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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2009

The directors of Media Chinese International Limited (the "Company") are pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2009, together with comparative figures for the corresponding period in 2008:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2009

	Note	2009 US$'000	2008 US$'000
Turnover	3	**394,303**	328,260
Cost of goods sold	4	**(263,286)**	(212,171)
Gross profit		**131,017**	116,089
Other income	3	**6,474**	4,674
Other gains, net	5	**1,503**	1,401
Negative goodwill arising on the acquisition of Nanyang		**–**	13,094
Selling and distribution expenses	4	**(59,524)**	(50,289)
Administrative expenses	4	**(36,976)**	(30,547)
Other operating expenses	4	**(10,168)**	(9,951)
Operating profit		**32,326**	44,471
Finance costs	6	**(1,291)**	(710)
Profit before income tax		**31,035**	43,761
Income tax expense	7	**(13,680)**	(11,809)
Profit for the year		**17,355**	31,952
Attributable to:			
Equity holders of the Company		**16,790**	19,188
Minority interests		**565**	12,764
		17,355	31,952
Earnings per share attributable to the equity holders of the Company			
Basic (US cents)	9	**1.00**	2.10
Diluted (US cents)	9	**1.00**	2.10
Dividends	8		
First interim dividend in respect of current year, paid (2007-2008: paid)		**7,578**	1,037
Second interim dividend in respect of current year, proposed (2007-2008: paid)		**2,408**	15,275

CONSOLIDATED BALANCE SHEET

As at 31 March 2009

	Note	2009 US$'000	2008 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**99,692**	112,603
Investment properties		**6,224**	7,056
Leasehold land and land use rights		**22,445**	24,262
Intangible assets		**14,861**	22,022
Goodwill		**54,620**	62,450
Non-current assets held for sale		**77**	–
Financial assets at fair value through profit or loss		**–**	1,128
Defined benefit plan assets		**–**	579
Deferred income tax assets		**2,430**	3,630
		200,349	233,730
Current assets			
Inventories		**41,948**	50,531
Available-for-sale financial assets		**646**	644
Financial assets at fair value through profit or loss		**221**	276
Trade and other receivables	*10*	**58,980**	76,896
Income tax recoverable		**1,057**	2,760
Cash and cash equivalents		**70,205**	76,559
		173,057	207,666
Current liabilities			
Trade and other payables	*11*	**50,210**	58,982
Income tax liabilities		**2,787**	4,067
Short-term bank loans		**14,579**	24,414
Bank overdrafts, secured		**2,428**	2,962
Current portion of long-term liabilities		**2,074**	6,460
		72,078	96,885
Net current assets		**100,979**	110,781
Total assets less current liabilities		**301,328**	344,511
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**21,672**	5,167
Share premium		**280,160**	12,809
Other reserves		**(122,666)**	196,554
Retained earnings			
– Proposed dividend		**2,408**	15,610
– Others		**98,244**	91,136
		279,818	321,276
Minority interests		**8,189**	7,952
Total equity		**288,007**	329,228
Non-current liabilities			
Long-term liabilities		**3,072**	6,453
Deferred income tax liabilities		**10,249**	8,830
		13,321	15,283
		301,328	344,511

1. BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

Both the Company and Sin Chew Media Corporation Berhad ("Sin Chew") have been under the common control of the same controlling party before and after the merger, details of which were disclosed in the Company's announcement dated 1 April 2008. As such, the Group has applied the principles of merger accounting to account for the business combination with Sin Chew and its subsidiaries as if the combination had occurred from the date when the Company and Sin Chew first came under the common control of the controlling party.

As the Company and Nanyang Press Holdings Berhad ("Nanyang") were not under common control, the Group has applied the purchase method to account for the acquisition of equity interest in Nanyang as a wholly-owned subsidiary pursuant to the merger on the effective completion date, i.e. 31 March 2008.

Accordingly, the Group's consolidated income statement for the year ended 31 March 2009 included the results of both Sin Chew and Nanyang whereas for the comparative year ended 31 March 2008, only Sin Chew's results were included.

2. ACCOUNTING POLICIES

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The accounting policies adopted are consistent with those used in the audited consolidated annual financial statements of the Group for the year ended 31 March 2008 with the addition of the following interpretation to an existing standard which is relevant to the Group's operations and is mandatory for the financial year ended 31 March 2009:

IFRIC-Int 14	IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

The adoption of the new interpretation has no material effect on the financial position or performance of the Group.

