

世界華文

媒體

MEDIA CHINESE

Annual Report 2020/21



Media Chinese International Limited
世界華文媒體有限公司

明報
MING PAO DAILY NEWS

星洲日報
SIN CHEW DAILY

南洋商報
NANYANG SIANG PAU

中國報
CHINA PRESS

光明日報
Guang Ming Daily

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Corporate Information

NON-EXECUTIVE DIRECTOR

Dato' Sri Dr TIONG Ik King (*Chairman*)

EXECUTIVE DIRECTORS

Ms TIONG Choon

Mr TIONG Kiew Chiong (*Group Chief Executive Officer*)

Mr LEONG Chew Meng (*resigned with effect on 1 July 2021*)

Mr WONG Khang Yen (*appointed with effect on 1 July 2021*)

Mr LIEW Sam Ngan (*appointed with effect on 1 July 2021*)

Ms TIONG Yijia (*appointed with effect on 1 July 2021*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr YU Hon To, David (*resigned with effect on 1 July 2021*)

Datuk CHONG Kee Yuon

Mr KHOO Kar Khoon

Mr IP Koon Wing, Ernest (*appointed with effect on 1 July 2021*)

GROUP EXECUTIVE COMMITTEE

Mr TIONG Kiew Chiong (*Chairman*)

Mr LEONG Chew Meng (*resigned with effect on 1 July 2021*)

Mr WONG Khang Yen

Mr LIEW Sam Ngan

Ms TIONG Yijia (*appointed with effect on 1 July 2021*)

AUDIT COMMITTEE

Mr YU Hon To, David (*Chairman*) (*resigned with effect on 1 July 2021*)

Mr IP Koon Wing, Ernest (*Chairman*) (*appointed with effect on 1 July 2021*)

Datuk CHONG Kee Yuon

Mr KHOO Kar Khoon

REMUNERATION COMMITTEE

Datuk CHONG Kee Yuon (*Chairman*)

Mr YU Hon To, David (*resigned with effect on 1 July 2021*)

Mr KHOO Kar Khoon

Mr IP Koon Wing, Ernest (*appointed with effect on 1 July 2021*)

Mr TIONG Kiew Chiong

Mr LEONG Chew Meng (*resigned with effect on 1 July 2021*)

NOMINATION COMMITTEE

Mr KHOO Kar Khoon (*Chairman*)

Datuk CHONG Kee Yuon

Mr YU Hon To, David (*resigned with effect on 1 July 2021*)

Mr IP Koon Wing, Ernest (*appointed with effect on 1 July 2021*)

JOINT COMPANY SECRETARIES

Ms TONG Siew Kheng

Mr YEUNG Ying Fat (*appointed with effect on 11 June 2021*)

Ms TIN Suk Han (*resigned with effect on 11 June 2021*)

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

Malayan Banking Berhad

OCBC Bank (Malaysia) Berhad

OCBC Wing Hang Bank Limited

Public Bank Berhad

RHB Bank Berhad

Standard Chartered Bank

AUDITOR

PricewaterhouseCoopers

Certified Public Accountants

Registered Public Interest Entity Auditor

STOCK CODE

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

WEBSITE

www.mediachinesegroup.com

HONG KONG HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

15th Floor, Block A
Ming Pao Industrial Centre
18 Ka Yip Street
Chai Wan
Hong Kong
Tel: (852) 2595 3111
Fax: (852) 2898 2691

MALAYSIA HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 78, Jalan Prof. Diraja Ungku Aziz
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel: (603) 7965 8888
Fax: (603) 7965 8689

REGISTERED OFFICE IN BERMUDA

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM10
Bermuda
Tel: (441) 294 8000
Fax: (441) 295 3328

REGISTERED OFFICE IN MALAYSIA

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel: (603) 7890 4800
Fax: (603) 7890 4650

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda
Tel: (852) 2978 5656
Fax: (852) 2530 5152

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong
Tel: (852) 2980 1333
Fax: (852) 2810 8185

MALAYSIA BRANCH REGISTRAR AND TRANSFER OFFICE

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

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

Profile of Board of Directors

Dato' Sri Dr TIONG Ik King

Non-executive Director and Chairman (Non-independent)

Malaysian, male, aged 70

Dato' Sri Dr TIONG Ik King was appointed as an executive director of Media Chinese International Limited (the "Company" or "MCIL") on 20 October 1995 and was re-designated as a non-executive director on 1 April 2017. He was then appointed as the Chairman of the Company on 1 April 2018. 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 serves as a non-executive director of Jaya Tiasa Holdings Berhad, a listed company in Malaysia and as a non-executive director and Chairman of RH Petrogas Limited, a listed company in Singapore. He is a trustee of Yayasan Sin Chew and sits on the board of a subsidiary of the Company.

He is a brother of Tan Sri Datuk Sir TIONG Hiew King, an uncle of Ms TIONG Choon and Ms TIONG Yijia and a distant relative of Mr TIONG Kiew Chiong. Both Dato' Sri Dr TIONG Ik King and Tan Sri Datuk Sir TIONG Hiew King are substantial shareholders of the Company. In addition, Ms TIONG Choon, Mr TIONG Kiew Chiong and Ms TIONG Yijia are directors of the Company.

拿督斯里張翼卿醫生

非執行董事兼主席 (非獨立)

馬來西亞公民，男性，70歲

拿督斯里張翼卿醫生於1995年10月20日獲委任為世界華文媒體有限公司(「本公司」或「世界華文媒體」)執行董事，並於2017年4月1日調任為非執行董事。他其後於2018年4月1日獲委任為本公司主席。他在傳媒及出版、資訊科技、木材、林業、油棕及製造業領域均擁有豐富經驗。

拿督斯里張醫生於1975年畢業於新加坡國立大學，獲頒內外全科醫學士學位，並於1977年取得英國皇家內科醫學院會員資格。他於2008年10月24日獲馬來西亞彭亨州蘇丹頒授拿督斯里封號，以表揚他對國家的貢獻。

拿督斯里張醫生現任馬來西亞上市公司常成控股有限公司之非執行董事及新加坡上市公司常青石油及天然氣有限公司之非執行董事兼主席。他是星洲日報基金會受託人，同時出任本公司一間附屬公司之董事。

他是丹斯里拿督張曉卿爵士的胞弟、張聰女士及張怡嘉女士之叔父及張裘昌先生的遠房親戚。拿督斯里張翼卿醫生及丹斯里拿督張曉卿爵士均為本公司的主要股東。此外，張聰女士、張裘昌先生和張怡嘉女士均為本公司之董事。

Profile of Board of Directors

Ms TIONG Choon **Executive Director**

Malaysian, female, aged 52

Ms TIONG Choon was appointed as a non-executive director of the Company on 31 March 2013 and was re-designated as an executive director of the Company on 17 July 2017. She was appointed as the Chairman of One Media Group Limited ("One Media") on 1 April 2018, a subsidiary of the Company which is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange"). She is a director of Sin Chew Media Corporation Berhad ("Sin Chew"), a wholly-owned subsidiary of the Company in Malaysia and sits on the board of a number of subsidiaries of the Company. She has started her career with Rimbunan Hijau Group since 1991 and served in various managerial and senior positions in plantation and hospitality sectors. She holds a Bachelor of Economics Degree from Monash University, Australia. She is currently a non-independent non-executive director of Jaya Tiasa Holdings Berhad, a listed company in Malaysia.

Ms TIONG is a daughter of Tan Sri Datuk Sir TIONG Hiew King, a niece of Dato' Sri Dr TIONG Ik King, a cousin of Ms TIONG Yijia and a distant relative of Mr TIONG Kiew Chiong. Both Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are substantial shareholders of the Company. In addition, Dato' Sri Dr TIONG Ik King, Mr TIONG Kiew Chiong and Ms TIONG Yijia are directors of the Company.

Mr TIONG Kiew Chiong **Executive Director and Group Chief Executive Officer**

Malaysian, male, aged 61

Mr TIONG Kiew Chiong was appointed as an executive director of the Company on 2 May 1998. He is the Group Chief Executive Officer, the Chairman of the Group Executive Committee and a member of Remuneration Committee of the Company. Mr TIONG is also the Deputy Chairman of One Media, a subsidiary of the Company which has been listed on the Main Board of the HK Stock Exchange since October 2005. Mr TIONG sits on the board of Nanyang Press Holdings Berhad ("Nanyang"), The China Press Berhad ("China Press"), and a number of subsidiaries of the Company. He is also the alternate trustee to Dato' Sri Dr TIONG Ik King in Yayasan Sin Chew. He has extensive experience in media and publishing business and is also one of the founders of The National, an English newspaper in Papua New Guinea launched in 1993. Mr TIONG obtained his Bachelor Degree of Business Administration (Honours) from York University, Toronto, Canada in 1982.

He is a distant relative of Tan Sri Datuk Sir TIONG Hiew King, Dato' Sri Dr TIONG Ik King, Ms TIONG Choon and Ms TIONG Yijia. Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are substantial shareholders of the Company. In addition, Dato' Sri Dr TIONG Ik King, Ms TIONG Choon and Ms TIONG Yijia are directors of the Company.

張聰女士 **執行董事**

馬來西亞公民，女性，52歲

張聰女士於2013年3月31日獲委任為本公司非執行董事，其後於2017年7月17日調任為本公司執行董事。她亦於2018年4月1日獲委任為萬華媒體集團有限公司（「萬華媒體」）之主席，該公司是本公司附屬公司，於香港聯合交易所有限公司（「香港聯交所」）主板上市。她亦出任星洲媒體集團有限公司（「星洲媒體」，本公司於馬來西亞之全資附屬公司）及本公司多間附屬公司之董事。她於1991年加入常青集團開展其職業歷程，於林業及酒店服務業擔任管理層及高級主管之職務。她持有澳洲莫納什大學經濟學學士學位。她現為馬來西亞上市公司常成控股有限公司之非獨立非執行董事。

張女士為丹斯里拿督張曉卿爵士的女兒、拿督斯里張翼卿醫生的侄女、張怡嘉女士之堂姐及張裘昌先生的遠房親戚。丹斯里拿督張曉卿爵士及拿督斯里張翼卿醫生均為本公司的主要股東。此外，拿督斯里張翼卿醫生、張裘昌先生和張怡嘉女士均為本公司之董事。

張裘昌先生 **執行董事兼集團行政總裁**

馬來西亞公民，男性，61歲

張裘昌先生於1998年5月2日獲委任為本公司執行董事。他是集團行政總裁、集團行政委員會主席及本公司的薪酬委員會成員。張先生也是萬華媒體的副主席。該公司是本公司附屬公司，自2005年10月起在香港聯交所主板上市。張先生出任南洋報業控股有限公司（「南洋報業」）、中國報有限公司（「中國報」）及本公司多間附屬公司之董事。他也擔任拿督斯里張翼卿醫生於星洲日報基金會的候補信託人。他在傳媒及出版業擁有豐富經驗，於1993年在巴布亞新畿內亞參與創辦英文報章《The National》。張先生於1982年畢業於加拿大多倫多約克大學，獲頒工商管理學士（榮譽）學位。

他是丹斯里拿督張曉卿爵士、拿督斯里張翼卿醫生、張聰女士及張怡嘉女士之遠房親戚。丹斯里拿督張曉卿爵士及拿督斯里張翼卿醫生均為本公司的主要股東。此外，拿督斯里張翼卿醫生、張聰女士和張怡嘉女士均為本公司之董事。

Profile of Board of Directors

Mr LEONG Chew Meng

Executive Director

Malaysian, male, aged 65

Mr LEONG Chew Meng was appointed as a non-executive director of the Company on 14 April 2008 and was re-designated as an executive director of the Company on 31 March 2013. He resigned as an executive director, a member of the Group Executive Committee and a member of the Remuneration Committee of the Company with effect on 1 July 2021. 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 40 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. His financial expertise and business acumen in the media industry has spanned over a period of more than 15 years.

Mr WONG Khang Yen

Executive Director

Malaysian, male, aged 53

Mr WONG Khang Yen was appointed as an executive director of the Company on 1 July 2021. He is a member of the Group Executive Committee. He is a director of Sin Chew and the Group Chief Executive Officer of both Sin Chew and Guang-Ming Ribao Sdn Bhd. He also sits on the board of Nanyang.

Mr WONG joined the Group in 1992 after he graduated with a Bachelor of Communications (Hons) Degree from University of Science Malaysia in the same year. He started his career in Sin Chew and became a senior manager in 1997 and the General Manager in 2006. He assumed the post of Group Marketing Director in 2010 and a year later became an executive director of Sin Chew. He currently oversees the sales and marketing operations, as well as leading the business expansion and diversification of Sin Chew Group.

梁秋明先生

執行董事

馬來西亞公民，男性，65歲

梁秋明先生於2008年4月14日獲委任為本公司非執行董事，其後於2013年3月31日獲調任為本公司執行董事。他自2021年7月1日起辭任本公司執行董事、集團行政委員會成員及薪酬委員會成員。他在紐西蘭威靈頓維多利亞大學取得商管學學士學位，主修會計。他是馬來西亞會計師公會之特許會計師及紐西蘭特許會計師公會之特許會計師。他是一名專業會計師，在馬來西亞擁有超過40年之豐富工作經驗。在他的專業範疇中，他曾於數間經營製造業、貿易及零售業之外資跨國公司出任財務主管及財務總監，其後晉身商界，出任私人公司及上市公司之商業諮詢顧問及財務顧問。他擁有於傳媒行業累積超過15年之專業財務知識及商業觸覺。

黃康元先生

執行董事

馬來西亞公民，男性，53歲

黃康元先生於2021年7月1日獲委任本公司執行董事。他是集團行政委員會成員。他是星洲媒體的董事及星洲媒體和光明日報私人有限公司之集團首席執行員。他也是南洋報業之董事。

黃先生於1992年畢業於馬來西亞理科學大學，獲頒傳媒（榮譽）學士學位後，並於同年加入本集團。他於星洲媒體展開其職業生涯，並於1997年出任高級經理及於2006年擔任總經理。他於2010年擔任集團市場總監一職，一年後成為星洲媒體的執行董事。他目前負責監督銷售及市場營銷業務，並帶領星洲媒體集團的業務拓展及多元化發展。

Profile of Board of Directors

Mr LIEW Sam Ngan

Executive Director

Malaysian, male, aged 63

Mr LIEW Sam Ngan was appointed as an executive director of the Company on 1 July 2021. He is a member of the Group Executive Committee. He is a director of Nanyang and its subsidiaries, and is currently the Group Chief Executive Officer of Nanyang. He also sits on the board of Sin Chew and Yayasan Nanyang Press.

Mr LIEW joined the Group in 1994. He is a Chartered Accountant by profession, a member of the Malaysian Institute of Accountants and a Fellow of the Association of Chartered Certified Accountants, United Kingdom. He started his career in one of the major public accounting firms after graduation in 1983. He joined the media industry in 1987 and has since then gained extensive working experience in the media industry. He had worked in New Strait Times Press, Life Publishers and Nanyang. Prior to taking up operating role in China Press in 2001, he was the Group Financial Controller of Nanyang.

Ms TIONG Yijia

Executive Director

Singaporean, female, aged 36

Ms TIONG Yijia was appointed as an executive director of the Company on 1 July 2021. She is a member of the Group Executive Committee. She is the Chief Strategy Officer of Ming Pao Newspapers Limited and a director of Ming Pao Holdings Limited and WAW Creation Limited.

Ms TIONG joined the Group in 2011. She has extensive experience in business development, media operations, sales and marketing and corporate management. She has been involved in developing the digital business including the WAW digital creative and production arm and the Power Up e-commerce platform to complement the Group's media offerings in Hong Kong. Ms TIONG graduated from the University of Melbourne, Australia, with a Bachelor Degree in Commerce (Economics and Management) and a Bachelor of Arts (Art History and Politics) Degree.

She is a niece of Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King, a cousin of Ms TIONG Choon and a distant relative of Mr TIONG Kiew Chiong. Both Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are substantial shareholders of the Company. In addition, Dato' Sri Dr TIONG Ik King, Ms TIONG Choon and Mr TIONG Kiew Chiong are directors of the Company.

廖深仁先生

執行董事

馬來西亞公民，男性，63歲

廖深仁先生於2021年7月1日獲委任為本公司執行董事。他是集團行政委員會成員。他為南洋報業及其附屬公司之董事，現任南洋報業之集團總執行長。他也是星洲媒體董事及南洋報業基金會的信託人。

廖先生於1994年加入南洋報業。他是一名專業特許會計師、馬來西亞會計師公會會員及英國特許公認會計師公會之資深會員。他於1983年畢業後加入其中一間主要公眾會計師事務所展開工作生涯。他於1987年加入媒體行業，自此於媒體行業取得豐富經驗。他曾任職於New Strait Times Press、生活出版社及南洋報業。他於2001年在《中國報》擔任營運角色前，曾任南洋報業之集團財務主管。

張怡嘉女士

執行董事

新加坡公民，女性，36歲

張怡嘉女士於2021年7月1日獲委任為本公司執行董事。她是集團行政委員會成員。她現為明報報業有限公司之首席策略總監，並為明報集團有限公司和WAW Creation Limited之董事。

張女士於2011年加入本集團。她在業務拓展、媒體業務、銷售及市場推廣及企業管理等方面擁有豐富經驗。她一直參與發展數碼業務，包括WAW數碼創意及製作部門以及Power Up電子商務平台，致力完善本集團於香港之媒體服務。張女士畢業於澳洲墨爾本大學，持有商業學學士（經濟及管理）學位及文學士（藝術史及政治）學位。

她是丹斯里拿督張曉卿爵士及拿督斯里張翼卿醫生之侄女、張聰女士之堂妹及張裘昌先生之遠房親戚。丹斯里拿督張曉卿爵士及拿督斯里張翼卿醫生均為本公司的主要股東。此外，拿督斯里張翼卿醫生、張聰女士和張裘昌先生均為本公司之董事。

Profile of Board of Directors

Mr YU Hon To, David

Independent Non-executive Director

Chinese, male, aged 73

Mr YU Hon To, David was appointed as an independent non-executive director of the Company on 30 March 1999. He resigned as an independent non-executive director, the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company with effect on 1 July 2021. He is a director of Ming Pao Holdings Limited, a wholly-owned subsidiary of the Company. He is also an independent non-executive director of One Media, a subsidiary of the Company which has been listed on the Main Board of the HK Stock Exchange since October 2005. 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, Keck Seng Investments (Hong Kong) Limited, MS Group Holdings Limited, New Century Asset Management Limited (the manager of New Century Real Estate Investment Trust which is listed on the HK Stock Exchange), and Playmates Toys Limited, which are listed companies in Hong Kong. On 5 March 2021, Mr. Yu was appointed as a non-executive director of Haier Smart Home Co., Ltd., the shares of which are listed on Shanghai Stock Exchange and the Main Board of the HK Stock Exchange. In the past three years preceding 31 March 2021, Mr YU had been an independent non-executive director of Haier Electronics Group Co., Limited and Playmates Holdings Limited. Haier Electronics Group Co., Limited was privatised and the shares of which were delisted from the HK Stock Exchange on 23 December 2020.

Datuk Chong Kee Yuon

Independent Non-executive Director

Malaysian, male, aged 55

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

俞漢度先生

獨立非執行董事

中國公民，男性，73歲

俞漢度先生於1999年3月30日獲委任為本公司獨立非執行董事。他自2021年7月1日起辭任本公司獨立非執行董事、審核委員會主席以及薪酬委員會及提名委員會成員。他是本公司全資附屬公司明報集團有限公司的董事。他也是自2005年10月起於香港聯交所主板上市之本公司附屬公司萬華媒體的獨立非執行董事。俞先生為英格蘭及威爾斯特許會計師公會資深會員及香港會計師公會會員。他是一間國際會計師事務所的前合夥人，擁有豐富的企業融資、審核及企業管理經驗。

俞先生是中國再生能源投資有限公司、華潤燃氣控股有限公司、激成投資(香港)有限公司、萬成集團股份有限公司、開元產業投資信託基金(於香港聯交所上市)之管理人開元資產管理有限公司及彩星玩具有限公司的獨立非執行董事，該等公司為香港上市公司。俞先生於2021年3月5日獲委任為海爾智家股份有限公司的非執行董事，該公司的股份於上海證券交易所及香港聯交所主板上市。於2021年3月31日前三年期間，俞先生曾任海爾電器集團有限公司及彩星集團有限公司之獨立非執行董事。海爾電器集團有限公司已被私有化，其股份於2020年12月23日於聯交所撤銷上市地位。

拿督張啟揚

獨立非執行董事

馬來西亞公民，男性，55歲

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

Profile of Board of Directors

Mr KHOO Kar Khoon

Independent Non-executive Director

Malaysian, male, aged 56

Mr KHOO Kar Khoon was appointed as an independent non-executive director of the Company on 23 June 2016. He is the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company. He has extensive experience in the media and advertising industry and is an Associate Member of the Chartered Institute of Management Accountants, United Kingdom. Mr KHOO started his career with Coopers & Lybrand in 1990 after graduation. He built his career in the advertising industry and joined Bates Advertising during 1991 to 1995, holding the position of Cost Accountant. He was one of the key founders of Zenith Media, which was established in 1995 and is the first and one of the largest media specialists in Malaysia, principally engages in providing advertising and marketing services in Malaysia. Mr KHOO then joined Nestle Products Sdn Bhd in 2000 as Media Manager. During 2009 and up to June 2016, he was promoted and acted as the Communications Director of the company. In January 2020, Mr KHOO has been appointed the Senior Advisor (Branding & Marketing) to Ekuiti Nasional Berhad (Ekuinas) — a private equity company owned by the Government of Malaysia.

Mr KHOO is a veteran and active player in the advertising scene in Malaysia where he was also the President and Advisor to the Malaysian Advertisers Association (MAA), Executive Member of Asian Federation of Advertising Association (AFAA), Board of Advisor to School of Marketing, University Utara Malaysia (UUM), Board Member of Audit Bureau of Circulation (ABC) and Board Member of Communication and Multimedia Content Forum (CMCF) in Malaysia.

Mr IP Koon Wing, Ernest

Independent Non-executive Director

Chinese, male, aged 60

Mr IP Koon Wing, Ernest was appointed as an independent non-executive director, the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company on 1 July 2021. He graduated from the Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic) in 1984 with a Professional Diploma in Accountancy. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

邱甲坤先生

獨立非執行董事

馬來西亞公民，男性，56歲

邱甲坤先生於2016年6月23日獲委任為本公司獨立非執行董事。他是本公司提名委員會主席，以及審核委員會及薪酬委員會成員。他在媒體及廣告行業擁有豐富經驗，並為英國特許管理會計師公會會員。邱先生畢業後，於1990年在Coopers & Lybrand開始其事業。於1991年至1995年間，他於廣告行業發展，加入Bates Advertising出任成本會計師。他為Zenith Media主要創辦人之一。該公司於1995年成立，為馬來西亞首間及其中一間大型媒體專業公司，主要於馬來西亞從事提供廣告及市場推廣服務。邱先生其後於2000年加入Nestle Products Sdn Bhd出任媒體經理，並於2009年晉升為傳訊總監，直至2016年6月。於2020年1月，邱先生被委任為一間由馬來西亞政府擁有的私人公司Ekuiti Nasional Berhad (Ekuinas)之高級顧問(品牌及市場營銷)。

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

葉冠榮先生

獨立非執行董事

中國公民，男性，60歲

葉冠榮先生於2021年7月1日獲委任為本公司獨立非執行董事，審核委員會主席以及薪酬委員會及提名委員會成員。他於1984年畢業於香港理工大學(前稱香港理工學院)，持有會計專業文憑。他是香港會計師公會及特許公認會計師公會資深會員。

Profile of Board of Directors

Mr IP has over 35 years of experience in accounting and auditing. Mr IP joined PricewaterhouseCoopers Hong Kong in April 1985 and became a partner in November 1993. He retired from PricewaterhouseCoopers Hong Kong in July 2019. In August 2019, Mr IP joined the Fung Group, which comprises Li & Fung Limited (a company formerly listed on the Main Board of the HK Stock Exchange, Fung (1937) Management Limited, Global Brands Group Holding Limited (a company listed on the Main Board of the HK Stock Exchange (stock code: 0787)) and Convenience Retail Asia Limited (a company listed on the Main Board of the HK Stock Exchange (stock code: 0831)). Mr IP is currently the Group Chief Financial Officer of the Fung Group.

Mr IP has held various key positions in regulatory authorities and business associations. He was a member of the Listing Committee of the HK Stock Exchange from 2003 to 2009 and a member of the Dual Filing Advisory Group of the Securities and Futures Commission of Hong Kong from 2008 to 2014. Currently, Mr IP is a member of the Takeovers and Mergers Panel and the Takeovers Appeal Committee. Mr IP is a Vice President of the Hong Kong Business Accountants Association. He is also a member of the Guangdong Provincial Committee of the Chinese People's Political Consultative Conference and a Vice President of the Council for the Promotion of Guangdong-Hong Kong-Macao Cooperation.

Notes:

Conflict of interest

Save for Dato' Sri Dr TIONG Ik King, Ms TIONG Choon, Mr TIONG Kiew Chiong and Ms TIONG Yijia who are related parties in some related party transactions with the Group, the details of which are set out in the circular dated 27 July 2021 and on pages 64 to 65 of this Annual Report, none of the other directors has any conflict of interest with the Company.

Conviction of offences

None of the above directors has been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the current financial year.

Family relationship

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

Record of attendance

Record of attendance of directors for board meetings during the financial year ended 31 March 2021 is set out on page 48.

葉先生擁有逾35年會計及審計經驗。葉先生於1985年4月加入香港羅兵咸永道會計師事務所，並於1993年11月成為合夥人。他於2019年7月自香港羅兵咸永道會計師事務所退任。於2019年8月，葉先生加入馮氏集團，旗下包括利豐有限公司（曾於香港聯交所主板上市之公司）、馮氏(1937)管理有限公司、利標品牌有限公司（於香港聯交所主板上市之公司（股份代號：0787））及利亞零售有限公司（於香港聯交所主板上市之公司（股份代號：0831））。葉先生現為馮氏集團之集團首席財務官。

葉先生曾於監管機構及商會擔任多個重要職務。葉先生於2003年至2009年擔任香港聯交所上市委員會成員，並於2008年至2014年擔任香港證券及期貨事務監察委員會之證監會雙重存檔事宜顧問小組委員。葉先生現為收購及合併委員會與收購上訴委員會成員，以及香港商界會計師協會副會長。他也是中國人民政治協商會議廣東省委員會委員及廣東省粵港澳合作促進會副會長。

附註：

利益衝突

除拿督斯里張翼卿醫生、張聰女士、張裘昌先生及張怡嘉女士（彼等均為本集團若干關連方交易中之關連方，有關詳情載於2021年7月27日刊發之通函及本年報第64至65頁）外，概無其他董事與本公司有任何利益衝突。

犯罪紀錄

除交通違規外，概無任何上述董事於過去五年內有任何犯罪紀錄或於本財政年度內被有關監管機構施以任何公開制裁或處罰。

家族成員關係

除所披露者外，概無其他董事與本公司任何董事及／或主要股東有任何家族關係。

會議出席記錄

董事於截至2021年3月31日止財政年度之董事會會議出席記錄載於第48頁。

Profile of Senior Management

Mr LEUNG Heung Nam

Chinese, male, aged 63

Mr LEUNG Heung Nam joined the Group in 1990 and had worked in various positions within the Editorial Department of Ming Pao Daily News. He left his position as Executive Chief Editor in 2005. In 2008, Mr LEUNG re-joined the Group as the News Manager of mingpao.com until 2012. Mr LEUNG re-joined the Group again in 2016. He took over the Editor-In-Chief role of Ming Pao Daily News and became a member of the Hong Kong Executive Committee on 1 January 2017. He is currently the Editorial Director of Ming Pao Daily News and a director of Ming Pao Newspapers Limited. Mr LEUNG is a veteran media professional. He had worked for various newspapers and the news department of a television station.

Mr CHAN Kam Keung

Chinese, male, aged 55

Mr CHAN Kam Keung joined the Group in 1992 and had worked in various positions within the Editorial Department of Ming Pao Daily News. Mr CHAN is the current Editor-In-Chief of Ming Pao Daily News. He has been a member of the Hong Kong Executive Committee since 1 July 2019. Mr CHAN is a veteran media professional and has nearly 30 years of experience in journalism and publishing. He had worked in Wan Li Book Company Limited and Hong Kong Commercial Daily. He has been an executive committee member of the Hong Kong Press Council since the 2000s.

Mr KAM Woon Ting, Keith

Chinese, male, aged 64

Mr KAM Woon Ting, Keith joined the Group in 1995. He is a director of Ming Pao Newspapers Limited and has been a member of the Hong Kong Executive Committee since 13 March 2001. Mr KAM has been in the advertising and media industry since 1976. Prior to joining the Group, he had held senior positions in various leading international advertising companies and a newspaper company. Mr KAM has extensive managerial experience in publishing, management, operation, business and distribution development of printed media products. He has been the Chairman of The Newspaper Society of Hong Kong since 2007.

梁享南先生

中國公民，男性，63歲

梁享南先生於1990年加入本集團，曾在《明報》編輯部不同崗位工作，2005年離職時出任執行總編輯。2008年，梁先生重返本集團，出任mingpao.com的新聞經理至2012年。梁先生於2016年再度返回本集團，2017年1月1日接任《明報》總編輯職務及兼任香港行政委員會成員。他現任《明報》編務總監及明報報業有限公司董事。梁先生是資深傳媒人，曾在多份報章和電視台新聞部工作。

陳錦強先生

中國公民，男性，55歲

陳錦強先生於1992年加入本集團，曾在《明報》編輯部不同崗位工作，現任《明報》總編輯。他自2019年7月1日成為香港行政委員會成員。陳先生是資深傳媒人，擁有近30年新聞及出版工作經驗，曾先後在萬里機構出版有限公司及《香港商報》任職。他從2000年代起擔任香港報業評議會執行委員。

甘煥騰先生

中國公民，男性，64歲

甘煥騰先生於1995年加入本集團。他是明報報業有限公司之董事。他自2001年3月13日成為香港行政委員會成員。甘先生自1976年起已從事廣告及傳媒工作。加入本集團前，他曾在多間國際知名的廣告公司及報業公司擔任高層管理職位。甘先生於印刷媒體產品出版、管理、營運、業務及發行推廣均擁有豐富管理經驗。他自2007年起一直擔任香港報業公會主席。

Profile of Senior Management

Mr LAM Pak Cheong

Chinese, male, aged 52

Mr LAM Pak Cheong joined the Group in 2000. He currently is the Company's Head of Finance and has been a member of the Hong Kong Executive Committee since 30 April 2008. He is also the Chief Executive Officer, Editorial Director, Publisher and an executive director of One Media. Mr LAM has extensive experience in corporate development, media operations, mergers and acquisitions and corporate governance. He is an Associate of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. Mr LAM obtained his Master of Business Administration in Financial Services jointly from the University of Manchester and the University of Wales, Bangor in the United Kingdom and Master of Corporate Governance from the Hong Kong Polytechnic University.

Mr KO Chi Ngai, Alex

Chinese, male, aged 47

Mr KO Chi Ngai, Alex, joined the Group in 1999. He currently is the Chief Operating Officer of Ming Pao Newspapers Limited. He was appointed as a member of the Hong Kong Executive Committee on 1 January 2021. Mr KO has extensive experience in sales, marketing, business development and management. Prior to joining the Group, he had worked for a multinational corporation and participated in exploring operations in China and Macao.

Mr KO graduated from the Chinese University of Hong Kong with a Bachelor's Degree in Economics.

Notes:

Conflict of interest

Save as disclosed, none of the above Senior Management members has any conflict of interest with the Company.

Conviction of offences

None of the above Senior Management members has been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the current financial year.

Family relationship

Save as disclosed, none of the above Senior Management members has any family relationship with any director and/or major shareholder of the Company.

林栢昌先生

中國公民，男性，52歲

林栢昌先生於2000年加入本集團。他現為本公司之財務總裁及自2008年4月30日成為香港行政委員會成員。他亦是萬華媒體之行政總裁、編務總監、出版人及執行董事。林先生在企業發展、媒體業務、合併收購及企業管治方面擁有豐富經驗。他是香港特許秘書公會以及英國特許秘書及行政人員公會會員。林先生獲英國曼徹斯特大學及威爾斯大學(班戈)聯合頒授財務服務學工商管理碩士學位，並持有香港理工大學公司管治碩士學位。

高志毅先生

中國公民，男性，47歲

高志毅先生於1999年加入本集團，現任明報報業有限公司營運總裁。他自2021年1月1日成為香港行政委員會成員。高先生於營銷、市場推廣、業務發展及管理方面擁有豐富經驗。加入本集團前，高先生曾在跨國大企業工作，參與開拓中國及澳門業務。

高先生畢業於香港中文大學，持有經濟學士學位。

附註：

利益衝突

除所披露者外，概無任何上述高級管理層成員與本公司有任何利益衝突。

犯罪紀錄

除交通違規外，概無任何上述高級管理層成員於過去五年內有任何犯罪紀錄或於本財政年度內被有關監管機構施以任何公開制裁或處罰。

家族成員關係

除所披露者外，概無任何上述高級管理層成員與本公司任何董事及／或主要股東有任何家族關係。

Chairman's Statement



Dear Shareholders,

2020 was a bleak year for nations and individuals across the globe. With the emergence of the COVID-19 virus, the year passed with people having to stay at home for most part of the year and operations disrupted for almost every business sector.

In Malaysia, movement control restrictions were implemented for most part of 2020 as a measure to control the spread of the coronavirus. This had a significant negative impact on the retail sector as most businesses had to close while work from home became a norm for many.

Hong Kong, which was recovering from the disruption caused by the protests held during most of the second half of 2019, has to once again face another predicament. Hong Kong, like many other countries, has to close its borders and implement strict social distancing measures to prevent the spread of the virus. These actions have significant impact on the city's economy and have led to reduced economic activities, business closures and rise in unemployment.

This unprecedented pandemic has adversely affected all our operations especially our travel business as international travel plummeted to a new low. With the sharp decline in the global economy and closure of businesses, retail spending fell drastically and this has weakened advertisement spending and thus has exerted much pressure on our print and publishing business.

FINANCIAL RESULTS

The businesses of the Group in all segments and markets it operated in have been badly hit by the COVID-19 pandemic.

The Group's turnover for the year ended 31 March 2021 declined by 51.6% to US\$115,679,000 from US\$239,217,000 in the previous year, mainly due to the decline in turnover from the Group's travel and print publishing businesses.

On the other hand, our digital business continued to register a healthy steady growth, thanks to our digital strategy and a change in consumer behaviour triggered by the pandemic.

The sharp revenue decline was cushioned by wage subsidies received from various governments as well as aggressive cost saving measures taken across all business units.

The Group recorded a loss before income tax of US\$1,367,000 as opposed to a profit before income tax of US\$9,283,000 in 2019/20.

Loss per share was US0.08 cents for the year ended 31 March 2021.

Chairman's Statement

At 31 March 2021, the Group's net assets stood at US\$166,041,000 which was 2.4% higher than the previous year's US\$162,153,000 and the Group's net gearing ratio was zero.

ADAPTING TO CONTINUOUS CHANGE

COVID-19 has presented challenges but it has also enabled us to re-position our business and accelerate transformation across all our operations.

Besides its social and economic impact, the pandemic has also accelerated the development of a digital economy. Strong secular shifts in online behaviour and changing consumption patterns are driving expectations for more online news and content consumption.

In that context, we believe that digital news and content will play a more important role going forward. As a leading Chinese media player in the industry, this provides a huge opportunity for us and we are constantly adapting our product development roadmap to further improve our offering and services, based on readers' and users' feedback and evolving needs.

Our Malaysian Operations' websites and apps were reaching all-time highs in traffic and content during the lockdowns in March and April last year. This was an encouraging result of our efforts and we will continue to grow our digital audiences by delivering and engaging each customer with trusted news, information and content that is most relevant to their needs and interests.

In 2020, Google announced that it will join Apple and Mozilla in phasing out third-party cookies in its web browser by 2022. Currently, Google Chrome, Apple Safari, and Mozilla Firefox jointly take up about 87% of the global browser market. This move means that third-party cookies, which have driven the online advertising economy for the past two decades, will soon be consigned to internet history. Google predicted that when third-party cookies disappear, 60% of programmatic advertising revenue will go with them. Nevertheless, the death of the cookies will open up unique opportunities for content providers like us to reclaim a central role in the digital advertising ecosystem as publishers with direct and trusted relationships with our audiences.

