committee of the Board, comprising all non-executive Directors, namely Mr Yu Hon To, David, 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”	20 June 2017, 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 of HKEX
“Madigreen”	Madigreen Sdn Bhd (Malaysia Company No. 305806-M)
“major shareholder”	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: (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 8 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
“MCIL Multimedia”	MCIL Multimedia Sdn Bhd (Malaysia Company No. 515740-D)
“MNI”	Malaysian Newsprint Industries Sdn Bhd (Malaysia Company No. 28382-H)
“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
“OCE”	Optical Communication Engineering Sdn Bhd (Malaysia Company No. 151535-H)
“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

DEFINITIONS

- “PAA” Pertumbuhan Abadi Asia Sdn Bhd (Malaysia Company No. 67069-X)
- “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.

DEFINITIONS

“Progresif”	Progresif Growth Sdn Bhd (Malaysia Company No. 575150-P)
“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)
“RHBFSB”	R H Bee Farms Sdn Bhd (Malaysia Company No. 732331-K)
“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)

DEFINITIONS

“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 Shares of the Company as at the date of passing the Share Buy-back Resolution
“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
“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)
“WTC”	Web Technology Center Sdn Bhd (Malaysia Company No. 325068-H)
“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

DEFINITIONS

“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)

Mr Tiong Kiew Chiong *(Group CEO)*

Mr Ng Chek Yong

Mr Leong Chew Meng

Non-executive Directors:

Dato' Sri Dr Tiong Ik King

Ms Tiong Choon

Independent Non-executive Directors:

Mr Yu Hon To, David

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

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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

13 July 2017

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 12 August 2016, 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 27th AGM unless authority for its renewal is obtained from the shareholders at the AGM.

In relation thereto, the Board had announced on 7 June 2017 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 2016/17 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 27th 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, Zero New Media, RHBFSB, OCE and WTC.

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 14 July 2016		Actual value transacted from the date of last AGM on 12 August 2016 upto the Latest Practicable Date		Estimated value from 11 August 2017 (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	37,344	31,804	7,423	160,000	37,344	SCMCB Group	RHDC and RHE are the substantial shareholders (pursuant to the Act) of MNI.
			90,000	21,006	26,330	6,145	90,000	21,006	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	7,000	1,634	2,087	487	7,000	1,634	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.
			7,000	1,634	3,035	708	7,000	1,634	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	50	12	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).
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	15	4	25	6	MPSB	TSL is a major shareholder of RHH and a shareholder of the Company. TSTHK is both a major shareholder and a director of the Company, TSL and RHH. He is a director of SCMCB (the holding company of MPSB). Dato' Sri Dr Tiong Ik King is both a major shareholder and a director of the Company. He is also a major shareholder of RHH.

PART A: LETTER FROM THE BOARD

Related party	Principal activities	Nature of transaction	Estimated value disclosed in preceding year's circular to Shareholders dated 14 July 2016		Actual value transacted from the date of last AGM on 12 August 2016 upto the Latest Practicable Date		Estimated value from 11 August 2017 (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		
4. 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	14	38	9	50	12	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>
5. 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	16	4	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>
6. 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>
7. EA	Insurance agent and providing handling services	Receipt of services i.e. MPSB purchases motor vehicle insurance from EA	7	2	4	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>
8. RHTT	Tour operator & travel agent	Receipt of services i.e. to purchase air- tickets from RHTT	360	84	156	36	360	84	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 14 July 2016		Actual value transacted from the date of last AGM on 12 August 2016 upto the Latest Practicable Date		Estimated value from 11 August 2017 (date of AGM) up to next AGM		Transacting party	Nature of interest
			HK\$'000	US\$'000	HK\$'000	US\$'000	HK\$'000	US\$'000		
9. OMH	Investment holding	Provision of circulation support services and library support services by MPN to OMH and its subsidiaries	1,480	190	852	109	1,120	144	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>
10. OMH	Investment holding	Provision of administrative support services by MPH to OMH and its subsidiaries (Note 2)	5,130	658	3,410	437	4,630	594	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>
11. 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\$176,870	2,800	359	2,214	284	2,770	355	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>