2. ACCOUNTING POLICIES (Continued)

The Group has not yet early adopted the following new and revised standards, amendments or interpretations that have been issued but are not yet effective for the financial year ended 31 March 2009. The Group is in the process of making an assessment of the impact of these new IFRSs in the period of their initial application.

		Effective for accounting periods beginning on or after
IFRIC – Int 13	Customer loyalty programmes	1 July 2008
IFRIC – Int 16	Hedges of a net investment in a foreign operation	1 October 2008
IAS 1 (Revised)	Presentation of financial statements	1 January 2009
IAS 23 (Revised)	Borrowing costs	1 January 2009
IAS 32 and IAS 1 Amendment	Puttable financial instruments and obligations arising on liquidation	1 January 2009
IFRS 2 Amendment	Share-based payment vesting conditions and cancellations	1 January 2009
IFRS 7 Amendment	Financial instruments: Disclosures – Improving disclosures about financial instruments	1 January 2009
IFRS 8	Operating segments	1 January 2009
Amendments to IFRS 1 and IAS 27	Cost of an investment in a subsidiary, jointly controlled entity and associate	1 January 2009
IFRIC – Int 15	Agreements for the construction of real estate	1 January 2009
IAS 27 (Revised)	Consolidated and separate financial statements	1 July 2009
Amendment to IAS 39 and IFRIC – Int 9	Financial instruments: Recognition and measurement – Eligible hedged items	1 July 2009
IFRS 3 (Revised)	Business combination	1 July 2009
IFRS 3 – Appendix C	Impairment testing cash-generating units with goodwill and non-controlling interests	1 July 2009
IFRS 5	Non-current assets held for sale and discontinued operations	1 July 2009
IFRIC – Int 17	Distributions of non-cash assets to owners	1 July 2009
IFRIC – Int 18	Transfers of assets from customers	Effective for transfers of assets from customers received on or after 1 July 2009

Apart from the above, a number of improvements and minor amendments to IFRSs have also been issued but are not yet effective for the accounting period ended 31 March 2009 and have not been adopted in these financial statements.

Functional currency and translation to presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. However, each entity can present its financial statements in any currency, which can be the same or different from the entity's functional currency. For the entity of which functional currency is not the presentation currency, i.e. US$, it has translated its results and financial position into US$. Assets and liabilities on the balance sheet have been translated at the closing rates at the balance sheet date, i.e. 31 March 2009, and income and expenses on the income statement have been translated at exchange rates at the transaction dates. All resulting exchange differences have been recognised as exchange adjustments in the exchange fluctuation reserve.

3. TURNOVER, OTHER INCOME AND SEGMENT INFORMATION

Turnover consists of income from the publishing, printing and distribution of Chinese-language newspapers, magazines and books, and provision of travel and travel related services. Turnover and other income recognised during the year are as follows:

	2009	2008
	US$'000	*US$'000*
Turnover		
Advertising income, net of trade discounts	**227,378**	188,736
Sales of newspapers, magazines and books, net of trade discounts and returns	**111,993**	75,268
Travel and travel related services income	**54,522**	63,684
Travel agency commission income	**410**	572
	394,303	328,260
Other income		
Interest income	**1,673**	2,153
Rental and management fee income	**483**	297
Dividend income	**11**	11
License fee and royalty income	**502**	159
Sales of newsprint waste	**3,805**	2,054
	6,474	4,674
Total revenue	**400,777**	332,934

3. TURNOVER, OTHER INCOME AND SEGMENT INFORMATION (Continued)

The Group's turnover and results for the year, analysed by business segment and geographical segment, are as follows:

Primary reporting format – business segments

	Publishing and printing 2009 *US$'000*	Travel 2009 *US$'000*	Elimination 2009 *US$'000*	Total 2009 *US$'000*
Turnover	**339,371**	**54,932**	**–**	**394,303**
Segment results	**36,981**	**(176)**	**–**	**36,805**
Provision for impairment of intangible assets	**(3,895)**	**–**	**–**	**(3,895)**
	33,086	**(176)**	**–**	**32,910**
Interest income				**1,673**
Net unallocated expenses				**(2,257)**
Operating profit				**32,326**
Finance costs				**(1,291)**
Profit before income tax				**31,035**
Income tax expense				**(13,680)**
Profit for the year				**17,355**
Segment assets	**367,388**	**5,567**	**(3,817)**	**369,138**
Unallocated assets				**4,268**
Total assets				**373,406**
Segment liabilities	**(68,847)**	**(7,135)**	**3,817**	**(72,165)**
Unallocated liabilities				**(13,234)**
Total liabilities				**(85,399)**
Capital expenditure on property, plant and equipment	**9,540**	**140**	**–**	**9,680**
Depreciation	**9,625**	**120**	**–**	**9,745**
Amortisation of leasehold land and land use rights	**647**	**–**	**–**	**647**
Amortisation of intangible assets	**800**	**–**	**–**	**800**
Net other non-cash expenses	**381**	**34**	**–**	**415**