As first-party data is critical in the digital environment both for subscriptions and targeted advertising, we took a major step in building our future with the promotion of digital registration for the Group's newspaper websites and apps. Moving forward, we hope to use these data to fuel the growth of our digital subscription revenue streams and to enhance the value and performance of our digital audience to advertisers.

We have been managing our business prudently and effectively streamlining our business operations. The Group has also strengthened its financial position over time and is well positioned for recovery through the ongoing crisis of the pandemic and its economic repercussions.

In terms of health and safety, the Group has implemented measures to promote social distancing and the use of masks, and reduce social interaction to prevent the spread of COVID-19 in its offices. The Group also has put in place procedures such as staff rotation and emergency measures in case any employee is tested COVID-19 positive to ensure its operations can continue to run without the need to shut down.

We strive to minimise job losses in our businesses. The underlying financial strength of the Group enabled us to avoid staff retrenchment, although some headcount reduction was unavoidable at some of our businesses which were particularly affected by the COVID-19 pandemic.

LOOKING AHEAD

The arrival of vaccines for COVID-19 brings a glimmer of hope to the world. With many countries embarking on vaccination programs, it seems that the re-opening of country borders and the resumption of international travel are edging closer to reality.

As such, the Group expects that business will slowly pick up in the new financial year, though it will still be far from full recovery.

Chairman's Statement

CORPORATE GOVERNANCE & SUSTAINABILITY

The Board places great importance on practising high standards of corporate governance and embedding sustainability measures into its strategy and operations throughout the Group. Details of the Group's corporate governance initiatives, risk management, internal control policies and sustainability efforts are set out in the relevant sections of this Annual Report.

DIVIDENDS

The Board has declared an interim dividend in lieu of final dividend of US0.10 cents per ordinary share payable on 8 July 2021 for the financial year 2020/21. This represents a dividend yield of 2.1% based on the Company's closing share price on 31 March 2021.

CHANGE IN BOARD ROOM

On behalf of the Board, I would like to thank Mr LEONG Chew Meng and Mr YU Hon To, David, who have resigned from the Board with effect on 1 July 2021. Mr LEONG was appointed as a non-executive director on 14 April 2008 and was re-designated as an executive director of the Company on 31 March 2013; while Mr YU has been an independent non-executive director of the Company since 30 March 1999. The Board would like to extend its appreciation to Mr LEONG and Mr YU for their dedication, commitment and contribution to the Company and the Board.

I would also like to welcome Mr WONG Khang Yen, Mr LIEW Sam Ngan, Ms TIONG Yijia and Mr IP Koon Wing, Ernest who will join the Board on 1 July 2021. I am confident that with their experience and relevant expertise, they will bring significant value to the Group.

APPRECIATION

It has been a year since the emergence of the COVID-19 virus and the past year has been a struggle for all individuals and businesses around the world. Our Group has not been spared and we have to adapt our operations to survive the economic downturn.

As such, I wish to express my sincere gratitude and appreciation on behalf of the Group to our shareholders, readers, viewers, advertisers, business partners, and other stakeholders for staying steadfastly during these difficult times with us.

I also wish to thank our management and staff for their continued dedication and contribution to our Group.

Dato' Sri Dr TIONG Ik King

Non-executive Chairman

27 May 2021

Management Discussion and Analysis

FINANCIAL HIGHLIGHTS

	Year ended 31 March		
	2021 US\$'000	2020 US\$'000	% Change
Turnover	115,679	239,217	-51.6%
(Loss)/profit before income tax and provision for impairment of property, plant and equipment	(182)	9,383	-101.9%
Provision for impairment of property, plant and equipment	(1,185)	(100)	-1,085.0%
(Loss)/profit before income tax	(1,367)	9,283	-114.7%
(Loss)/profit for the year	(1,913)	6,119	-131.3%
(Loss)/profit attributable to owners of the Company	(1,303)	7,055	-118.5%
EBITDA	7,294	16,586	-56.0%
Basic (loss)/earnings per share (US cents)	(0.08)	0.42	-119.0%

OVERALL REVIEW OF OPERATIONS

The Group's turnover for the year ended 31 March 2021 declined by 51.6% to US\$115,679,000 from US\$239,217,000 in the previous year. Turnover for its publishing and printing segment fell 28.3% to US\$115,551,000 from US\$161,256,000 recorded last year. Meanwhile, turnover for the Group's travel segment fell sharply by 99.8% to US\$128,000 from last year's US\$77,961,000.

The Group recorded a loss before income tax of US\$1,367,000 as opposed to last year's profit before income tax of US\$9,283,000, primarily driven by the decline in revenue from all market segments.

During the year ended 31 March 2021, the RM weakened against the US\$ while the C\$ strengthened against the US\$, resulted in net positive currency impacts of approximately US\$132,000 and US\$350,000 on the Group's turnover and loss before income tax for the year respectively.

Basic loss per share for the year ended 31 March 2021 was US0.08 cents, as opposed to last year's basic earnings per share of US0.42 cents. As at 31 March 2021, the Group's cash and cash equivalents and short-term bank deposits totalled US\$94,433,000 and the Group's net assets per share attributable to owners of the Company was US9.84 cents.

Publishing and printing

Malaysia and other Southeast Asian Countries

With the emergence of COVID-19 virus in late 2019 which then spread quickly across the globe, Malaysia like most other countries in the world had to close its borders and impose movement control orders to curb the spread of infection in the country. The restrictions for operation of businesses and movement of people, as well as the decline in international trade for most of the year 2020 had an adverse impact on the Malaysian economy which resulted in Malaysia recording a 5.6% contraction in its GDP for 2020 as opposed to a growth of 4.9% in 2019.

The bleak economic situation in Malaysia caused the turnover of Group's operations in Malaysia to drop by 32.5% to US\$71,726,000 for the year ended 31 March 2021 from US\$106,294,000 recorded in the previous year. This turnover decline resulted in the segment recording a 73.4% drop in its profit before income tax from last year's US\$12,447,000 to US\$3,306,000.

Management Discussion and Analysis

The Group is the leading Chinese media group in Malaysia with 4 major daily newspapers and a suite of magazine titles. COVID-19 has changed not only the way individuals interact with each other but also how businesses operate in this unprecedented global pandemic. With many businesses switching to digital means to continue their operations, the Group has leveraged on this “new norm” by combining its integrated print and digital advertisement packages with other platforms and market activation to meet marketers’ objectives as well as to penetrate untapped markets in order to reach out to targeted audience groups. To overcome the restriction on holding physical events, *Sin Chew Daily* launched the “Celebrate Responsibly” campaign, in partnership with the Ministry of Transport Malaysia and Carlsberg Malaysia, to raise awareness on the importance of not driving after consuming alcohol through a two-month-long hybrid digital campaign; and other virtual events such as Sin Chew Four Seasons E-Celebrations and Sin Chew E-Filial Piety during the Chinese New Year.

In the meantime, the Group continued to strengthen its cost control and expenses reduction measures.

Hong Kong and Taiwan

The COVID-19 pandemic has also dealt a severe blow to the economy of Hong Kong where closure of its borders and restrictions in movements were implemented to curb the spread of the virus. The Hong Kong economy contracted by 6.1% for 2020 as a whole, the sharpest annual decline on record.

The Group’s operations in Hong Kong and Taiwan recorded a total turnover of US\$37,025,000 for the year in review, which reflected a decline of 16.2% if compared to the US\$44,198,000 a year ago. Despite the decline in revenue, the segment’s loss before income tax narrowed to US\$1,287,000 from US\$5,275,000 recorded in last year. This improvement was mainly attributed to cost savings and the wage subsidies received under Hong Kong’s Employment Support Scheme which was part of the government’s efforts to help ease the financial burden of businesses in Hong Kong during the pandemic.

Ming Pao Daily News, a renowned independent paper, has enhanced and rolled out more digital services and programs to overcome the lack of physical events to reach out to its readers. The daily has also continued to enhance its reach in the education sector by holding virtual education fairs and seminars to avoid physical interactions which help curb the spread of COVID-19. In addition, it continued to take on government reach out projects such as the “Young Writers Training Programme”.

One Media Group, the Group’s listed subsidiary providing Chinese language lifestyle publications in Hong Kong and Taiwan, reported a turnover of US\$5,926,000 for the year ended 31 March 2021, a decline of 34.0% when compared to the previous year. The weak retail spending had adversely affected One Media Group whose main advertisers are from the luxury goods sector. It recorded a loss before income tax of US\$2,220,000 for the financial year in review which was an improvement from the loss of US\$3,417,000 reported in last year.

North America

The Group’s publishing and printing operations in North America reported a turnover of US\$6,800,000 in the financial year under review. This represented a decline of 36.8% from the US\$10,764,000 recorded in the previous year. Canada’s economy shrank by 5.4% in 2020 as its economic activities came to a standstill due to the country-wide lockdowns imposed to contain the spread of COVID-19. The Group’s business in this segment was thus negatively impacted. Nevertheless, this segment managed to record a profit before income tax of US\$651,000 as opposed to a loss before income tax of US\$518,000 recorded last year. This improvement was mainly due to cost savings as well as the receipt of a grant and wage subsidies from the Canadian government.

Travel and travel related services

As international travel came to a halt with the closure of borders by many countries due to the COVID-19 pandemic, turnover for the Group’s travel segment fell sharply by 99.8% to US\$128,000 in the year under review from US\$77,961,000 recorded in the previous year. This drastic decline in turnover resulted in the segment recording a loss before income tax of US\$3,427,000 as opposed to a profit before income tax of US\$3,397,000 a year ago. The travel industry awaits with bated breath for international travel to resume with the roll-out of vaccination programs across the world.

Management Discussion and Analysis

Digital business

The global coronavirus has led to changes in the way businesses are conducted as well as consumer spending habits. In adapting with the “new normal” brought about by the pandemic, the Group has sped up its digital transformation process and intensified its search for advertisers for its digital offerings. As readers and advertisers turned to digital platforms and solutions to continue their daily activities from education, shopping to meetings, the Group has leveraged on this new shift by introducing more digital products to suit the needs of a wider range of audience and advertisers. Self curated videos, customised story boards and specially bespoke programmes/series have helped win more advertisers. These digital marketing efforts resulted in an 8.8% increase in the Group’s turnover from its digital platforms for the financial year under review.

Knowing the challenge the local tour businesses faced during the pandemic, *Sin Chew Daily* launched the “Sin Chew Go Lokal Online Fair” for the tour operators to promote their businesses. This online fair was conducted twice during the year, in August 2020 and March 2021, and was respectively supported by the Sabah and Malacca Tourism Boards. During the fair, the audience on *Sin Chew Daily’s* digital platform were able to contact the participating tour operators directly to enjoy the flash deals offered.

The Group also organised a virtual education fair, the “Sin Chew E Fair”, which provided our business partners from the education sector an opportunity to reach out to their prospects as physical fairs were not possible because of the pandemic. The fair was held twice, in June and December 2020, with more than 50 participating local and overseas universities and colleges, and attracting more than 200,000 unique visitors. Given the overwhelming response from participating institutions and visitors, the Sin Chew E Fair is scheduled to be held again in May 2021.

After successfully organised the virtual “Overseas Education Fair” in Hong Kong in March 2020, the Group continued to roll out different virtual and hybrid programs including webinars, Facebook Live and zoom events to generate new sources of revenue. At the same time, the Group has continued to develop high value creative advertising solutions to drive value for existing and potential advertisers; and strengthen its SEO (search engine optimisation) and video capabilities to stretch its digital business arms in content marketing arena. In view of the acceleration of e-commerce during the pandemic, the Group continued to scale up its e-commerce platform “PowerUp” to serve, retain and strength its customer database as well as to provide its business partners with more business opportunities.

OUTLOOK

The COVID-19 pandemic has halted the economy of many countries around the world with closure of borders and movement control restrictions. With the roll-out of vaccination programs, the world is hopeful that the global economy will recover in tandem.

The Group had in the financial year under review adapted to the challenges caused by the pandemic to ensure the sustainability of its businesses. For the financial year ahead, the Group is of the view that it will continue to be challenging until the vaccination globally has proven to be effective and the re-opening of borders by most countries has taken place.

With most businesses switching to digitalisation as the “new norm” to minimise the spread of COVID-19, the Group will continue to focus on rolling out more creative digital advertisement solutions for its advertisers. For the travel segment, the Group expects that, with the vaccination programs being rolled out worldwide, international travel will resume albeit at a slower pace. Meanwhile, the Group will continue to exercise prudent cost controls across all business units to achieve optimisation of resources.

Major Awards of the Year — Hong Kong

(Ming Pao Daily News)

HONG KONG NEWS AWARDS 2020

— The Newspaper Society of Hong Kong

Winner

Best News Reporting



Best Photograph (News)



1st Runner-up

Best Photograph (News)



Best Photograph (Sports)



Best News Page Design (Series)



2nd Runner-up

Best News Reporting



Best Headline (Chinese)

Merit

Best Business News Reporting
Best Photograph (Features)
Best Headline (Chinese)

THE SOPA AWARDS FOR EDITORIAL EXCELLENCE 2020

— The Society of Publishers in Asia

Honorable Mention

Excellence in Human Rights Reporting



THE 20TH CONSUMER RIGHTS REPORTING AWARDS

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

Honorary Award

Textual Contents (Investigative)



The 20th Anniversary Grand Award

— Media (Newspapers/Magazines) with the Most Awards in the Contest over the Years

Major Awards of the Year — Hong Kong

(Ming Pao Daily News)

“FOCUS AT THE FRONTLINE 2019” PHOTO CONTEST

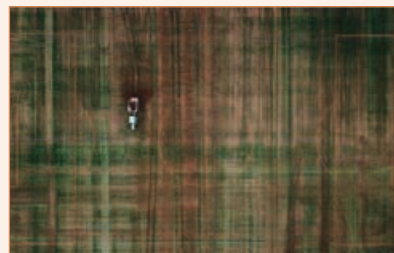
- Hong Kong Press Photographers Association

Honorable Mention

Portraits



Nature and Environment (2 merits)



TAIWAN PRESS PHOTO CONTEST 2021

— Taiwan Press Photographer Association

The Second Prize

Spot News



Merit

Spot News



THE 5TH BUSINESS JOURNALISM AWARDS OF THE HANG SENG UNIVERSITY OF HONG KONG

— The Hang Seng University of Hong Kong

Silver Award

Best Property Market News Reporting (Text)



Young Business Reporter of the Year

THE 25TH HUMAN RIGHTS PRESS AWARDS 2021

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

Winner

People's Choice Photo Award



Merit

Photography (Single Image)

Major Awards of the Year — Malaysia

(Sin Chew Group)

MOST OUTSTANDING MALAYSIAN BRANDS AWARD

— Branding Association of Malaysia



Most Outstanding Malaysian Brands Award

Media: *Sin Chew Daily*

THE 32ND KENYALANG JOURNALISM AWARDS 2020

— Sarawak Government, Shell Malaysia and Federation of Sarawak Journalists Association



Special Articles Award

Silver: *Sin Chew Daily*

News Reporting Award

Gold: *Sin Chew Daily*

Silver: *Sin Chew Daily*

Sports Reporting Award

Silver: *Sin Chew Daily*

Bronze: *Sin Chew Daily*

Digital Economy Journalism Award

Gold: *Sin Chew Daily*

Silver: *Sin Chew Daily*

Bronze: *Sin Chew Daily*

Business and Economic Journalism Award

Gold: *Sin Chew Daily*

Bronze: *Sin Chew Daily*

Sustainability Journalism Award

Gold: *Sin Chew Daily*

Silver: *Sin Chew Daily*

Community Wellbeing And Rural Development Journalism Award

Gold: *Sin Chew Daily*

Silver: *Sin Chew Daily*

Major Awards of the Year — Malaysia

(Sin Chew Group)

KEDAH ELITE MEDIA CLUB (KMEK) 2019 KEDAH NEWS AWARDS

— Kedah Elite Media Club (KMEK)



The Best Chinese News Reporting Award

Gold: *Guang Ming Daily*

Silver: *Sin Chew Daily*

Bronze: *Guang Ming Daily*



The Best Photography Award

Bronze: *Guang Ming Daily*

MPI-PETRONAS JOURNALISM AWARDS 2019

— Malaysian Press Institute (MPI)



Photojournalist Award

Outstanding: *Sin Chew Daily*

News Reporting Award

Consolation Prize: *Sin Chew Daily*

Significant Events — Hong Kong

MING PAO DAILY NEWS



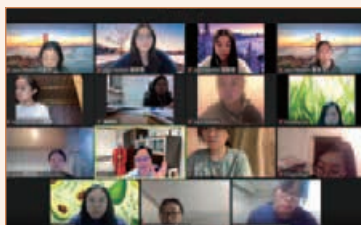
In adapting with the “new normal” brought about by the pandemic, *Ming Pao Daily News* organised online series of health seminars to educate the public how to maintain and improve their physical and mental health.



Industry experts shared their expertise and experience on wealth management, property investment and retirement planning topics.



“2020 Education Expo”, “2020 JUPAS Information Day”, “Overseas Education Information Day” and “JUMP Study and Career Fair” supported students with a wide range of study programs and career guidance.

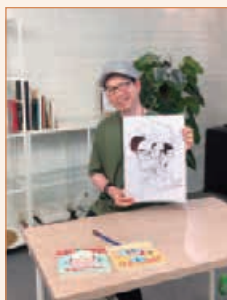


Ming Pao Daily News has been actively involved in various educational activities. “Ming Pao Student Reporter Scheme” provides fundamental journalism and media skills to cadet reporters. “Young Writer’s Training Program” is designated to foster interest in Chinese language writing among students.



Significant Events — Hong Kong

MING PAO PUBLICATIONS



Due to the need for physical distancing amid the pandemic, new book launch parties and signing ceremonies were put on a halt. To keep connecting with readers, Ming Pao Publications hosted Facebook Live events. Fans were excited to meet authors virtually.



MING PAO EDUCATION PUBLICATIONS



The Investor and Financial Education Council (IFEC) and Ming Pao Education Publications jointly organised a teacher webinar to support teachers to teach money management issues in career and life planning (CLP). Students learnt about the relationship between financial management and CLP to better prepare for further studies and career.

YAZHOU ZHOUKAN

The Hang Seng University of Hong Kong and Yazhou Zhoukan jointly held the "President x Chief Editor Forum: Reflections on Capitalism and Corporate Responsibilities amid the Pandemic". Professor Simon HO, President of HSUHK and Mr. YAU Lop Poon, Chief Editor of Yazhou Zhoukan gave keynote speeches. Total about 500 participants attended the forum on-site and online.



Significant Events — Malaysia

(Sin Chew Group)

SIN CHEW DAILY



Sponsors and partners received appreciation certificates as recognition of their support to "The 8th Sin Chew Business Excellence Awards 2020".



Sin Chew Daily promoted "Love Yourself by Wearing Masks — School Awareness Campaign" by distributing face masks to Chinese primary schools nationwide. The campaign aroused students' concern on personal health care and public hygiene.



"The 23rd Four Seasons Chinese Festival — Filial Piety Dinner 2021" received warm support in Melaka with a participation of a total of 68 families. The 104 years old female centenarian enjoyed delicious dishes with family members on the 7th day of the Chinese New Year which was also known as "人日".



Sin Chew Daily "Newspaper-in-Education 2020" Poster Design Competition received overwhelming response with more than 2,600 entries. The presentation was held online due to the COVID-19 outbreak. The judge panel took a group photo with 45 winning posters.



30 students were selected under the "*Sin Chew Daily* Readers Study Aid Project 2020". Each of them received not exceeding RM60,000 education fund to further studies. The granting ceremony was held online due to the "new normal" in times of COVID-19.

YAYASAN SIN CHEW



Yayasan Sin Chew delivered Chinese New Year gifts to the underprivileged and the elderly in the hope that they could enjoy the festive happiness.



Yayasan Sin Chew donated 1,500 protective gears and 1,680 isolation gowns to Sungai Buloh Hospital to assist healthcare professionals to combat the pandemic.

GUANG MING DAILY



Guang Ming Charity Fund donated over RM1.3 million worth of medical equipment and supplies to assist healthcare frontliners to combat the COVID-19 in Northern Malaysia hospitals.



Guang Ming Daily hosted eight charity performances with various themes in Penang, to help raise funds for charity organisations with drastic decline in donations due to the COVID-19 pandemic.

Significant Events — Malaysia

(Nanyang Group)

NANYANG SIANG PAU

Nanyang Siang Pau, as a media partner, co-organised a series of online live talks on topics related to politics, business and education during the epidemic period. These events promoted brand awareness and boosted audience engagement.



CHINA PRESS



Under the new normal education due to COVID-19, *China Press* held the primary school writing campaign virtually. Students enhanced their writing skills and interest through collective learning inclusive seminars, writing guidance and games.

Nanyang Siang Pau and *China Press* jointly held the "Virtual Education Fair" to help secondary school students obtain information for further studies. The students interacted with consultants of universities and colleges to plan for their future studies.



LIFE MAGAZINES

Citta Bella, *Feminine*, *Oriental Cuisine* and *iLifePost* held various virtual events including baking and cooking competitions, talks on family life and live shows about beauty and fashion on their respective social media platforms to stay connected with their readers during the pandemic period.



YAYASAN NANYANG PRESS

As a foundation dedicated to help the needy and provide relief in times of disaster, Yayasan Nanyang Press organised 5 COVID-19 relief projects, namely "COVID-19 Test Kits", "Meals for the Frontiers", "Personal Protective Equipment (PPE) for the Frontiers", "Free Face Masks for the Underprivileged" and "Raise Against Hunger" to support Malaysia's effort to fight against the COVID-19 outbreak.



BOARD STATEMENT

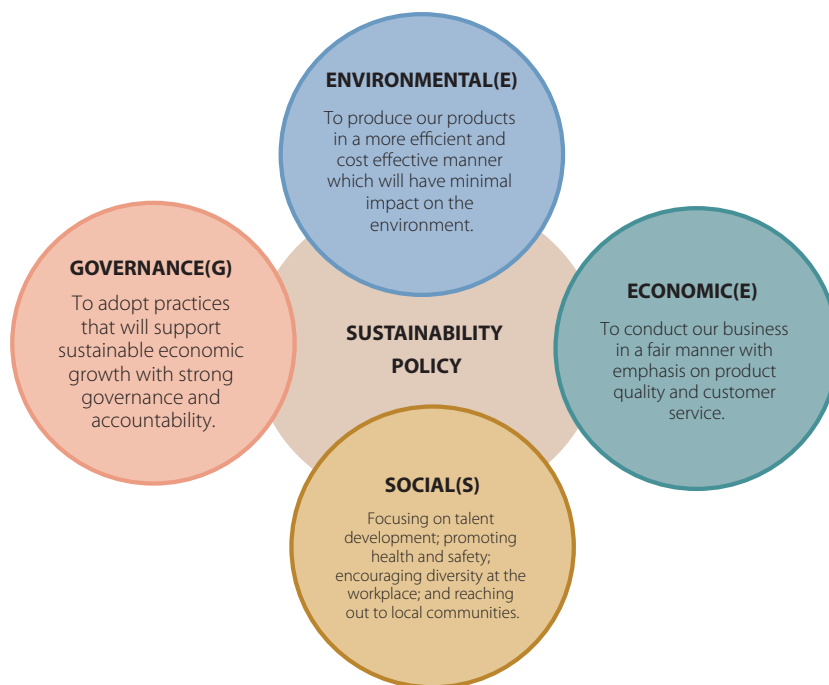
2020 was a year when the sustainability of many companies had been put to the test. The Company was not spared from the impacts of the COVID-19 pandemic either. In the financial year under review, the Board had to focus on two major issues namely, health and safety of the employees of the Group and the continued operations of its businesses. The Company had implemented new preventive measures to ensure the safety and health of its employees and the continuity of its operations despite the movement control restrictions.

In an effort to emerge stronger from the COVID-19 pandemic, it is imperative to implement sustainability measures to ensure that the businesses of the Group can withstand against increasing sustainability risks.

The Company's Sustainability Policy steers the Group towards reducing the impact of its operations on the environment through reducing the materials used for its production; conducting its business in an ethical and responsible manner; promoting the well-being of its employees; and making a difference to the communities it operates in.

OUR SUSTAINABILITY POLICY

We concentrate our activities on the following four focal areas which summarise the main challenges of sustainable development as they relate to our operations:



The Group monitors and addresses its sustainability risks by focusing on the following areas:

- a) Managing EESG risks in all business activities
- b) Ensuring environmental management in its production process
- c) Improving product and service quality

Sustainability Report

ABOUT THIS REPORT

This report is for the Group's financial year 2020/21. All data and activities reported are in relation to the Group's business operations from 1 April 2020 to 31 March 2021.

Reporting Scope

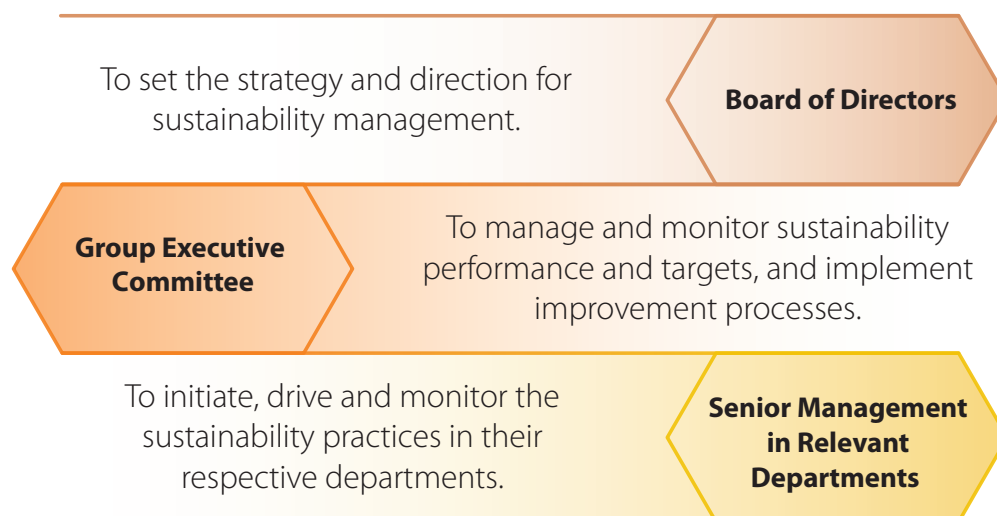
This sustainability report covers the Group's printing and publishing and travel operations in Malaysia and Hong Kong as these operations represent the core business of the Group and account for over 90% of its turnover for the financial year ended 31 March 2021.

Reporting Standards

This report is produced in accordance with Paragraph 29, Part A of Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Group's disclosures are also guided by the core principles of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines and the environmental, social and governance (ESG) factors used by the FTSE4Good Bursa Malaysia Index. This report includes references to the United Nations (UN) Sustainable Development Goals (SDGs). For a comprehensive overview of the Group's financial and non-financial performance for the financial year 2020/21, this Report should be read together with the Group's Annual Report 2020/21. There is no external assurance for this report.

SUSTAINABILITY GOVERNANCE

The Group's governance structure for its sustainability matters is as follows:










Sustainability Report

STAKEHOLDERS ENGAGEMENT

The Group proactively engaged with its stakeholders to gather feedbacks on the Group's sustainability performance, strategy, and initiatives. Such feedbacks will enable the Group to review its material sustainability matters and re-prioritise them, if necessary. The Group uses various communication channels to reach out to its customers, business partners, investors, employees and local communities.

The stakeholders and engagement methods are listed below:

STAKEHOLDERS	ENGAGEMENT METHOD(S)	PURPOSE
Customers 	<ul style="list-style-type: none"> Meetings Social media and websites Events held for readers and advertisers Customer satisfaction surveys Networking lunches/dinners Awards 	<ul style="list-style-type: none"> Understand and/or meet customer needs Provide credible and high quality content, products and services
Suppliers and business partners 	<ul style="list-style-type: none"> Product presentations Meetings 	<ul style="list-style-type: none"> Achieve cost efficiency Meet or exceed quality standards
Industry peers 	<ul style="list-style-type: none"> Industry association 	<ul style="list-style-type: none"> Share ideas to understand each other's perspective and to improve the industry
Shareholders 	<ul style="list-style-type: none"> Annual general meetings Announcements to Bursa Malaysia Securities Berhad and The Stock Exchange of Hong Kong Limited Interim/Annual reports Circulars and press releases Corporate website Analyst briefings 	<ul style="list-style-type: none"> Provide opportunities for shareholders to engage with management Allow shareholders to gain a better understanding of the Group's strategy, business and operations
Employees 	<ul style="list-style-type: none"> Corporate events Internal communications Company lunches/dinners and gatherings Trainings Occupation Safety and Health Committee Social activities 	<ul style="list-style-type: none"> Understand and align with the Company's goals, strategy and update on corporate developments For greater employees' satisfaction, retention, productivity and work-life balance
Regulators 	<ul style="list-style-type: none"> Regular communication for updates 	<ul style="list-style-type: none"> Comply with regulations
Community 	<ul style="list-style-type: none"> Social media Community events Financial and non-financial contributions/ sponsorships 	<ul style="list-style-type: none"> Contribute towards the well-being of the communities in which the Group operates

Sustainability Report

MATERIAL SUSTAINABILITY MATTERS

The Group continuously reviews its material sustainability matters by using the feedback it obtains from its engagement with its stakeholders. The Group places priority on sustainability matters that have material impact on the performance and sustainability of the Group. It constantly reminds its internal stakeholders to review their daily operations and processes in order to identify new material sustainability matters.

After identifying the Group's sustainability matters, the Group will then prioritise the sustainability matters that are considered most material to the Group's business operations and its stakeholders. Below is a list of the Group's material sustainability matters:

Sustainability Areas	Material Sustainability Topics	Corresponding GRI Framework Disclosure
Environmental	<ul style="list-style-type: none"> Energy Water and Effluents Effluents and Waste Emissions Materials 	<p>GRI 302</p> <p>GRI 303</p> <p>GRI 306</p> <p>GRI 305</p> <p>GRI 301</p>
Economic	<ul style="list-style-type: none"> Procurement Practices Product Responsibility 	<p>GRI 204</p> <p>Non-GRI*</p>
Social	<ul style="list-style-type: none"> Diversity and Equal Opportunity Training and Education Health and Safety Contribution to Community 	<p>GRI 405</p> <p>GRI 404</p> <p>Non-GRI*</p> <p>Non-GRI*</p>
Governance	<ul style="list-style-type: none"> Governance Structure Corporate Governance Anti-Corruption/Business Ethics 	<p>Non-GRI*</p> <p>Non-GRI*</p> <p>Non-GRI*</p>

* The Group has not made reference to the relevant GRI Standards for benchmarking purpose.

United Nations Sustainability Development Goals (UNSDGs)

The Company supports the United Nations Sustainable Development Goals (UNSDGs) in its business and operations. In its previous report, the Company had identified the following goals which are most aligned to the Company's material sustainability matters. In this report, the Group will articulate the activities it had carried out to promote these UNSDGs.



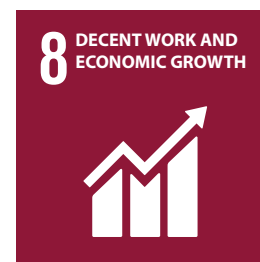
UNSDG 3 — Ensure healthy lives and promote well-being for all at all ages



UNSDG 4 — Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



UNSDG 5 — Achieve gender equality and empower all women and girls



UNSDG 8 — Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

SUSTAINABILITY AREAS

ENVIRONMENTAL

The Group has an Environmental Policy which aims to reduce the environmental impact of its business operations through conservation of energy, reduction of greenhouse gas emissions and waste. The Group aims to create and build awareness among its stakeholders on the importance of protecting the environment.

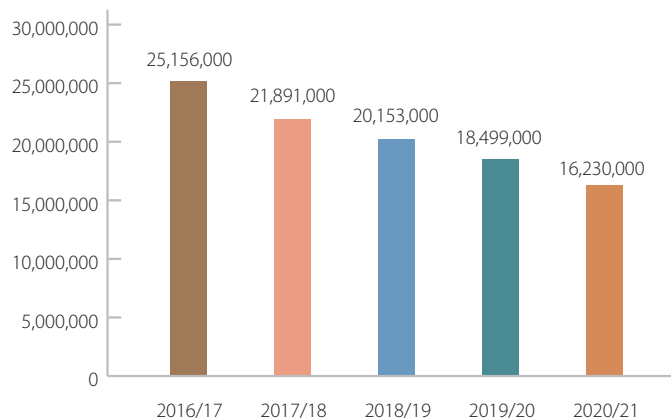
(I) Energy

The Group consumes electricity purchased from local electricity providers in Malaysia and Hong Kong. The usage of electricity by the production process in its printing plants contributes to most of the Group's consumption of electricity. The balance is from the usage in its office buildings. In line with its Environmental Policy, the Group aims to build an environmental conscious culture among its employees by reminding them to conserve energy through practices such as switching off the lights and equipment when not in use. The Group also continuously tries to conserve energy in its plants by adjusting printing slots or reviewing the method of printing.

For the financial year ended 31 March 2021, the Group managed to reduce its electricity consumption by 12.3% year-on-year to approximately 16,230,000 kWh.

Besides the Group's energy-conserving efforts, these savings were also attributed to the impact of the COVID-19 pandemic on its operations during the year under review.

**Electricity usage (kWh) in Malaysia and Hong Kong
in the past 5 financial years**

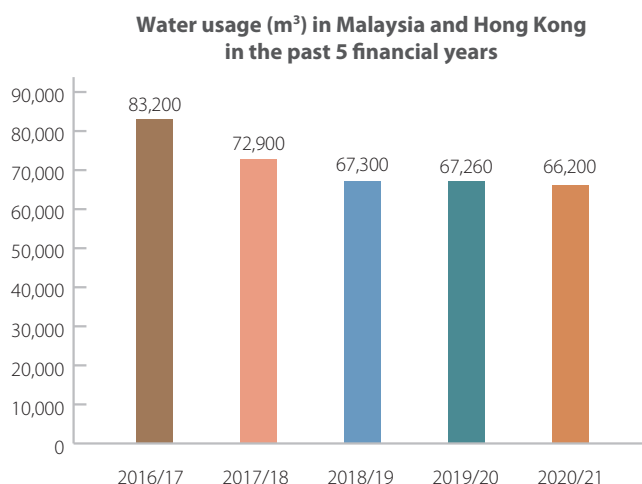


Sustainability Report

(II) Water

The Group purchases water from governmental water companies in Malaysia and Hong Kong. Most of the Group's water consumption is for the production process at its printing plants. The Group has installed facilities to harvest and store rainwater for cleaning purpose as a measure to conserve the use of water.

The Group's water usage for the financial year ended 31 March 2021 reduced marginally by 1.6% to 66,200 m³ when compared with the previous year.



(III) Effluents and Waste

The Group seeks to reduce, reuse and recycle the materials usage where possible. This is stated clearly in the Group's Environmental Policy. Most of the Group's waste is from its production activities. The Group has waste management processes in place where recyclable waste are sold to recycling companies whilst hazardous waste are disposed of by licensed contractors.

(i) Solid waste

The Group recycles its solid waste as much as possible. Waste materials such as used newsprint and plates are recycled. Each year the Group will set a target to reduce the wastage of newsprint. It constantly monitors the wastage from its usage of newsprint as the costs of newsprint is substantial and any savings in its usage will reduce the operating costs of the Group. Total newsprint wastage for the financial year under review fell by 35.1% to approximately 1,145,000 kg from 1,763,000 kg in the previous year.

(ii) Hazardous/scheduled waste

Toxic chemicals used in the printing press are minimal. Hazardous or scheduled waste generated from the Group's printing operations includes contaminated rags, waste ink, and chemical waste. In Malaysia, this hazardous or scheduled waste is required to be collected and disposed of by licensed contractors of the Department of Environment. Similar regulations are enforced by the Hong Kong Environmental Protection Department. To ensure the compliance with relevant regulations, all chemical waste generated from the Group's production plants is collected and disposed of by licensed collectors. The scheduled waste is also stored in separate holding areas, and will be recycled where possible by the waste collectors.