PART A: LETTER FROM THE BOARD

Related party	Principal activities	Nature of transaction	Estimated value disclosed in preceding year's circular to Shareholders dated 14 July 2016		Actual value transacted from the date of last AGM on 12 August 2016 up to the Latest Practicable Date		Estimated value from 11 August 2017 (date of AGM) up to next AGM		Transacting party	Nature of interest
			HK\$'000	US\$'000	HK\$'000	US\$'000	HK\$'000	US\$'000		
12. 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	154	389	50	1,200	154	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>
13. OMG Group	Investment holding, magazine publishing and digital media business	Provision of barter advertising services by the Group from OMG Group	2,000	256	769	99	2,000	256	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>
14. OMG Group	Investment holding, magazine publishing and digital media business	Receipt of barter advertising services by the Group from OMG Group	2,000	256	906	116	2,000	256	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>
15. OMH	Investment holding	Provision of pre-press services by Kin Ming to OMH and its subsidiaries	250	32	50	6	110	14	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>

PART A: LETTER FROM THE BOARD

Related party	Principal activities	Nature of transaction	Estimated value disclosed in preceding year's circular to Shareholders dated 14 July 2016		Actual value transacted from the date of last AGM on 12 August 2016 upto the Latest Practicable Date		Estimated value from 11 August 2017 (date of AGM) up to next AGM		Transacting party	Nature of interest
			HK\$'000	US\$'000	HK\$'000	US\$'000	HK\$'000	US\$'000		
16. Cheerhold	Management services	Provision of services such as air tickets and accommodation arrangement services by Charming to Cheerhold	1,000	128	317	41	500	64	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>
17. 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	2	0	30	4	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 and TTS&S.</p>
18. OMH	Investment holding	Provision of IS programming support services by MCIL Digital to OMH and its subsidiaries	2,900	372	1,713	220	2,040	262	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.</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>
19. 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	421	54	570	73	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>
20. 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	52	7	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>
21. 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	52	7	72	9	MPH	<p>MPH is a wholly-owned subsidiary of the Company. Zero New Media 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 MPH and Zero New Media.</p>

PART A: LETTER FROM THE BOARD

(B) *New transactions*

Related party	Principal activities	Nature of transaction	Estimated value from 11 August 2017 (date of AGM) up to next AGM		Transacting party	Nature of interest
			RM'000	US\$'000		
1. RHBFSB	Processing and sale of honey	(i) Purchase of honey (ii) Commission receivable from sales of honey	500 50	117 12	the Group the Group	TSTHK is both a major shareholder and a director of the Company and RHBFSB.
2. OCE	Manufacturing and marketing of optical fibres and optical fibre cables	Provision of broadband internet services by OCE	20	5	MCIL Multimedia	<p>PAA is a major shareholder of OCE and a shareholder of the Company. TSL is a substantial shareholder of OCE and a shareholder of the Company.</p> <p>TSTHK is both a major shareholder and a director of OCE, PAA, TSL and the Company. He is a director of SCMCB (the holding company of MCIL Multimedia).</p> <p>Dato' Sri Dr Tiong Ik King is both a major shareholder and a director of the Company. He is also a director and a shareholder of OCE.</p>
3. WTC	Engineering services	Provision of engineering professional services by WTC	250	58	SCMCB	Mr Ng Kait Leong is a director of the subsidiaries of the Company. He is both a major shareholder and a director of WTC.

Notes:

- (1) The estimated transactions value, for the period from 11 August 2017 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 RM4.2845 and US\$1.00 to HK\$7.7993, 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 2017, 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.

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

PART A: LETTER FROM THE BOARD

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 2016/17 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 2016/17 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, 11 August 2017 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 2016/17.

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 2016/17 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)

Mr Tiong Kiew Chiong *(Group CEO)*

Mr Ng Chek Yong

Mr Leong Chew Meng

Non-executive Directors:

Dato' Sri Dr Tiong Ik King

Ms Tiong Choon

Independent Non-executive Directors:

Mr Yu Hon To, David

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

13 July 2017

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 12 August 2016, a Shareholders' mandate was obtained for the Company to purchase up to a maximum of ten per cent (10%) of the total number of

PART B: LETTER FROM THE BOARD

issued Shares. 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 11 August 2017 unless the approval is renewed.