3. TURNOVER, OTHER INCOME AND SEGMENT INFORMATION (Continued)

Primary reporting format – business segments (Continued)

	Publishing and printing 2008 *US$'000*	Travel 2008 *US$'000*	Elimination 2008 *US$'000*	Total 2008 *US$'000*
Turnover	264,004	64,256	–	328,260
Segment results	35,092	99	–	35,191
Negative goodwill arising on the acquisition of Nanyang	13,094	–	–	13,094
Provision for impairment of goodwill and intangible assets	(5,393)	–	–	(5,393)
	42,793	99	–	42,892
Interest income				2,153
Net unallocated expenses				(574)
Operating profit				44,471
Finance costs				(710)
Profit before income tax				43,761
Income tax expense				(11,809)
Profit for the year				31,952
Segment assets	432,539	7,736	(4,744)	435,531
Unallocated assets				5,865
Total assets				441,396
Segment liabilities	(100,485)	(8,055)	4,744	(103,796)
Unallocated liabilities				(8,372)
Total liabilities				(112,168)
Capital expenditure on property, plant and equipment	5,711	86	–	5,797
Depreciation	7,500	114	–	7,614
Amortisation of leasehold land and land use rights	448	–	–	448
Amortisation of intangible assets	506	–	–	506
Net other non-cash expenses	2,338	7	–	2,345

3. TURNOVER, OTHER INCOME AND SEGMENT INFORMATION (Continued)

Secondary reporting format – geographical segments

	Malaysia and Southeast Asia 2009 *US$'000*	Hong Kong 2009 *US$'000*	North America 2009 *US$'000*	Mainland China 2009 *US$'000*	Elimination 2009 *US$'000*	Total 2009 *US$'000*
Turnover	234,338	93,992	59,986	5,987	–	394,303
Segment results	40,348	4,342	(4,234)	(2,211)	–	38,245
Provision for impairment of intangible assets	(3,895)	–	–	–	–	(3,895)
	36,453	4,342	(4,234)	(2,211)	–	34,350
Interest income						1,673
Net unallocated expenses						(3,697)
Operating profit						32,326
Finance costs						(1,291)
Profit before income tax						31,035
Income tax expense						(13,680)
Profit for the year						17,355
Segment assets	279,014	93,783	16,159	26,474	(46,292)	369,138
Unallocated assets						4,268
Total assets						373,406
Segment liabilities	(45,589)	(16,628)	(40,359)	(15,881)	46,292	(72,165)
Unallocated liabilities						(13,234)
Total liabilities						(85,399)
Capital expenditure on property, plant and equipment	8,232	813	564	71	–	9,680

3. TURNOVER, OTHER INCOME AND SEGMENT INFORMATION (Continued)

Secondary reporting format – geographical segments (Continued)

	Malaysia and Southeast Asia 2008 *US$'000*	Hong Kong 2008 *US$'000*	North America 2008 *US$'000*	Mainland China 2008 *US$'000*	Elimination 2008 *US$'000*	Total 2008 *US$'000*
Turnover	147,756	108,399	65,477	6,628	–	328,260
Segment results	32,132	8,760	(2,310)	(1,793)	–	36,789
Negative goodwill arising on the acquisition of Nanyang	13,094	–	–	–	–	13,094
Provision for impairment of goodwill and intangible assets	–	(5,393)	–	–	–	(5,393)
	45,226	3,367	(2,310)	(1,793)	–	44,490
Interest income						2,153
Net unallocated expenses						(2,172)
Operating profit						44,471
Finance costs						(710)
Profit before income tax						43,761
Income tax expense						(11,809)
Profit for the year						31,952
Segment assets	326,811	114,424	20,268	27,748	(53,720)	435,531
Unallocated assets						5,865
Total assets						441,396
Segment liabilities	(74,085)	(17,507)	(50,056)	(15,868)	53,720	(103,796)
Unallocated liabilities						(8,372)
Total liabilities						(112,168)
Capital expenditure on property, plant and equipment	2,705	1,199	1,721	172	–	5,797