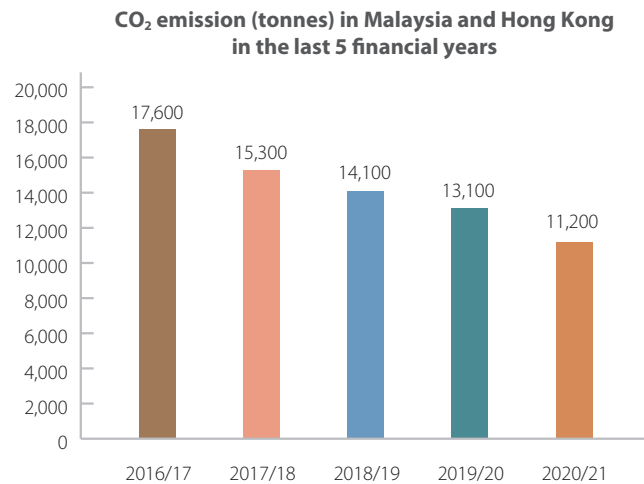
(iii) Effluents treatment

In order to comply with the laws relating to environment, the Group has installed wastewater treatment facilities at some of its printing plants to treat certain chemical waste before it is released into the environment. Sampling and monitoring of the discharge are performed periodically to ensure that it is safe to be discharged into the drainage system.

(IV) Emissions

The Group's Environmental Policy states its aim as being to reduce greenhouse gas emissions in order to minimise the environmental impact of its operations.

The Group has chosen its approach to report utility data under Scope 2 (Electricity) from operations under its direct control in Malaysia and Hong Kong. Scope 2 (Electricity) is reported on below.



The Group uses the emission factor based on the 2007 report by Pusat Tenaga Malaysia titled "Study on grid connected electricity baselines" in Malaysia and "Emission Factor Electricity 2020" provided by Hong Kong Electric to identify its greenhouse gas emissions from purchased electricity.

The Group succeeded in reducing its CO₂ emission from purchased electricity in 2020/21 by 14.5% to approximately 11,200 tonnes. This improvement was attributed to the Group's effort in reducing its usage of purchased electricity.

The Group does not report emissions from Scope 3, as it does not own any vehicle fleet. Product transportation is outsourced.

Sustainability Report

(V) Materials

The Group places importance on materials management. As part of the Group's continued efforts to contain cost, the manner in which the materials are stored and used are monitored to reduce wastage. Standard operating procedures are put in place to measure materials consumption at its printing plants to track the usage of materials and to ensure that they are used effectively and efficiently.

(i) Paper

As the cost of newsprint is high, the Group monitors the use of newsprint closely. Most of the Group's newsprint is made of environmentally friendly recycled paper. The Group's printing machines are maintained frequently to ensure that they are in good conditions to prevent multiple starts and stops as these increase start-up waste. The Group has put in place key performance indicators to monitor paper waste continuously.

(ii) Plates

The Group strives to reduce the usage of plates. In order to reduce wastage and to preserve the condition of the plates purchased, the Group stores the plates in a suitable environment. Additionally, the editorial team is mindful of minimising mistakes so as to reduce the usage of plates.

(iii) Ink

The Group uses environmentally friendly ink in its printing plants. It uses an ink optimisation software to achieve optimum colour with the minimal use of ink. The Group's ink usage for the year in review was 590,000 kg, a saving of 12.5% when compared with last year's 674,000 kg.

OBJECTIVES FOR ENVIRONMENTAL SUSTAINABILITY	PROGRESS
• Reduce usage of electricity and water	For the financial year ended 31 March 2021, the Group's electricity and water consumption was reduced by 12.3% and 1.6% respectively year-on-year.
• Reduce CO ₂ emission from consumed electricity	For the financial year ended 31 March 2021, the Group's CO ₂ emission was reduced by 14.5% year-on-year.
• Reduce wastage of materials such as newsprint	The Group reduced its wastage of newsprint by 35.1% for the financial year in review when compared with the previous year.
• Reduce usage of materials such as ink	For the financial year ended 31 March 2021, the Group's usage of ink was reduced by 12.5% year-on-year.

ECONOMIC

The Group's policy for economic activities is that it places importance on product quality and ethical business practices. Further, it also advocates protection of customers' data and adoption of sound supply chain practices and ethical business practices. These practices help build a long term, mutually beneficial relationship with its customers and suppliers. The Group also strives for positive economic performance to ensure its sustainability and growth.

(I) Economic Performance

For the financial year ended 31 March 2021, the Group recorded total turnover of US\$115,679,000 and a loss after tax of US\$1,913,000.

The table below shows the Group's economic values generated, retained and distributed by the Group for the year ended 31 March 2021.

Economic Value Generated (a)	US\$136,150,000
Economic Value Distributed (b)	US\$139,750,000
Economic Value Retained (c)	(US\$3,600,000)

Notes:

- (a) Refers to the revenues and other income generated by the Group
- (b) Refers to operating costs, employee wages, payments to providers of capital, payments to government and community investments
- (c) Refers to Economic Value Generated minus Economic Value Distributed

Further details of the Group's financial performance can be found under the Management Discussion and Analysis section on pages 16 to 18 of this Annual Report.

(II) Procurement Practices

The Group has established a procurement policy and put in place processes and controls for procurement. It practices a fair and impartial selection process of suppliers where it focuses not only on the pricing of the goods/services supplied but also the quality and services provided. A sound procurement practice may lead to savings by getting more competitive prices and ensures better quality goods and services. This will help improve the Groups' finances.

The Group has a set of fixed criteria for selection of suppliers and an annual evaluation of suppliers is carried out. The annual evaluation not only helps review the performance of the suppliers but also ensures that the prices of their goods and services provided remain competitive. As part of the Group's Anti-Bribery and Corruption Policy, the Group carries out due diligence on the suppliers before securing the supply contracts.

The Group believes in sourcing from local suppliers where possible and where procurement from overseas suppliers is required, it will be based on the suppliers' availability and capability.

For the financial year ended 31 March 2021, about 77% of the Group's total procurement were from local suppliers in Malaysia and Hong Kong totaling approximately US\$50,848,000.

(III) Product Responsibility

The Group is committed to engaging its readers and endeavours to provide broad coverage of accurate and bias-free news and plays an important role in exposing fake news. Editorial policies are put in place to ensure responsible journalism. Its online content is trustworthy, up-to-date and accessible at all times. The Group's editorial teams, managed by the editor-in-chief of each publication, review their own publications to ensure accuracy of the information contained. In the rare events that any information published is inaccurate, the Group will correct the misinformation in the next available publication.

Sustainability Report

The Group adheres to the Guidelines issued by Malaysia's Association of Accredited Advertising Agents and Hong Kong's Trade Descriptions Ordinance. It is committed to ensuring the proper marketing of its products and that customers are treated fairly. It ensures that all advertisements and marketing materials published in the Group's publications meet legal and regulatory requirements, are appropriate for the target audience and accurately and fairly describe the products marketed. The Group also has customer management processes in place to ensure that customer complaints are handled in an appropriate and timely manner.

(IV) Customer Data/Intellectual Property

The Group is aware of the importance of protecting its customers' privacy under Malaysia's Personal Data Protection Act 2010 and Hong Kong's Personal Data (Privacy) Ordinance. It not only constantly builds awareness among its employees on the importance of data protection but also puts in place security procedures and technology to protect the information held and prevent unauthorised access, unlawful disclosure and misuse of personal information within the Group.

The Group respects and protects intellectual property rights. It only uses licensed software, and has in place a policy where employees are informed not to install unauthorised software on office equipment such as desktop computers and laptops.

(V) Anti-Bribery and Corruption

The Group has established an Anti-Bribery and Corruption Policy since February 2020 ("the Anti-Bribery Policy").

The Board of Directors (the "Board") of the Company maintains oversight of the Anti-Bribery Policy and will review this policy from time to time. To build an ethical culture within the Group, the Board has adopted a zero-tolerance approach towards bribery and corruption. It also prohibits the Group from making or offering any political contributions, in-cash or in-kind, to any political parties, politicians, elected officials or candidates for political office. This is to ensure that all directors and employees act professionally, fairly and with integrity in all its business dealings and relationships wherever the Group operates.

To ensure full compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Group had conducted five anti-bribery and corruption briefing and training sessions for its directors and employees during the year under review. This policy has been communicated to the employees through multiple channels including briefings from the departmental heads, emails, company's intranet and etc.

Besides, the Whistle Blowing Policy has been revised by the Board in February 2020 to provide an avenue for employees or any external party to report any concerns or suspected breach of any practices concerning fraud, bribery and corruption.

To date, the Group has not paid any fines, penalties or settlements in relation to corruption; and no staff has been disciplined or dismissed due to non-compliance with the Group's Anti-Bribery Policy.

OBJECTIVES FOR ECONOMIC SUSTAINABILITY

PROGRESS

- To implement a robust procurement system
- To deliver content that is true and accurate

The Group has adopted a procurement policy that sets out the selection and evaluation criteria for suppliers. For the financial year ended 31 March 2021, procurement from Malaysia and Hong Kong accounted for 77% of the Group's total procurement.

The Group has in place procedures and processes in its editorial departments to ensure the integrity of all its publications' content.

SOCIAL

The success of a company depends very much on its people and this is the philosophy that the Group adopts. The Group is committed to providing a positive, safe and inclusive working environment to allow people to reach their potential.

The Group takes its role in the communities seriously, and always plays an active role to improve the lives of the communities in which it operates.

(I) Employees

(i) Diversity and Equal Opportunity

The Group places importance on diversity and equal opportunities in the workplace. It has a policy which stresses on treating its employees fairly and courteously without regard to race, creed, religion, gender, nationality, age, marital status, disability, and will not tolerate any form of discrimination or prejudice in the workplace.

The Group as a media organisation promotes diversity as it helps promote innovation and creativity which are important in the changing landscapes of the media industry.

The Group ensures that it complies with the relevant applicable laws, rules and regulations in the jurisdictions within which the Group operates in relation to discrimination of gender, disability, marital status and race including ensuring its human resource practices are in compliance with labour laws in Malaysia and Hong Kong.

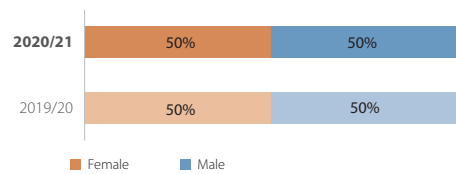
In Malaysia, besides the national unions, the Group has in-house unions for Sin Chew Media Corporation Berhad, Nanyang Press Holdings Berhad and The China Press Berhad.

Total number of employees in Malaysia and Hong Kong for the financial years ended 31 March 2021 and 2020 were 2,917 and 3,123 respectively. The 6.6% drop in its number of employees was mainly due to natural attrition and alignment of the manpower resources to meet optimisation in the Group's manpower needs.

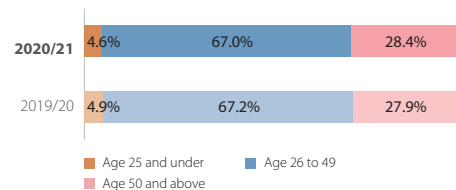
The diversity of employees in Malaysia and Hong Kong by gender, age and position is presented in the charts on the right:

The Group has a balanced workforce in terms of gender and this is the same in the previous year. Female representation at management level remained at 40% if compared to the previous year. Majority of the Group's workforce is young and aged between 26 and 49 which is important for the long-term sustainability of the Group.

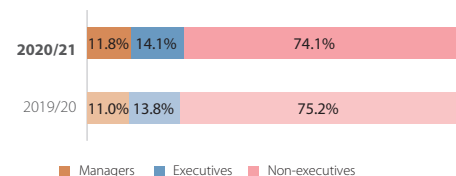
Employee diversity by gender



Employee diversity by age



Employee diversity by position



Sustainability Report

(ii) Employee Engagement

The Group believes in building team spirit through employee engagement. In the financial year under review, due to the implementation of movement restriction controls and to avoid the spread of the COVID-19 virus, celebration dinners like Annual dinner, Christmas dinner and department dinners were cancelled. However, some interactive activities, which were in compliance with movement restriction controls, were held such as the New Year flower planting competition and couplet writing.

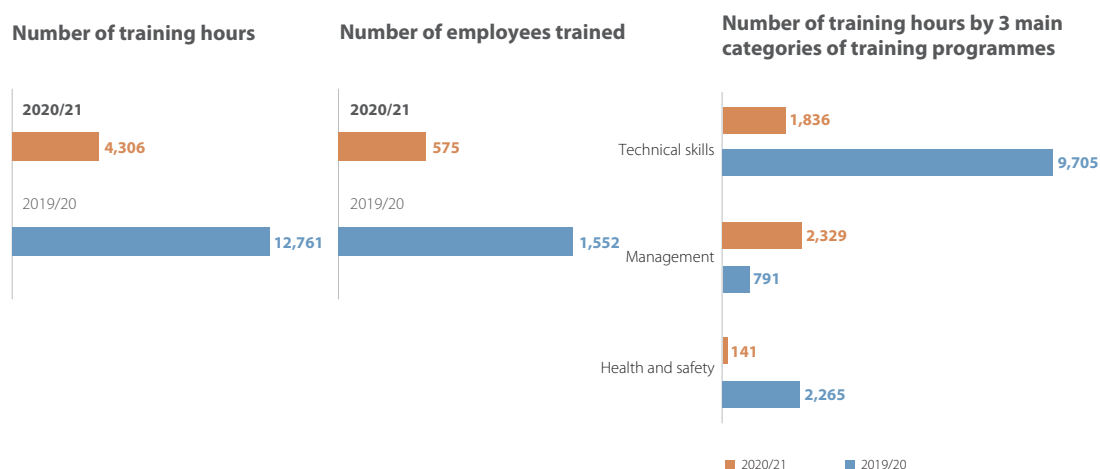
(iii) Training and Education

Upskilling is important for media organisations as the constant advancement of technology changes the way media content is published and consumed. Hence, the Group has adopted a policy on "Employee Training and Development" to improve its employees' skills and performance.

In the financial year under review, the number of training hours had been significantly reduced by 66.3% to 4,306 training hours when compared to the previous year. Due to the COVID-19 pandemic, training has been kept to a minimum and training sessions had been carried out virtually instead. As a result, most of the group technical training sessions, which require physical presence, had been postponed. Nevertheless, employees are encouraged to participate in e-learning and online development programs to keep up with market and technological changes.

To ensure the Group keeps track of the performance of its employees to achieve an efficient organisation, annual performance evaluation is conducted to evaluate employees based on key performance targets set for each individual.

The training hours, number of employees trained and training hours by category for the financial years ended 31 March 2021 and 2020 are presented below:



(iv) Health and Safety

The health and safety of the employees of the Group is of primary concern to the Board especially in the COVID-19 pandemic. The Group has a policy of ensuring the health, safety and welfare of all its employees. Hence, the Group has in place health and safety measures to achieve an injury and illness-free workplace. The management continuously reviews work practices to ensure that high safety standards are maintained in all of its business operations.

In Malaysia, an Occupational Safety and Health Committee (“OSHC”) was established to help identify hazards and trends and facilitate the dissemination of information in order to address any concerns raised. The OSHC trains and reminds the employees to follow procedures for health and safety. For the year under review, the Group had organised training on topics such as “PPE Exposure and Hearing Program” and “Noise and Vibration Monitoring and Assessment”.

In Hong Kong, a safety committee was set up pursuant to the Factories and Industrial Undertakings (Safety Management) Regulation, Laws of Hong Kong to implement a safety management system and monitor the safety policy in printing plants. By virtue of the Regulation, a safety review is conducted annually for the purpose of evaluating the effectiveness and considering improvement of the safety management system. Safety review reports including safety improvement plans will be prepared and submitted to the Labour Department for examination. For the financial year ended 31 March 2021, its Hong Kong operations had conducted training on topics such as “Adopt safety measures when using machinery” and “Enhancing OSH performance”.

The safety and wellbeing of the Group’s employees are key. In order to protect the health and safety of its employees as well as maintain its business operations in coping with the impact of the COVID-19 pandemic, the Group has transitioned to a remote working model where possible.

The Group has adjusted office spaces to adhere to social distancing guidelines, markers are placed in common areas such as lifts, cafeterias and meeting rooms to remind all employees to maintain social distancing, and temperature checks for staff entering the office. Furthermore, common areas are cleaned and sanitised regularly. In addition, management meetings are held virtually where possible. The Human Resources Department also provides pandemic updates, safety and health guidelines such as posting infection control guidelines, safety tips and quarantine policies to staff.

During the current financial year, the number of workplace accidents was ten which was similar to last year. These accidents were all non-fatal and resulted in minimal productivity interference. These accidents were investigated and reported to the relevant authorities and measures have been put in place to prevent the recurrence of the same.

(v) Work-life balance

Work-life balance is an important factor for all employees, the Group therefore strives to provide an environment in which its employees can strike a work-life balance. The Group organises wellness and sports activities for its employees but most of these activities have been suspended due to the COVID-19 pandemic.

Sustainability Report

(vi) **Child and forced labour policies**

The Group has a policy of not recruiting any minor or forced labour. The Group does not use any kind of child labour or forced labour.

(vii) **Code of Ethics and Conduct**

The Group has a Code of Ethics and Conduct that obliges its directors and employees to behave ethically and maintain high level of professionalism and exemplary corporate conduct. The Code of Ethics and Conduct states that directors and employees should avoid involving themselves in situations where there is a real or apparent conflict of interest between them as individuals and the Group's interests.

Directors and employees must exercise caution and due care to safeguard any confidential and sensitive information relating to the Group that may have come to their knowledge during their employment. They are also reminded of prohibitions against using inside information for securities trading.

The Group's Whistle Blowing Policy applies to its directors and employees. Directors may refer or address their concerns to the Board's Chairman or the Group Chief Executive Officer, and employees may address their concerns to their immediate superior, department head, the Group Chief Executive Officer or the Audit Committee's Chairman. No individual will suffer any act of retaliation or be discriminated against for reporting in good faith on violations or suspected violations. The Group's Whistle Blowing Policy provides that the Group will strive to keep the identity of the whistle-blower confidential.

The Group also has an anti-sexual harassment policy in place to protect employees against sexual harassment. Any concerns about sexual harassment may be reported to the individual's immediate superior or to the Human Resources Department and will be treated in the utmost confidentiality.

(II) **Contribution to Community**

The Group has always upheld the principle of contributing to improving the lives of the communities where it operates. It is always in the forefront of organising or carrying out activities to raise funds or awareness of pertinent social issues.

The Group's community investment policy centers on focus areas that reflect its values and expertise: Knowledge Building, Education, Humanitarian Assistance and Medical Assistance.

Sustainability Report

NURTURING TALENT AND KNOWLEDGE-BUILDING



The Group believes in skill building and such emphasis should begin at a young age.

To encourage the pursuit of learning, the Group organises general knowledge quiz for school children such as “National NIE Quiz” and “Sin Chew Online Quiz” through *Sin Chew Daily*. These activities aim to build general knowledge and inculcate the habit of reading. They also build brand stickiness as the participants have read the Group’s publications for information.

Literary talent is encouraged through activities of the Group such as “Young Writer’s Training Program” and “SaZhong Writing Camp” organised by *Ming Pao Daily News* and *China Press* respectively to train writing skills.

The Group provides budding journalists an opportunity to experience the life of a journalist by joining cadet reporter programs such as “Ming Pao Student Reporter Scheme” and “Sin Chew Cadet Reporter Program”. These programs are organised for the Group to build and recruit future talent for its operations.

PROMOTING EDUCATION



With the aim of providing opportunities for the underprivileged to receive education, the Group reaches out to corporates to seek sponsorship and/or carry out fund raising activities to raise funds to educate the younger generation by giving them various educational opportunities from early childhood education to university studies.

Various programs such as the Sin Chew Daily Education Fund and the Sin Chew Daily Readers Study Aid Project are carried out to fund the education needs of underprivileged children.

Yayasan Nanyang Press through its program “Dream House for the Hidden Stars” helped fund the learning programs for those with learning disabilities.

Sin Chew Daily has collaborated with higher education institutions to grant full scholarships to talented but underprivileged students to pursue tertiary education in Malaysia.

The COVID-19 pandemic had kept many at home hence limiting the opportunity for school leavers to visit education fairs to select suitable colleges, universities or courses. Hence, the Group had organised virtual education fairs in Malaysia such as the Sin Chew-E fair in June and December 2020, and the Nanyang Siang Pau and China Press Virtual Education Fair in December 2020. In Hong Kong, the Group through *Ming Pao Daily News* had organised the Education Expo 2020, JUMP Study & Career Fair and JUPAS Information Day.

Sustainability Report

HUMANITARIAN ASSISTANCE



Over the years, the Group and its charity arms, Yayasan Sin Chew, Yayasan Nanyang Press and Guang Ming Charity Fund have supported or organised numerous causes and charity activities to reach out to the communities in which the Group operates.

Yayasan Sin Chew runs the "We Care Sponsor-a-Child" program which provides aid to school going children of underprivileged families. During the year, Yayasan Sin Chew has donated approximately RM0.7 million in helping 200 students.

Since early education is vital, Yayasan Nanyang Press had donated laptops loaded with programs and printers to 8 rural kindergartens in Sabah. It hopes to bridge the digital divide that exists between rural and urban children. The initiative will enhance children's exposure to the digital world of learning through online and educational computer programs.

The COVID-19 pandemic has been hard on many families, especially those who don't have access to aid programs. As such, Yayasan Nanyang Press teamed up with Carlsberg to reach 3,054 underprivileged Malaysians, regardless of race and creed across the nation by providing food and money to these families. Through this "Raise Against Hunger Program", we generated hope in a time of immense uncertainty.

At the same time, Yayasan Sin Chew initiated the "Fight for Life, Action to Save" campaign to raise funds to buy food and necessities for families who had lost their income. It also raised funds to give financial support to 231 NGOs, orphanages, old folks homes and hospices which faced difficulty in raising funds during this economic crisis caused by the COVID-19 pandemic.

Sin Chew Daily teamed up with Tiger Beer and Chinese associations to launch an awareness campaign "Love Yourself by Wearing Masks". The awareness campaign was to encourage school children to use face coverings to protect themselves and others from the virus. The campaign collected 10 million facemasks for distribution to schools within Peninsula Malaysia.

In Hong Kong, *Ming Pao Daily News* helped raise funds from readers' donations amounting to approximately HK\$170,000 for the needy and also organised a book donation drive.

Sustainability Report

MEDICAL ASSISTANCE



In response to the distress over the shortage of medical supplies in Malaysia arising from the COVID-19 pandemic outbreak, Yayasan Sin Chew, Yayasan Nanyang Press and Guang Ming Charity Fund had successfully collected approximately RM21.3 million from the public, which was utilised to purchase personal protective equipment (PPE), ventilators, COVID-19 testing kits for designated hospitals and government health facilities all over the country.



During the year, the Group had raised approximately RM5.5 million for those who have medical needs but do not have sufficient means to seek medical help.

The Group through Yayasan Nanyang Press continues to provide sponsorship to 4 dialysis centers throughout Malaysia to subsidise their costs in treating patients.

In order to educate the general public on certain health topics, the Group also organised talks in conjunction with medical and pharmaceutical companies.

(III) Readers and Advertisers

Staying connected with its readers and advertisers is important to the Group, as this allows it to know and understand the demands of this group of stakeholders. The Group uses several platforms such as social media, ground activities and its printed publications to reach out.

The Group also welcomes visitors to its printing plants so that the public can understand and appreciate the process of printing. The Group's publications such as *Sin Chew Daily*, *China Press* and *Ming Pao Daily News* normally receive visits from schools to their printing plants to provide students with an overview of their newspaper operations. These visits were kept on hold during the year due to the COVID-19 pandemic.

This year, most of the engagements between the Group and its readers were conducted virtually through programs such as "Sin Chew Daily Filial Piety Dinner", "Chinese New Year Reunion Campaign", "HKSH Online Health Seminar" and finance related webinars.

Sustainability Report

(IV) Investors and Shareholders

The Company engages its investors/shareholders through press releases and corporate announcements of its financial results quarterly, half-yearly and annually. It also engages its shareholders at annual general meetings.

The Company has a shareholders' communication policy. The details of shareholders' rights are set out in the Corporate Governance Overview Statement in this Annual Report on pages 45 to 65. The Group's website also provides detailed information on procedures for shareholders to propose a person to be elected as a director.

OBJECTIVES FOR SOCIAL SUSTAINABILITY	PROGRESS
<ul style="list-style-type: none">To create a diversified and skilled workforce	The Group has provided training to 575 employees for the financial year in review and the total number of training hours was 4,306 hours.
<ul style="list-style-type: none">To continue to engage its stakeholders	Details of these engagements are stated on page 29 of this report.
<ul style="list-style-type: none">To build an ethical business culture	Implemented anti-bribery measures within the Group by adopting an Anti-Bribery and Corruption Policy and carrying out training for its employees on the same.

GOVERNANCE

The Group is committed to implementing practices that support sustainable economic growth through strong governance and accountability.

Further details on the Group's corporate governance are set out in the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control on pages 45 to 65 and pages 67 to 71 of this Annual Report respectively.

Corporate Governance Overview Statement

The Board of Directors of the Company is pleased to present the Corporate Governance Overview Statement for the year ended 31 March 2021.

INTRODUCTION

2020/21 was an extremely extraordinary and disruptive year for the Group. Despite the adverse headwinds and many challenges created by the COVID-19, the Board of Directors (the “Board”) of the Company is fully committed to sustainable business practices and fulfilling its corporate governance obligations to achieve the objectives and corporate goals of the Group.

The Company has adopted all the code provisions in the Corporate Governance Code (the “Hong Kong Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HK Listing Rules”) as its own code on corporate governance practices. During the year under review, all the code provisions as set out in the Hong Kong Code have been complied with.

Pursuant to Paragraph 15.25 of the Main Market Listing Requirements (the “Bursa Securities Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company is also guided by the Malaysian Code on Corporate Governance 2017 (the “Malaysian Code”), which is based on the following three key principles of good corporate governance:

- board leadership and effectiveness;
- effective audit and risk management; and
- integrity in corporate reporting and meaningful relationship with stakeholders.

This statement describes the extent of how these key principles are applied. Details of the application of the principles of the Hong Kong Code and the Malaysian Code are set out in the Corporate Governance Report which can be accessed on the Company’s website: www.mediachinesegroup.com.

CONDUCT ON SHARE DEALINGS

The Company has adopted the requirements and code as set out in (i) Chapter 14 (Dealings in Listed Securities) of the Bursa Securities Listing Requirements (“Chapter 14 of the Bursa Securities Listing Requirements”) and (ii) the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the HK Listing Rules as its own code for securities transactions by directors of the Company. Following specific enquiry by the Company, all directors of the Company have confirmed their compliance with the required standards as set out in (i) Chapter 14 of the Bursa Securities Listing Requirements and (ii) the Model Code during the year.

The Company has also established written guidelines regarding securities transactions on no less exacting terms than the Model Code for senior management and specific individuals who may have access to inside information in relation to the securities of the Company.

Corporate Governance Overview Statement

BOARD LEADERSHIP AND EFFECTIVENESS

Board — strategy and supervisory

The Company is led by an experienced, competent and diversified Board. The directors collectively have wide and varied technical, financial and commercial experience which facilitates effective discharge of the Board's statutory and fiduciary duties and responsibilities.

The principal responsibilities of the Board include reviewing and adopting strategic plans for the Group, directing future expansion, overseeing the conduct of business, reviewing the adequacy and the integrity of internal control systems, identifying principal risks and ensuring the implementation of appropriate systems to manage these risks, establishing a succession plan, and developing and implementing a shareholders' communication programme for the Group.

The duties of the Board also cover reviewing and developing the Company's policies and practices on good corporate governance; reviewing and monitoring the training and continuous professional development of directors and senior management; reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors; and reviewing the Company's compliance with the Hong Kong Code and the Malaysian Code and disclosures in this Corporate Governance Overview Statement.

The Board delegates specific powers to its Board committees, all of which operate within defined terms of reference as set out in the Board Charter. The Board committees include the Group Executive Committee, Audit Committee, Nomination Committee and Remuneration Committee.

Monthly reports on the Group's business and financial performance are circulated to the directors for review and comments. At the quarterly Board meetings, the Board deliberated and reviewed a variety of matters including the Group's financial performance, business development, corporate strategies and risk management. Members of the Group Executive Committee are invited to brief the Board on a quarterly basis. The Chairman of respective Board committees also brought value to the Board and provided appropriate reporting and recommendation to enhance the Board's decision. During the year, the Board has reviewed the revised 2020/21 financial budget in view of the impact of the COVID-19 pandemic, corporate direction, succession planning, governance policies and practices, and has approved the Group's business plan and financial budget for the financial year ending 31 March 2022 in February 2021. The Board also monitored the COVID-19 pandemic development closely as it could have an impact on workplace safety and ensured that preventive measures were taken to mitigate this unprecedented risk to the employees at work as well as the business of the Group operationally and financially.

The attendance of the directors at the board meetings is set out on page 48 of this Annual Report.

CHAIRMAN OF THE BOARD

The positions of Chairman and Group Chief Executive Officer ("GCEO") are held by two different individuals and each has a clearly accepted division of responsibilities.

The Chairman is responsible for leading the Board in discharging its duties effectively, and enhancing the Group's standards of corporate governance. He promotes an open environment for debate, and ensures that all directors are able to speak freely and contribute effectively at Board meetings. The Chairman also provides clear leadership to the Board with respect to the Group's long-term growth and strategy. On 25 February 2021, the Chairman held a private meeting with the independent non-executive directors without the presence of the executive directors, joint company secretaries and senior management.

The GCEO is primarily responsible for the day-to-day management of the business and operations of the Group. He executes the Board's decisions and strategic policies and chairs the Executive Committees, which are comprised of senior management executives, to oversee the operations of the Group.

Corporate Governance Overview Statement

BOARD CHARTER

The roles and responsibilities of the Board are clearly defined in the Board Charter which is subject to periodic review and update, in accordance with the needs of the Group and any new regulations that may have an impact on the discharge of the Board's responsibilities. The revised Board Charter was approved by the Board in February 2020 to align with the adoption of the Anti-Bribery and Corruption Policy of the Group. The Board Charter is available for reference on the Company's website at www.mediachinesegroup.com.

ETHICAL STANDARDS

In discharging its responsibilities, the Board is guided by the Company's Code of Ethics and Conduct, which sets out the values, principles and guidelines as to how the Company conducts its business to ensure integrity, transparency and accountability. This is applicable to all directors and employees of the Group to govern the desired standard of behavior and ethical conduct expected from each individual throughout all levels within the Group. The Company also has in place a Whistle Blowing Policy, which forms part of the Code of Ethics and Conduct. This provides an avenue for any director, employee or third party to freely communicate their concerns about unethical practices without fear or repercussions in a safe and confidential manner. Disclosure of any improper conduct can be made verbally or emailed to wbac@mediachinese.com or wbboardchairman@mediachinese.com.

In February 2020, the Code of Ethics and Conduct and the Whistle Blowing Policy of the Group were reviewed and amended by the Board to update relevant changes to the policies, procedures and processes for compliance and good governance practices. The Anti-Bribery and Corruption Policy, Code of Ethics and Conduct and the Whistle Blowing Policy are available on the Company's website at www.mediachinesegroup.com.

BOARD COMPOSITION

As at 31 March 2021, there were 7 members on the Board comprising 3 executive directors, Ms TIONG Choon, Mr TIONG Kiew Chiong (GCEO) and Mr LEONG Chew Meng; 1 non-executive director ("NED"), Dato' Sri Dr TIONG Ik King (Non-executive Chairman); and 3 independent non-executive directors ("INEDs"), Mr YU Hon To, David, Datuk CHONG Kee Yuon and Mr KHOO Kar Khoon.

As announced by the Company on 27 May 2021, with effect from 1 July 2021, Mr LEONG Chew Meng and Mr YU Hon To, David have resigned as directors of the Company and in place, Mr WONG Khang Yen, Mr LIEW Sam Ngan and Ms TIONG Yijia have been appointed as executive directors; and Mr IP Koon Wing, Ernest, has been appointed as an INED. Therefore, effective from 1 July 2021, the Board consists of 9 members including 5 executive directors, 1 NED and 3 INEDs, which fulfills the requirements under the HK Listing Rules and Bursa Securities Listing Requirements. A brief description of the background of each director including his/her relationship, if any, with other Board members is presented on pages 4 to 10.

The Board, having conducted the annual review of the Board size, is satisfied with the current composition as this size is optimum and would enable effective oversight and delegation of responsibilities. Given the diversity in its membership's skills, expertise and experience, the Board is appropriately balanced and that the Board succession is properly managed over the medium and long term, including the appointment of additional woman director to comply with the Malaysian Code.

Corporate Governance Overview Statement

BOARD MEETINGS

All directors are expected to commit sufficient time in carrying out their responsibilities and the Chairman of the Board will be notified before a director accepts any new directorship.

The Board meets on a quarterly basis and additionally as and when required. Quarterly meetings as well as annual general meeting ("AGM") are scheduled in advance annually to enable the directors to plan ahead to ensure their attendance at the meetings. Notices of meetings which set out the matters to be discussed are sent to the directors at least 14 days prior to the meetings. All notices and meeting materials are communicated to the directors via emails or other means. This is to ensure that the directors are provided with sufficient information and time to prepare for the Board meetings. The directors may participate in the meetings through telephone, web conference or other forms of communication.

At Board meetings, management presents and provides explanation on the reports provided. Members of the Executive Committees and consultants may be invited to attend the Board meetings to advise or give detailed explanation and clarification on relevant agenda items to enable the Board to make informed decisions. Any director who has a direct and/or indirect interest in the subject matter to be deliberated on shall abstain from deliberation and voting on the same. The Joint Company Secretaries also prepare the minutes of meetings in a timely manner and provide advisory services to the Board on corporate administration and governance matters including compliance with relevant laws, rules and regulations.

MEETING MATERIALS

All directors are furnished with a set of meeting papers within reasonable periods prior to each Board or Board committee meeting. The meeting papers include, among others, comprehensive management reports, minutes of meetings, project proposals and discussion documents regarding specific matters. Minutes of the respective Board committees' meetings are presented to the Board for notation. Through regular Board meetings, the Board receives updates on new statutory and regulatory requirements relating to the duties and responsibilities of directors and their impact and implication to the Company and the directors in carrying out their fiduciary duties and responsibilities.

During the financial year ended 31 March 2021, four (4) Board meetings were held. The attendance record for each director at the Board meetings and AGM is as follows:

Directors	No. of meetings attended	
	Board	AGM
Non-executive director		
Dato' Sri Dr TIONG Ik King (<i>Chairman</i>)	4/4	1/1
Executive directors		
Ms TIONG Choon	4/4	1/1
Mr TIONG Kiew Chiong (<i>GCEO</i>)	4/4	1/1
Mr LEONG Chew Meng (<i>Note 1</i>)	4/4	1/1
Independent non-executive directors		
Mr YU Hon To, David (<i>Note 2</i>)	4/4	1/1
Datuk CHONG Kee Yuon	4/4	1/1
Mr KHOO Kar Khoon	4/4	1/1

Notes:

- (1) Mr LEONG Chew Meng resigned as an executive director and a member of the Group Executive Committee of the Company with effect on 1 July 2021.
- (2) Mr YU Hon To, David, resigned as an INED, the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company with effect on 1 July 2021.

Corporate Governance Overview Statement

BOARDROOM DIVERSITY

The Board acknowledges the importance of boardroom diversity and has adopted a policy on board diversity ("Board Diversity Policy"). Despite no specific targets being set, the Board is committed to improving the boardroom diversity in terms of gender, age, nationality, ethnicity and socio-economic background. The Board through the Nomination Committee continues to place emphasis on relevant skills, age, experience, knowledge, cultural background, personality and gender when considering new appointments of directors and conducting the annual performance evaluation on the effectiveness of the Board.

With the appointment of Ms TIONG Yijia as a new board member on 1 July 2021, the Company will have two female directors. In supporting the Board Diversity Policy, the Board will work towards having more women representation in the Board and the senior management roles, and take steps to nurture suitable and potential candidates in meeting the future needs of the Company.

BOARD APPOINTMENT

The appointments of three new executive directors and one INED have been approved by the Board members on 27 May 2021. The Nomination Committee established by the Board is responsible for assessing the nominee(s) for directorship and Board committee membership and thereupon submitting their recommendation to the Board for decisions. In ensuring the suitability of a candidate, the Board reviews the required mix of skills, experience and expertise of Board members to ensure that it is sufficient to address the issues affecting the Company. In its deliberations, the integrity, professionalism, skills, knowledge, expertise, experience and independence of the proposed candidate are taken into account.