The Company had on 7 June 2017 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 total number of issued Shares 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 total number of issued Shares repurchased by the Company under the Share Buy-back Mandate.

3 RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with Bye-Law 99(A) of the Company's Bye-Laws, Dato' Sri Dr Tiong Ik King, Mr Leong Chew Meng and Mr Yu Hon To, David 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 Yu Hon To, David 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.

Pursuant to the code provision A.4.3 of the Corporate Governance Code contained in Appendix 14 of the Listing Rules, Mr Yu Hon To, David's further appointment as independent non-executive Director should be subject to a separate resolution to be approved by the Shareholders. The reasons why the Board believes Mr Yu is independent and should be re-elected are set out below.

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 Yu Hon To, David 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

PART B: LETTER FROM THE BOARD

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.

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 2016/17 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, 11 August 2017 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 2016/17.

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 2016/17 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
Tiong Kiew Chiong
Executive Director

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) Ma Siu Siu, Vivien was named as the plaintiff and Ma Yan Kwok, Lawrence, Chang Lee Kwan and MPN were respectively named as the first, second and third defendants under High Court Action No.1053 of 2017, whereby the plaintiff alleged defamatory article published on Ming Pao Daily News on 5 May 2011. The plaintiff issued the writ of summons against the defendants on 2 May 2017 and MPN would file acknowledgement of service and defend against the plaintiff's claims.
- (ii) The plaintiff, ST Productions Limited commenced proceedings on 27 September 2016 against Leung Hiu Yan as defendant under the Court of First Instance Action No. 2496 of 2016 for the contractual dispute in relation to the artiste management agreement between the plaintiff and the defendant dated 1 June 2015. On 6 January 2017, the plaintiff obtained an interlocutory judgment against the defendant as a result of the defendant's failure to file and serve her defence within the prescribed time limit. On 16 May 2017, the defendant filed a summons application to the Court to set aside the interlocutory judgment. The plaintiff is preparing a reply to such application and has until 22 June 2017 to do so, which has been extended for 28 days up to 20 July 2017. After the plaintiff's reply, a hearing date for the summons application has been fixed by the Court on 23 November 2017.

- (iii) Ming Pao Magazines Limited and Lung King Cheong (former editor-in-chief of Ming Pao Weekly), were named as the first and second defendants under Court of First Instance Action No.2389 of 2013, whereby the plaintiff, Cheung Pak Chi, Cecilia, commenced proceedings on 9 December 2013 for defamation in relation to an article published in Ming Pao Weekly on 21 September 2013. On 27 September 2016, the plaintiff filed a notice of intention to proceed indicating her intention to proceed the action, but as at the date hereof, the plaintiff has not yet taken any further steps to proceed with the action.

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 purchaser (the "Purchaser") regarding the possible disposal of 292,700,000 shares in OMG, representing approximately 73.01% of the issued share capital of OMG (the "Proposed Disposal").
- (b) On 15 April 2016 and 28 June 2016, the Vendor and the Purchaser had entered into a supplemental MOU and a second supplemental MOU respectively to extend the exclusivity period for the execution of the share transfer agreement in relation to the Proposed Disposal to 30 June 2016 and 31 August 2016 respectively.
- (c) On 22 July 2016, the Vendor, the Company and the Purchaser had entered into a share transfer agreement (the "Share Transfer Agreement"), pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase 292,700,000 shares in OMG, representing approximately 73.01% of the entire issued share capital of OMG, for a consideration of HK\$498,058,320 (equivalent to approximately US\$64,210,907).
- (d) On 29 July 2016, the Vendor, the Company and the Purchaser had entered into a supplemental agreement to amend a condition precedent of the Share Transfer Agreement with regards to the Purchaser's rights to waiving condition precedents.

- (e) On 28 November 2016, 24 January 2017, 28 March 2017 and 30 June 2017, the Vendor, the Company and the Purchaser had entered into the second supplemental agreement, the third supplemental agreement, the fourth supplemental agreement and the fifth supplemental agreement respectively to extend the long stop date of the Share Transfer Agreement to 31 January 2017, 29 March 2017, 30 June 2017 and 31 August 2017 respectively.