4. EXPENSES BY NATURE

	2009	2008
	US$'000	*US$'000*
Auditor's remuneration		
Current year	**545**	532
Under provision in prior years	**11**	12
Raw materials and consumables used	**120,092**	91,364
Depreciation		
Owned property, plant and equipment	**9,371**	7,270
Leased property, plant and equipment	**374**	344
Amortisation of leasehold land and land use rights	**647**	448
Amortisation of intangible assets	**800**	506
Employee benefit expense (including directors' emoluments)	**100,927**	78,610
Operating lease expenses		
Land and buildings	**3,240**	1,614
Machineries	**19**	19
Provision for impairment and written off of receivables	**312**	2,232
Provision for inventory obsolescence	**103**	113
Gain on disposals of property, plant and equipment, leasehold land and land use rights – net	**(25)**	(308)
Provision for impairment of goodwill and intangible assets	**3,895**	5,393
Other expenses	**129,643**	114,809
Total cost of goods sold, selling and distribution expenses, administrative expenses, and other operating expenses	**369,954**	302,958

5. OTHER GAINS, NET

	2009	2008
	US$'000	*US$'000*
Net exchange gain	**319**	204
Fair value losses on financial assets at fair value through profit or loss	**(1,184)**	(322)
Fair value gains on investment properties	**101**	–
Others	**2,267**	1,519
	1,503	1,401

6. FINANCE COSTS

	2009	2008
	US$'000	*US$'000*
Interest on bank loans and overdrafts wholly repayable within five years	**1,208**	604
Interest element of finance lease payments wholly repayable within five years	**83**	106
	1,291	710

7. INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profit derived from Hong Kong for the year. Income tax for the Group's Malaysian operations is calculated at the statutory tax rate of 25% (2008: 26%) on the estimated assessable profit derived from Malaysia for the year. Taxation on other countries' profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of income tax expense charged to the consolidated income statement represents:

	2009	2008
	US$'000	*US$'000*
Hong Kong profits tax		
Current year	**1,369**	1,217
Under provision in prior years	**14**	6
Malaysian taxation		
Current year	**9,047**	7,511
Under/(over) provision in prior years	**64**	(534)
Other countries' taxation		
Current year	**513**	1,049
(Over)/under provision in prior years	**(390)**	1,450
Deferred income tax expense	**3,063**	1,110
	13,680	11,809

8. DIVIDENDS

	2009	2008
	US$'000	*US$'000*
First interim, paid US0.450 cents (2007-2008: US0.258 cents, paid) per ordinary share	**7,578**	1,037
Second interim, proposed US0.143 cents (2007-2008: US0.926 cents, paid) per ordinary share	**2,408**	15,275
	9,986	16,312

Notes:

(a) The first interim dividend of US0.450 cents (2007-2008: US0.258 cents) per ordinary share amounting to US$7,578,000 was paid on 22 January 2009.

(b) On 26 May 2009, the Board of Directors has declared a second interim dividend of US0.143 cents per ordinary share in lieu of a final dividend for the year ended 31 March 2009. The dividend will be payable on 13 August 2009 in cash in Ringgit Malaysia ("RM") or in HK$ (at exchange rates determined on 26 May 2009 by reference to the middle exchange rates applicable to US$ at 12:00 noon as quoted by Bank Negara Malaysia) to ordinary shareholders whose names appear on the register of members of the Company at the close of business on 16 July 2009. No tax is payable on the dividend declared by the Company to be received by Malaysian shareholders as it is income from foreign source in accordance to paragraph 28 of Schedule 6 of Malaysian Income Tax Act 1967.

The middle exchange rates at 12:00 noon on 26 May 2009 as quoted by Bank Negara Malaysia of US$ to RM and US$ to HK$, and the amount of the second interim dividend payable are as follows:

	Exchange rates	**Dividend per ordinary share**
US$ to RM	3.492	0.500 sen
US$ to HK$	7.752	HK1.109 cents

(c) The 2007-2008 second interim dividend represented a dividend of US0.926 cents per ordinary share in respect of the year ended 31 March 2008 and was paid to shareholders of the Company on 15 August 2008.

The actual 2007-2008 second interim dividend paid was different from the proposed 2007-2008 second interim dividend as disclosed in Annual Report 2008. This was caused by the fluctuations in exchange rates and the repurchase of 830,000 ordinary shares between the dividend declaration date and the dividend payment date.

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the Group's profit attributable to equity holders of the Company for the year of US$16,790,000 (2008: US$19,188,000) by the weighted average number of 1,684,618,455 (2008: 914,936,623) ordinary shares in issue during the year and all the shares that were deemed to have been issued for the purpose of merger accounting during the year were taken into account.