The Board may utilise independent sources to identify candidates for appointment of directors. Apart from that, the Nomination Committee also considers recommendations from existing Board members, management or major shareholders.

RE-ELECTION OF DIRECTORS

In accordance with the Company's Bye-Laws, all newly appointed directors shall retire from office but shall be eligible for re-election in the next AGM or the next general meeting subsequent to their appointment. The Company's Bye-Laws further provide that at least one third of the remaining directors (save for the Non-executive Chairman) for the time being are required to retire by rotation at each AGM and eligible for re-election. Further, in accordance with the HK Listing Rules, all directors (including the Non-executive Chairman) shall retire from office once in every 3 years but shall be eligible for re-election.

TERMS OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

The Company had entered into appointment letters with the INEDs namely, Datuk CHONG Kee Yuon and Mr KHOO Kar Khoon, and the NED namely, Dato' Sri Dr TIONG Ik King, for a term of two years from 1 April 2020 to 31 March 2022; and Mr YU Hon To, David, for a term from 1 April 2020 to 30 June 2021, subject to retirement and re-election by rotation at the AGM in accordance with the Bye-Laws of the Company.

Corporate Governance Overview Statement

BOARD INDEPENDENCE

The Company measures the independence of its directors based on the criteria of independence as prescribed by the HK Listing Rules and the Bursa Securities Listing Requirements. Prior to accepting any new director on the Board, each new INED is required to declare his/her interests and relationship to the Board through the confirmation of independence, which information will form the basis for the Board's consideration of accepting the INED to the Board.

The Board through the Nomination Committee also reviews the independence of the directors annually and each INED is required to perform a self-evaluation to affirm their independence from management. The Board and the Nomination Committee have, upon their annual assessment, concluded that each INED continues to demonstrate conduct and behaviour that are essential indicators of independence and acts in the best interest of the Company. These were based on the grounds that they have consistently challenged management in an effective and constructive manner besides actively participated in Board discussions and provided an independent voice to the Board.

SHAREHOLDERS' APPROVAL FOR RE-APPOINTMENT OF AN INDEPENDENT DIRECTOR WHO HAS SERVED MORE THAN 9 YEARS

In line with the practice of the Malaysian Code, the tenure of an INED should not exceed a cumulative term of 9 years. An independent director may continue to serve the Board subject to his re-designation from an INED to a NED. In the event the Board intends to retain the INED after serving a cumulative term of 9 years, it should justify and seek annual shareholders' approval. The tenure of an INED shall be counted from the date when the Company was dual-listed on Bursa Securities on 30 April 2008.

Mr YU Hon To, David was appointed to the Board as an INED on 30 March 1999, and had therefore served the Board for more than 9 years. During his tenure of office, Mr YU had fulfilled all the requirements regarding independence of an INED and had provided annual confirmation of independence to the Company pursuant to Rule 3.13 of the HK Listing Rules and Paragraph 1.01 of the Bursa Securities Listing Requirements. On 26 August 2020, the Board obtained approval from the shareholders to retain Mr YU to continue acting as an INED of the Company until the next AGM. Following the resignation of Mr YU as an INED and cessation as the Chairman of the Audit Committee and a member of Remuneration Committee and Nomination Committee with effect from 1 July 2021, the Company has complied with the relevant practice of the Malaysian Code, with no INED serves more than 9 years.

BOARD EVALUATION

The Board, through the Nomination Committee, undertakes an annual evaluation on the effectiveness of the Board as a whole, the Board committees and the contributions of each individual director of the Company based on a set of pre-determined criteria. During the year, the annual evaluation process was internally facilitated and conducted through questionnaires circulated to each individual director covering areas such as board structure, diversity (including the gender diversity), contribution and performance, integrity and other qualities including core competencies which directors should bring to the Board, etc. They reviewed their own performance, the effectiveness of the Board, the Board committees and the contributions of each individual director, the independence of the INEDs and the Board's mix and skillset. All INEDs had also submitted the annual confirmation of independence and confirmed their compliance with the independence criteria.

A summary report on the outcome and findings of questionnaires was tabled to the Nomination Committee for deliberation. The Nomination Committee recommended the appropriate action on further performance improvements to the Board for review and discussion on 25 February 2021. The Nomination Committee is satisfied that (i) the Board and the Board committee's composition has fulfilled the criteria required, and possess a right blend of knowledge, experience and mix of skills; and (ii) the overall performance of the Board, Board committees and individual directors had been effective in discharging their functions and duties.

Corporate Governance Overview Statement

DIRECTORS' TRAININGS

The directors are encouraged to attend continuous education programmes, to enhance their skills and knowledge and to keep abreast with new developments in the business environment. The Joint Company Secretaries facilitate the organisation of in-house trainings and circulate regular updates on training programmes from various organisations to the directors for their consideration for participation. During the year under review, the directors attended external virtual training programmes covering various topics, among which were:

- Forbes Asia CEO Webinar
- Asian Media Leaders e-Summit
- Latest Updates on Listing Requirements & Corporate Governance Monitor Report 2020 and Risk & Continuity Strategy for Business Sustainability in Challenging Times
- Workshop on Corporate Governance Provision (Section 17A) of the MACC Act 2009: The Essential Steps
- The KPMG INED Forum
- Pitfalls in a Post-Pandemic World: Deglobalisation and Asymmetrical Normalisation
- Navigating the new era: Opportunities and implications for the HK Stock Exchange
- Outsourcing: The Role of Board in ensuring controls and dealing with the challenges brought by COVID-19
- 2021 Asia Outlook: Post COVID and the US Elections
- COVID-19 and the Economy
- The Post COVID Investment Landscape — being on the right side of change
- Transforming Business Performance through Digitalisation
- Risk Management Survey: Empowering Success
- New Definition of Permanent Establishment and Tax Implications
- Women's Journey to the Board as a Finance Professional
- Platform Revolution
- Audit Committee e-Conference 2021

Corporate Governance Overview Statement

Below is a summary of the trainings received by the directors during the year under review:

Name of director	Type of training
Dato' Sri Dr TIONG Ik King	A, B
Ms TIONG Choon	A, B
Mr TIONG Kiew Chiong	A, B
Mr LEONG Chew Meng	A, B
Mr YU Hon To, David	A, B
Datuk CHONG Kee Yuon	A, B
Mr KHOO Kar Khoon	A, B

A: attended seminars/conferences/workshops/forums

B: read journals and updates relating to the economy, media business, governance and directors' duties and responsibilities, etc.

The directors will continue to attend relevant training programmes and seminars from time to time, in order to equip themselves with requisite knowledge and skills to discharge their duties and responsibilities more effectively.

BOARD COMMITTEES

The following is the attendance record of the Board committees' meetings for the financial year ended 31 March 2021 (save and except for the attendance record of the Audit Committee which is set out on page 72):

	No. of meetings attended
Group Executive Committee	
Mr TIONG Kiew Chiong (<i>Chairman</i>)	4/4
Mr LEONG Chew Meng (resigned on 1 July 2021)	4/4
Mr WONG Khang Yen	4/4
Mr LIEW Sam Ngan	4/4
Nomination Committee	
Mr KHOO Kar Khoon (<i>Chairman</i>)	1/1
Mr YU Hon To, David (resigned on 1 July 2021)	1/1
Datuk CHONG Kee Yuon	1/1
Remuneration Committee	
Datuk CHONG Kee Yuon (<i>Chairman</i>)	3/3
Mr YU Hon To, David (resigned on 1 July 2021)	3/3
Mr KHOO Kar Khoon	3/3
Mr TIONG Kiew Chiong	3/3
Mr LEONG Chew Meng (resigned on 1 July 2021)	3/3

Corporate Governance Overview Statement

GROUP EXECUTIVE COMMITTEE

The Board has delegated the day-to-day operations of the Group's business to the Group Executive Committee which comprised the following members during the year:

- Mr TIONG Kiew Chiong (*Chairman*)
- Mr LEONG Chew Meng (resigned on 1 July 2021)
- Mr WONG Khang Yen
- Mr LIEW Sam Ngan

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

- Monitoring and reviewing the operations in Hong Kong, Taiwan, North America, Malaysia and other Southeast Asian countries;
- Performing duties delegated by the Board and exercising the authorities and rights authorised by the same;
- Formulating strategies and business development plans, submitting the same to the Board for approval and implementing such strategies and business development plans thereafter; and
- Assisting the Board in conducting the review of the adequacy and effectiveness of the Group's risk management and internal control system.

The Group Executive Committee meets regularly to deliberate and consider matters related to the Group's business operations. During the year, the Group Executive Committee has assisted the Board in reviewing the Group's business performance and financial position, implementing new policies and business strategies required by the Board.

NOMINATION COMMITTEE

The Nomination Committee comprises entirely of INEDs and its members during the year were:

- Mr KHOO Kar Khoon (*Chairman*)
- Mr YU Hon To, David (resigned on 1 July 2021)
- Datuk CHONG Kee Yuon

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

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

Corporate Governance Overview Statement

Meetings of the Nomination Committee are held as and when necessary, and at least once a year. A summary of the key activities undertaken by the Nomination Committee is as follows:

- Reviewed the structure, size and composition of the Board and the Board committees and made recommendations to the Board with regard to any adjustment thereof and/or the appointment of directors as the Nomination Committee deems necessary;
- Conducted the annual performance evaluation and reviewed the assessment results/findings prior to recommending the appropriate action to the Board for consideration;
- Assessed the directors' training needs;
- Recommended whether the directors who are retiring by rotation should stand for re-election at the AGM;
- Reviewed and recommended the appointment of new directors to the Board for consideration;
- Considered and recommended the renewal and new service contracts for the Board members; and
- Reviewed the succession plans of the Board and senior management in order to ensure that there are appropriate plans in place to fill vacancies and to meet the Group's future needs.

Nomination Policy

The Company has adopted a nomination policy (the "Nomination Policy") which sets out the procedures and criteria for the selection, appointment, re-appointment or re-election of directors. The selection criteria that the Nomination Committee has to consider in evaluating and selecting a candidate for directorship include the following:

- (a) character and integrity;
- (b) qualifications including professional and education qualifications, personal qualities, skills, knowledge, expertise and experience that are relevant to the Company's business and corporate strategy;
- (c) commitment and willingness to devote sufficient time to discharge duties as a member of the Board;
- (d) professional ethics and independent judgement of the person;
- (e) Board Diversity Policy and any measurable objectives adopted for achieving diversity on the Board;
- (f) independence of the proposed INEDs; and
- (g) such other perspectives appropriate to the Company's business or as suggested by the Board.

Corporate Governance Overview Statement

Nomination Procedures

(a) Nomination by the Nomination Committee

- (i) The Nomination Committee reviews the structure, size and composition (including the balance mix of skills, knowledge and experience) of the Board at least annually and make recommendation on any proposed changes to the Board to complement the Company's corporate strategy;
- (ii) When it is necessary to fill a causal vacancy or appoint an additional director, the Nomination Committee identifies or selects candidates as recommended to the Committee, with or without assistance from external agencies or the Company, pursuant to the criteria set out in the Nomination Policy;
- (iii) If the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable);
- (iv) The Nomination Committee makes recommendation to the Board including the terms and conditions of the appointment; and
- (v) The Board deliberates and decides on the appointment based upon the recommendation of the Nomination Committee.

(b) Re-election of Director at AGM

- (i) In accordance with the Company's Bye-Laws, every director shall be subject to retirement by rotation at least once every three years and shall be eligible for re-election at each AGM;
- (ii) The Nomination Committee shall review the overall performance and contribution of the retiring director to the Company. The Nomination Committee shall also review the expertise and professional qualifications of the retiring director, who offered himself/herself for re-election at the AGM, to determine whether such director continues to meet the criteria as set out in the Nomination Policy;
- (iii) Based on the review made by the Nomination Committee, the Board shall make recommendations to the shareholders on candidates standing for re-election or re-appointment at the AGM, and provide the available biographical information of the retiring directors in accordance with the HK Listing Rules and the Bursa Securities Listing Requirements to enable the shareholders to make informed decisions on the re-election of such candidates at the AGM.

(c) Nomination by shareholders

The shareholders of the Company may propose a person for election as a director in accordance with the Bye-Laws of the Company and applicable law, details of which are set out in the "Procedures for shareholder to propose a person for election as a director" on the Company's website at www.mediachinesegroup.com.

Corporate Governance Overview Statement

REMUNERATION COMMITTEE

During the year, the Remuneration Committee comprised 5 directors, 3 of whom were INEDs. The members of the Remuneration Committee were:

- Datuk CHONG Kee Yuon (*Chairman*)
- Mr YU Hon To, David (resigned on 1 July 2021)
- Mr KHOO Kar Khoon
- Mr TIONG Kiew Chiong
- Mr LEONG Chew Meng (resigned on 1 July 2021)

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

- Recommending to the Board on the Company's policies and structure for directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing a remuneration policy; and
- Reviewing and recommending to the Board on the remuneration packages of individual executive directors, senior management and the remuneration of NEDs.

The Remuneration Committee meetings are held as and when necessary and at least once a year. During the year, the Remuneration Committee has reviewed the remuneration policy and structure of the executive directors and senior management of the Company. It has also reviewed and recommended to the Board the specific remuneration packages including the terms of employment and performance-based bonus for the directors of the Company and senior management of the Group.

Remuneration Policy and Procedures

The policy for directors' remuneration is to provide a remuneration package needed to attract, retain and motivate directors and senior management of the quality required to supervise and/or manage the business of the Group.

The NEDs of the Company are paid fixed annual directors' fees for serving as members of the Board, and these payments are subject to the shareholders' approval at the AGM. NEDs are also paid an attendance allowance for each Board or Board committee meeting that they attend. The Chairman of the Board committees receives an annual fixed allowance for the additional responsibility and commitment required. The executive directors of the Company who are full time employees are remunerated in the form of salaries and bonuses.

The remuneration for executive directors of the Company and senior management of the Group are based on the human resources policies and procedures of the respective operating companies in the Group.

Each individual director abstains from the Board decision on his/her own remuneration.

Corporate Governance Overview Statement

Remuneration Package

The remuneration package of directors is as follows:

a. Basic salary and bonus

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

b. Fees and other emoluments

NEDs and executive directors who are not full time employees of the Group are remunerated by way of fees and other emoluments based on experience and level of responsibilities of the particular directors concerned.

c. Benefits-in-kind

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

Disclosure on Remuneration

The aggregate remuneration of directors comprising remuneration received/receivable from the Company and its subsidiary companies for the financial year ended 31 March 2021 is categorised as follows:

	Executive directors	Non-executive directors
	US\$'000	US\$'000
Directors' fees	91	135
Meeting allowances	–	3
Salaries and other emoluments	576	–
Benefits-in-kind	41	–
	708	138

The details of each director's total remuneration for the financial year ended 31 March 2021 are set out in Note 16 to the financial statements on page 136.

Corporate Governance Overview Statement

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

Range of remuneration	Executive directors	Non-executive directors	Senior management
from US\$11,980 to US\$23,957 (equivalent to RM50,001 to RM100,000)		2	
from US\$35,936 to US\$47,915 (equivalent to RM150,001 to RM200,000)		1	2
from US\$47,916 to US\$59,893 (equivalent to RM200,001 to RM250,000)		1	
from US\$71,872 to US\$83,850 (equivalent to RM300,001 to RM350,000)	1		1
from US\$131,765 to US\$143,744 (equivalent to RM550,001 to RM600,000)			3
from US\$143,745 to US\$155,722 (equivalent to RM600,001 to RM650,000)			1
from US\$179,681 to US\$191,658 (equivalent to RM750,001 to RM800,000)			1
from US\$191,659 to US\$203,637 (equivalent to RM800,001 to RM850,000)	1		
from US\$275,510 to US\$287,487 (equivalent to RM1,150,001 to RM1,200,000)			1
from US\$431,231 to US\$443,209 (equivalent to RM1,800,001 to RM1,850,000)	1		

The Board opined that the names of the top 5 senior management will not be disclosed due to sensitivity and privacy issues.

JOINT COMPANY SECRETARIES

The Board is supported by the Joint Company Secretaries who are qualified to act as company secretaries under relevant legislative requirements and the HK Listing Rules.

The Joint Company Secretaries are full-time employees of the Group. They are accountable directly to the Board on the Board's policies and procedures, which include reviewing and implementing corporate governance practices and processes, keeping the Board and the Board committees up to date on relevant regulatory and legislative requirements. They also provide advice on matters pertaining to corporate disclosures and compliance with corporate governance requirements.

The Joint Company Secretaries are responsible to organise and record minutes for all Board and Board committee meetings. They also ensure that Board meeting procedures are followed and that the Company's statutory records are maintained accordingly at the head offices and registered office of the Company. They also organise the AGM with the support from other related departments of the Group.

On 11 June 2021, Ms TIN Suk Han, who is a solicitor to the High Court of the Hong Kong Special Administrative Region and an associate member of the Hong Kong Institute of Chartered Secretaries, had resigned as the Joint Company Secretary of the Company. In replacement thereof, Mr YEUNG Ying Fat, who is a member of the Hong Kong Institute of Certified Public Accountants, has been appointed as the new Joint Company Secretary of the Company. The other Joint Company Secretary, Ms TONG Siew Kheng, is a fellow member of the Malaysian Institute of Chartered Secretaries and Administrators.

DIVIDEND POLICY

The Company adopted a dividend policy which aims to create long term value for its shareholders through maintaining a balance between dividend distribution, preserving adequate liquidity and reserves to meet its working capital requirements and future growth opportunities. In deciding whether to propose a dividend and in determining the dividend amount, the Board will take into consideration the Group's current financial performance, its financial position and liquidity, future working capital requirements and investment plans, as well as other factors as the Board may deem relevant. The payment of dividend is also subject to the compliance with applicable rules and regulations under the laws of Bermuda, Hong Kong, Malaysia as well as the Bye-Laws of the Company.

Corporate Governance Overview Statement

EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee, amongst others, provides advice in the areas of financial reporting, external audit, internal control process, and review of conflict of interest situations and related party transactions. The Audit Committee also undertakes to provide oversight on the risk management framework of the Group. A full Audit Committee Report detailing its composition, terms of reference and a summary of its activities during the year is set out on pages 72 to 75.

During the year under review, the Audit Committee was chaired by Mr YU Hon To, David, an INED who is distinct from the Chairman of the Board. The members are all financially literate and have a full understanding of the Group's financial reporting process and the financial matters deliberated. The members also attended trainings relating to developments in accounting standards and corporate governance.

INDEPENDENCE OF EXTERNAL AUDITOR

The Audit Committee places importance on ensuring that the external auditor is independent.

The appointment of PricewaterhouseCoopers as the external auditor of the Group for the financial year ended 31 March 2021 was approved by the shareholders on 26 August 2020. Though there are currently no written policies in place on the methodology to assess the independence of the external auditor, the external auditor has confirmed its continuing independence status, in compliance with the requirements of International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

PricewaterhouseCoopers will retire and has offered itself for re-appointment as external auditor at the coming AGM to be held on 25 August 2021.

A statement by PricewaterhouseCoopers about the reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 85 to 89.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board recognises the importance of risk management and internal controls in the overall management processes.

Risk Management and Internal Control Framework

The Board, through the Audit Committee, reviews the adequacy and effectiveness of the Group's risk management framework to ensure robust risk management and internal controls are in place.

The Group has adopted a formal Risk Management Policy and, through the Group Executive Committee, maintains detailed risk registers which are reviewed and updated regularly. Reports on risk profiles of the Group and the status of progress towards mitigating the key risks areas are reviewed and deliberated by the Audit Committee at its quarterly meetings, before tabling to the Board for notation.

Regular reviews on risk management and internal control activities are performed by the Internal Audit Function. The Internal Audit Function reports functionally to the Audit Committee. Please refer to the Statement on Risk Management and Internal Control on pages 67 to 71 for further information.

Corporate Governance Overview Statement

Internal Audit

The Group has an in-house Internal Audit Function. During the year under review, it had 6 team members and was headed by Ms TING Huey Lian. Ms TING is a Certified Internal Auditor (CIA) of the Institute of Internal Auditors (IIA USA), a Certified Public Accountant (CPA) of the Malaysian Institute of Certified Public Accountants (MICPA) and a Chartered Accountant (CA) of the Malaysian Institute of Accountants (MIA). Further to Ms TING's resignation on 1 April 2021, Ms CHAN Lee Yin has been appointed to lead the Internal Audit Function. Ms CHAN is a professional member of the Institute of Internal Auditors Malaysia and a Chartered Accountant (CA) of the Malaysian Institute of Accountants (MIA). The internal auditors are free from any relationships or conflicts of interest which could impair their objectivity and independence. The Internal Audit Function is guided by the International Professional Practice Framework (IPPF) promulgated by the Institute of Internal Auditors (IIA). The mandatory elements of the IPPF are Core Principles for the Professional Practice of Internal Auditing, Code of Ethics, International Standards for the Professional Practice of Internal Auditing (Standards) and Definition of Internal Auditing.

Details of the Audit Committee's oversight of the Internal Audit Function are set out in the Audit Committee Report on page 75 of this Annual Report.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Inside Information

The Company is committed to promoting consistent disclosure practices aiming at timely, accurate, complete and broadly disseminated disclosure of inside information about the Group to the market in accordance with applicable laws and regulatory requirements. With respect to procedures and internal controls for the handling and dissemination of inside information, the Company:

- is required to disclose inside information as soon as reasonably practicable in accordance with the Securities and Futures Ordinance, the HK Listing Rules and the Bursa Securities Listing Requirements;
- conducts its affairs with close regard to the "Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission and the "Corporate Disclosure Guide" issued by Bursa Securities; and
- ensures, through its own internal reporting processes and the consideration of their outcome by directors and senior management, the appropriate handling and dissemination of inside information.

COMMUNICATION WITH STAKEHOLDERS

The Company values the importance of having effective communication with its stakeholders, shareholders and investors.

During the year, the management held one virtual briefing session for the fund managers and investment analysts, besides attending to ad-hoc written queries on the Company's performance. From time to time, scheduled conference calls are also conducted with regard to the same. The Company also posts its latest corporate information, financial results, press releases, interim and annual reports on its website at www.mediachinesegroup.com.

Announcements are made on a timely basis to Bursa Securities and the HK Stock Exchange and these are made electronically to the public via Bursa Securities website at www.bursamalaysia.com, the HK Stock Exchange website at www.hkexnews.hk as well as the Company's website.

Annual Report

The Annual Report is the main channel of communication between the Company and its stakeholders. The Company has yet to adopt a fully integrated report format but the current format contains comprehensive information of the financial results, management discussion and analysis on operations, governance, risk management, sustainability measures and activities of the Group.

Corporate Governance Overview Statement

AGM and Special General Meetings (“SGM”)

The Company's AGM is the principal forum for dialogue with individual shareholders. The AGM is conducted simultaneously in both Hong Kong and Malaysia via video conferencing and/or web conferencing. At the Company's AGM, which is generally well attended, shareholders are presented with an overview of the Company's performance during the year. Shareholders have direct access to the Board at the AGM and are given the opportunity to ask questions during the open question and answer session prior to the moving of the motion to approve the proposed resolutions. Shareholders are encouraged to ask questions about the resolutions being proposed and on the Company's operations in general.

The Company is committed to providing 28 days prior notice for the AGM.

Separate resolutions are proposed at general meetings for substantially separate issues including the re-election of directors.

Pursuant to Rule 13.39(4) of the HK Listing Rules and Paragraph 8.29A of the Bursa Securities Listing Requirements, all votes of the shareholders at the general meetings shall be taken by poll. Procedures for voting by poll are read out at the general meetings and the shareholders participate in the deliberation of the resolutions being proposed. The resolutions are proposed and seconded by the shareholders and then voted on by way of poll in the manner prescribed under the HK Listing Rules and the Bursa Securities Listing Requirements. The chairman of the meeting will declare the results of the voting on each resolution.

As a precautionary measure in view of the COVID-19 pandemic, the Company conducted the 30th AGM on a virtual basis in Malaysia through live streaming and online remote voting via Remote Participation and Voting (RPV) facilities at the Malaysia head office (Broadcast Centre), with a physical meeting venue in Hong Kong on 26 August 2020. All 7 directors attended the 30th AGM together with the Joint Company Secretaries and the members of senior management. The shareholders, corporate representatives and proxies attended the 30th AGM via the RPV facilities which were available on Tricor's TIH Online website at <https://tiih.online>. The proceedings of the 30th AGM included the GCEO's presentation of the Group's performance and financial results for the reporting year, commentary on the outlook, and a questions & answers session during which the Chairman invited shareholders to submit questions by using the query box facility pertaining to the financial statements and other agenda items, before putting a resolution to vote. The Company had appointed Coopers Professional Scrutineers Sdn Bhd as the independent Scrutineer to verify the poll results.

The attendance record of directors at the general meeting for the financial year ended 31 March 2021 is set out on page 48.

Procedures of Raising Enquiries

The Company welcomes inquiries and feedbacks from shareholders and stakeholders. Shareholders may direct their questions in respect of their shareholdings to the Company's branch share registrars set out below:

- (a) Malaysia: Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or
- (b) Hong Kong: Tricor Tengis Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

All queries and concerns regarding the Group may be emailed to corpcom@mediachinese.com or conveyed to the directors at the following addresses:

- (a) Malaysia head office: No. 78, Jalan Prof Diraja Ungku Aziz, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or
- (b) Hong Kong head office: 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong.

Corporate Governance Overview Statement

Implications of the Company's Dual Primary Listings Status on the Investors

The Company is dual-listed on the Main Board of the HK Stock Exchange and the Main Market of Bursa Securities. As a result, shareholders of the Company are entitled to trade the Company's shares on both the HK Stock Exchange and Bursa Securities. Shareholders need to comply with the relevant procedures for trading and transfer of shares between the two securities exchanges, including:

(i) **Trading of the Company's shares**

If a shareholder chooses to trade his/her shares in the Company on Bursa Securities, there is a stamp duty of RM1 for RM1,000 or fractional part of value of securities (payable by both buyer and seller) chargeable on the transaction and the maximum stamp duty to be paid is RM200. For the trading in Hong Kong, stamp duty on sale or purchase of the Company's shares is charged at a rate of 0.1% of the amount of the consideration or of its value on every sold note and every bought note together with a transfer deed stamp duty of HK\$5. The applicable brokerage and clearing fees would also be payable by the seller and the buyer.

(ii) **Transfer of shares from Bursa Securities to the HK Stock Exchange and vice versa**

If a shareholder whose shares are deposited in Bursa Malaysia Depository Sdn Bhd (i.e. the central depository of the Bursa Securities) ("Bursa Depository") wishes to withdraw his/her shares from Bursa Depository and deposit them into the Hong Kong securities system for trading in Hong Kong, the share transfer form will be subject to Malaysian stamp duty. The stamp duty payable on such share transfer form is a nominal sum of RM10 on the basis that no beneficial interest passes in such transfer as the transfer is made by a bare trustee (i.e. Bursa Depository) to a beneficiary (i.e. the investor).

For the share transmission between the Hong Kong branch share register and the Malaysian branch share register, a shareholder has to pay administrative fees for registration and issuance of new share certificates to the relevant share registrars.

CONVENING OF SGM UPON REQUISITION BY SHAREHOLDERS

In accordance with Section 74 of the Companies Act 1981 of Bermuda ("Bermuda Companies Act"), a SGM shall be convened upon receipt of a written requisition from a shareholder or shareholders of the Company holding not less than one-tenth (10%) of the Company's paid-up capital carrying the right of voting at general meetings of the Company at the date of deposit of the written requisition.

The written requisition must state the purposes of the meeting (including the resolutions to be considered at the meeting), signed by the requisitionists and deposited at the Company's registered office at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda (the "Registered Office") with a copy to one of the head offices of the Company as below for the attention of the Joint Company Secretaries:

- (i) Malaysia head office: No. 78, Jalan Prof Diraja Ungku Aziz, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or
- (ii) Hong Kong head office: 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong (collectively the "Head Offices").

The written requisition may consist of several documents in like form each signed by one or more of the requisitionists. If the directors do not within 21 days from the date of the deposit of the written requisition proceed duly to convene a SGM, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a SGM, but any SGM so convened shall not be held after the expiration of 3 months from the date of deposit of the written requisition.

Corporate Governance Overview Statement

PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

The Bermuda Companies Act allows shareholder(s) to requisition the Company to move a resolution at an AGM of the Company or circulate a statement at any general meeting of the Company.

Pursuant to Sections 79 and 80 of the Bermuda Companies Act, either any number of the registered shareholders holding not less than one-twentieth (5%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 of such registered shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to receive notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition signed by all the requisitionists may consist of several documents in like form, each signed by one or more of the requisitionists; and it must be deposited at the Registered Office with a copy to one of the Head Offices of the Company for the attention of the Joint Company Secretaries with a sum reasonably sufficient to meet the Company's relevant expenses, not less than 6 weeks before the meeting in case of a requisition requiring notice of a resolution or not less than 1 week before the meeting in the case of any other requisition.

Provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office with a copy to one of the Head Offices of the Company, an AGM is called for a date 6 weeks or less after the copy has been deposited, the copy though not deposited within the above-mentioned time shall be deemed to have been properly deposited for the purposes thereof.

With respect to proposing a person for election as a director, the procedures are accessible on the Company's website at www.mediachineseigroup.com.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

There were no proceeds raised from corporate proposals during the year ended 31 March 2021.

2. Material Contracts

There were no material contracts of the Company and its subsidiaries (not being contracts entered into in the ordinary course of business) involving directors' and major shareholders' interests, either still subsisting at 31 March 2021 or entered into since the end of the previous financial year.

3. Audit and Non-Audit Fees

For the financial year ended 31 March 2021, PricewaterhouseCoopers and its other member firms provided the following audit and non-audit services to the Group:

	Group US\$'000	Company US\$'000
Audit services	562	173
Non-audit services	42	–

The fees for audit and non-audit services provided by other external auditors and their affiliated companies to the subsidiaries of the Company amounted to nil and US\$27,000 respectively.

Corporate Governance Overview Statement

4. Recurrent Related Party Transactions ("RRPTs") of a Revenue or Trading Nature (As Defined under Paragraph 10.09 of the Bursa Securities Listing Requirements) for the Financial Year Ended 31 March 2021

Set out below are the aggregate values of the RRPTs conducted during the year pursuant to the shareholders' mandate approved on 26 August 2020:

No.	Related parties	Contracting parties	Nature of transactions	Transacted value	
				RM'000	Equivalents in US\$'000
1.	Tiong Toh Siong & Sons Sendirian Berhad ("TTS&S")	Mulu Press Sdn Bhd ("MPSB")	MPSB's tenancy of various properties from TTS&S as landlord	30	7
Nature of relationship: Tan Sri Datuk Sir TIONG Hiew King ("TSTHK") is a major shareholder and a director of TTS&S. He is a major shareholder of the Company (the ultimate holding company of MPSB). Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of TTS&S and MPSB.					
2.	Rimbunan Hijau Holdings Sdn Bhd ("RHH")	MPSB	MPSB's tenancy of various properties from RHH as landlord	70	16
Nature of relationship: Teck Sing Lik Enterprise Sdn Bhd ("TSL") is a major shareholder of RHH and the Company. TSTHK is both a major shareholder and a director of TSL and RHH. He is a major shareholder of the Company (the ultimate 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. Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of MPSB.					
3.	CH Yeoh & Yiew	the Group	Provision of legal services from CH Yeoh & Yiew to the Group	172	41
Nature of relationship: Mr. Liew Peng Chuen is a director of Sin Chew and an associate of CH Yeoh & Yiew.					
4.	Momawater Sdn Bhd ("Momawater")	the Group	Purchase of drinking water from Momawater	1	—*
Nature of relationship: Momawater is a wholly-owned subsidiary of Subur Tiasa Holdings Berhad. TSTHK is a major shareholder of the Company. He is also a substantial shareholder of Subur Tiasa Holdings Berhad.					
5.	Everfresh Dairy Products Sdn Bhd ("Everfresh")	MPSB	MPSB's tenancy of office at Lot 1054, Block 31, Kemena Commercial Centre, Jalan Tanjung Batu, 97000 Bintulu, Sarawak, Malaysia from Everfresh as landlord	6	1
Nature of relationship: TSL is a major shareholder of Everfresh and the Company. Tiong Toh Siong Enterprises Sdn Bhd ("TTSE") is a major shareholder of Everfresh and, pursuant to the Malaysian Companies Act 2016, a substantial shareholder of the Company. TSTHK is both a major shareholder and a director of Everfresh, TTSE and TSL. TSTHK is a major shareholder of the Company (the ultimate holding company of MPSB). Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is also a major shareholder of TTSE. Ms TIONG Choon is both a shareholder and a director of Everfresh and the Company. She is a director of MPSB.					
6.	Evershine Agency Sdn Bhd ("EA")	MPSB	MPSB purchases motor vehicle insurance from EA	3	1
Nature of relationship: Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS") is a shareholder of the Company and a major shareholder of EA. Pertumbuhan Abadi Asia Sdn Bhd ("PAA") is a major shareholder of RHS and a shareholder of the Company. TSL is a major shareholder of RHS and the Company. TTSE is a major shareholder of RHS and, pursuant to the Malaysian Companies Act 2016, a substantial shareholder of the Company. TSTHK is a major shareholder of EA and the Company (the ultimate holding company of MPSB). He is both a major shareholder and a director of RHS, PAA, TSL and TTSE. Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is a major shareholder of TTSE and, pursuant to the Malaysian Companies Act 2016, a substantial shareholder of EA. Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of MPSB.					

Corporate Governance Overview Statement

No.	Related parties	Contracting parties	Nature of transactions	Transacted value	
				RM'000	Equivalents in US\$'000

7.	R. H. Tours & Travel Agency Sdn Bhd ("RHTT")	the Group	Purchase of air-tickets from RHTT	—*	—*
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RHS is a shareholder of the Company and a major shareholder of RHTT. PAA is a major shareholder of RHS and a shareholder of the Company. TSL is a major shareholder of RHS and the Company. TTSE is a major shareholder of RHS and, pursuant to the Malaysian Companies Act 2016, a substantial shareholder of the Company. TSTHK is both a major shareholder and a director of RHTT, RHS, PAA, TSL and TTSE. He is a major shareholder of the Company. Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is a major shareholder of TTSE and a shareholder of RHTT. Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of RHTT.

8.	R H Bee Farms Sdn Bhd ("RHBFSB")	the Group	(i) Purchase of honey	15	3
			(ii) Commission receivable from sale of honey	1	—*

Nature of relationship: TSTHK is both a major shareholder and a director of RHBFSB. He is a major shareholder of the Company. Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of RHBFSB.

No.	Related parties	Contracting parties	Nature of transactions	Transacted value	
				HK\$'000	Equivalents in US\$'000

9.	Cheerhold (H.K.) Limited ("Cheerhold")	Charming Holidays Limited ("Charming")	Provision of services such as air tickets and accommodation arrangement services by Charming to Cheerhold	—	—
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Nature of relationship: Charming is a wholly-owned subsidiary of the Company. TSTHK is a major shareholder of the Company. Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. A sister-in-law of both TSTHK and Dato' Sri Dr TIONG Ik King is the ultimate sole shareholder of Cheerhold.

10.	TTS&S	Charming	Provision of services such as air tickets and accommodation arrangement services by Charming to TTS&S	—	—
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Nature of relationship: Charming is a wholly-owned subsidiary of the Company. TSTHK is both a major shareholder and a director of TTS&S. He is also a major shareholder of the Company. Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of TTS&S.

11.	Narong Investments Limited ("Narong")	Ming Pao Holdings Limited ("MPH")	Renting of premises at Flat A, 15th Floor, Marigold Mansion, Taikoo Shing, Hong Kong by MPH from Narong	520	68
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Nature of relationship: MPH is a wholly-owned subsidiary of the Company. TSTHK is a major shareholder of the Company. Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. A 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 and MPH.

Note:

* negligible

CONSTITUTIONAL DOCUMENTS

During the year under review, there was no change in the Company's Memorandum of Association and Bye-Laws.

This Corporate Governance Overview Statement was approved by the Board on 27 May 2021.

Statement of Directors' Responsibilities in relation to the Financial Statements

The directors are responsible for ensuring that the financial statements of the Company and of the Group are prepared in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The directors are also responsible for ensuring that the financial statements of the Company and of the Group are prepared with reasonable accuracy so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2021, and of the Group's profit or loss and cash flows for the year then ended.