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 2016 and 31 March 2017 and the latest unaudited results since the last audited accounts;
- (iii) the Annual Report 2016/17;
- (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	Paid-up issued/ registered 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
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	100.00	Dormant
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	Paid-up issued/ registered 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	Dormant
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	Paid-up issued/ registered 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 provision of electronic commerce services
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 Business Incubation Sdn Bhd (f.k.a. Media Communications Sdn Bhd)	13.01.1982; Malaysia	RM100,000	100.00	Provision of electronic commerce services
MCIL Multimedia Sdn Bhd	01.06.2000; Malaysia	RM16,500,000	100.00	Provision of electronic commerce and multimedia services and organisation of events
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	Paid-up issued/ registered capital	Effective equity interest %	Principal activities
Nanyang Press Holdings Berhad	23.07.1958; Malaysia	RM79,466,375	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	RM151,467,497	100.00	Publication and distribution of newspaper and magazines, provision of printing and electronic commerce services
<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

Name of company	Date and country of incorporation	Paid-up issued/ registered capital	Effective equity interest %	Principal activities
Beijing Times Resource Technology Consulting Limited ⁽ⁱⁱⁱ⁾	02.08.2000; The People's Republic of China	RMB3,000,000	73.01	Magazines operation
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 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	Dormant

Name of company	Date and country of incorporation	Paid-up issued/ registered capital	Effective equity interest %	Principal activities
Ever Gallant Limited	23.05.2012; British Virgin Islands	US\$1	100.00	Investment holding
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	100.00	Investment holding
Ming Pao Enterprise Corporation Limited	29.09.2008; Cayman Islands	US\$1	100.00	Investment holding

Name of company	Date and country of incorporation	Paid-up issued/ registered capital	Effective equity interest %	Principal activities
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
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

Name of company	Date and country of incorporation	Paid-up issued/ registered capital	Effective equity interest %	Principal activities
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
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

Name of company	Date and country of incorporation	Paid-up issued/ registered capital	Effective equity interest %	Principal activities
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
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 Mainland China owned legally by a Chinese national, who engages in magazine operation in Mainland China. 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 entitled to substantially all of the operating profits and residual benefits generated by Beijing TRT. In particular, the legal owner of Beijing TRT is required under the contractual arrangements to transfer the interests in Beijing TRT to the Group or the Group's designee upon request at a pre-agreed nominal consideration. In addition, 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
				<hr/>
				<u>2,500</u>

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 Shares 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 the total number of issued Shares.

As at the Latest Practicable Date, the number of issued Shares of the Company was 1,687,236,241 Shares. 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 Shares 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 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 2017, the retained profits and share premium account of the Company were US\$224,868,000 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 total number of issued 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 share capital of the Company as at the Latest Practicable Date, assuming the repurchased Shares are cancelled, are illustrated below:

	Number of Shares
Number of issued Shares 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 Shares 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 total number of issued 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 number of issued share capital of the Company.

The Company has declared the following dividends for the financial year ended 31 March 2017:

Dividend rate US cents per ordinary share of HK\$0.1 each		
First interim dividend	US0.360 cents	Paid on 30 December 2016
Second interim dividend	US0.360 cents	Paid on 10 July 2017
 Total	 US0.720 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 pro forma 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	%
<i>Director⁽⁵⁾</i>								
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%
<i>Substantial Shareholder⁽⁶⁾</i>								
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 762,399,985 Shares were held by public Shareholders and the public shareholding spread of the Company was approximately 45.19% of its issued 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 2017, neither the Company nor any of its subsidiaries had purchased, sold or the Company had redeemed any of the Company's Shares. The same statement is set out under page 77, "Report of the Directors" in the Annual Report 2016/17.