Diluted earnings per share is calculated based on 1,684,770,664 (2008: 915,677,867) ordinary shares which is the weighted average number of ordinary shares in issue and all the shares that were deemed to have been issued for the purpose of merger accounting during the year plus the weighted average number of 152,209 (2008: 741,244) ordinary shares deemed to have been issued at no consideration after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme.

10. TRADE RECEIVABLES

Included in trade and other receivables are trade receivables and their ageing analysis is as follows:

	2009	2008
	US$'000	*US$'000*
0 to 60 days	**36,871**	46,826
61 to 120 days	**8,453**	13,964
121 to 180 days	**1,726**	4,136
Over 180 days	**994**	1,564
	48,044	66,490

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

11. TRADE PAYABLES

Included in trade and other payables are trade payables and their ageing analysis is as follows:

	2009	2008
	US$'000	*US$'000*
0 to 60 days	**15,257**	16,494
61 to 120 days	**1,853**	1,769
121 to 180 days	**391**	764
Over 180 days	**1,235**	1,240
	18,736	20,267

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. These reclassifications have no impact on the Group's total equity as at both 31 March 2009 and 2008 or on the Group's profits for the years ended 31 March 2009 and 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

	For the year ended 31 March		
(in US$'000)	**2009**	**2008**	**Change**
Turnover	394,303	328,260	+20%
Gross profit	131,017	116,089	+13%
Negative goodwill arising on the acquisition of Nanyang	–	13,094	-100%
Operating profit	32,326	44,471	-27%
Profit before income tax	31,035	43,761	-29%
Profit for the year	17,355	31,952	-46%
Minority interests	565	12,764	-96%
Profit attributable to equity holders of the Company	16,790	19,188	-13%
Basic earnings per share (US cents)	1.00	2.10	-52%
Total assets	373,406	441,396	-15%

OVERALL REVIEW OF OPERATIONS

For the year ended 31 March 2009, the Group recorded a turnover of US$394,303,000, an increase of 20% or US$66,043,000 from last year's US$328,260,000. The improvement was due to a full year contribution from Nanyang and a slight revenue growth from the Group's publishing business in Malaysia.

The Group's profit before income tax for the year decreased by 29% to US$31,035,000 resulting from the decline in advertising income of the Group's major titles, increased paper costs and the inclusion in last year's profit of a one-off negative goodwill of US$13,094,000 recognised upon the acquisition of Nanyang.

The Group's results for the year were affected by the depreciation of the Ringgit Malaysia and the Canadian dollar against the US dollar. Excluding the currency effect, the Group's turnover and results for the year would have increased by US$6,300,000 and US$1,200,000 respectively.

Basic earnings per share for the year was US1.0 cent, a decrease of 52% from the previous year.

As at 31 March 2009, the Group's net assets stood at US$288,007,000, while total assets amounted to US$373,406,000, both of which have been reduced by approximately US$34 million due to the currency effect.

DIVIDEND

The Board has declared a second interim dividend, in lieu of final dividend, of US0.143 cents per share payable on 13 August 2009 which, together with the first interim dividend of US0.450 cents per share paid on 22 January 2009, represent a total dividend of US0.593 cents per share for the financial year ended 31 March 2009.

SEGMENTAL REVIEW

Malaysia and Southeast Asia

The Malaysian and Southeast Asian operations traded satisfactorily amidst a global market that has been experiencing adverse economic pressures and advertising volatility.

Revenue at US$234,338,000 was up 59% for the year ended 31 March 2009 resulting mainly from a full year contribution from Nanyang and a slight revenue growth across this segment.

The segment results of Malaysian and Southeast Asian operations increased by 26% when compared to last financial year. This improvement was driven by the inclusion of Nanyang's results, a moderate revenue growth in Sin Chew, and on-going focus on costs management.

In Malaysia, the Group publishes *Sin Chew Daily, China Press, Guang Ming Daily, Nanyang Siang Pau* and 19 magazine titles. The Malaysian publications commanded approximately 93% of the total readership for Chinese daily newspapers in Malaysia (NMR Media Index Q4/2008).