In preparing the financial statements of the Company and of the Group for the financial year ended 31 March 2021, the directors have:

- complied with all relevant accounting standards and regulatory disclosure requirements;
- made judgements and estimates that are reasonable and prudent;
- applied appropriate and relevant accounting policies consistently; and
- prepared the financial statements on the going concern basis.

The directors are committed to taking reasonable steps in safeguarding the assets of the Company and of the Group, preventing and detecting fraud and other irregularities.

Statement on Risk Management and Internal Control

INTRODUCTION

This Statement on Risk Management and Internal Control (this “Statement”) is made pursuant to Paragraph 15.26(b) of the Bursa Securities Listing Requirements with reference to the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. It is also made in accordance with the Hong Kong Code contained in Appendix 14 of the HK Listing Rules. The Board remains committed to maintaining a sound risk management and internal control system to manage risks and safeguard shareholders’ investments and the Group’s assets.

BOARD RESPONSIBILITY

The Board affirms its overall responsibility in establishing a sound risk management framework and internal control system for the Group as well as reviewing its adequacy and effectiveness. The Board is of the view that the risk management framework and internal control systems are designed to manage and mitigate the Group’s risks within the acceptable risk parameters, rather than to eliminate all risks of failure to achieve business objectives.

In view of the inherent limitations in any system, such system can only provide reasonable but not absolute assurance against material misstatements, losses, frauds, breaches of laws and regulations, and unforeseen emerging risks.

RISK MANAGEMENT FRAMEWORK

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

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

The Group Executive Committee ensures on behalf of the Board that business risks are identified, assessed, managed and monitored across the businesses of the Group. The Group Executive Committee reports quarterly to the Board on changes in the risk landscape and developments in the management of principal risks.

The Group Executive Committee has established two separate Risk Management Committees (“RMC”), one in Malaysia and one in Hong Kong, to oversee and drive improvement in risk management.

The two RMCs are responsible for overseeing the implementation of the risk management framework, reviewing the risk management processes periodically and ensuring that on-going measures taken are adequate to manage, address or mitigate the risks identified.

The same principle applies to the Risk Management Units (“RMU”), where risk monitoring accountability rests with the respective subsidiaries within the Group. The RMU comprises key management staff from each division within the operating company.

RISK MANAGEMENT PROCESS

The risk management process is cascaded through the Group. All key management, heads of subsidiary companies and heads of departments have to identify, evaluate and manage risks associated with the business operations on an on-going basis with defined parameters, and record the identified risks in the risk registers. It is mandatory for this process to take place at least once a year.

Statement on Risk Management and Internal Control

For each risk identified, the management will assess the root causes, consequences and mitigating controls. An assessment is then made taking into account the probability of the risk occurring and the impact before and after mitigating controls. The content of the risk register is determined through review by the RMU and discussions with senior management.

At each RMU meeting, the overall risk profile of the operating company is assessed, significant risks are identified, the risk register is updated and action plans for mitigation are prepared. A risk assessment report comprising the action plans on significant risks is tabled to the RMC. The deliberation of risks and related mitigating responses are carried out at regular management meetings of the operating companies.

In essence, risks are dealt with and contained at the respective subsidiaries, and are communicated upwards to the Board via the RMC and the Group Executive Committee.

The Group Executive Committee is assisted by the Risk Coordinators (RCs) in Hong Kong and Malaysia, who act as the Group's focal points for all risk management activities within their respective regions.

PRINCIPAL RISKS AND UNCERTAINTIES

The table below lists the principal risks and uncertainties that the Board considers relevant to the Group's business and highlights the mitigating actions that are being taken. However, this is not an exhaustive list of all relevant risks and uncertainties. Other factors besides those listed below could also affect the Group and give rise to material consequences.

Nature of risk	Impact of the COVID-19 Pandemic The global COVID-19 pandemic and efforts to contain it have continued to cause significant volatility, uncertainty and disruption to the global economy. Although COVID-19 vaccines have started rolling out, it will take some time to see effects, and the business environment is expected to remain volatile for some time. Such disruptions and uncertainties could adversely affect the Group's financial condition and results of operations.
Mitigating actions	<ul style="list-style-type: none">• Enhance existing work process for staff working remotely, and in some cases with a reduced workforce.• Implement social distancing measures and hygiene best practices in line with the local health authority and WHO guidelines.• Review control and continuity arrangements for production, printing and distribution in adapting to the current trading environment.• Strengthen epidemic safety education, establish fact-based employee self-protection guidelines, and increase awareness of safety and risk prevention.• Streamline businesses for increased cost efficiency.• Significantly reduce discretionary spending, including freezing of pay review and recruitment.• Stop all non-committed capital expenditure.• Increase focus on internet sales/digital revenue.

Statement on Risk Management and Internal Control

Nature of risk

Economic and Geopolitical Uncertainty

The worldwide economic conditions caused by the COVID-19 pandemic have materially affected our business.

Our print revenue is sensitive to overall economic conditions, and has been adversely affected as advertisers respond to weak and uneven economic conditions by reducing their budgets or shifting spending patterns or priorities, or if they were forced to consolidate or cease operations.

Adding to this, continued political uncertainty surrounding the Malaysian Government directly impacts Malaysia's macroeconomic climate and consumer confidence.

Hong Kong's economy is expected to resume growth in year 2021, with the speed and strength of recovery highly dependent on the vaccination programs.

In view of the above, we expect our revenue will likely continue to be adversely affected, and it may take quite a while to return to pre-pandemic levels.

Mitigating actions

- Streamline business process for cost optimisation.
- Create products which meet the needs of customers.
- Adopt prudent financial management practices.
- Actively monitor the economic and political situation in the key markets in which we are operating or which may impact our operations.
- Regular strategic updates to the Board.
- Stay up-to-date with changes in government policies such as tax, interest rates and labour laws.

Nature of risk

Market Disruption

Market disrupters include changes in customer behaviour and demands, new technologies, the emergence of competitors or structural changes to market.

There is the risk that if we fail to keep pace with changing customer preference and respond to market disruption, this could affect demand for our products, services and our ability to drive long term growth.

Mitigating actions

- Continue to invest in the development of digital offering.
- Invest in creating quality content to ensure that the Group remains competitive and attractive to readers and advertisers.
- Respond to changes in the marketplace and the needs of readership audience.
- Develop data strategies to support value creation for advertisers.
- Seek for opportunities of forming strategic partnership with other market players.

Statement on Risk Management and Internal Control

Nature of risk

Talent and Leadership Development

The Group's success depends on its ability to attract, retain and develop the right talent for key personnel in the respective publications and those critical roles throughout the Group.

Failure to retain key talent and to create the conditions in which the Group's employees can thrive could impact the attainment of its objectives.

Mitigating actions

- Regular remuneration reviews to ensure that rewards commensurate with performance.
- Ensure that a transparent system for assessing performance and recognising employees' potential is in place.
- Provide training for employees with potential to advance to senior roles in the Group.

INTERNAL AUDIT

The in-house Internal Audit Function endeavors to enhance and protect organisational value of the Group by providing risk-based and objective assurance, advice and insight. The Internal Audit Function helps the Group in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls and governance processes.

The Internal Audit Function reviews the adequacy and effectiveness of the Group's risk management and internal control system based on its annual audit plan approved by the Audit Committee. The Internal Audit Function undertakes regular and systematic review to provide reasonable assurance to the Board that risk management and internal control processes are in place and operating satisfactorily. For any significant gaps identified, the Internal Audit Function provides recommendations to management to improve the design, process and procedure where applicable.

OTHER INTERNAL CONTROL PROCESSES

Apart from the above, the other key features of the Group's internal control systems are as follows:

- The Group has established an organisation structure with clearly defined lines of responsibilities, authority limits and accountability aligned to businesses and operations requirements;
- Relevant executive directors and senior management have been delegated with specific authorities and responsibilities for monitoring the performance of designated business operating units;
- The Board reviews and approves the Group's annual business plans and budgets. The Group's senior management meets on a monthly basis with operating companies' management to review their businesses and financial performances against the business plans and approved budgets. Key business risks relevant to each operating company are also reviewed in these meetings;
- Explanations on actual performance and significant variances against budgets are provided to the Board on a quarterly basis. This helps the Board and senior management monitor the Group's business operations and plan on a timely basis to suit the changes in business environment;
- Each operating company maintains internal controls and procedures appropriate to its structure and business environment whilst complying with the Group's policies, standards and guidelines;
- The Group maintains appropriate insurance programmes in order to provide sufficient insurance coverage on its major assets and against libel suits that could result in material loss. The insurance brokers assist management in conducting a yearly risk assessment on the Group's operations, which helps the Group in assessing the adequacy of the insurance coverage;

Statement on Risk Management and Internal Control

- The Board reviews all areas of significant financial risk and approves all significant capital projects and investments after detailed review and consideration;
- The Group has established IT Services Continuity Plans in key business units primarily aimed to handle potential IT service interruptions;
- The Group has established a Crisis Management Team in a key business unit to manage and handle significant risks or crisis faced by the business unit;
- The treasury department manages the cash balances and exposure to currency transaction risks through treasury policies, risk limits and monitoring procedures;
- Code of ethics are established and adhered to by all employees to ensure high standards of conduct and ethical values in all business practices; and
- The legal department monitors compliance with relevant laws and regulations which govern the Group's businesses.

WHISTLE BLOWING POLICY

The Group has a Whistle Blowing Policy approved by the Board. The policy outlines the Group's commitment towards enabling its employees as well as any third party who is not an employee to raise concerns include but not limited to the Group's malpractices, wrongdoings or improprieties in financial reporting, accounting, auditing, internal controls, bribery or corruptions, sexual harassment, breach of confidentiality, breach of the Group's policies or failure to comply with legal or regulatory requirements. Proper arrangements have been put in place for fair and independent investigation of such matters and for appropriate follow-up actions. All matters reported will be investigated and handled with strict confidentiality. The effectiveness of this policy is monitored and reviewed regularly by the Audit Committee.

REVIEW OF ADEQUACY AND EFFECTIVENESS

The Board has reviewed the adequacy and effectiveness of the Group's risk management framework and internal control activities to ensure that necessary actions have been or are being taken to rectify inadequacy or weaknesses identified during the year.

The Board has also received reasonable assurance from the Group CEO and Head of Finance that the Group's system of risk management, internal control and preventive measures against corruption, in all material aspects, is operating adequately and effectively. For the financial year under review and up to the date of this Statement, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

In this connection, the Board concludes that an effective system of risk management, internal control and preventive measures against corruption is in place to safeguard the shareholders' investment and the Group's assets.

REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITOR

The external auditor has reviewed this Statement for inclusion in the Group's Annual Report for the financial year ended 31 March 2021. The external auditor has reported to the Board that nothing has come to its attention that caused it to believe that this Statement was inconsistent with its understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's system of risk management and internal control.

This Statement on Risk Management and Internal Control was approved by the Board on 27 May 2021.

Audit Committee Report

The Board is pleased to present the Audit Committee Report for the financial year ended 31 March 2021.

COMPOSITION AND ATTENDANCE

The Audit Committee comprises three members, all of whom are independent non-executive directors. Each member satisfies the “independence” requirements contained in both the HK Listing Rules and the Bursa Securities Listing Requirements. No alternate director is appointed as a member of the Audit Committee. The Audit Committee Chairman, Mr YU Hon To, David, 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. Accordingly, the Company has complied with paragraph 15.09 of the Bursa Securities Listing Requirements.

Details of the composition of the Audit Committee and the attendance of each member during the year are set out below:

Name of member	Number of meetings attended	Percentage of attendance (%)
Mr YU Hon To, David (<i>Chairman</i>) (resigned on 1 July 2021)	4/4	100%
Datuk CHONG Kee Yuon	4/4	100%
Mr KHOO Kar Khoon	4/4	100%
Mr IP Koon Wing, Ernest (<i>Chairman</i>) (appointed on 1 July 2021)	N/A	N/A

Through an annual Board Committee effectiveness assessment, the Board is satisfied that the Audit Committee and its members have discharged their duties and responsibilities in accordance with their terms of reference.

MEETINGS

The Audit Committee held a total of four meetings during the year. The meetings were appropriately structured through the use of agendas, which had been distributed to the members with sufficient notification. The Group CEO, the relevant executive directors, Head of Internal Audit Function, external auditor and senior finance executives who were responsible for the accounting and financial reporting function also attended the meetings and briefed the Audit Committee on specific issues.

The meetings were minuted and tabled for confirmation at the next Audit Committee meeting and subsequently presented to the Board for notation. The Chairman of the Audit Committee would provide a report highlighting significant issues and recommendations to the Board for consideration and decision.

All members of the Audit Committee have and will continue to undertake professional development to keep themselves abreast of relevant developments in accounting and auditing standards, corporate governance practices and rules. Details of the training programmes and seminars attended by the members are set out on pages 51 and 52 of this Annual Report.

TERMS OF REFERENCE

The terms of reference of the Audit Committee are available on the Company's website at www.mediachinesegroup.com.

Audit Committee Report

SUMMARY OF ACTIVITIES

Below is a summary of the Audit Committee's activities in discharging its functions and duties for the year under review:

Financial Reporting

- (a) Reviewed the Group's unaudited quarterly financial reports, including the press releases and announcements, focusing particularly on changes in accounting standards, significant and unusual matters, compliance with accounting standards and other statutory and regulatory requirements before recommending to the Board for approval and public release.

The Group's unaudited quarterly financial reports for the fourth quarter of 2019/20 and for the first, second, third and fourth quarters of 2020/21 were reviewed at the Audit Committee meetings on 22 June 2020, 26 August 2020, 24 November 2020, 23 February 2021 and 24 May 2021 respectively.

- (b) Reviewed the annual financial statements of the Group with the external auditor prior to submission to the Board for approval. The Audit Committee deliberated the significant judgements with management and significant matters highlighted by the external auditor on accounting and auditing matters.
- (c) Reviewed the Group's annual report for the financial year ended 31 March 2020, interim report for the six months ended 30 September 2020 and annual report for the financial year ended 31 March 2021 at the Audit Committee meetings on 22 June 2020, 24 November 2020 and 24 May 2021 respectively, prior to submission to the Board for approval.
- (d) Reviewed the going concern basis applied for preparing the Group's consolidated financial statements. The Audit Committee's assessment was based on reports by management and took note of the principal risks and uncertainties, the Group's existing financial position, its financial resources, capital expenditures and expectation for future performance.

Internal audit

- (a) Reviewed and approved the risk-based annual internal audit plan and budget for the financial year ended 31 March 2021 on 26 August 2020. The annual audit plan was developed through a comprehensive planning process to ensure the principal risk areas were adequately covered in the plan.
- (b) Reviewed and deliberated on issues highlighted by the Internal Audit Function on effectiveness and adequacy of governance, risk management, operational and compliance processes including but not limited to prevention of bribery and corruption measures.
- (c) Reviewed the recommendations by the Internal Audit Function, appraised the corrective actions taken by management in resolving the audit issues reported and ensuring all issues highlighted were adequately addressed on a timely basis.
- (d) Reviewed the adequacy of resources required and competency of the Internal Audit Function to execute the audit plan.

Audit Committee Report

External audit

- (a) Reviewed with the external auditor the audit plan, strategy and scope of statutory audit of the Group's consolidated financial statements for the financial year ended 31 March 2021 on 24 November 2020.
- (b) Reviewed the audit findings and issues arising from the annual audit together with management's response to the findings of the external auditor.

On 24 May 2021, the Audit Committee reviewed the external auditor's report with regard to the key audit matter and other relevant disclosures in the annual financial statements for the financial year ended 31 March 2021.

- (c) Reviewed the audit fees proposed by the external auditor together with management and recommended the negotiated fees agreed with the external auditor to the Board for approval.
- (d) Assessed the qualification, expertise, resources and effectiveness of the external auditor.
- (e) Reviewed the performance and assessed the independence, objectivity and suitability of the external auditor and the services provided, including non-audit services. Non-audit fees totaling US\$42,000 were paid to the external auditor and its other member firms for the financial year ended 31 March 2021 for the corporate tax advisory services provided.
- (f) Reviewed the written assurance from the external auditor on 24 November 2020 to confirm on its independence throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.
- (g) Had two private meetings with the external auditor on 24 November 2020 and 24 May 2021 respectively, in the absence of the executive directors and management, to discuss matters concerning audit and financial statements. The Audit Committee also enquired on the proficiency and adequacy of resources in the financial reporting functions, evaluation of the internal control system and any other observations they may have had during the audit process.

Risk Management

- (a) Reviewed the adequacy and effectiveness of the risk management system.
- (b) Reviewed the risk assessment reports submitted by the Group Executive Committee on key risks faced by the Group. Significant risk issues were summarised and communicated to the Board.
- (c) Reviewed the risk assessment reports and risk management activities of the Group.

Related party transactions

- (a) Reviewed the related party transactions and recurrent related party transactions (or continuing connected transactions) entered into by the Group on quarterly basis and ensured all transactions were carried out on an arm's length basis and on normal commercial terms.
- (b) Reviewed the circular to shareholders in respect of the proposed shareholders' mandate for recurrent related party transactions.

Audit Committee Report

Others

- (a) Reviewed the Audit Committee Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control for inclusion in the Annual Report 2020/21.
- (b) Received and reviewed updates on the arrangement (including investigation and follow-up action) for employees of the Group to raise concerns about possible improprieties in financial reporting, internal controls, bribery and corruption or other matters through the Whistle Blowing Policy adopted by the Group.
- (c) Reviewed the training programs for staff in the Group's accounting, internal audit and financial reporting functions.

INTERNAL AUDIT FUNCTION

The Audit Committee is supported by the Internal Audit Function in discharging its duties and responsibilities. The Internal Audit Function, being the third line of defence, undertakes its activities independently and objectively to provide reasonable assurance to the Audit Committee regarding the adequacy and effectiveness of governance, risk management and internal control processes of the Group. The Audit Committee approved the Internal Audit Charter, which sets out its role, scope, authority and responsibility to ensure the Internal Audit Function is independent and able to function effectively.

The Internal Audit Function reports functionally to the Audit Committee. The Audit Committee reviewed the adequacy of scope, functions, competency and resources of the Internal Audit Function during the year. Further information on resources, objectivity and independence of the Internal Audit Function are provided in the Corporate Governance Overview Statement in accordance with Practice 10.2 of the Malaysian Code.

The Internal Audit Function adopts a risk-based methodology in planning and conducting audits so that relevant controls addressing key risks areas are identified and assessed on a timely basis. Audit engagements are performed with impartiality, proficiency and due professional care. Internal audit reports were presented to the Audit Committee incorporating the findings, recommendations and management's responses to the findings. The relevant management members were made responsible for ensuring that corrective actions on reported weaknesses were implemented within the required timeframe. The Internal Audit Function carries out follow-up review to obtain updates on the progress of the remedial actions and reports the status to the Audit Committee. During the financial year ended 31 March 2021, the Internal Audit Function reviewed the controls and risk management on procurement, inventories, payment and expenditure, as well as relevant coverage on compliance with the Group's Anti-Bribery and Corruption Policy.

The related party transactions and recurrent related party transactions (or continuing connected transactions) entered into by the Group were reviewed by the Internal Audit Function on a quarterly basis.

The total costs incurred for the Internal Audit Function of the Group for the financial year ended 31 March 2021 were approximately US\$147,000.

This Audit Committee Report was approved by the Board on 27 May 2021.

Report of the Directors

The directors submit their report together with the audited financial statements of the Group for the year ended 31 March 2021.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. The principal activities of its subsidiaries are the publishing, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language, and the provision of travel and travel related services in Hong Kong, Taiwan, North America, Malaysia and other Southeast Asian countries. The activities of the Company's principal subsidiaries are set out in Note 39 to the financial statements.

An analysis of the Group's performance for the year by operating segment is set out in Note 5 to the financial statements.

Further discussion and analysis of these activities for the financial year ended 31 March 2021 as required by Schedule 5 to the Hong Kong Companies Ordinance is set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis", "Sustainability Report", "Corporate Governance Overview Statement", "Statement on Risk Management and Internal Control" and "Five-Year Financial Summary" on pages 13 to 15, pages 16 to 18, pages 27 to 44, pages 45 to 65, pages 67 to 71 and page 171 respectively. The discussions form part of this Report of the Directors.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 90.

On 27 May 2021, the Board declared an interim dividend of US0.10 cents (2019/20: US0.26 cents) per ordinary share in respect of the year ended 31 March 2021, totaling US\$1,687,000 (2019/20: US\$4,387,000), payable on 8 July 2021.

Further details of the dividends of the Company are set out in Note 14 to the financial statements.

DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately US\$1,000.

SHARES ISSUED DURING THE YEAR

The Company has not issued any shares during the year ended 31 March 2021. Details of the share capital information of the Company are set out in Note 31 to the financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2021, calculated under the Companies Act 1981 of Bermuda, amounted to US\$192,285,000 (2020: US\$194,750,000).

Report of the Directors

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND OTHER STAKEHOLDERS

The Group understands that it is important to maintain a good relationship with its suppliers and customers. The management will continue to deliver quality services to its customers. During the year, there was no material and significant dispute between the Group and its suppliers, customers and other stakeholders. The Group also recognises the importance of human resources to its success.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long term sustainability of the environment and communities in which it operates. The Group has disclosed further details in the Sustainability Report on pages 27 to 44 of this Annual Report in accordance with the requirement of Rule 13.91 and the reporting framework of Appendix 27 of the Listing Rules, and Paragraph 29, Part A of Appendix 9C of the Main Market Listing Requirements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last 5 financial years is set out on page 171.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries had purchased, sold or the Company had redeemed any of the Company's listed securities during the year.

DIRECTORS

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

Non-executive Director

Dato' Sri Dr TIONG Ik King (*Non-executive Chairman*)

Executive Directors

Ms TIONG Choon

Mr TIONG Kiew Chiong (*Group Chief Executive Officer*)

Mr LEONG Chew Meng

Independent Non-executive Directors

Mr YU Hon To, David

Datuk CHONG Kee Yuon

Mr KHOO Kar Khoon

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

The Company has received from each of the INEDs a written annual confirmation of independence pursuant to Rule 3.13 of the HK Listing Rules and Paragraph 1.01 of the Bursa Securities Listing Requirements and considers all the INEDs to be independent.

The Company has announced the resignation of Mr LEONG Chew Meng and Mr YU Hon To, David as directors of the Company with effect on 1 July 2021, and in place, Mr WONG Khang Yen, Mr LIEW Sam Ngan, Ms TIONG Yijia and Mr IP Koon Wing, Ernest have been appointed as directors of the Company.

Pursuant to Bye-Law 102(B) of the Company's Bye-Laws, the new directors namely Mr WONG Khang Yen, Mr LIEW Sam Ngan, Ms TIONG Yijia and Mr IP Koon Wing, Ernest shall hold office and seek for re-election at the forthcoming annual general meeting.

Report of the Directors

COMPETING BUSINESS

Set out below is information disclosed pursuant to Rule 8.10 of the HK Listing Rules.

Dato' Sri Dr TIONG Ik King is a substantial shareholder and a director of the Company, and holds directorships and/or ownerships in Pacific Star Limited and R.H. Tours & Travel Agency Sdn Bhd. In addition, Ms TIONG Choon is a director of the Company and R.H. Tours & Travel Agency Sdn Bhd. She has deemed interest in Pacific Star Limited by virtue of her shareholdings in Sin Chew Press Agencies Sdn Bhd. Pacific Star Limited is engaged in the business of newspapers publishing in Papua New Guinea. R.H. Tours & Travel Agency Sdn Bhd is engaged in the travel and travel related services business in Malaysia. As the Board of Directors of the Company is independent of the boards of the aforesaid companies, the Group operates its business independently of, and at arm's length from, the businesses of the aforesaid companies.

Dato' Sri Dr TIONG Ik King has deemed interest in One Media, a subsidiary of the Company which is listed on the HK Stock Exchange. In addition, Ms TIONG Choon and Mr TIONG Kiew Chiong are directors of the Company and One Media. One Media Group is engaged in media business in Hong Kong and Taiwan, including but not limited to magazine publishing and digital media business. As the contents and demographic readership of the publications of the Group and those of One Media Group are different, the directors consider that there is a clear delineation and no competition between the businesses of the Group and One Media Group and that the Group is carrying on its business independently of, and at arm's length from, One Media Group.

Save as disclosed above, none of the directors of the Company has any interest in a business which competes or is likely to compete with the business of the Group during the year.

DIRECTORS' SERVICE CONTRACTS

Each of the directors has entered into an appointment letter with the Company for a term of 2 years commencing from 1 April 2020 until 31 March 2022, except for (i) Ms TIONG Choon whose appointment with the Company commenced from 1 April 2021 to 31 March 2023, (ii) Mr LEONG Chew Meng for a term from 1 April 2019 to 30 June 2021, and (iii) Mr YU Hon To, David for a term from 1 April 2020 to 30 June 2021.

As regards to the new directors, each of Mr WONG Khang Yen, Mr LIEW Sam Ngan, Ms TIONG Yijia and Mr IP Koon Wing, Ernest has entered into an appointment letter with the Company for a term commencing from 1 July 2021 to 31 March 2023.

Save as disclosed above, none of the directors who are proposed for re-election at the forthcoming annual general meeting have service contracts with the Company or any of its subsidiaries which are not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the Corporate Governance Overview Statement under "Material Contracts" and "Recurrent Related Party Transactions of a Revenue or Trading Nature" on pages 63 to 65, and in Note 38 to the financial statements "Related Party Transactions", no transactions, arrangements or contracts of significance in relation to the Group's businesses to which the Company, any of its subsidiaries, its holding company or its fellow subsidiaries was a party and in which a director of the Company or his/her connected entities had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Report of the Directors

INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS HELD BY DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES

As at 31 March 2021, the interests and short positions of the directors, chief executives and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the HK Stock Exchange pursuant to the Model Code are as follows:

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

Name of director	Nature of interests	Number of ordinary shares			Held at 31 March 2021	% of issued shares at 31 March 2021
		Held at 1 April 2020	Bought	Sold		
Dato' Sri Dr TIONG Ik King	Personal interests	30,144,189	5,000,000	–	35,144,189	
	Corporate interests ¹	253,987,700	–	–	253,987,700	
		284,131,889	5,000,000	–	289,131,889	17.14%
Ms TIONG Choon	Personal interests	2,654,593	–	–	2,654,593	
	Family interests ²	1,023,632	–	–	1,023,632	
	Corporate interests ³	653,320	–	–	653,320	
		4,331,545	–	–	4,331,545	0.26%
Mr TIONG Kiew Chiong	Personal interests	4,087,539	555,000	(555,000)	4,087,539	0.24%
Mr LEONG Chew Meng	Personal interests	80,000	–	–	80,000	–*

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

* negligible

Notes:

- (1) Conch Company Limited ("Conch") holds 253,987,700 shares of the Company. 40% of the interest in Conch is held by Seaview Global Company Limited, a company jointly owned by Dato' Sri Dr TIONG Ik King and Tan Sri Datuk Sir TIONG Hiew King. In addition, Dato' Sri Dr TIONG Ik King and Tan Sri Datuk Sir TIONG Hiew King directly hold 22% and 25% of the interest in Conch respectively.
- (2) Ms TIONG Choon is deemed to be interested in the shares by virtue of her spouse's interest in 1,023,632 shares.
- (3) The corporate interests of 653,320 shares are held by TC Blessed Holdings Sdn Bhd, in which Ms TIONG Choon holds 99% equity interest.

Report of the Directors

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

Name of director	Nature of interests	Number of shares		Held at 31 March 2021	% of issued ordinary shares of One Media at 31 March 2021
		Held at 1 April 2020	Bought/ (Sold)		
Dato' Sri Dr TIONG Ik King	Corporate interests	292,700,000	–	292,700,000	73.01%
Ms TIONG Choon	Personal interests	26,000	–	26,000	0.01%

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

Note:

Dato' Sri Dr TIONG Ik King is deemed interested in the 292,700,000 shares in One Media held by Comwell Investment Limited which is an indirect wholly-owned subsidiary of the Company. Dato' Sri Dr TIONG Ik King is deemed interested in 17.14% of the Company's shares. Details of his shareholdings in the Company are set out in paragraph (i) "Interests and short positions in the shares, underlying shares and debentures of the Company" on page 79.

Save as disclosed above, as at 31 March 2021, none of the directors, chief executives and their associates had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO), which are required to be recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the HK Stock Exchange pursuant to the Model Code.

At no time during the year were rights to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company granted to any directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company or its holding company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire such rights in any other body corporate.

Report of the Directors

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2021, the following persons (other than the directors and chief executives of the Company) had interests of 5% or more in the shares of the Company as recorded in the register required to be kept under Section 336 of Part XV of the SFO:

Name of shareholder	Number of shares held	Capacity	Percentage of issued ordinary shares
Tan Sri Datuk Sir TIONG Hiew King	1,094,187,814 (note 1)	Beneficial owner, interests of controlled corporations and interest of spouse	64.85%
Tiong Toh Siong Holdings Sdn Bhd ("TTSH")	378,998,616	Beneficial owner	22.46%
Conch Company Limited ("Conch")	253,987,700 (note 2)	Beneficial owner	15.05%
Teck Sing Lik Enterprise Sdn Bhd ("TSL")	196,487,646 (note 3)	Beneficial owner and interests of controlled corporations	11.65%
Tiong Toh Siong Enterprises Sdn Bhd ("TTSE")	131,168,460 (note 3)	Beneficial owner and interest of controlled corporation	7.77%
Kinta Hijau Sdn Bhd ("Kinta Hijau")	129,424,143	Beneficial owner	7.67%

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

Notes:

(1) Of these shares, 87,109,058 shares are held by Tan Sri Datuk Sir TIONG Hiew King personally, 234,566 shares are deemed to be interested in by virtue of his spouse's interest, and corporate interests of 1,006,844,190 which comprise:

- (i) 253,987,700 shares held by Conch;
- (ii) 75,617,495 shares held by Ezywood Options Sdn Bhd ("Ezywood");
- (iii) 65,319,186 shares held by TSL;
- (iv) 52,875,120 shares held by Madigreen Sdn Bhd ("Madigreen");
- (v) 15,536,696 shares held by Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS");
- (vi) 6,532,188 shares held by Rimbunan Hijau Southeast Asia Sdn Bhd ("RHSA");
- (vii) 26,808,729 shares held by Pertumbuhan Abadi Asia Sdn Bhd ("PAA");
- (viii) 378,998,616 shares held by TTSH;
- (ix) 1,744,317 shares held by TTSE;
- (x) 129,424,143 shares held by Kinta Hijau Sdn Bhd ("Kinta Hijau").

Tan Sri Datuk Sir TIONG Hiew King directly holds 84% interest in TSL and 99.99% interest in PAA. In addition, Tan Sri Datuk Sir TIONG Hiew King, TSL and PAA directly and indirectly hold 52.38% interest in both RHS and RHSA, 75% interest in Madigreen, and 70% interest in Ezywood. Tan Sri Datuk Sir TIONG Hiew King and TSL directly holds 26% interest in TTSH.

Report of the Directors

- (2) The details of shares held by Conch are set out in note to paragraph (i) "Interests and short positions in the shares, underlying shares and debentures of the Company" on page 79.
- (3) Of these shares, 129,424,143 shares are held by Kinta Hijau (a company wholly owned by TTSE), TTSE is deemed to be interested in shares in which Kinta Hijau is interested. TTSE holds 1,744,317 shares. TSL is deemed to be interested in shares in which Kinta Hijau and TTSE is interested. Tan Sri Datuk Sir TIONG Hiew King directly holds 84% interest in TSL and TSL directly holds 30% interest in TTSE.

Save as disclosed above and those disclosed under "Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any of its Associated Corporations held by Directors, Chief Executives and their Associates", the Company had not been notified of any other persons or corporations who had interests or short positions representing 5% or more of the issued share capital of the Company as at 31 March 2021.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Details of the Group's related party transactions for the year ended 31 March 2021 are set out in Note 38 to the financial statements, all of which were carried out in the ordinary course of business and on normal commercial terms and did not constitute discloseable connected transactions or continuing connected transactions (as the case may be) under Chapter 14A of the HK Listing Rules.

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year.

PENSION SCHEME ARRANGEMENT

Hong Kong

The Group operates a hybrid retirement benefit scheme (the "Scheme") and a Mandatory Provident Fund Scheme (the "MPF") for its employees in Hong Kong.

During the year, the Scheme was mainly funded by contributions from both the Group and its employees at 5% each of the monthly basic salaries of the employees. Actual contributions paid by the Group was about 4.5% of the monthly basic salaries of the employees, with the difference being funded by the forfeiture reserve. Forfeited employers' contributions arising from early termination of services by employees are credited to a forfeiture reserve for the purposes of funding the differences in the Group's contributions as aforesaid and for covering any shortfall on the defined benefit plans. The total amount available for such purposes amounted to approximately US\$35,000 as at 31 March 2020.

The most recent independent funding actuarial valuation of the Scheme was carried out by Towers Watson Hong Kong Limited, a professionally qualified independent actuary, as at 31 March 2018 (the "Valuation"). According to the Valuation, the Scheme was solvent at the date of the Valuation.

Effective on 1 January 2021, the Scheme ceased to operate and all existing employees under the Scheme joined the MPF. The Group has no further legal or constructive obligations to pay further contributions under the MPF once the fixed contributions have been paid. The plan assets of the Scheme were transferred to individual employee's account under the MPF. The Scheme was terminated on 1 February 2021.

With effect from 1 December 2000, all new employees of the Group are eligible to join the MPF. The Group's contributions to the MPF are at 5% of the employees' relevant income as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance up to a maximum of HK\$1,500 per employee per month (the "MPF Contributions"). The MPF Contributions are fully and immediately vested in the employees as accrued benefit once they are paid.

Report of the Directors

Malaysia

The Group operates 2 types of retirement benefit schemes in Malaysia:

(a) **Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the consolidated statement of profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund.

(b) **Defined benefit plans**

The Group operates an unfunded defined benefit retirement scheme for its eligible employees in Malaysia (the "Malaysia Scheme"). The Group's obligation under the Malaysia Scheme is calculated using the projected unit credit cost method, and is determined based on actuarial computations by independent actuaries, through which a projected retirement benefit at assumed retirement age is computed for each participant, including allowance for assumed future salary increases. That benefit is discounted in order to determine its present value.

Other countries

Employees in other countries are under separate pension schemes which are defined contribution plans set up in the countries that the Group operates.

The assets of all retirement plans are held separately from those of the Group in independently administered funds. The defined benefit plans and defined contribution plans are generally funded by payments from the relevant Group companies and/or their respective employees.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the Group's 5 largest customers accounted for less than 30% of the total sales for the year. The percentage of purchases for the year attributable to the Group's major suppliers are as follows:

— the largest supplier	15%
— 5 largest suppliers combined	42%

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-Laws and there is no restriction against such rights under the laws of Bermuda.

Report of the Directors

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, it is confirmed that there is sufficient public float of not less than 25% of the Company's issued shares as at the latest practicable date prior to the issue of this Annual Report, as required under the HK Listing Rules and Bursa Securities Listing Requirements.

PERMITTED INDEMNITY

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

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

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into during the year and subsisted at the end of the year.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 March 2021 are set out in Note 28 to the financial statements.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board

TIONG Kiew Chiong

Director

27 May 2021

Independent Auditor's Report



羅兵咸永道

To the Shareholders of Media Chinese International Limited

(incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of Media Chinese International Limited (the "Company") and its subsidiaries (the "Group") set out on pages 90 to 169, which comprise:

- the consolidated statement of financial position as at 31 March 2021;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

Independent Auditor's Report

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- impairment of property, plant and equipment and intangible assets
- Expected credit loss allowance for trade receivables

Key Audit Matter

How our audit addressed the Key Audit Matter

Impairment of property, plant and equipment and intangible assets

Refer to Note 4 (Critical accounting estimates and judgements), Note 17 (Property, plant and equipment) and Note 20 (Intangible Assets) to the consolidated financial statements.

Management performs assessment whenever events or changes in circumstances indicate that the carrying amounts of property, plant and equipment and intangible assets may not be recoverable. In carrying out the impairment assessment, management identified and determined cash-generating-units ("CGU"s) and performed the assessment for individual CGUs as required by IAS36 "Impairment of assets".