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 <i>(HK\$)</i>	Bursa Securities <i>(RM)</i>	HKEX <i>(HK\$)</i>	Bursa Securities <i>(RM)</i>
June 2017 (up to the Latest Practicable Date)	1.07	0.575	1.00	0.525
May 2017	1.20	0.625	0.98	0.570
April 2017	1.20	0.650	1.06	0.625
March 2017	1.35	0.650	1.06	0.610
February 2017	1.20	0.650	1.08	0.615
January 2017	1.09	0.650	1.00	0.590
December 2016	1.29	0.670	1.01	0.595
November 2016	1.21	0.710	1.00	0.630
October 2016	1.28	0.700	1.22	0.670
September 2016	1.36	0.735	1.21	0.670
August 2016	2.50	0.775	1.26	0.720
July 2016	1.30	0.735	1.19	0.700
June 2016	1.31	0.755	1.18	0.695

(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. **Dato' Sri Dr Tiong Ik King**, Malaysian, aged 66, was appointed as an executive director of the Company on 20 October 1995 and re-designated as a non-executive director of the Company on 1 April 2017. He has extensive experience in media and publishing, information technology, timber, plantations, oil palm and manufacturing industries. Dato' Sri Dr Tiong graduated from the National University of Singapore with an M.B.B.S. Degree in 1975 and became a member of the Royal College of Physicians, United Kingdom (M.R.C.P.) in 1977. He was conferred the datukship title of Dato' Sri by the Sultan of Pahang, Malaysia on 24 October 2008 in recognition of his contribution to the country.

Dato' Sri Dr Tiong currently sits on the board of Jaya Tiasa Holdings Berhad, a listed company in Malaysia and RH Petrogas Limited, a listed company in Singapore.

He is the brother of Tan Sri Datuk Sir Tiong Hiew King, an uncle of Ms Tiong Choon and a distant relative of Mr Tiong Kiew Chiong, all of whom are directors of the Company. In addition, both Dato' Sri Dr Tiong and Tan Sri Datuk Sir Tiong Hiew King are substantial shareholders of the Company. He also sits on the board of a subsidiary of the Group.

Save as disclosed herein, Dato' Sri Dr 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, Dato' Sri Dr Tiong has personal interest in 11,144,189 Shares of the Company and corporate interest in 252,487,700 Shares of the Company within the meaning of Part XV of the SFO.

Dato' Sri Dr Tiong has entered into a letter of appointment with the Company for a term of 2 years commencing from 1 April 2017 to 31 March 2019. The appointment of Dato' Sri Dr Tiong is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the bye-laws of the Company. The remuneration to be received by Dato' Sri Dr Tiong will be determined with reference to his experience and responsibilities in the Company. For the year ended 31 March 2017, total emoluments paid by the Group to Dato' Sri Dr Tiong amounted to US\$21,000.

Dato' Sri Dr Tiong Ik King 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 Leong Chew Meng**, Malaysian, aged 61, was appointed as a non-executive director of the Company on 14 April 2008 and was re-designated as an executive director of the Company on 31 March 2013. He is a member of the Group Executive Committee and an executive director of SCMCB. He obtained his Bachelor of Commerce and Administration Degree majoring in accountancy from Victoria University of Wellington in New Zealand. He is a Chartered Accountant of the Malaysian Institute of Accountants and qualified as an Associate Chartered Accountant of the Institute of Chartered Accountants, New Zealand. He is an accountant by profession with extensive working experience of more than 35 years in Malaysia. In his professional roles, he was previously the financial controller and finance director of several foreign-owned multinational companies in the manufacturing, trading and retail sectors, and he subsequently diversified into the commercial sector as a business consultant and financial advisor to both private entities and public listed companies. Included in his diverse experience was a period of more than 10 years' business exposure in main stream media corporations.

Saved as disclosed herein, Mr Leong 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 Leong has personal interest in 80,000 Shares within the meaning of Part XV of the SFO.

Mr Leong has entered into a letter of appointment with the Company for a term of 2 years commencing on 1 April 2017 to 31 March 2019. The appointment as Director of Mr Leong 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 Leong will be determined with reference to his experience and responsibilities in the Company. For the year ended 31 March 2017, total emoluments paid by the Group to Mr Leong amounted to US\$211,000.

Mr Leong 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. **Mr Yu Hon To, David**, Chinese, aged 69, 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 China Renewable Energy Investment Limited, China Resources Gas Group 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 Bracell Limited (formerly known as Sateri Holdings Limited), Crown International Corporation Limited (formerly known as VXL Capital Limited) and Great China Holdings Limited. Bracell Limited was privatised and the shares of which were withdrawn from the HKEX on 24 October 2016.

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 2017, 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.