This year, *Sin Chew Daily* will commemorate its 80th year of operations. *Sin Chew Daily* has been a symbol for integrity and fair comment. It is well acclaimed for its efforts to uphold the principle of editorial independence. This principle has made the paper the clear number one quality daily Chinese newspaper in the local market, commanding 42% of the Chinese newspapers readership in Malaysia (NMR Media Index Q4/08). In addition, it has 383,775 circulation copies as stated in the Audit Bureau of Circulation ("ABC") report during the period from July 2007 to June 2008. Its high quality journalism has led to one of its renowned journalists winning the coveted award of Best Commentary Award of Petronas Malaysia And Malaysia Press Institute Journalism Awards 2008 jointly organised by the Malaysia Press Institute and Petroliam Nasional Berhad. Despite being a market leader, *Sin Chew Daily* believes in continuously reviewing itself, hence in February 2009, it revamped part of its contents and layout design. Responses from readers and advertisers were positive.

China Press, the second most popular daily in Malaysia, has 240,798 circulation copies (ABC report July 2007 to June 2008). This was an increase of 4% if compared to the same period in the previous year. As the most read and best-selling Chinese evening newspaper in Malaysia, it commanded approximately 30% of the Chinese newspaper readership in Malaysia according to the Nielsen readership report for the fourth quarter of 2008. The excellent performance was driven by rich sports coverage and timely front pages breaking news stories.

SEGMENTAL REVIEW (Continued)

Malaysia and Southeast Asia (Continued)

Guang Ming Daily continued to outperform the competition and remained the largest Chinese newspaper in the northern region of Peninsular Malaysia with 130,564 circulation copies (ABC report July 2007 to June 2008). It consolidated its position as Malaysia's third largest selling Chinese newspaper. This daily is well-known for delivering headlines news in a totally different angle and reader-friendly perspective. During the Sichuan earthquake, it was one of the first few foreign newspapers with a journalist on site.

Nanyang Siang Pau has positioned itself as a premier newspaper with strong focus in business reporting. Early this year, the paper was revamped with the purpose of enhancing its image as a leader of reader-friendly business news. Various circulation initiatives were launched to attract the white collar and high networth readers. It also remained as a newspaper popular with the Chinese business community.

In the magazine segment, Life Publishers maintained its position as the largest Chinese language magazine publisher in Malaysia, with one tabloid newspaper and 16 magazines under its portfolio. Each of the titles in Life Publishers' portfolio, including *Feminine, Long Life, My Wedding, Rod & Line, Special Weekly* and *Pancing*, has retained a leading position in their respective markets despite fierce competition. During the year, Life Publishers continued to push into the exhibition sector with successful participation in My Wedding Bridal Fair and International Health Fair. My Wedding Bridal Fair is one of Malaysia's largest consumer exhibitions with steady growth on number of visitors.

The Malaysian operation has leveraged its editorial content into the online arena. Page impressions in 2008 reached an average of 35 million per month across all the Group's Malaysian websites, which include **sinchew-i.com**, **sinchew.com.my**, **nanyang.com**, **guangming.com.my**, **chinapress.com.my** and an English portal known as **mysinchew.com**. **sinchew-i.com** is a leading Chinese news website in Malaysia and it has recently tied up with local telco company and mobile manufacturer to deliver its news via SMS, MMS, 3G, WAP and embedded widget. The Malaysian operation is also beginning to monetise its valuable magazine content through this business model.

Hong Kong and Mainland China

Compared to the situation in Malaysia, the publication businesses in Hong Kong and Mainland China were more severely affected by the global financial crisis. Weakening confidence and consumer sentiment have translated into reductions in advertising expenditures in these markets since as early as the second quarter of the financial year under review.

In light of the difficult operating environment, costs and efficiencies were more aggressively monitored during the year. Headcounts were reduced resulting in lower staff costs, newsprint consumption was also reduced as a result of trimming down the newspaper size.

SEGMENTAL REVIEW (Continued)

Hong Kong and Mainland China (Continued)

Ming Pao Daily News continued to earn positive recognition as a leader in quality journalism and a "Credibility First" paper among affluent and well-educated readers. The paper's relationships with advertising clients were strengthened through a series of celebratory events held and promotional advertising offers introduced during the year marking its 50th anniversary. The paper's consistent delivery of high quality content, when coupled with its proven capability in initiating and implementing innovative and customisable packages and solutions, reinforced its recognition as a preferred publication to help advertisers reach their target audiences with messages that shape perceptions and drive purchases.

As the market is looking for cost-effectiveness and measurable result, more advertisers are now integrating the internet as a supplementary channel to traditional media. The Group's portal, **mingpao.com**, has continued to grow in popularity during the year and now has over 900,000 registered active users. To capture the momentum, special sites have been developed or revamped during the year to create a stronger online advertising platform, including a new travel site and the revamped education and office-lady portals. The enhancement provides a refreshed and dynamic platform for regular banner advertising, potential projects and partnership programs. The Group will continue to ride on its content strength to tap into other markets including the mobile and telecommunication communities in order to broaden its reach in the internet marketing business.