During the year ended 31 March 2021, all CGUs within the Group have either incurred losses which are substantially larger than budgeted losses or have generated profits which are substantially below budget, which represented impairment indicators of the property, plant and equipment and intangible assets within those CGUs. The total property, plant and equipment and intangible assets of those CGUs amounted to US\$66,403,000 and US\$8,560,000 as at 31 March 2021 respectively. Management carried out the impairment assessment for all those relevant CGUs by determining the recoverable amount based on the higher of fair value less cost of disposal ("FVLCD") and value-in-use ("VIU") calculation with reference to 5-years discounted cash flows ("DCF") prepared by management and market values of underlying property, plant and equipment and intangible assets, where applicable.

Preparation of DCF required the use of many assumptions and management exercised significant judgements in determining these assumptions. Key assumptions adoption and judgements exercised in the preparation of the DCF included:

- travel income growth rates;
- print advertising revenue growth rates; and
- discount rates

We understood and evaluated the internal control over the Group's process in identifying impairment indicators and estimating such impairment provision and evaluated the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors.

We understood and evaluated the appropriateness of management's assessment process on CGU determination and impairment indicator identification by:

- Enquiring of management on their basis of identifying impairment indicators;
- Challenging the judgements made in the identification of impairment indicators; and
- Comparing current year's performance of CGU with impairment indicators to budgeted performance.

We tested management's impairment assessment of property, plant and equipment and intangible assets by assessing the DCF used in the calculation as set out below:

- Comparing the key input data in management's DCF to the Board's approved budget and the business plan.
- Assessing the methodology adopted and the mathematical accuracy of the underlying DCF calculation.
- Assessing the reasonableness of management's key assumptions adopted and judgements exercised in its DCF in relation to:
 - Travel income growth rate and print advertising revenue growth rate by comparing them to historical performance and business plan, as well as benchmarking against industry and market forecast; and

Independent Auditor's Report

Key Audit Matter

For those CGUs' recoverable amounts assessed by FVLCD, management considered market value of property, plant and equipment and intangible assets by referencing to property valuation reports and recent market prices.

Based on the results of management's impairment assessment, provision for impairment of US\$1,185,000 in respect of property, plant and equipment of certain CGUs were made for the year ended 31 March 2021.

Management also concluded there was no indication to support a reversal of previous impairment loss.

We focused on this area because of the significance of the balances and the significant judgements and assumptions were required by management to identify whether any impairment indicators existed for any of these assets and determine the recoverable amounts of these assets.

Expected credit loss allowance for trade receivables

Refer to Note 3.1(b) (Credit risk), Note 4 (Critical accounting estimates and judgements) and Note 25 (Trade receivables) to the consolidated financial statements.

At 31 March 2021, the carrying value of the Group's gross trade receivables amounted to US\$18,430,000, against which an expected credit loss allowance of US\$2,272,000 was made.

Customers has a slower settlement pattern and may settle after the contractual credit period. Management applied judgement in assessing the expected credit losses. Expected credit losses are estimated by grouping the receivables based on the shared credit risk characteristics and collectively assessed for the likelihood of recovery, taking into account the nature of the customer and its ageing category, and applying expected credit loss rates to the respective gross carrying amounts of the receivables. The expected credit loss rates are determined based on the historical credit losses experience and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables.

We focused on this area due to the significance of the carrying amounts of trade receivables to the consolidated statement of financial position and high level of judgement and estimation required by management in determining the expected credit losses allowance of the trade receivable.

How our audit addressed the Key Audit Matter

- discount rates by comparing with the cost of capital of comparable companies with assistance of our inhouse valuation specialists.

We tested management's market value assessment on underlying property, plant and equipment and intangible assets by reviewing property valuation reports and considering recent market prices. We assessed the valuation methodologies and the reasonableness of the key assumptions used in the property valuation.

Based on the procedures performed, we found the significant judgements and assumptions made by management to identify whether any impairment indicators existed for any of these assets and to determine the recoverable amounts of these assets to be supportable by available evidence.

We understood and evaluated the internal control over the Group's process in estimating the expected credit loss to determine the loss allowance for trade receivables and evaluated the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors.

We evaluated the outcome of prior year assessment of the loss allowance, by reviewing receivable settlement records, to assess the effectiveness of management's estimation process.

We assessed the appropriateness of the expected credit loss provisioning methodology and assumptions adopted by management with reference to historical default rate and forward looking factor with assistance of our inhouse valuation specialists.

We challenged management for the assumptions and data used in assessing the expected credit loss rate, corroborated explanations with underlying documentation and correspondence with the customers.

We tested on a sample basis, the accuracy of ageing profile of trade receivables by checking to the underlying sales invoices.

Based on the above procedures performed, we found the estimation and judgement made by management in respect of the expected credit loss allowance and the collectability of trade receivables to be supportable based on the evidence we gathered.

Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Independent Auditor's Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. WONG Ka Keung, Johnny.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 27 May 2021

Consolidated Statement of Profit or Loss

		Year ended 31 March	
	Note	2021 US\$'000	2020 US\$'000
Turnover	5	115,679	239,217
Cost of goods sold		(77,284)	(165,772)
Gross profit		38,395	73,445
Other income	6	17,638	9,197
Other gains/(losses), net	7	2,833	(146)
Selling and distribution expenses		(29,387)	(41,834)
Administrative expenses		(23,787)	(25,710)
Provision for loss allowance of trade receivables		(387)	(115)
Other operating expenses		(6,175)	(4,852)
Operating (loss)/profit	8	(870)	9,985
Finance costs	9	(489)	(702)
Share of results of an associate and a joint venture		(8)	–
(Loss)/profit before income tax		(1,367)	9,283
Income tax expense	10	(546)	(3,164)
(Loss)/profit for the year		(1,913)	6,119
(Loss)/profit attributable to:			
Owners of the Company		(1,303)	7,055
Non-controlling interests		(610)	(936)
		(1,913)	6,119
(Loss)/earnings per share attributable to owners of the Company			
Basic (US cents)	11	(0.08)	0.42
Diluted (US cents)	11	(0.08)	0.42

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

	Year ended 31 March	
	2021 US\$'000	2020 US\$'000
(Loss)/profit for the year	(1,913)	6,119
Other comprehensive income/(loss)		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	5,585	(7,615)
Items that will not be reclassified subsequently to profit or loss:		
Fair value change on financial assets at fair value through other comprehensive income (Note 13)	1,267	(1,813)
Remeasurements of post-employment benefit obligations	372	56
Revaluation of land and buildings upon transfer to investment properties	–	618
Other comprehensive income/(loss) for the year, net of tax	7,224	(8,754)
Total comprehensive income/(loss) for the year	5,311	(2,635)
Total comprehensive income/(loss) for the year attributable to:		
Owners of the Company	5,575	(1,219)
Non-controlling interests	(264)	(1,416)
	5,311	(2,635)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Note	As at 31 March 2021 US\$'000	As at 31 March 2020 US\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	17	65,218	70,669
Investment properties	19	24,711	21,864
Intangible assets	20	8,560	9,146
Deferred income tax assets	21	94	120
Investments accounted for using the equity method	12	31	–
Financial assets at fair value through other comprehensive income	13	942	1,267
		99,556	103,066
Current assets			
Inventories	24	16,996	20,039
Trade and other receivables	25	20,422	25,252
Financial assets at fair value through profit or loss	22	1,310	425
Income tax recoverable		914	447
Short-term bank deposits	26	25,252	13,430
Cash and cash equivalents	26	69,181	60,452
		134,075	120,045
Current liabilities			
Trade and other payables	27	20,217	22,328
Contract liabilities	5	7,160	8,889
Income tax liabilities		404	564
Bank and other borrowings	28	32,104	19,362
Lease liabilities	18	870	839
Current portion of other non-current liabilities	29	46	60
		60,801	52,042
Net current assets		73,274	68,003
Total assets less current liabilities		172,830	171,069

Consolidated Statement of Financial Position

	Note	As at 31 March 2021 US\$'000	As at 31 March 2020 US\$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	31	21,715	21,715
Share premium	31	54,664	54,664
Other reserves	32	(115,228)	(121,506)
Retained earnings	33	204,890	207,280
		166,041	162,153
Non-controlling interests		380	645
Total equity		166,421	162,798
Non-current liabilities			
Lease liabilities	18	501	1,354
Deferred income tax liabilities	21	5,149	5,533
Other non-current liabilities	29	759	1,384
		6,409	8,271
		172,830	171,069

The consolidated financial statements and supplementary information on pages 90 to 169 were approved by the Board of Directors on 27 May 2021 and were signed on its behalf by:

Dato' Sri Dr TIONG Ik King
Director

TIONG Kiew Chiong
Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Note	Attributable to owners of the Company					Non-controlling interests	Total equity
		Share capital	Share premium	Other reserves	Retained earnings	Sub-total		
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 April 2019		21,715	54,664	(113,173)	204,553	167,759	2,062	169,821
Profit/(loss) for the year		–	–	–	7,055	7,055	(936)	6,119
Other comprehensive (loss)/income								
Item that may be reclassified subsequently to profit or loss:								
Currency translation differences		–	–	(7,624)	–	(7,624)	9	(7,615)
Items that will not be reclassified subsequently to profit or loss								
Fair value change on financial assets at fair value through other comprehensive income		–	–	(1,325)	–	(1,325)	(488)	(1,813)
Remeasurements of post-employment benefit obligations		–	–	–	59	59	(3)	56
Revaluation of land and buildings upon transfer to investment properties		–	–	616	–	616	2	618
Other comprehensive (loss)/income, net of tax		–	–	(8,333)	59	(8,274)	(480)	(8,754)
Total comprehensive (loss)/income for the year ended 31 March 2020		–	–	(8,333)	7,114	(1,219)	(1,416)	(2,635)
Total transactions with owners, recognized directly in equity								
2018/19 second interim dividend paid	14	–	–	–	(1,687)	(1,687)	–	(1,687)
2019/20 first interim dividend paid	14	–	–	–	(2,700)	(2,700)	–	(2,700)
2018/19 interim dividend paid by an unlisted subsidiary		–	–	–	–	–	(1)	(1)
2019/20 interim dividend paid by an unlisted subsidiary		–	–	–	–	–	–*	–*
		–	–	–	(4,387)	(4,387)	(1)	(4,388)
At 31 March 2020		21,715	54,664	(121,506)	207,280	162,153	645	162,798

* negligible

Consolidated Statement of Changes in Equity

	Note	Attributable to owners of the Company					Non-controlling interests	Total equity
		Share capital	Share premium	Other reserves	Retained earnings	Sub-total		
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 April 2020		21,715	54,664	(121,506)	207,280	162,153	645	162,798
Loss for the year		–	–	–	(1,303)	(1,303)	(610)	(1,913)
Other comprehensive income								
Item that may be reclassified subsequently to profit or loss:								
Currency translation differences		–	–	5,581	–	5,581	4	5,585
Items that will not be reclassified subsequently to profit or loss								
Fair value change on financial assets at fair value through other comprehensive income		–	–	925	–	925	342	1,267
Remeasurements of post-employment benefit obligations		–	–	–	372	372	–	372
Other comprehensive income, net of tax		–	–	6,506	372	6,878	346	7,224
Total comprehensive income/(loss) for the year ended 31 March 2021		–	–	6,506	(931)	5,575	(264)	5,311
Release of reserve upon disposal of financial assets at fair value through other comprehensive income		–	–	(228)	228	–	–	–
Total transactions with owners, recognised directly in equity								
2019/20 second interim dividend paid	14	–	–	–	(1,687)	(1,687)	–	(1,687)
2019/20 interim dividend paid by an unlisted subsidiary	14	–	–	–	–	–	(1)	(1)
		–	–	–	(1,687)	(1,687)	(1)	(1,688)
At 31 March 2021		21,715	54,664	(115,228)	204,890	166,041	380	166,421

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

		Year ended 31 March	
	Note	2021 US\$'000	2020 US\$'000
Cash flows from operating activities			
Cash generated from operations	34(a)	8,928	10,280
Interest paid		(489)	(702)
Income tax paid		(1,624)	(3,427)
Net cash generated from operating activities		6,815	6,151
Cash flows from investing activities			
Dividends received		117	152
Increase in short-term bank deposits with original maturity over three months		(11,822)	(7,479)
Proceeds from sales of financial assets at fair value through other comprehensive income		1,590	–
Proceeds from sales of financial assets at fair value through profit or loss		634	–
Interest received		1,028	1,546
Proceeds from disposal of property, plant and equipment	34(b)	28	539
Purchases of intangible assets	20	(48)	(833)
Purchases of property, plant and equipment	17	(538)	(779)
Payments for acquisition of financial assets at fair value through profit or loss		(1,079)	–
Investments in an associate and a joint venture		(38)	–
Net cash used in investing activities		(10,128)	(6,854)
Cash flows from financing activities			
Dividends paid	14	(1,687)	(4,387)
Dividends paid to non-controlling interests by an unlisted subsidiary		(1)	(1)
Proceeds from bank and other borrowings		19,454	4,837
Repayments of bank and other borrowings		(6,703)	(5,523)
Principal elements of lease liabilities		(749)	(706)
Net cash generated from/(used in) financing activities		10,314	(5,780)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of year		60,452	69,204
Exchange adjustments on cash and cash equivalents		1,728	(2,269)
Cash and cash equivalents at end of year	26	69,181	60,452

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 31 March 2021

1 GENERAL INFORMATION

Media Chinese International Limited (the “Company”) is a limited liability company incorporated in Bermuda. Its registered address is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda.

The Company is an investment holding company. The principal activities of its subsidiaries are publishing, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language, and the provision of travel and travel related services in Hong Kong, Taiwan, North America, Malaysia and other Southeast Asian countries. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “HK Stock Exchange”) since 22 March 1991 and subsequently dual-listed on Bursa Malaysia Securities Berhad (“Bursa Securities”) on 30 April 2008.

These consolidated financial statements are presented in US dollars (“US\$”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 27 May 2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”) and the disclosure requirements of Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2020:

- (i) Amendments to IAS 1 and IAS 8, “Definition of material”
- (ii) Amendments to IAS 39, IFRS 7 and IFRS 9, “Interest rate benchmark reform”
- (iii) Amendments to IFRS 3, “Definition of a business”
- (iv) Conceptual Framework for Financial Reporting 2018, “Revised conceptual framework for financial reporting”

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(b) New and amended standards and interpretations not yet adopted by the Group

Certain new and amended accounting standards and interpretations have been published that are not mandatory for 31 March 2021 reporting periods and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2023
Amendments to IAS 16	Property, plant and equipment: proceeds before Intended use	1 January 2022
Amendments to IAS 37	Onerous contracts — costs of fulfilling a contract	1 January 2022
Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16	Interest rate benchmark reform — phase 2	1 January 2021
Amendments to IFRS 3	Reference to the conceptual framework	1 January 2022
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Effective Date to be determined
Amendments to IFRS 16	COVID-19-related rent concessions	1 June 2020
IFRS 17	Insurance contracts and the related amendments	1 January 2023
Annual improvements	Annual improvements to IFRSs 2018–2020 cycle	1 January 2022

None of these new standards and interpretations are expected to have a material impact on the Group's consolidated financial statements.

2.2 Subsidiaries

(a) Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Subsidiaries *(Continued)*

(a) Consolidation *(Continued)*

(i) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity and the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the identifiable net assets acquired is recorded as goodwill. If these amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated statement of profit or loss as a bargain purchase.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Subsidiaries *(Continued)*

(a) Consolidation *(Continued)*

(ii) *Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable IFRSs.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(b) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

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

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Joint arrangements and associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Under IFRS 11 "Joint Arrangements" investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Investments in joint ventures and associates are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.9.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who has been identified as the Group Executive Committee, is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions.

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. The functional currency of the Company is Malaysian Ringgit ("RM"). However, each entity within the Group can present its financial statements in any currency, which can be the same or different from the entity's functional currency. As the Group operates internationally, management considers that it is more appropriate to use US\$, a globally recognised currency, as the presentation currency for the Group's consolidated financial statements. For the entity whose functional currency is not US\$, its results and financial position have been translated into US\$.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss within 'Finance costs'. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within 'Other gains/(losses), net'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of each reporting period;
- (ii) income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.5 Foreign currency translation *(Continued)*

(d) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in joint ventures or associates that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated currency translation differences is reclassified to profit or loss.

2.6 Property, plant and equipment

Freehold land is not amortised. Buildings situated on freehold land are stated at cost and are depreciated on a straight-line basis over their expected useful lives to the Group. The principal annual rates used for this purpose range from 2% to 5%.

Buildings situated on leasehold land and held for own use are stated at cost and are depreciated on a straight-line basis over the unexpired periods of the leases or their expected useful lives to the Group, whichever is shorter. The principal annual rates used for this purpose range from 2% to 5%.

Plant and equipment, comprising leasehold improvements, furniture, fixtures, office equipment, machinery, printing equipment and motor vehicles, are stated at cost less accumulated depreciation and accumulated impairment losses. Construction in progress is stated at cost less accumulated impairment losses.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.6 Property, plant and equipment *(Continued)*

Depreciation is calculated using the straight-line method to allocate the assets' costs to their residual values over their estimated useful lives as follows:

Leasehold improvements	Shorter of remaining lease term of 3 to 10 years and useful life
Furniture, fixtures and office equipment	2 to 13 years
Machinery and printing equipment	
Printing equipment	10 to 20 years
Machinery	5 to 10 years
Motor vehicles	3 to 10 years

The assets' depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (*Note 2.9*).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other operating expenses" in the consolidated statement of profit or loss.

2.7 Investment properties

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields and are not occupied by the Group. Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value. Changes in fair values are presented in the consolidated statement of profit or loss as part of fair value gain or loss in "Other gains/(losses), net".

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Intangible assets

(a) Goodwill

Goodwill is measured as described in Note 2.2. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (Note 5).

(b) Other intangible assets

Other intangible assets primarily comprise costs of computer software, archives, mastheads, publishing rights and broadcast licence that are acquired by the Group and are stated at cost less accumulated amortisation.

Amortisation of other intangible assets is charged to the consolidated statement of profit or loss on a straight-line basis over the assets' estimated useful lives. Other intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Archives, mastheads and publishing rights	10–40 years
Computer software	5–10 years
Broadcast licence	3 years

2.9 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI"), or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other gains/(losses), net" together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated statement of profit or loss.

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Financial assets *(Continued)*

(c) Measurement *(Continued)*

Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Other gains/(losses), net". Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other gains/(losses), net" and impairment losses are presented as a separate line item in the consolidated statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented within "Other gains/(losses), net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of FVPL are recognised in profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.13 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. See Note 2.10(d) for a description of the Group's impairment policies.

2.14 Short-term bank deposits and cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, bank deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

In the consolidated statement of financial position, short-term bank deposits include bank deposits with original maturities of more than three months.

2.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Trade payables

Trade payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.18 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.18 Borrowing costs *(Continued)*

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.19 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the countries where the Company, its subsidiaries, joint ventures and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of each reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary differences will reverse in the future and there is sufficient taxable profit available against which the temporary differences can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax jurisdiction on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.20 Employee benefits

(a) Pension obligations

Group companies operate various pension schemes. These schemes are generally funded through payments to insurance companies or trustee-administered funds and, where applicable, determined by periodic actuarial calculations. The Group has both defined contribution and defined benefit plans.

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate publicly or privately administered pension insurance plan on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions once the fixed contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The Group's defined contribution plans cover eligible employees in Hong Kong, North America, Malaysia and other Southeast Asian countries.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the consolidated statement of financial position in respect of the defined benefit pension plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligations is calculated by independent actuaries using the projected unit credit method, by discounting the estimated future benefits that employees have earned in return for their services in the current and prior periods, using market yields of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligations. For a currency that has no deep market in such high-quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency shall be used.

The current service cost of the defined benefit plans (recognised as employee benefit expense in the consolidated statement of profit or loss), except where included in the cost of an asset, reflects the increase in the defined benefit obligations resulting from employee service in the current year, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligations and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit or loss.

Remeasurements arising from defined benefit plans are recognised in other comprehensive income and reflected immediately in retained earnings. Remeasurements comprise actuarial gains and losses, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability/asset).

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the consolidated statement of profit or loss.

The Group's defined benefit plans cover eligible employees in Hong Kong and Malaysia.

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.20 Employee benefits *(Continued)*

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

Defined benefit plans (Continued)

- (i) The defined benefit plan for the Group's employees in Hong Kong is funded by means of an independent pension fund. The liability recognised in the consolidated statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligations at the end of each reporting period less the fair value of the plan assets. Defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligations is determined by discounting the estimated future benefits that employees have earned in return for their services in the current and prior periods by reference to market yields of Hong Kong Government's Exchange Fund Notes and Government Bonds, which are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligations.
- (ii) The defined benefit plan for the Group's employees in Malaysia is not funded. The Group's obligation under the plan, calculated using the projected unit credit method, is determined based on actuarial computations by independent actuaries, through which the amount of benefit that the employees have earned in return for their services in the current and prior years is estimated. The benefit is discounted based on the interest rates of high-quality corporate bonds in order to determine its present value.

(b) **Profit sharing and bonus plans**

The expected cost of profit sharing and bonus plans is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by the employees and a reliable estimate of the obligation can be made. Liabilities for profit sharing and bonus plans are expected to be settled within 12 months of the end of each reporting period and are measured at the amounts expected to be paid when they are settled.

(c) **Employee leave entitlements**

Employee entitlements to annual leave are recognised when they accrue to the employees. A provision is made for the estimated liability for annual leave as a result of services rendered by the employees up to the end of each reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(d) **Long service payments and severance payments**

The Group's net obligation in respect of long service payments and severance payments to its employees in Hong Kong upon cessation of their employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of benefits that the employees have earned in return for their services in the current and prior periods.

These obligations are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by the employees up to the end of the reporting period.

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.22 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, business tax, returns, rebates and discounts and after eliminating sales within the Group. The Group recognises revenue when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised when or as the control of goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods and services.

Advertising income, net of trade discounts, is recognised over time when the relevant advertisement in newspapers and magazines are published and the Group has an enforceable right to payment for performance completed to date.

Revenue from the circulation and subscription sales of newspapers, magazines and books, net of trade discounts and returns, is recognised at a point in time when control of goods transferred to customers, which generally coincides with the date of delivery. Unearned subscription fees received from subscribers are recorded as contract liabilities in the consolidated statement of financial position.

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.22 Revenue recognition *(Continued)*

Revenue for package tours is recognised over time in which the control of services is transferred to the customer because the customer simultaneously receives and consumes benefit provided by the Group's performance as it performs. Payment is made to the Group before the customers enjoy the tour services.

Revenue from the provision of ancillary travel related products and services, sales of air tickets, hotel accommodation and hotel packages is recognised at a point in time when the booking services or tickets are delivered to and have been accepted by the customers. The Group is the agent in these transactions and the revenue is recognised on a net basis.

Revenue from scrap sales of old newspapers and magazines is recognised at a point in time on the date of delivery.

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Management fee income is recognised on an accrual basis or a straight-line basis over the management service period.

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

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

2.23 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate the lease and non-lease components and instead accounts for these as a single lease component.

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.23 Leases *(Continued)*

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for the lease held by the Group, which does not have recent third party financing; and
- Makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Notes to the Financial Statements

For the year ended 31 March 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.23 Leases *(Continued)*

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment.

2.24 Dividend distribution

Dividend distributions to owners of the Company are recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are declared by the directors in the case of interim and special dividends or approved by the Company's shareholders in the case of final dividends.

2.25 Government grants

Grants from governments are recognised at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions. The grants received are recognised as "Other income" in the Group's consolidated statement of profit or loss over the period in which the Group recognised as expenses the related costs for which the grants were intended to compensate. There are no unfulfilled conditions or other contingencies attaching to these grants.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

(a) Market risk

(i) Interest rate risk

The Group's cash balances are placed with authorised financial institutions, which generate interest income for the Group. They are exposed to the cash flow interest rate risk. The Group manages this risk by placing deposits at various maturities and interest rate terms.

The Group's bank borrowings are exposed to risk arising from changing interest rates. Bank borrowings at variable rates expose the Group to cash flow interest rate risk. The Group manages this risk by maintaining an appropriate mix of fixed and floating rate borrowings.

To evaluate the sensitivity of the Group's profit before income tax to possible changes in interest rates, the impact of an interest rate change was modeled on the floating rate of bank borrowings while all other variables were held constant. Based on these assumptions, a hypothetical increase of 1% per annum in interest rates would have increased the Group's loss before income tax for the year ended 31 March 2021 by approximately US\$321,000 (2020: decreased profit before income tax by approximately US\$181,000).

Notes to the Financial Statements

For the year ended 31 March 2021

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Market risk *(Continued)*

(ii) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RM, Canadian dollars ("CAD"), Hong Kong dollars ("HK\$") and US\$. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. At 31 March 2021, if US\$ had weakened/strengthened by 5% against RM with all other variables held constant, other comprehensive income for the year would have been approximately US\$7,216,000 (2020: US\$6,874,000) higher/lower, as a result of the foreign exchange difference on translation of RM denominated assets and liabilities.

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

For operations in Malaysia, most of the transactions are denominated in RM. The Group is closely monitoring the currency exchange risk of RM and is looking for any opportunities to mitigate the currency exchange risk of RM.

For operations in Canada, most of the transactions are denominated in CAD. No financial instruments were used for hedging purposes during the year. The Group is closely monitoring the currency exchange risk of CAD and will consider the use of financial instrument for hedging purposes, if necessary.

For operations in Hong Kong, most of the transactions are denominated in HK\$ and US\$. The exchange rate of US\$ against HK\$ is relatively stable and the related currency exchange risk is considered minimal.

(b) Credit risk

Credit risk is the risk of a loss resulting from the failure of one of the Group's counterparties to discharge its contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures in relation to such limits.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. It considers available reasonable and supportive forwarding-looking information. The Group makes periodic assessments on the recoverability of the receivables based on the background and reputation of the customers, historical settlement records, past experience and available, reasonable and supportive forwarding-looking information.

The provision for loss allowance is based on the payment profiles of trade receivables and trade receivable ageing.

Notes to the Financial Statements

For the year ended 31 March 2021

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk *(Continued)*

On that basis, the provision for loss allowances for trade receivables as at 31 March 2021 and 31 March 2020 are determined as follows:

	1–60 days	61–120 days	121–180 days	Over 180 days	Total
31 March 2021					
Expected loss rate	0.4%	1.3%	4.9%	57.8%	
Gross carrying amount — trade receivables (US\$'000)	10,899	2,976	829	3,726	18,430
Provision for loss allowance (US\$'000)	39	40	41	2,152	2,272
31 March 2020					
Expected loss rate	0.1%	0.1%	1.8%	63.1%	
Gross carrying amount — trade receivables (US\$'000)	11,819	5,631	1,423	2,857	21,730
Provision for loss allowance (US\$'000)	7	7	26	1,804	1,844

The credit quality of the other receivables has been assessed with reference to historical information about the counterparties default rates and financial position of the counterparties. The directors are of the opinion that the credit risk of other receivables is low due to the sound collection history of the receivables due from them. Therefore, expected credit loss rate of the other receivables is assessed to be immaterial.

The Group maintains cash and cash equivalents and short-term bank deposits with reputable financial institutions from which management believes the risk of loss to be remote. The management assesses the credit quality of outstanding cash and cash equivalents and short-term bank deposits balances as high and considers there is no individually significant exposure. Maximum exposure to credit risk at the reporting date is the carrying amount of the cash at banks.

Notes to the Financial Statements

For the year ended 31 March 2021

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) Liquidity risk

The liquidity risk of the Group is controlled by maintaining sufficient banking facilities and cash and cash equivalents, which are generated from the operating cash flows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Repayable on demand US\$'000	Within 1 year US\$'000	Later than 1 year but not later than 5 years US\$'000	Over 5 years US\$'000	Total US\$'000
Bank borrowings	31,778	327	–	–	32,105
Trade and other payables	–	14,422	–	–	14,422
Lease liabilities	–	900	528	–	1,428
As at 31 March 2021	31,778	15,649	528	–	47,955

	Repayable on demand US\$'000	Within 1 year US\$'000	Later than 1 year but not later than 5 years US\$'000	Over 5 years US\$'000	Total US\$'000
Bank borrowings	17,650	1,727	–	–	19,377
Trade and other payables	–	20,335	–	–	20,335
Lease liabilities	–	839	1,270	84	2,193
As at 31 March 2020	17,650	22,901	1,270	84	41,905

Notes to the Financial Statements

For the year ended 31 March 2021

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, repurchase shares, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debt over owners' equity. Net debt is calculated as total borrowings less short-term bank deposits and cash and cash equivalents. Owners' equity represents equity attributable to owners of the Company as shown in the consolidated statement of financial position.

During the year ended 31 March 2021, the Group's strategy was to maintain a net gearing ratio below 40% (2020: below 40%).

As at 31 March 2021, the Group's total amount of bank and other borrowings were less than cash and cash equivalents and short-term bank deposits, net gearing ratio was nil (2020: same).

3.3 Fair value estimation

For financial instruments that are measured at fair value, the Group classifies fair value measurements using a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The fair value hierarchy has the following levels:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 — Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's assets that are measured at fair value at 31 March 2021:

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Financial assets at fair value through profit or loss				
— Listed equity securities	1,213	—	—	1,213
— Unlisted club debenture	—	—	97	97
Financial assets at fair value through other comprehensive income				
— Listed equity securities	942	—	—	942
	2,155	—	97	2,252

Notes to the Financial Statements

For the year ended 31 March 2021

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

The following table presents the Group's assets that are measured at fair value at 31 March 2020:

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Financial assets at fair value through profit or loss				
— Listed equity securities	328	—	—	328
— Unlisted club debenture	—	—	97	97
Financial assets at fair value through other comprehensive income				
— Listed equity securities	1,267	—	—	1,267
	1,595	—	97	1,692

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the entity-specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

There was no transfer between level 1 and level 2 of the fair value hierarchy during the year. There was no change during the year attributable to level 3 of the fair value hierarchy.

Notes to the Financial Statements

For the year ended 31 March 2021

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and judgements concerning the future based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amount of a cash-generating unit ("CGU") is determined based on the higher of fair value less cost of disposal ("FVLCD") and value-in-use ("VIU") models. The methodologies are based upon a number of key estimates and other information, both internal and external, including (i) print advertising revenue growth rate; (ii) tour income growth rate; (iii) discount rate in VIU model; and (iv) estimation of market values of certain assets in FVLCD, which include referencing market transactions. These calculations require the use of estimates. Changing the assumptions selected by the Group to determine the level, if any, of impairment, including the discount rate or the growth rate assumptions, could significantly affect the Group's reported financial position and results of operations. The key assumptions used are set out in Note 17.

(b) Expected credit loss allowance for trade receivables

The loss allowances for trade receivables were based on assumptions about risk of default and expected loss rates. The Group used judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the past history of the Group, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the table in Note 3.1(b).

(c) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

(d) Deferred income tax assets

Management has considered future taxable income and on-going prudent and feasible tax planning strategies in assessing the recognition criteria for deferred income tax assets recorded in relation to cumulative tax loss carried forwards. The assumptions regarding future profitability of various subsidiaries and agreed tax losses with the tax authorities require significant judgement, and significant changes in these assumptions from period to period may have a material impact on the Group's reported financial condition and results of operations.

(e) Fair value of investment properties

Investment properties are stated at fair values which have been determined by accredited independent valuers. The best evidence of fair value is current prices in active market for the properties with similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. Details of the judgements and assumptions are disclosed in Note 19.

(f) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation for its property, plant and equipment. These estimates are based on the historical experience of the actual useful lives of the property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different from those previously estimated. It will also write off or write down non-strategic assets that have been abandoned or sold.

Notes to the Financial Statements

For the year ended 31 March 2021

5 TURNOVER AND SEGMENT INFORMATION

The Group Executive Committee is the Group's chief operating decision-maker. Management has determined the operating segments based on the reports that are reviewed and used by the Group Executive Committee for strategic decisions making.

The Group is organised operationally on a worldwide basis in four major operating segments:

Publishing and printing: Malaysia and other Southeast Asian countries

Publishing and printing: Hong Kong and Taiwan

Publishing and printing: North America

Travel and travel related services

Publishing and printing segments are engaged in the publication, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language. The segments derive revenue mainly from the provision of advertising services and sales of newspapers and magazines. Travel and travel related services segment derives revenue from the sales of travel packages and provision of tour services.

The Group Executive Committee assesses the performance of the operating segments based on a measure of segment profit/(loss) before income tax as presented in the internal financial report. Other information provided is measured in a manner consistent with that in the internal financial report.

Notes to the Financial Statements

For the year ended 31 March 2021

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The Group's turnover and results for the year ended 31 March 2021, analysed by operating segment, are as follows:

	Publishing and printing					
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
Turnover	71,726	37,025	6,800	115,551	128	115,679
Segment profit/(loss) before income tax	3,306	(1,287)	651	2,670	(3,427)	(757)
Other net unallocated expenses						(610)
Loss before income tax						(1,367)
Income tax expense						(546)
Loss for the year						(1,913)
Other segmental information:						
Interest income	971	5	35	1,011	17	1,028
Finance costs	(36)	(400)	–	(436)	(53)	(489)
Depreciation of property, plant and equipment	(4,884)	(1,190)	(164)	(6,238)	(792)	(7,030)
Amortisation of intangible assets	(798)	(86)	(8)	(892)	(4)	(896)
Provision for impairment of property, plant and equipment	–	–	–	–	(1,185)	(1,185)
Share of results of an associate and a joint venture	–	(8)	–	(8)	–	(8)

Notes to the Financial Statements

For the year ended 31 March 2021

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The Group's turnover and results for the year ended 31 March 2020, analysed by operating segment, are as follows:

	Publishing and printing				Travel and travel related services	Total
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000	US\$'000	US\$'000
Turnover	106,294	44,198	10,764	161,256	77,961	239,217
Segment profit/(loss) before income tax	12,447	(5,275)	(518)	6,654	3,397	10,051
Other net unallocated expenses						(768)
Profit before income tax						9,283
Income tax expense						(3,164)
Profit for the year						6,119
Other segmental information:						
Interest income	1,420	27	37	1,484	62	1,546
Finance costs	(15)	(634)	–	(649)	(53)	(702)
Depreciation of property, plant and equipment	(5,107)	(1,160)	(179)	(6,446)	(779)	(7,225)
Amortisation of intangible assets	(667)	(119)	(8)	(794)	(17)	(811)
Provision for impairment of property, plant and equipment	–	(100)	–	(100)	–	(100)
Provision for impairment of intangible assets	–	(11)	–	(11)	–	(11)

Notes to the Financial Statements

For the year ended 31 March 2021

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

Disaggregation of revenue

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

Turnover recognised during the year is disaggregated as follows:

	2021 US\$'000	2020 US\$'000
By major products or service lines		
Timing of revenue recognition		
At a point in time		
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	48,086	56,113
Travel and travel related services income	59	860
Over time		
Advertising income, net of trade discounts	67,465	105,143
Travel and travel related services income	69	77,101
	115,679	239,217

(i) Liabilities related to contracts with customers

	2021 US\$'000	2020 US\$'000
Contract liabilities related to publishing and printing segment	6,277	5,769
Contract liabilities related to travel and travel related services segment	883	3,120
Contract liabilities	7,160	8,889

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year.

	2021 US\$'000	2020 US\$'000
Revenue recognised in the current year that was included in the contract liabilities balance at the beginning of the year		
— publishing and printing segment	3,839	4,945
— travel and travel related services segment	29	12,406
	3,868	17,351

Notes to the Financial Statements

For the year ended 31 March 2021

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The segment assets and liabilities as at 31 March 2021 are as follows:

	Publishing and printing						
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Elimination US\$'000	Total US\$'000
Segment assets	161,408	49,845	10,625	221,878	10,895	(271)	232,502
Unallocated assets							1,129
Total assets							233,631
Total assets include:							
Investments accounted for using the equity method	–	31	–	31	–	–	31
Additions to non-current assets (other than deferred income tax assets)	387	137	52	576	10	–	586
Segment liabilities	(10,371)	(41,296)	(6,177)	(57,844)	(2,820)	271	(60,393)
Unallocated liabilities							(6,817)
Total liabilities							(67,210)

Notes to the Financial Statements

For the year ended 31 March 2021

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The segment assets and liabilities as at 31 March 2020 are as follows:

	Publishing and printing						
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Elimination US\$'000	Total US\$'000
Segment assets	158,529	35,575	10,688	204,792	17,854	(642)	222,004
Unallocated assets							1,107
Total assets							223,111
Total assets include:							
Additions to non-current assets (other than deferred income tax assets)	1,213	484	41	1,738	1,466	–	3,204
Segment liabilities	(12,458)	(28,872)	(6,063)	(47,393)	(6,126)	642	(52,877)
Unallocated liabilities							(7,436)
Total liabilities							(60,313)

The elimination between segments represents intercompany receivables and payables between segments.