The Group's lifestyle magazine publication unit in the Greater China region, One Media Group ("OMG"), experienced a modest decline in its attributable profit to US$1,465,000 during the year under review (2008: US$1,547,000) as advertising revenue was hit by the economic downturn in its markets. OMG's magazines in Hong Kong recorded a modest improvement in operating results for the year despite a slight decrease in turnover. The Group's operations in Mainland China, on the other hand, registered lower turnover and results year-on-year, mainly due to the intensifying competition in the infotainment/leisure magazine advertising market in Mainland China and the reduction in overall advertising spending as advertisers took a wait-and-see attitude in light of the sustaining impact of the global financial crisis in the country.

Ming Pao Weekly, through a series of events celebrating its 40th anniversary, significantly raised the market's awareness about its position as a long-serving premier celebrity and lifestyle magazine with a well-preserved tradition of clean, accurate and up-to-date reporting. It has continued to capture advertisements from brands in the upper brackets of the consumer market.

The Group's operations in Mainland China, which include the publication of lifestyle magazines operated by OMG and a printing operation, saw a 10% decline in turnover to US$5,987,000 due to intensifying competition within the industry. Operating loss widened to US$2,211,000 from previous year's US$1,793,000.

SEGMENTAL REVIEW (Continued)

North America

In February this year, the Group made a significant decision to consolidate its newspaper publishing activities in the United States of America, including the suspension of the Group's publishing operation in San Francisco, into the free paper published in New York, which has maintained a solid growth momentum. This would allow the Group to focus its resources on other more profitable markets.

The two Canadian editions in Vancouver and Toronto continued to be profitable albeit at reduced levels because of the financial crisis. Control measures, including revamping the newspaper layout dimensions and offering discounts during weekdays, have been introduced to cope with the difficult business environment.

Others – travel and travel related services

Revenue from the Group's travel operation, via Charming Holidays and Delta Group, fell considerably to US$54,932,000 from previous year's US$64,256,000. This was due to generally weak demand for long-haul tours, high fuel surcharges levied for most time of the year, and a shortage of flight seats available for resale in light of the increased demand in the advent of the Beijing Olympics in August 2008. This business segment reported a loss of US$176,000 for the year, compared to a profit of US$99,000 in the preceding year. Charming Holidays closed down its operation in Shenzhen in early 2008 but opened a new office in Guangzhou in 2009. It is expected that this new office will be able to capture opportunities from increasing demand of Mainland China citizens for long-haul tours. The Group will continue to review this operation from time to time and take appropriate measures when necessary.

OUTLOOK

The global economic crisis has negatively affected all of the Group's operations and, against this backdrop, the Group anticipates a very challenging year in 2009. In order to minimise the negative impact from the continuing global recession, the Group's key focus will be on cost management and operational efficiency.

The Group has been through many economic cycles and experienced numerous market disruptions, but has faced these challenges successfully. It is hoped that the Group's global diversification, leading market positioning and efficient operations will mitigate the impact from the current difficult economic conditions and position the Group well to benefit from market recovery.

FINANCIAL GUARANTEES

At 31 March 2009, the Company issued financial guarantees in favour of certain of its subsidiaries totalling US$20,099,000 (2008: US$23,439,000) in connection with general banking facilities granted to those subsidiaries. At 31 March 2009, total facilities utilised amounted to US$4,878,000 (2008: US$5,015,000).

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

At 31 March 2009, the Group's net current assets amounted to US$100,979,000 (2008: US$110,781,000) and the shareholders' funds were US$288,007,000 (2008: US$329,228,000). Total bank borrowings and finance lease obligations were US$20,516,000 (2008: US$39,287,000) and the gearing ratio, which is defined as the ratio of total borrowings to shareholders' funds, was 0.071 (2008: 0.119). As at 31 March 2009, total cash and cash equivalents was US$70,205,000 (2008: US$76,559,000) and net cash position was US$49,689,000 (2008: US$37,272,000) after deducting the total borrowings.

EMPLOYEES

At 31 March 2009, the Group has approximately 4,780 employees (2008: approximately 5,047 employees), the majority of whom are employed in Malaysia and Hong Kong. The Group remunerates its employees based on industry practice and performance of individual employees. The emoluments of the directors and senior management are reviewed by the Remuneration Committee regularly, having regard to the Group's operating results, individual performance and comparable market statistics. No director, or any of his associates, and executive is involved in dealing with his own remuneration. The Group has share option schemes as an incentive to directors and eligible employees.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RM, Renminbi, Canadian dollar, HK$ and US$. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Currency exposure arising from the net assets of the Group's operations, such as those in the Mainland China, Hong Kong, Malaysia and Southeast Asia and North America are managed primarily through operating liabilities denominated in the relevant foreign currencies.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year, the Company repurchased a total of 2,482,000 of its listed shares on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange") for the purpose of enhancing the net asset value per share of the Company. Details of the repurchases are summarised as follows:

Month/Year	Number of shares repurchased	Purchase price per share Highest	Purchase price per share Lowest	Aggregate purchase consideration	Equivalents in
		HK$	*HK$*	*HK$*	*US$*
April 2008	600,000	2.20	1.85	1,285,000	164,908
May 2008	50,000	2.00	2.00	100,000	12,821
June 2008	780,000	2.05	1.99	1,565,830	200,565
October 2008	1,050,000	1.54	1.22	1,526,546	193,713
December 2008	2,000	1.22	1.22	2,440	330
	2,482,000			4,479,816	572,337

All the repurchased shares were cancelled during the year. Accordingly, the issued share capital of the Company was reduced by the par value of the repurchased shares and the premiums paid on these shares were charged against the share premium account. An amount equivalent to the par value of the shares cancelled was transferred from the Company's retained earnings to the capital redemption reserve.

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

CORPORATE GOVERNANCE

The Board of Directors is committed to practising the highest standards of corporate governance and operating within a governance framework that is formulated based on the recommendations of the Malaysian Code on Corporate Governance (the "Malaysian Code") and the Code on Corporate Governance Practices (the "Hong Kong Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the HK Stock Exchange (the "HK Listing Rules"). The Company has adopted the recommendations of the Malaysian Code and all the code provisions in the Hong Kong Code as its own code on corporate governance practices.

During the year under review, the Company has complied with the best practices of the Malaysian Code and met the code provisions, save for code provisions E.1.1 and E.2.2 as explained below, and to certain extent of the recommended best practices as set out in the Hong Kong Code.

Code provision E.1.1 provides that in respect of each substantially separate issue, such as the nomination of persons as directors, at a general meeting, a separate resolution should be proposed by the chairman of that meeting.

CORPORATE GOVERNANCE (Continued)

At the annual general meeting of the Company held on 27 August 2008 ("AGM"), a shareholder proposed that the re-election of the retiring directors be passed under a single resolution instead of re-electing each director individually under separate resolutions in view of that such arrangement would enable the AGM being conducted in an efficient manner. The proposal was duly seconded by another shareholder and put to the meeting to vote by a show of hands. By unanimous votes in favour of the proposal, it was decided that the re-election of retiring directors be passed under a single resolution. The Board considered that the arrangement, being proposed and unanimously resolved by shareholders present at the AGM, was reasonable and appropriate.

Code provision E.2.2 stipulates that the chairman of a meeting should indicate to the meeting the balance for and against the resolution after it has been dealt with on a show of hands.

At the AGM, all the resolutions were passed by unanimous votes or majority votes, as such the chairman has not indicated to the meeting the balance for and against each resolution. The votes cast were properly recorded in the minutes of the meeting. The Board considered that the meeting was conducted in a good and efficient manner and that the deviation to the Hong Kong Code was acceptable.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the requirements and code as set out in (i) Chapter 14 (Dealings in Securities) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Chapter 14 of the Listing Requirements of Bursa Securities") and (ii) Model Code for Securities Transactions by Directors of Listed Issuers of Appendix 10 of the HK Listing Rules ("HK Model Code"). All directors of the Company have confirmed, following specific enquiry by the Company, their compliance with the required standards as set out in (i) Chapter 14 of the Listing Requirements of Bursa Securities and (ii) HK Model Code during the year under review.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed with management the consolidated financial statements for the year ended 31 March 2009, including accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

By Order of the Board
Tiong Kiew Chiong
Director

25 June 2009

At the date of this announcement, the Board comprises Tan Sri Datuk Sir Tiong Hiew King, Mr Tiong Kiu King, Dato' Sri Dr Tiong Ik King, Dato' Leong Khee Seong, Mr Tiong Kiew Chiong, Ms Siew Nyoke Chow and Ms Sim Sai Hoon, being executive directors; Mr Leong Chew Meng, being non-executive director; and Mr David Yu Hon To, Mr Victor Yang, Tan Sri Dato' Lau Yin Pin and Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh, being independent non-executive directors.