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, investments accounted for using the equity method, financial assets at fair value through other comprehensive income, inventories, trade and other receivables, financial assets at fair value through profit or loss, short-term bank deposits, and cash and cash equivalents. They mainly exclude deferred income tax assets and income tax recoverable of the Group.

Segment liabilities consist primarily of trade and other payables, contract liabilities, bank and other borrowings, lease liabilities and other non-current liabilities. They mainly exclude deferred income tax liabilities and income tax liabilities of the Group.

Notes to the Financial Statements

For the year ended 31 March 2021

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

As at 31 March 2021 and 2020, the Group's total non-current assets, other than deferred income tax assets, analysed by operating countries, are as follows:

	2021 US\$'000	2020 US\$'000
Malaysia and other Southeast Asian countries	80,399	80,493
Hong Kong and Taiwan	12,516	16,015
Other countries	6,547	6,438
	99,462	102,946

6 OTHER INCOME

	2021 US\$'000	2020 US\$'000
Dividend income	117	152
Government grant and subsidies <i>(note)</i>	12,599	2,786
Interest income	1,028	1,546
Licence fee and royalty income	226	210
Other media-related income	1,205	1,724
Rental and management fee income	816	854
Scrap sales of old newspapers and magazines	1,050	1,836
Others	597	89
	17,638	9,197

Note: Government grant and subsidies included a grant amounted to US\$3,606,000 (2020: US\$2,786,000) from an overseas government for supporting the Group's operation of eligible publications and wage subsidies amounted to US\$8,758,000 (2020: nil) from governments in countries/jurisdiction in which the Group operates.

Notes to the Financial Statements

For the year ended 31 March 2021

7 OTHER GAINS/(LOSSES), NET

	2021 US\$'000	2020 US\$'000
Fair value gains on investment properties, net (<i>Note 19</i>)	2,141	189
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	415	(26)
Net exchange gains/(losses)	277	(309)
	2,833	(146)

8 OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging/(crediting) the following:

	2021 US\$'000	2020 US\$'000
Amortisation of intangible assets (<i>Note 20</i>)	896	811
Auditor's remuneration		
Audit services	562	510
Non-audit services	42	51
Depreciation of property, plant and equipment (<i>Note 17</i>)	7,030	7,225
Direct costs of travel and travel related services	122	65,947
Employee benefit expense (including directors' emoluments) (<i>Note 15</i>)	71,924	80,870
Expense relating to leases of low-value assets	117	153
Expense relating to short-term leases	187	389
Gains on disposal of property, plant and equipment, net (<i>Note 34(b)</i>)	(10)	(301)
Provision for impairment and write-off of inventories	232	185
Provision for impairment of property, plant and equipment (<i>Note 17</i>)	1,185	100
Provision for impairment of intangible assets (<i>Note 20</i>)	–	11
Raw materials and consumables used (<i>Note 24</i>)	18,162	31,947
Write-off of intangible assets (<i>Note 20</i>)	89	40

Notes to the Financial Statements

For the year ended 31 March 2021

9 FINANCE COSTS

	2021 US\$'000	2020 US\$'000
Interest expense on short-term bank borrowings	431	649
Interest expense on lease liabilities	58	53
	489	702

10 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profit derived from Hong Kong for the year. Income tax for the Group's Malaysian operations was calculated at the rate of 24% (2020: 24%) on the estimated assessable profit derived from Malaysia for the year. Taxation on other countries' profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

Income tax expense in the consolidated statement of profit or loss represents:

	2021 US\$'000	2020 US\$'000
Hong Kong taxation		
Current year	70	501
Over provision in prior years	(26)	(5)
Malaysian taxation		
Current year	1,692	3,893
(Over)/under provision in prior years	(277)	213
Other countries' taxation		
Current year (<i>note</i>)	(385)	(1,257)
Over provision in prior years	(41)	(4)
Deferred income tax credit	(487)	(177)
	546	3,164

Note: During the year ended 31 March 2021, certain overseas subsidiaries recognised tax refunds amounted to US\$411,000 from the local tax authorities for losses carryback (2020: an overseas subsidiary received a tax refund amounted to US\$1,620,000 from the local tax authority upon the successful application for a tax incentive scheme.)

Notes to the Financial Statements

For the year ended 31 March 2021

10 INCOME TAX EXPENSE *(Continued)*

Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:

	2021 US\$'000	2020 US\$'000
(Loss)/profit before income tax	(1,367)	9,283
Tax calculated at domestic tax rates applicable to profits in the respective countries	(299)	3,040
Tax effects of:		
Income not subject to tax	(909)	(281)
Expenses not deductible for tax purposes	278	499
Temporary differences not recognised	76	23
Tax losses not recognised	1,744	1,299
(Over)/under provision in prior years	(344)	204
Tax refund to an overseas subsidiary upon the successful application for a tax incentive scheme <i>(note)</i>	–	(1,620)
Income tax expense	546	3,164

11 (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	2021	2020
(Loss)/profit attributable to owners of the Company (US\$'000)	(1,303)	7,055
Weighted average number of ordinary shares in issue	1,687,236,241	1,687,236,241
Basic (loss)/earnings per share (US cents)	(0.08)	0.42
Diluted (loss)/earnings per share (US cents)	(0.08)	0.42

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as there were no dilutive potential shares in issue during the years ended 31 March 2021 and 2020.

Notes to the Financial Statements

For the year ended 31 March 2021

12 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2021 US\$'000
At 1 April 2020	–
Cost of investments	6
Loan to a joint venture	32
Share of results	(8)
Currency translation differences	1
At 31 March 2021	31

(i) Investment in a joint venture

	2021 US\$'000
At 1 April 2020	–
Cost of unlisted investment in a joint venture (<i>Note (a)</i>)	–*
Loan to a joint venture (<i>Note (b)</i>)	32
Share of results	(7)
Currency translation differences	1
At 31 March 2021	26

* negligible

Notes:

- (a) On 24 July 2020, the Group entered into an agreement with an independent third party to incorporate a joint venture, Searching B Company Limited for HK\$50 (equivalent to approximately US\$6) and the transaction was completed during the year. The Group accounted for the investment in Searching B Company Limited as a joint venture, as unanimous consent is required for decisions of relevant activities according to the agreement.
- (b) The loan to a joint venture is unsecured, has no fixed terms of repayment and is interest free.

Set out below are details of the joint venture as at 31 March 2021.

Name of joint venture	Place of incorporation	Effective equity interest	Principal activities	Measurement method
Searching B Company Limited	Hong Kong	36.51%	Operation of a content-driven and data-driven e-commerce platform focusing on beauty-related products	Equity

Note: Searching B Company Limited is a private company with no quoted market price available for its shares. There is no commitment and contingent liability relating to the Group's interest in the joint venture.

Notes to the Financial Statements

For the year ended 31 March 2021

12 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *(Continued)*

(ii) Investment in an associate

	2021 US\$'000
At 1 April 2020	
Cost of unlisted investment in an associate	–
Share of results	6
	(1)
At 31 March 2021	5

Set out below are details of the associate invested during the year ended 31 March 2021.

Name of associate	Place of incorporation	Effective equity interest	Principal activities	Measurement method
News Network Advertising Company Limited	Hong Kong	25%	Provision of online advertising services	Equity

Notes:

- (a) On 8 September 2020, the Group entered into an agreement with three independent third parties to incorporate an associate, News Network Advertising Company Limited.
- (b) The Group has another associate company namely "ByRead Inc." which was incorporated in the Cayman Islands and is currently under dissolution. There were no carrying amounts in both years after equity accounted for the losses of ByRead Inc..

Notes to the Financial Statements

For the year ended 31 March 2021

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(a) Classification of financial assets at fair value through other comprehensive income

These comprise listed equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

(b) Equity investments at fair value through other comprehensive income

	2021 US\$'000	2020 US\$'000
At 1 April	1,267	3,044
Disposal (note (b))	(1,590)	–
Fair value gains/(losses) recognised in other comprehensive income	1,267	(1,813)
Currency translation differences	(2)	36
At 31 March (note (a))	942	1,267

Notes:

- (a) The balance represents the fair value of the ordinary shares of Most Kwai Chung Limited which are listed on the Main Board of the Hong Kong Stock Exchange. Dividends from the above equity investments held at FVOCI totaling US\$74,000 (2020: US\$135,000) were recognised in the consolidated statement of profit or loss.
- (b) During the year ended 31 March 2021, the Group sold some of the securities at a total consideration of approximately US\$1,590,000 based on market prices on disposal dates. The positive fair value change for disposed securities together with the fair value change for unsold securities were included in the fair value gain recognised in other comprehensive income which amounted to approximately US\$1,267,000. Upon disposals, a total amount of approximately US\$228,000 was transferred from the financial assets at fair value through other comprehensive income reserve to retained earnings in the consolidated statement of changes in equity.

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For the year ended 31 March 2021

14 DIVIDENDS

	2021 US\$'000	2020 US\$'000
Dividends attributable to the year:		
Interim, declared after the end of the reporting period of US0.10 cents (2019/20: US0.16 cents, paid) per ordinary share	1,687	2,700
Second interim, Nil (2019/20: US0.10 cents, declared after the end of the reporting period) per ordinary share	–	1,687
	1,687	4,387
Dividends paid during the year:		
Second interim, 2019/20, US0.10 cents (2018/19: US0.10 cents) per ordinary share (<i>note</i>)	1,687	1,687
Interim, 2020/21, Nil (2019/20: US0.16 cents) per ordinary share	–	2,700
	1,687	4,387

The Board of Directors has declared an interim dividend of US0.10 cents (2019/20: US0.26 cents) per ordinary share in respect of the year ended 31 March 2021. The dividend will be payable on 8 July 2021 to shareholders whose names appear on the register of members of the Company at the close of business on 21 June 2021 in cash in RM or in Hong Kong Dollar ("HK\$") at the average exchange rates used during the year ended 31 March 2021 for the translation of the results of the subsidiaries whose functional currencies are not US\$. No tax is payable on the dividend declared by the Company to be received by shareholders in Malaysia as it is income from foreign source in accordance with paragraph 28 of Schedule 6 of Malaysian Income Tax Act 1967. This interim dividend has not been recognised as a dividend payable in these consolidated financial statements.

The average exchange rates used during the year ended 31 March 2021 of US\$ to RM and US\$ to HK\$, and the amount of the interim dividend payable are as follows:

	Exchange rates	Dividend per ordinary share
US\$ to RM	4.1741	0.417 sen
US\$ to HK\$	7.7503	HK0.775 cents

Note: The second interim dividend of US0.10 cents per ordinary share, totaling US\$1,687,000, in respect of the year ended 31 March 2020, was paid on 13 July 2020.

Notes to the Financial Statements

For the year ended 31 March 2021

15 EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	2021 US\$'000	2020 US\$'000
Wages and salaries	59,626	65,348
Pension costs — defined contribution plans	5,557	6,088
Pension costs — defined benefit plans (Note 30(b))	(191)	138
Retirement benefit obligations (Note 29)	25	80
Unutilised annual leave	(430)	(34)
Other staff costs	7,337	9,250
	71,924	80,870

16 BENEFITS AND INTERESTS OF DIRECTORS

(a) The remuneration of every director and chief executive for the years ended 31 March 2021 and 2020 is set out below:

Name of Director	Fees US\$'000	Salaries US\$'000	Bonuses US\$'000	Cash allowance US\$'000	Other benefits in kind US\$'000 (note (ii))	Employer's contributions to pension schemes US\$'000	Total US\$'000
Non-executive Chairman and non-executive director							
Dato' Sri Dr TIONG Ik King	39	—	—	1	—	—	40
Group Chief Executive Officer and executive director							
Mr TIONG Kiew Chiong (note (ii))	17	339	12	—	38	36	442
Executive directors							
Ms TIONG Choon (note (iii))	74	—	—	—	—	—	74
Mr LEONG Chew Meng	—	152	11	—	3	26	192
Independent non-executive directors							
Mr YU Hon To, David (note (iv))	54	—	—	—	—	—	54
Datuk CHONG Kee Yuen	21	—	—	1	—	—	22
Mr KHOO Kar Khoon	21	—	—	1	—	—	22
Total for the year ended 31 March 2021	226	491	23	3	41	62	846

Notes to the Financial Statements

For the year ended 31 March 2021

16 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) (Continued)

Name of Director	Fees US\$'000	Salaries US\$'000	Bonuses US\$'000	Cash allowance US\$'000	Other benefits in kind US\$'000 (note (i))	Employer's contributions to pension schemes US\$'000	Total US\$'000
Non-executive Chairman and non-executive director							
Dato' Sri Dr TIONG Ik King	38	–	–	1	–	–	39
Group Chief Executive Officer and executive director							
Mr TIONG Kiew Chiong (note (iii))	17	338	29	–	46	39	469
Executive directors							
Ms TIONG Choon (note (iii))	75	–	–	–	–	–	75
Mr LEONG Chew Meng	–	153	23	–	3	27	206
Independent non-executive directors							
Mr YU Hon To, David (note (iv))	54	–	–	–	–	–	54
Datuk CHONG Kee Yuon	21	–	–	1	–	–	22
Mr KHOO Kar Khoon	21	–	–	1	–	–	22
Total for the year ended 31 March 2020	226	491	52	3	49	66	887

Notes:

- (i) Other benefits in kind included housing, use of company cars, air tickets for home trips, insurance coverage and club membership.
- (ii) The remuneration of Mr TIONG Kiew Chiong included his fee as an executive director of One Media in the amount of US\$17,000 (2020: US\$17,000).
- (iii) The remuneration of Ms TIONG Choon included her fee as a non-executive director of One Media in the amount of US\$17,000 (2020: US\$17,000).
- (iv) The director's fee for Mr YU Hon To, David included his fee as an independent non-executive director of One Media in the amount of US\$23,000 (2020: US\$23,000).
- (v) No director waived any emoluments and no emoluments were paid to the directors as an inducement fee to join or as compensation for loss of office during the years ended 31 March 2021 and 2020.

(b) Directors' retirement and termination benefits

No retirement and termination benefits were paid to or receivable by any director during the years ended 31 March 2021 and 2020 in respect of services as a director of the Company and its subsidiary undertakings or in respect of other services in connection with the management of the affairs of the Company or its subsidiary undertakings.

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For the year ended 31 March 2021

16 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(c) Consideration provided to third parties for making available directors' services

No consideration was provided to or receivable by third parties for making available directors' services during the years ended 31 March 2021 and 2020.

(d) Information about loans, quasi-loans and other dealings entered into by the Company and its subsidiary undertakings, where applicable, in favour of the directors

There were no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected parties during the years ended 31 March 2021 and 2020.

(e) Directors' material interests in transactions, arrangements or contracts

There were no significant transactions, arrangements and contracts in relation to the Group's business to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 March 2021 and 2020.

(f) The 5 highest paid individuals during the year included 2 (2020: 1) executive directors whose emoluments are reflected in the analysis presented in (a). The emoluments paid to the remaining 3 (2020: 4) individuals during the year are as follows:

	2021 US\$'000	2020 US\$'000
Fees	17	17
Salaries	599	946
Bonuses	15	94
Other benefits in kind	3	1
Employer's contributions to pension schemes	11	9
	645	1,067

The emoluments of the 3 (2020: 4) individuals fall within the following bands:

	Number of individuals	
	2021	2020
From US\$128,989 to US\$193,483 (equivalent to HK\$1,000,001 to HK\$1,500,000)	2	–
From US\$193,484 to US\$257,978 (equivalent to HK\$1,500,001 to HK\$2,000,000)	–	2
From US\$257,979 to US\$322,472 (equivalent to HK\$2,000,001 to HK\$2,500,000)	1	2
	3	4

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17 PROPERTY, PLANT AND EQUIPMENT

	Properties							Leasehold improvements, furniture, fixtures and office equipment			Machinery and printing equipment	Motor vehicles	Right-of-use assets	Construction-in-progress	Total	
	Freehold land and buildings outside Hong Kong	Long-term leasehold land outside Hong Kong	Long-term buildings outside Hong Kong	Medium-term leasehold land in Hong Kong	Medium-term buildings in Hong Kong	Medium-term leasehold land outside Hong Kong	Medium-term buildings outside Hong Kong	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		(note(d))		(note(d))		(note(d))										
At 31 March 2019																
Cost	21,343	1,823	4,373	15,194	8,680	12,904	21,374	32,588	80,678	2,034	–	525	201,516			
Accumulated depreciation and impairment provision	(3,541)	(309)	(1,135)	(7,354)	(5,492)	(3,400)	(13,651)	(28,269)	(57,474)	(1,682)	–	–	(122,307)			
Net book amount	17,802	1,514	3,238	7,840	3,188	9,504	7,723	4,319	23,204	352	–	525	79,209			
Year ended 31 March 2020																
Opening net book amount	17,802	1,514	3,238	7,840	3,188	9,504	7,723	4,319	23,204	352	–	525	79,209			
Adjustment for change in accounting policy	–	(1,514)	–	(7,840)	–	(9,504)	–	–	–	–	20,167	–	1,309			
Net book amount at 1 April 2019	17,802	–	3,238	–	3,188	–	7,723	4,319	23,204	352	20,167	525	80,518			
Additions	–	–	–	–	–	–	–	667	31	58	1,592	23	2,371			
Currency translation differences	(870)	–	(165)	–	37	–	(360)	(145)	(1,040)	(15)	(469)	(13)	(3,040)			
Reclassification to investment properties	(901)	–	–	–	–	–	(668)	–	–	–	(153)	–	(1,722)			
Reclassification to intangible assets	–	–	–	–	–	–	–	–	–	–	–	(513)	(513)			
Revaluation upon transfer to investment properties	376	–	–	–	–	–	118	–	–	–	124	–	618			
Provision for impairment of property, plant and equipment	–	–	–	–	–	–	–	(100)	–	–	–	–	(100)			
Disposals	(118)	–	–	–	–	–	(15)	(33)	(2)	(70)	–	–	(238)			
Depreciation (note (a))	(266)	–	(137)	–	(241)	–	(911)	(1,231)	(3,034)	(107)	(1,298)	–	(7,225)			
Closing net book amount	16,023	–	2,936	–	2,984	–	5,887	3,477	19,159	218	19,963	22	70,669			
At 31 March 2020																
Cost	19,483	–	4,143	–	8,788	–	19,479	31,368	77,715	1,650	32,171	22	194,819			
Accumulated depreciation and impairment provision	(3,460)	–	(1,207)	–	(5,804)	–	(13,592)	(27,891)	(58,556)	(1,432)	(12,208)	–	(124,150)			
Net book amount	16,023	–	2,936	–	2,984	–	5,887	3,477	19,159	218	19,963	22	70,669			
Year ended 31 March 2021																
Opening net book amount	16,023	–	2,936	–	2,984	–	5,887	3,477	19,159	218	19,963	22	70,669			
Additions	–	–	–	–	–	–	–	479	12	–	–	47	538			
Currency translation differences	727	–	114	–	(7)	–	232	107	750	7	402	2	2,334			
Lease modification	–	–	–	–	–	–	–	–	–	–	(90)	–	(90)			
Provision for impairment of property, plant and equipment	–	–	–	–	–	–	–	–	–	–	(1,185)	–	(1,185)			
Disposals	–	–	–	–	–	–	–	(13)	(3)	(2)	–	–	(18)			
Depreciation (note (a))	(251)	–	(127)	–	(244)	–	(834)	(1,084)	(3,015)	(90)	(1,385)	–	(7,030)			
Closing net book amount	16,499	–	2,923	–	2,733	–	5,285	2,966	16,903	133	17,705	71	65,218			
At 31 March 2021																
Cost	20,416	–	4,309	–	8,765	–	20,264	32,447	80,555	1,645	32,619	71	201,091			
Accumulated depreciation and impairment provision	(3,917)	–	(1,386)	–	(6,032)	–	(14,979)	(29,481)	(63,652)	(1,512)	(14,914)	–	(135,873)			
Net book amount	16,499	–	2,923	–	2,733	–	5,285	2,966	16,903	133	17,705	71	65,218			

Notes to the Financial Statements

For the year ended 31 March 2021

17 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Notes:

- (a) Depreciation expense of US\$3,015,000 (2020: US\$3,034,000) was included in "Cost of goods sold" and US\$4,015,000 (2020: US\$4,191,000) was included in "Other operating expenses" in the consolidated statement of profit or loss.
- (b) As at 31 March 2021, properties with carrying value of US\$4,707,000 (2020: US\$2,943,000) were pledged as security for the Group's borrowings (Note 35).
- (c) Total property, plant and equipment amounting to US\$1,219,000 attributable to several CGUs with impairment indicators identified were subject to impairment assessment. The results of the impairment assessments revealed that, except for an impairment of US\$1,185,000 which was required to be recognised for certain CGUs, no further impairment charge was necessary for the current year. The recoverable amounts of those CGU were determined based on value-in-use calculations and the discount rates used by management in the discounted cash flows ("DCF") under VIU model related to the impaired CGU ranged from 14.5% to 15.5%.
- (d) From 1 April 2019, right-of-use assets included long-term leasehold land outside Hong Kong, medium-term leasehold land in Hong Kong and medium-term leasehold land outside Hong Kong.

18 LEASES

(a) Amounts recognised in the consolidated statement of financial position

	Note	2021 US\$'000	2020 US\$'000
Right-of-use assets			
Leasehold land		17,637	17,804
Properties		68	2,159
		17,705	19,963
Lease liabilities — Properties			
Current		870	839
Non-current		501	1,354
	23	1,371	2,193

Additions to right-of-use assets during the year ended 31 March 2021 were nil (2020: US\$1,592,000) (Note 17).

(b) Amounts recognised in the consolidated statement of profit or loss

The consolidated statement of profit or loss included the following amounts relating to leases:

	2021 US\$'000	2020 US\$'000
Depreciation of right-of-use assets — leasehold land	550	552
Depreciation of right-of-use assets — Properties	835	746
Interest expense on lease liabilities	58	53
Expense relating to short-term leases	187	389
Expense relating to leases of low-value assets	117	153

The total cash outflow for leases during the year ended 31 March 2021 was US\$1,111,000 (2020: US\$1,301,000).

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For the year ended 31 March 2021

18 LEASES (Continued)

(b) Amounts recognised in the consolidated statement of profit or loss (Continued)

The Group's leasing activities and how these are accounted for

The Group leases various properties and equipment. Rental contracts are typically made for fixed periods of 1 to 10 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

19 INVESTMENT PROPERTIES

	2021 US\$'000	2020 US\$'000
At 1 April	21,864	20,913
Reclassification from property, plant and equipment	–	1,722
Fair value gains on investment properties, net (Note 7)	2,141	189
Currency translation differences	706	(960)
At 31 March	24,711	21,864

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

	2021 US\$'000	2020 US\$'000
In Malaysia, held on:		
Freehold	5,565	5,349
Leases of over 50 years	5,007	4,813
Leases of between 10 to 50 years	10,239	7,802
	20,811	17,964
In United States ("USA"), held on:		
Freehold	3,900	3,900
	24,711	21,864

Fair value hierarchy

Description	Fair value measurements at 31 March 2021 using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	US\$'000	US\$'000	US\$'000
Recurring fair value measurements			
Malaysia	–	20,811	–
USA	–	–	3,900

Notes to the Financial Statements

For the year ended 31 March 2021

19 INVESTMENT PROPERTIES (Continued)

Fair value hierarchy (Continued)

Description	Fair value measurements at 31 March 2020 using		
	Quoted prices in	Significant other	Significant
	active markets for	observable inputs	unobservable inputs
	identical assets (Level 1) US\$'000	(Level 2) US\$'000	(Level 3) US\$'000
Recurring fair value measurements			
Malaysia	—	17,964	—
USA	—	—	3,900

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

Valuation processes and techniques

Independent valuations were performed by Raine & Horne International Zaki + Partners Sdn Bhd and Betsy Mak Appraisal Group LLC to determine the fair values of the Group's investment properties as at 31 March 2021 and 2020. The revaluation gains or losses were included in 'Other gains/(losses), net' in the consolidated statement of profit or loss (Note 7).

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

For the property in the USA, the valuation was determined using income capitalisation approach and sales comparison approach based on significant unobservable inputs. These inputs included:

Future rental cash inflows	—	Based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts and external evidence such as current market rents for similar properties;
Estimated vacancy rates	—	Based on current and expected future market conditions after expiry of any current lease;
Maintenance costs	—	Including necessary investments to maintain functionality of the property for its expected useful life;
Capitalisation rates	—	Based on actual location, size and quality of the properties and taking into account market data at the valuation date.

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19 INVESTMENT PROPERTIES *(Continued)*

Valuation processes and techniques *(Continued)*

Information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value at 31 March 2021 US\$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Commercial building — USA	3,900	Income capitalisation approach and sales comparison approach	Rental value	US\$273,284 per annum (2020: US\$283,800 per annum)	The higher the rental value, the higher the fair value
			Capitalisation rate	4.75% (2020: 4.75%)	The higher the capitalisation rate, the lower the fair value
			Vacancy rate	3%–6% (2020: 2%–4%)	The higher the vacancy rate, the lower the fair value
			Estimated expenses	US\$25.07 per square foot (2020: US\$25.95 per square foot)	The higher the estimated expenses, the lower the fair value

There are inter-relationships between the unobservable inputs. Estimated vacancy rates may impact the yield, with higher vacancy rates resulting in lower yields. An increase in future rental income may be linked with higher expenses. If the remaining lease term increases, the yield may decrease.

The following amounts have been recognised in the consolidated statement of profit or loss:

	2021 US\$'000	2020 US\$'000
Rental income	718	745
Direct operating expenses arising from investment properties that generated rental income	(186)	(180)
	532	565

The investment properties are leased to tenants under operating leases with rental payable monthly.

The Group has future aggregate minimum lease payments receivables under non-cancellable operating leases as follows:

	2021 US\$'000	2020 US\$'000
No later than one year	46	317
Later than one year and no later than five years	20	95
	66	412

Notes to the Financial Statements

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19 INVESTMENT PROPERTIES (Continued)

Particulars of the Group's investment properties at fair values as at 31 March 2021 and 2020 are as follows:

	Location	Tenure/ Expiry of lease	Uses	2021 US\$'000	2020 US\$'000
1	No. 25, Rawang Integrated Industrial Park, Jalan Batu Arang, 48000 Rawang, Selangor Darul Ehsan, Malaysia	Freehold	Office building and single storey factory building	4,584	4,405
2	No. 37-06, Prince Street, Flushing NY 11354, USA	Freehold	Commercial building	3,900	3,900
3	No. 9, Jalan Dewani, Kawasan Perindustrian Dewani, 81200 Johor Bahru, Johor Darul Takzim	Freehold	Single storey detached factory with a mezzanine floor	904	869
4	PT12917 HS(D) 103390 (Ground Floor), Putra Indah A, Putra Nilai, 71800 Nilai, Negeri Sembilan Darul Khusus, Malaysia	Freehold	Commercial building	65	63
5	V5-09-05, Block 5, Sri Palma Villa, Jalan KL-Seremban, Bandar University, Teknologi Lagenda, 71700 Mantin, Negeri Sembilan Darul Khusus, Malaysia	Freehold	Residential building (1 unit of service apartment)	13	12
6	No. 3, Lorong Kilang F, Kolombong, 88450 Kota Kinabalu, Sabah, Malaysia	Leasehold/2920	Office building	1,905	1,831
7	Lot 22, Jalan Sultan Mohamed 4, Taman Perindustrian Bandar Sultan Sulaiman, 42000 Pelabuhan Klang Utara, Selangor Darul Ehsan, Malaysia	Leasehold/2105	Warehouse	2,822	2,713
8	AR09-F3A0, Ara Ria 09, Jalan UTL 9, Bandar University Teknologi Lagenda, 71700 Mantin, Negeri Sembilan Darul Khusus, Malaysia	Leasehold/2099	Residential building	14	14
9	59-1-2, Jalan TMR 2, Taman Melaka Raya, 75000 Melaka, Malaysia	Leasehold/2094	Commercial building	265	255
10	No. 76, Jalan Prof Diraja Ungku Aziz, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Leasehold/2063	Office building	4,824	2,574
11	19, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Leasehold/2059	Office, factory building and warehouse	4,614	4,435
12	No. 11, Persiaran Sri Rapat, Off Jalan Lapangan Terbang, 31350 Ipoh, Perak Darul Ridzuan	Leasehold/2039	Single storey detached factory	801	793
				24,711	21,864

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20 INTANGIBLE ASSETS

	Archives, mastheads and publishing rights US\$'000	Computer softwares US\$'000	Broadcast licence US\$'000	Sub-total US\$'000	Goodwill US\$'000 (note (b))	Total US\$'000
At 1 April 2019						
Cost	22,356	7,016	136	29,508	52,202	81,710
Accumulated amortisation and impairment provision	(14,505)	(5,726)	(136)	(20,367)	(52,202)	(72,569)
Net book amount	7,851	1,290	–	9,141	–	9,141
Year ended 31 March 2020						
Opening net book amount	7,851	1,290	–	9,141	–	9,141
Additions	–	833	–	833	–	833
Reclassification from property, plant and equipment	–	513	–	513	–	513
Write-off of intangible assets	–	(40)	–	(40)	–	(40)
Amortisation expense (note (a))	(364)	(447)	–	(811)	–	(811)
Provision for impairment of intangible assets	–	(11)	–	(11)	–	(11)
Currency translation differences	(398)	(81)	–	(479)	–	(479)
Closing net book amount	7,089	2,057	–	9,146	–	9,146
At 31 March 2020						
Cost	21,523	8,055	138	29,716	49,679	79,395
Accumulated amortisation and impairment provision	(14,434)	(5,998)	(138)	(20,570)	(49,679)	(70,249)
Net book amount	7,089	2,057	–	9,146	–	9,146
Year ended 31 March 2021						
Opening net book amount	7,089	2,057	–	9,146	–	9,146
Additions	–	48	–	48	–	48
Amortisation expense (note (a))	(357)	(539)	–	(896)	–	(896)
Write-off of intangible assets	(89)	–	–	(89)	–	(89)
Currency translation differences	279	72	–	351	–	351
Closing net book amount	6,922	1,638	–	8,560	–	8,560
At 31 March 2021						
Cost	22,139	8,384	137	30,660	51,522	82,182
Accumulated amortisation and impairment provision	(15,217)	(6,746)	(137)	(22,100)	(51,522)	(73,622)
Net book amount	6,922	1,638	–	8,560	–	8,560

Notes to the Financial Statements

For the year ended 31 March 2021

20 INTANGIBLE ASSETS (Continued)

Notes:

- (a) Amortisation expense of US\$896,000 (2020: US\$811,000) is included in "Other operating expenses" in the consolidated statement of profit or loss.
- (b) Goodwill acquired through business combination is allocated to cash-generating units ("CGUs"), including Sin Chew Media Corporation Berhad ("SCMC"), Mulu Press Sdn Bhd and Sinchew-i Sdn Bhd. The allocation is made to those CGUs that are expected to benefit from the business combination.

Goodwill of US\$49,018,000 was recognised as at 31 March 2008, as a result of 506,667,259 ordinary shares of HK\$0.1 each being deemed to have been issued on 31 March 2008 for the acquisition of certain equity interest in SCMC from its non-controlling shareholders.

During the year ended 31 March 2019, management performed annual goodwill impairment assessment on SCMC CGU. The recoverable amount was determined based on the income approach and discounted cash flows projections approved by management covering a five-year period. Based on the annual goodwill impairment assessment, the carrying amounts of goodwill were fully impaired.

21 DEFERRED INCOME TAX

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

	2021 US\$'000	2020 US\$'000
Deferred income tax assets:		
to be recovered within 12 months	(4)	(6)
to be recovered after 12 months	(90)	(114)
	(94)	(120)
Deferred income tax liabilities:		
to be settled within 12 months	518	603
to be settled after 12 months	4,631	4,930
	5,149	5,533
Deferred income tax liabilities, net	5,055	5,413

Movements in net deferred income tax liabilities are as follows:

	2021 US\$'000	2020 US\$'000
At 1 April	5,413	5,743
Credited to the consolidated statement of profit or loss	(487)	(177)
Currency translation differences	129	(153)
At 31 March	5,055	5,413

Notes to the Financial Statements

For the year ended 31 March 2021

21 DEFERRED INCOME TAX *(Continued)*

The components of deferred income tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements (prior to offsetting of the balances within the same tax jurisdiction) during the year are as follows:

	Accelerated tax depreciation US\$'000	Provision for impairment and write-off of trade and other receivables US\$'000	Provision for employee benefits and other liabilities US\$'000	Decelerated tax depreciation US\$'000	Revaluation on other properties US\$'000	Deferred revenue US\$'000	Total US\$'000
At 1 April 2019	6,526	(44)	(1,103)	(22)	822	(436)	5,743
(Credited)/charged to the consolidated statement of profit or loss	(535)	42	8	(1)	143	166	(177)
Currency translation differences	(206)	2	58	–	(24)	17	(153)
At 31 March 2020	5,785	–	(1,037)	(23)	941	(253)	5,413
At 1 April 2020	5,785	–	(1,037)	(23)	941	(253)	5,413
(Credited)/charged to the consolidated statement of profit or loss	(702)	–	(4)	2	213	4	(487)
Currency translation differences	164	–	(41)	–	17	(11)	129
At 31 March 2021	5,247	–	(1,082)	(21)	1,171	(260)	5,055

Deferred income tax assets are recognised for tax loss carried-forwards to the extent that the realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of US\$89,988,000 (2020: US\$83,104,000) to be carried forward to offset against future taxable income. Losses amounting to US\$24,346,000 (2020: US\$21,012,000) will expire within 5 years. Losses amounting to US\$21,573,000 (2020: US\$24,367,000) will expire between 6 and 20 years. The remaining tax losses amounting to US\$44,069,000 (2020: US\$37,725,000) have no expiry date.

Notes to the Financial Statements

For the year ended 31 March 2021

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Classification of financial assets at fair value through profit or loss

Financial assets mandatorily measured at FVPL include the following:

	2021 US\$'000	2020 US\$'000
Listed equity securities in Hong Kong, at market value (<i>note</i>)	–	328
Listed equity securities in Malaysia, at market value (<i>note</i>)	1,213	–
Unlisted club debenture	97	97
	1,310	425

Note:

The listed equity securities were designated as financial assets at fair value through profit or loss at inception. The fair values of the listed equity securities were based on their current bid prices in an active market.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets at fair value through profit or loss.

(b) Amounts recognised in profit or loss

During the year, the following net gains/(losses) were recognised in profit or loss:

	2021 US\$'000	2020 US\$'000
Fair value gains/(losses) on financial assets at FVPL recognised in "Other gains/(losses), net" (<i>Note 7</i>)	415	(26)

Notes to the Financial Statements

For the year ended 31 March 2021

23 FINANCIAL INSTRUMENTS BY CATEGORY

Assets	Financial assets at amortised cost US\$'000	Financial assets at fair value through profit or loss US\$'000	Financial assets at fair value through other comprehensive income US\$'000	Total US\$'000
Financial assets at fair value through other comprehensive income	–	–	942	942
Trade and other receivables excluding prepayments	18,525	–	–	18,525
Financial assets at fair value through profit or loss	–	1,310	–	1,310
Short-term bank deposits	25,252	–	–	25,252
Cash and cash equivalents	69,181	–	–	69,181
At 31 March 2021	112,958	1,310	942	115,210

Financial assets at fair value through other comprehensive income	–	–	1,267	1,267
Trade and other receivables excluding prepayments	21,997	–	–	21,997
Financial assets at fair value through profit or loss	–	425	–	425
Short-term bank deposits	13,430	–	–	13,430
Cash and cash equivalents	60,452	–	–	60,452
At 31 March 2020	95,879	425	1,267	97,571

Liabilities	Financial liabilities at amortised cost 2021 US\$'000	2020 US\$'000
Bank and other borrowings	32,104	19,362
Trade and other payables excluding non-financial liabilities	14,422	17,470
Lease liabilities	1,371	2,193
	47,897	39,025

Notes to the Financial Statements

For the year ended 31 March 2021

24 INVENTORIES

	2021 US\$'000	2020 US\$'000
Raw materials and consumables	16,021	19,075
Finished goods	975	964
	16,996	20,039

Raw materials and consumables recognised as expenses and included in "Cost of goods sold" amounted to US\$18,162,000 (2020: US\$31,947,000).

25 TRADE AND OTHER RECEIVABLES

	2021 US\$'000	2020 US\$'000
Trade receivables (<i>note</i>)	18,430	21,730
Less: provision for loss allowance of trade receivables	(2,272)	(1,844)
Trade receivables, net	16,158	19,886
Deposits and prepayments	2,692	4,157
Other receivables	1,572	1,209
	20,422	25,252

As at 31 March 2021 and 2020, the fair values of trade and other receivables approximated the carrying amounts.

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

As at 31 March 2021 and 2020, the ageing analysis of the trade receivables (including amounts due from related parties of trading in nature) based on invoice date is as follows:

	2021 US\$'000	2020 US\$'000
1 to 60 days	10,899	11,819
61 to 120 days	2,976	5,631
121 to 180 days	829	1,423
Over 180 days	3,726	2,857
	18,430	21,730

Notes to the Financial Statements

For the year ended 31 March 2021

25 TRADE AND OTHER RECEIVABLES (Continued)

Note: (Continued)

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

	2021 US\$'000	2020 US\$'000
RM	8,662	12,562
HK\$	7,347	6,267
CAD	1,308	1,645
US\$	890	992
Other currencies	223	264
	18,430	21,730

The Group has trade receivables from customers engaged in various industries and which are not concentrated in any specific geographical area. Credit risk concentration with respect to trade receivables is mitigated by the Group's large customer base.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers are monitored on an ongoing basis to reduce the Group's exposure to bad debts. The credit period for trade receivables, depending on the business area, ranges from 7 days to 120 days.

During the year ended 31 March 2021, the Group has recognised a net loss of US\$387,000 (2020: US\$115,000) for the loss allowance of its trade receivables and directly written off an amount of US\$131,000 (2020: written off US\$364,000). The individually impaired receivables mainly related to customers that were in unexpected difficult financial situations. These are included in "Selling and distribution expenses" in the consolidated statement of profit or loss.

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

	2021 US\$'000	2020 US\$'000
At 1 April	1,844	2,068
Net provision for loss allowance	387	115
Receivables written off against allowance	(21)	(273)
Currency translation differences	62	(66)
At 31 March	2,272	1,844

The creation and release of provision for loss allowance of trade receivables have been included in "Selling and distribution expenses" in the consolidated statement of profit or loss. Amounts in the allowance account are generally utilised to write off receivables when there is no expectation of further recovery.

The Group holds deposits and bank guarantees of US\$687,000 (2020: US\$1,387,000) and US\$1,603,000 (2020: US\$3,700,000) respectively provided by the customers as security for certain trade receivables with a carrying amount of US\$2,960,000 (2020: US\$3,980,000). Other than that, the Group does not hold any collateral as security.

The maximum exposure to credit risk at the reporting date is the carrying amounts of each class of receivables mentioned above.

Notes to the Financial Statements

For the year ended 31 March 2021

26 CASH AND CASH EQUIVALENTS AND SHORT-TERM BANK DEPOSITS

	2021 US\$'000	2020 US\$'000
Cash at bank and on hand	46,282	31,475
Short-term bank deposits (maturity date within 3 months)		
— pledged	411	387
— non-pledged	22,488	28,590
Cash and cash equivalents	69,181	60,452
Short-term bank deposits (maturity date over 3 months)		
— pledged	131	129
— non-pledged	25,121	13,301
	25,252	13,430
	94,433	73,882
Maximum credit risk exposure	94,281	73,730

The carrying amounts of the cash and cash equivalents and short-term bank deposits were denominated in the following currencies:

	2021 US\$'000	2020 US\$'000
RM	53,333	46,477
HK\$	28,172	15,775
US\$	8,568	5,770
CAD	2,937	3,734
Other currencies	1,423	2,126
	94,433	73,882

The effective interest rates on short-term bank deposits ranged from 0.89% to 2.15% per annum during the year ended 31 March 2021 (2020: 1.43% to 7.00%); the maturity dates of these deposits ranged from 1 to 365 days (2020: 7 to 365 days).

Notes to the Financial Statements

For the year ended 31 March 2021

27 TRADE AND OTHER PAYABLES

	2021 US\$'000	2020 US\$'000
Trade payables (<i>note</i>)	4,825	5,419
Accrued charges and other payables	15,392	16,909
	20,217	22,328

As at 31 March 2021 and 2020, the fair values of trade and other payables approximated the carrying amounts.

Note: As at 31 March 2021 and 2020, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	2021 US\$'000	2020 US\$'000
1 to 60 days	3,839	4,420
61 to 120 days	742	798
121 to 180 days	11	25
Over 180 days	233	176
	4,825	5,419

Notes to the Financial Statements

For the year ended 31 March 2021

28 BANK AND OTHER BORROWINGS

	2021 US\$'000	2020 US\$'000
Current		
Short-term bank borrowings (secured)	31,778	17,650
Short-term bank borrowings (unsecured)	326	1,712
Total bank and other borrowings	32,104	19,362

Notes:

- (a) The carrying amounts of the bank borrowings were denominated in the following currencies:

	2021 US\$'000	2020 US\$'000
HK\$	31,541	17,103
RM	326	1,712
US\$	237	547
	32,104	19,362

As at 31 March 2021 and 2020, the fair values of the bank borrowings approximated the carrying amounts.

- (b) The bank borrowings were repayable, without taking into account the repayable on demand clauses, as follows:

	2021 US\$'000	2020 US\$'000
Within 1 year	26,599	13,531
Between 1 and 2 years	309	310
Between 2 and 5 years	5,196	929
More than 5 years	–	4,592
	32,104	19,362

Notes to the Financial Statements

For the year ended 31 March 2021

29 OTHER NON-CURRENT LIABILITIES

	2021 US\$'000	2020 US\$'000
Retirement benefit obligations (<i>note</i>)	805	847
Defined benefit plan liabilities (<i>Note 30</i>)	–	597
	805	1,444
Current portion of other non-current liabilities	(46)	(60)
	759	1,384

Notes: Retirement benefit obligations represent the present value of the Group's obligations under the following:

- (a) long service payment and severance payment obligations for its employees in Hong Kong (the "HK LSP/SP"); and
- (b) an unfunded defined benefit retirement scheme for its eligible employees in Malaysia (the "Malaysia Scheme").

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

	2021 US\$'000	2020 US\$'000
At 1 April	847	693
Current service cost	10	60
Interest cost	15	20
Retirement benefit obligations paid	(68)	(45)
Remeasurements of post-employment benefit obligations	(13)	137
Currency translation differences	14	(18)
At 31 March	805	847

Notes to the Financial Statements

For the year ended 31 March 2021

29 OTHER NON-CURRENT LIABILITIES (Continued)

Notes: (Continued)

(b) (Continued)

The amounts recognised in the consolidated statement of profit or loss are as follows:

	2021 US\$'000	2020 US\$'000
Current service cost	10	60
Interest cost	15	20
Total included in employee benefit expense (Note 15)	25	80

The principal actuarial assumptions used are as follows:

For obligations under the HK LSP/SP:

	2021	2020
Discount rate	0.7%	0.8%
Expected inflation rate	2.5%	2.5%
Expected rate of future salary increases	2.5%	2.5%
Interest on employer balances in the Scheme (Note 30(b))	3.5%	4.5%
Interest on employer balances in the Mandatory Provident Fund Scheme	3.5%	3.5%

For obligations under the Malaysia Scheme:

	2021	2020
Discount rate	4.1%	3.7%
Expected inflation rate	3.0%	3.0%
Expected rate of future salary increases	5.8%	5.8%

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For the year ended 31 March 2021

30 DEFINED BENEFIT PLAN LIABILITIES

The Group operates a number of staff retirement schemes which include a hybrid retirement benefit scheme (the "Scheme") for its employees in Hong Kong. Effective on 1 January 2021, the Scheme ceased to operate and all existing employees under the Scheme joined the MPF. The Group has no further legal or constructive obligations to pay further contributions under the MPF once the fixed contributions have been paid. The plan assets of the Scheme were transferred to individual employee's account under the MPF. The Scheme was terminated on 1 February 2021.

(a) The Scheme has three categories of members: Regular Member, Special Member and Defined Benefit ("DB") Member

Regular Member (defined contribution)	—	defined contribution type of benefits based on accumulated employer's contributions and investment gains and losses thereon.
Special Member (defined benefit)	—	benefits based on salary and service or accumulated employer's contributions with credited investment gains and losses, whichever is higher.
DB Member (defined benefit)	—	benefits based on final salary and service only.

Regular Members and Special Members are required to contribute monthly at 5% of their basic monthly salaries to the Scheme. The accumulated members' contributions with investment gains and losses thereon will be paid to the members upon their cessation of employment in addition to the benefits described above.

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

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

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

	2021 US\$'000	2020 US\$'000
Fair value of the plan assets	—	1,567
Present value of the defined benefit obligations	—	(2,164)
Net liabilities in the consolidated statement of financial position (Note 29)	—	(597)

Notes to the Financial Statements

For the year ended 31 March 2021

30 DEFINED BENEFIT PLAN LIABILITIES *(Continued)*

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

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

	2021 US\$'000	2020 US\$'000
At 1 April	1,567	1,639
Group contributions paid	45	38
Interest income	7	26
Scheme administration costs	(17)	(77)
Actual benefits paid	(604)	(94)
Remeasurements on plan assets	744	15
Settlements	(1,742)	–
Currency translation differences	–	20
At 31 March	–	1,567

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

	2021 US\$'000	2020 US\$'000
At 1 April	2,164	2,320
Current service cost	35	50
Past service cost — curtailments	(245)	–
Interest cost	9	37
Actual benefits paid	(604)	(94)
Remeasurements on obligations	385	(178)
Settlements	(1,742)	–
Currency translation differences	(2)	29
At 31 March	–	2,164

The amounts recognised in the consolidated statement of profit or loss are as follows:

	2021 US\$'000	2020 US\$'000
Current service cost	(35)	(50)
Interest cost	(9)	(37)
Interest income	7	26
Scheme administration costs	(17)	(77)
Past service cost — curtailments	245	–
Total pension costs included in employee benefit expense (Note 15)	191	(138)

Notes to the Financial Statements

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30 DEFINED BENEFIT PLAN LIABILITIES *(Continued)*

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

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

	2021 US\$'000	2020 US\$'000
At 1 April	(597)	(681)
Total pension costs recognised in the consolidated statement of profit or loss <i>(Note 15)</i>	191	(138)
Remeasurements recognised in other comprehensive income	359	193
Group contributions paid	45	38
Currency translation differences	2	(9)
At 31 March	–	(597)

The principal actuarial assumptions used are as follows:

	2021	2020
Discount rate	0.3%	0.6%
Expected rate of future salary increases	2.5%	2.5%
Interest on employer balances	3.5%	4.5%

The plan assets were managed by independent investment managers and were invested in unit trusts based on the long-term benchmark allocation of roughly 70% in equities and 30% in bonds and cash.

Notes to the Financial Statements

For the year ended 31 March 2021

31 SHARE CAPITAL AND PREMIUM

	Number of ordinary shares	Issued share capital US\$'000	Share premium US\$'000	Total US\$'000
At 31 March 2019 and 2020	1,687,236,241	21,715	54,664	76,379
At 31 March 2021	1,687,236,241	21,715	54,664	76,379

The number of authorised ordinary shares is 2,500 million shares (2020: 2,500 million shares) with a par value of HK\$0.10 per share. All issued shares are fully paid.

32 OTHER RESERVES

	Capital redemption reserve US\$'000	Exchange fluctuation reserve US\$'000	Employee share-based payment reserve US\$'000	Merger reserve US\$'000	Financial assets at fair value through other comprehensive income reserve US\$'000	Others US\$'000	Total US\$'000
At 1 April 2019	183	(21,297)	456	(92,647)	(38)	170	(113,173)
Currency translation differences	–	(7,624)	–	–	–	–	(7,624)
Fair value change on financial assets at fair value through other comprehensive income	–	–	–	–	(1,325)	–	(1,325)
Revaluation of land and buildings upon transfer to investment properties	–	–	–	–	–	616	616
At 31 March 2020	183	(28,921)	456	(92,647)	(1,363)	786	(121,506)
At 1 April 2020	183	(28,921)	456	(92,647)	(1,363)	786	(121,506)
Currency translation differences	–	5,581	–	–	–	–	5,581
Fair value change on financial assets at fair value through other comprehensive income	–	–	–	–	925	–	925
Release of reserve upon disposal of financial assets at fair value through other comprehensive income	–	–	–	–	(228)	–	(228)
At 31 March 2021	183	(23,340)	456	(92,647)	(666)	786	(115,228)

Notes to the Financial Statements

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33 RETAINED EARNINGS

- (a) Movements in the Group's retained earnings for the years ended 31 March 2021 and 2020 are presented in the consolidated statement of changes in equity on pages 94 and 95.
- (b) Movements in the Company's retained earnings for the years ended 31 March 2021 and 2020 are presented in Note 40(b).

34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	2021 US\$'000	2020 US\$'000
Operating (loss)/profit	(870)	9,985
Fair value (gains)/losses on financial assets at fair value through profit or loss, net	(415)	26
Fair value gains on investment properties, net	(2,141)	(189)
Depreciation of property, plant and equipment	7,030	7,225
Amortisation of intangible assets	896	811
Provision for loss allowance and write-off of trade and other receivables	334	479
Provision for impairment and write-off of inventories	232	185
Write-off of intangible assets	89	40
Dividend income	(117)	(152)
Interest income	(1,028)	(1,546)
Provision for impairment of property, plant and equipment	1,185	100
Provision for impairment of intangible assets	–	11
Gains on disposal of property, plant and equipment, net	(10)	(301)
Pension costs — defined benefit plans	(191)	138
Retirement benefit obligations	25	80
Operating profit before working capital changes	5,019	16,892
Changes in working capital		
Inventories	3,651	3,670
Trade and other receivables	4,889	9,605
Trade and other payables	(2,170)	(9,869)
Contract liabilities	(2,461)	(10,018)
Cash generated from operations	8,928	10,280

Notes to the Financial Statements

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34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

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

	2021 US\$'000	2020 US\$'000
Property, plant and equipment — net book amount (Note 17)	18	238
Gains on disposal of property, plant and equipment, net	10	301
Proceeds from disposal of property, plant and equipment	28	539

(c) Reconciliation of liabilities arising from financing activities

	Bank borrowings US\$'000	Lease liabilities US\$'000	Total liabilities from financing activities US\$'000
At 1 April 2019	19,912	1,307	21,219
Net cash outflows	(686)	(706)	(1,392)
Acquisition — leases	—	1,592	1,592
Currency translation differences	136	—	136
At 31 March 2020	19,362	2,193	21,555
At 1 April 2020	19,362	2,193	21,555
Net cash inflows/(outflows)	12,751	(749)	12,002
Rental concession	—	(90)	(90)
Currency translation differences	(9)	17	8
At 31 March 2021	32,104	1,371	33,475

35 PLEDGE OF ASSETS

As at 31 March 2021, certain of the Group's banking facilities were secured by the following:

- (a) first legal charges on certain of the Group's leasehold land and buildings with an aggregate carrying value of US\$4,707,000 at 31 March 2021 (2020: US\$2,943,000) and assignment of rental income derived therefrom;
- (b) corporate guarantees issued by the Company.

Notes to the Financial Statements

For the year ended 31 March 2021

36 CONTINGENCIES

- (a) As at 31 March 2021, there are several libel suits which involve claims against some companies in the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings is still uncertain as of the date these financial statements are authorised for issue, the directors of the Company are of the opinion that the respective ultimate liability, if any, will not have a material adverse impact upon the Group's financial position.
- (b) As at 31 March 2021, the Group had short-term bank deposits of US\$542,000 (2020: US\$516,000) pledged to a bank for a bank guarantee issued.

37 COMMITMENTS

Capital commitments

Capital commitments outstanding at 31 March 2021 and 2020 are as follows:

	2021 US\$'000	2020 US\$'000
Property, plant and equipment		
Authorised and contracted for	99	509
Authorised but not contracted for	–	–
	99	509
Intangible assets		
Authorised and contracted for	464	1
Authorised but not contracted for	–	–
	464	1

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For the year ended 31 March 2021

38 RELATED PARTY TRANSACTIONS

(a) Related party transactions

	2021 US\$'000	2020 US\$'000
Advertising income received from related companies (<i>note (i)</i>)	–	(2)
Commission received from sales of honey from a related company (<i>note (i)</i>)	–	(1)
Gain on disposal of a motor vehicle to a member of the Company's senior management team	–	(11)
Motor vehicle insurance premiums paid to a related company (<i>note (i)</i>)	–	1
Provision of accounting and administrative services to related companies (<i>note (i)</i>)	–	(6)
Provision of administrative and content services to a joint venture	(10)	–
Provision of engineering professional services by a related company (<i>note (i)</i>)	–	39
Provision of legal services by a related company (<i>note (ii)</i>)	41	98
Purchases of air tickets from a related company (<i>note (i)</i>)	–	10
Purchases of honey from a related company (<i>note (i)</i>)	3	–
Purchases of mineral water from a related company (<i>note (i)</i>)	–	1
Rental expenses paid to related companies (<i>note (i)</i>)	92	93

Notes:

- (i) Certain shareholders and directors of the Company are shareholders and/or directors of these related companies.
- (ii) A director of a subsidiary of the Company is an associate of the related company.
- (iii) All the transactions above have been entered into in the normal course of business and have been charged at predetermined rates agreed mutually by the parties involved.

(b) Key management compensation

Key management comprised members of the Group's executive committees, some of whom are directors of the Company. The compensation paid or payable to the key management for employee services is shown below:

	2021 US\$'000	2020 US\$'000
Directors' fees, basic salaries, bonuses, other allowances and benefits-in-kind	1,717	1,793
Employer's contributions to pension schemes	110	128
	1,827	1,921

Notes to the Financial Statements

For the year ended 31 March 2021

38 RELATED PARTY TRANSACTIONS (Continued)

(c) Year-end balances with related parties

	2021 US\$'000	2020 US\$'000
Receivables from related companies	—	—*
Payables to related companies	—	—*

* negligible

(d) Ultimate controlling party

The ultimate controlling party of the Group is Tan Sri Datuk Sir TIONG Hiew King, who holds an aggregate equity of 64.85% in the Company as at 31 March 2021. Details of the interests held by Tan Sri Datuk Sir TIONG Hiew King in the Company are set out in "Substantial Shareholders' Interests And Short Positions In The Shares And Underlying Shares Of The Company" on page 81.

39 PARTICULARS OF PRINCIPAL SUBSIDIARIES

(a) Particulars of the Company's principal subsidiaries at 31 March 2021 that are incorporated and operate in Hong Kong are as follows:

Name of subsidiary	Paid-up issued/ registered capital	Effective equity interest	Principal activities
Charming Holidays Limited	HK\$1,000,000	100%	Provision of travel and travel related services
Charming Holidays (North America) Limited	HK\$2	100%	Investment holding
Holgain Limited	HK\$20	100%	Property investment
Kin Ming Printing Company Limited	HK\$10,000	100%	Provision of printing services
WAW Creation Limited	HK\$1	100%	Provision of creative and marketing solutions
MediaNet Advertising Limited	HK\$100	73.01%	Media operation
Ming Pao Education Publications Limited	HK\$1	100%	Digital multimedia business and books publishing
Ming Pao Holdings Limited	HK\$1,000,000	100%	Investment holding and provision of management services
Ming Pao Magazines Limited	HK\$1,650,000	73.01%	Publication and distribution of magazines
Ming Pao Newspapers Limited	HK\$2	100%	Publication and distribution of newspapers and periodicals
Ming Pao Publications Limited	HK\$10	100%	Publication and distribution of books
ST Productions Limited	HK\$4,000,003	58.41%	Artiste and events management
Yazhou Zhoukan Limited	HK\$9,500	100%	Publication and distribution of magazines

Notes to the Financial Statements

For the year ended 31 March 2021

39 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

(b) Particulars of the Company's principal subsidiaries at 31 March 2021 that are incorporated and operate in Malaysia are as follows:

Name of subsidiary	Paid-up issued/ registered capital	Effective equity interest	Principal activities
The China Press Berhad	RM4,246,682	99.75%	Publication of newspapers and provision of printing services
Guang-Ming Ribao Sdn Bhd	RM4,000,000	100%	Publication and distribution of newspapers
Mulu Press Sdn Bhd	RM500,000	100%	Distribution of newspapers and provision of editorial and advertising services
Nanyang Press Holdings Berhad	RM79,466,375	100%	Publication and distribution of newspapers and magazines, investment holding and letting of properties
Nanyang Press Marketing Sdn Bhd	RM1,000,000	100%	Provision of marketing and circulation services of newspapers
Nanyang Siang Pau Sdn Bhd	RM60,000,000	100%	Publication of newspapers and magazines
Sinchew-i Sdn Bhd	RM25,000,000	100%	Investment holding
Sin Chew Media Corporation Berhad	RM151,467,497	100%	Publication and distribution of newspapers and magazines, operating multimedia business, letting of properties and organising events

Notes to the Financial Statements

For the year ended 31 March 2021

39 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

- (c) Particulars of the Company's principal subsidiaries at 31 March 2021 that are incorporated outside Hong Kong and Malaysia are as follows:

Name of subsidiary	Place of incorporation/ operation	Paid-up issued/ registered capital	Effective equity interest	Principal activities
Comwell Investment Limited	The British Virgin Islands ("BVI")/HK	HK\$1	100%	Investment holding
Delta Tour & Travel Services (Canada), Inc.	Canada/Canada	CAD530,000	100%	Provision of travel and travel related services
Delta Tour & Travel Services, Inc.	The United States of America ("USA")/USA	US\$300,500	100%	Provision of travel and travel related services
Ming Pao Enterprise Corporation Limited	The Cayman Islands ("CI")/HK	US\$1	100%	Investment holding
Ming Pao Holdings (Canada) Limited	Canada/Canada	CAD1	100%	Investment holding
Ming Pao Newspapers (Canada) Limited	Canada/Canada	CAD11	100%	Publication and distribution of newspapers and periodicals
One Media Group Limited	CI/HK	HK\$400,900	73.01%	Investment holding
One Media Holdings Limited	BVI/HK	US\$200	73.01%	Investment holding
Sinchew (USA) Inc.	USA/USA	US\$200	100%	Letting of property
Taiwan One Media Group Limited	Taiwan/Taiwan	TWD1,000,000	73.01%	Magazines publishing

The table above includes the subsidiaries of the Company which, in the opinion of the directors, principally affected the Group's results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes to the Financial Statements

For the year ended 31 March 2021

40 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		At 31 March	
	Note	2021 US\$'000	2020 US\$'000
ASSETS			
Non-current assets			
Interests in subsidiaries		220,941	215,412
Current assets			
Other receivables		162	27
Cash and cash equivalents		88	88
		250	115
Current liabilities			
Other payables		494	1,036
Net current liabilities			
		(244)	(921)
Total assets less current liabilities			
		220,697	214,491
EQUITY			
Equity attributable to owners of the Company			
Share capital		21,715	21,715
Share premium		54,664	54,664
Other reserves	(a)	(21,739)	(30,410)
Retained earnings	(b)	166,057	168,522
Total equity			
		220,697	214,491

The statement of financial position of the Company was approved by the Board of Directors on 27 May 2021 and was signed on its behalf by:

Dato' Sri Dr TIONG Ik King
Director

TIONG Kiew Chiong
Director

Notes to the Financial Statements

For the year ended 31 March 2021

40 STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Notes:

(a) Movements in the Company's other reserves for the years ended 31 March 2021 and 2020 are as follows:

	Capital redemption reserve US\$'000	Exchange fluctuation reserve US\$'000	Contributed surplus US\$'000	Total US\$'000
At 1 April 2019	183	(44,739)	26,228	(18,328)
Currency translation differences	–	(12,082)	–	(12,082)
At 31 March 2020	183	(56,821)	26,228	(30,410)
At 1 April 2020	183	(56,821)	26,228	(30,410)
Currency translation differences	–	8,671	–	8,671
At 31 March 2021	183	(48,150)	26,228	(21,739)

The contributed surplus of the Company arose when the Company issued shares in exchange for the shares of subsidiaries being acquired, and represented the difference between the nominal value of the Company's shares issued and the value of net assets of the subsidiaries acquired. Under the Companies Act 1981 of Bermuda, the contributed surplus is distributable to owners of the Company. At the Group level, the contributed surplus is reclassified into its components of reserves of the underlying subsidiaries.

(b) Movements in the Company's retained earnings for the years ended 31 March 2021 and 2020 are as follows:

	2021 US\$'000	2020 US\$'000
At 1 April	168,522	170,496
Profit for the year	2,370	4,354
Second interim dividend, 2019/20, paid, US\$0.10 cents (2018/19: US\$0.10 cents)	(1,687)	(1,687)
First interim dividend, 2020/21, Nil (2019/20: US\$0.16 cents)	–	(2,700)
Impairment for investments in subsidiaries	(3,148)	(1,941)
At 31 March	166,057	168,522

Additional Compliance Information

STATUTORY DECLARATION

Pursuant to Paragraph 4A.16 of the Listing Requirements of Bursa Malaysia Securities Berhad

I, FU Shuk Kuen, being the person primarily responsible for the financial management of Media Chinese International Limited, do solemnly and sincerely declare that the financial statements and supplementary information set out on pages 90 to 169 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Ordinance (Chapter 11) of the Laws of Hong Kong.

Subscribed and solemnly declared by FU Shuk Kuen
at Hong Kong
on 27 May 2021

Before me,

Notary Public

Five-Year Financial Summary

The results of the Group for the last five financial years are as follows:

	For the year ended 31 March				
	2021 US\$'000	2020 US\$'000	2019 US\$'000	2018 US\$'000	2017 US\$'000
Turnover	115,679	239,217	285,560	284,963	302,586
(Loss)/profit attributable to owners of the Company	(1,303)	7,055	(11,293)	(11,485)	15,156
Basic (loss)/earnings per share (US cents)	(0.08)	0.42	(0.67)	(0.68)	0.90

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

	As at 31 March				
	2021 US\$'000	2020 US\$'000	2019 US\$'000	2018 US\$'000	2017 US\$'000
Property, plant and equipment	65,218	70,669	79,209	94,253	96,266
Investment properties	24,711	21,864	20,913	16,437	14,587
Intangible assets	8,560	9,146	9,141	26,863	43,231
Deferred income tax assets	94	120	224	243	226
Investments accounted for using the equity method	31	–	–	143	731
Financial assets at fair value through other comprehensive income	942	1,267	3,044	–	–
Available-for-sale financial assets	–	–	–	8,979	–
Other non-current financial assets	–	–	–	129	–
Non-current assets	99,556	103,066	112,531	147,047	155,041
Current assets	134,075	120,045	137,050	184,710	153,765
Current liabilities	(60,801)	(52,042)	(72,464)	(121,051)	(50,810)
Net current assets	73,274	68,003	64,586	63,659	102,955
Total assets less current liabilities	172,830	171,069	177,117	210,706	257,996
Non-controlling interests	(380)	(645)	(2,062)	(4,099)	(3,621)
Bank and other borrowings — non-current portion	–	–	–	–	(50,870)
Lease liabilities	(501)	(1,354)	–	–	–
Deferred income tax liabilities	(5,149)	(5,533)	(5,967)	(7,405)	(8,622)
Other non-current liabilities	(759)	(1,384)	(1,329)	(1,533)	(1,189)
Equity attributable to owners of the Company	166,041	162,153	167,759	197,669	193,694

Additional Information

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Year ended 31 March	
	2021	2020
	RM'000	RM'000
	(Note)	(Note)
Turnover	479,605	991,794
Cost of goods sold	(320,419)	(687,291)
Gross profit	159,186	304,503
Other income	73,127	38,131
Other gains/(losses), net	11,746	(605)
Selling and distribution expenses	(121,839)	(173,444)
Administrative expenses	(98,621)	(106,594)
Provision for loss allowance of trade receivables	(1,604)	(477)
Other operating expenses	(25,602)	(20,116)
Operating (loss)/profit	(3,607)	41,398
Finance costs	(2,027)	(2,911)
Share of results of an associate and a joint venture	(33)	–
(Loss)/profit before income tax	(5,667)	38,487
Income tax expense	(2,264)	(13,118)
(Loss)/profit for the year	(7,931)	25,369
(Loss)/profit attributable to:		
Owners of the Company	(5,402)	29,250
Non-controlling interests	(2,529)	(3,881)
	(7,931)	25,369
(Loss)/earnings per share attributable to owners of the Company		
Basic (sen)	(0.33)	1.74
Diluted (sen)	(0.33)	1.74

Note: The presentation currency of these consolidated financial statements is US\$. Additional information in RM for the year ended 31 March 2021 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM4.1460 ruling at 31 March 2021. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

Additional Information

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Year ended 31 March	
	2021	2020
	RM'000	RM'000
	(Note)	(Note)
(Loss)/profit for the year	(7,931)	25,369
Other comprehensive income/(loss)		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	23,155	(31,572)
Items that will not be reclassified subsequently to profit or loss:		
Fair value change on financial assets at fair value through other comprehensive income	5,253	(7,516)
Remeasurements of post-employment benefit obligations	1,542	232
Revaluation of land and buildings upon transfer to investment properties	–	2,562
Other comprehensive income/(loss) for the year, net of tax	29,950	(36,294)
Total comprehensive income/(loss) for the year	22,019	(10,925)
Total comprehensive income/(loss) for the year attributable to:		
Owners of the Company	23,114	(5,054)
Non-controlling interests	(1,095)	(5,871)
	22,019	(10,925)

Note: The presentation currency of these consolidated financial statements is US\$. Additional information in RM for the year ended 31 March 2021 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM4.1460 ruling at 31 March 2021. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

Additional Information

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited)	
	At 31 March	
	2021	2020
	RM'000	RM'000
	(Note)	(Note)
ASSETS		
Non-current assets		
Property, plant and equipment	270,393	292,994
Investment properties	102,451	90,648
Intangible assets	35,490	37,919
Deferred income tax assets	390	498
Investments accounted for using the equity method	129	–
Financial assets at fair value through other comprehensive income	3,906	5,253
	412,759	427,312
Current assets		
Inventories	70,466	83,082
Trade and other receivables	84,670	104,695
Financial assets at fair value through profit or loss	5,431	1,762
Income tax recoverable	3,789	1,853
Short-term bank deposits	104,695	55,681
Cash and cash equivalents	286,824	250,634
	555,875	497,707
Current liabilities		
Trade and other payables	83,820	92,573
Contract liabilities	29,685	36,854
Income tax liabilities	1,675	2,338
Bank and other borrowings	133,103	80,275
Lease liabilities	3,607	3,478
Current portion of other non-current liabilities	191	249
	252,081	215,767
Net current assets	303,794	281,940
Total assets less current liabilities	716,553	709,252

Additional Information

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	(Unaudited)	
	At 31 March	
	2021	2020
	RM'000	RM'000
	(Note)	(Note)
EQUITY		
Equity attributable to owners of the Company		
Share capital	90,030	90,030
Share premium	226,637	226,637
Other reserves	(477,735)	(503,764)
Retained earnings	849,474	859,383
	688,406	672,286
Non-controlling interests	1,575	2,674
Total equity	689,981	674,960
Non-current liabilities		
Lease liabilities	2,077	5,614
Deferred income tax liabilities	21,348	22,940
Other non-current liabilities	3,147	5,738
	26,572	34,292
	716,553	709,252

Note: The presentation currency of these consolidated financial statements is US\$. Additional information in RM as at 31 March 2021 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM4.1460 ruling at 31 March 2021. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

Additional Information

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited) Attributable to owners of the Company					Non- controlling interests	Total equity
	Share capital RM'000 (Note)	Share premium RM'000 (Note)	Other reserves RM'000 (Note)	Retained earnings RM'000 (Note)	Sub-total RM'000 (Note)		
At 1 April 2019	90,030	226,637	(469,216)	848,077	695,528	8,549	704,077
Profit/(loss) for the year	–	–	–	29,250	29,250	(3,881)	25,369
Other comprehensive (loss)/income							
Item that may be reclassified							
subsequently to profit or loss:							
Currency translation differences	–	–	(31,609)	–	(31,609)	37	(31,572)
Items that will not be reclassified							
subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	–	–	(5,493)	–	(5,493)	(2,023)	(7,516)
Remeasurements of post-employment benefit obligations	–	–	–	244	244	(12)	232
Revaluation of land and buildings upon transfer to investment properties	–	–	2,554	–	2,554	8	2,562
Other comprehensive (loss)/income, net of tax	–	–	(34,548)	244	(34,304)	(1,990)	(36,294)
Total comprehensive (loss)/income for the year ended 31 March 2020	–	–	(34,548)	29,494	(5,054)	(5,871)	(10,925)
Total transactions with owners, recognised directly in equity							
2018/19 second interim dividend paid	–	–	–	(6,994)	(6,994)	–	(6,994)
2019/20 first interim dividend paid	–	–	–	(11,194)	(11,194)	–	(11,194)
2018/19 interim dividend paid by an unlisted subsidiary	–	–	–	–	–	(4)	(4)
2019/20 interim dividend paid by an unlisted subsidiary	–	–	–	–	–	–*	–*
	–	–	–	(18,188)	(18,188)	(4)	(18,192)
At 31 March 2020	90,030	226,637	(503,764)	859,383	672,286	2,674	674,960

* negligible

Additional Information

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(Continued)*

	(Unaudited) Attributable to owners of the Company						Total equity RM'000 (Note)
	Share capital RM'000 (Note)	Share premium RM'000 (Note)	Other reserves RM'000 (Note)	Retained earnings RM'000 (Note)	Sub-total RM'000 (Note)	Non- controlling interests RM'000 (Note)	
At 1 April 2020	90,030	226,637	(503,764)	859,383	672,286	2,674	674,960
Loss for the year	–	–	–	(5,402)	(5,402)	(2,529)	(7,931)
Other comprehensive income							
Item that may be reclassified							
subsequently to profit or loss:							
Currency translation differences	–	–	23,139	–	23,139	16	23,155
Items that will not be reclassified							
subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	–	–	3,835	–	3,835	1,418	5,253
Remeasurements of post-employment benefit obligations	–	–	–	1,542	1,542	–	1,542
Other comprehensive income, net of tax	–	–	26,974	1,542	28,516	1,434	29,950
Total comprehensive income/(loss) for the year ended 31 March 2021	–	–	26,974	(3,860)	23,114	(1,095)	22,019
Release of reserve upon disposal of financial assets at fair value through other comprehensive income	–	–	(945)	945	–	–	–
Total transactions with owners, recognised directly in equity							
2019/20 second interim dividend paid	–	–	–	(6,994)	(6,994)	–	(6,994)
2019/20 interim dividend paid by an unlisted subsidiary	–	–	–	–	–	(4)	(4)
	–	–	–	(6,994)	(6,994)	(4)	(6,998)
At 31 March 2021	90,030	226,637	(477,735)	849,474	688,406	1,575	689,981

Note: The presentation currency of these consolidated financial statements is US\$. Additional information in RM for the year ended 31 March 2021 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM4.1460 ruling at 31 March 2021. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

Additional Information

CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)	
	Year ended 31 March	
	2021	2020
	RM'000	RM'000
	(Note)	(Note)
Cash flows from operating activities		
Cash generated from operations	37,015	42,621
Interest paid	(2,027)	(2,911)
Income tax paid	(6,733)	(14,208)
Net cash generated from operating activities	28,255	25,502
Cash flows from investing activities		
Dividends received	485	630
Increase in short-term bank deposits with original maturity over three months	(49,013)	(31,008)
Proceeds from sales of financial assets at fair value through other comprehensive income	6,592	–
Proceeds from sales of financial assets at fair value through profit or loss	2,629	–
Interest received	4,262	6,410
Proceeds from disposal of property, plant and equipment	116	2,235
Purchases of intangible assets	(199)	(3,454)
Purchases of property, plant and equipment	(2,231)	(3,230)
Payments for acquisition of financial assets at fair value through profit or loss	(4,474)	–
Investments in an associate and a joint venture	(158)	–
Net cash used in investing activities	(41,991)	(28,417)
Cash flows from financing activities		
Dividends paid	(6,994)	(18,188)
Dividends paid to non-controlling interests by an unlisted subsidiary	(4)	(4)
Proceeds from bank and other borrowings	80,656	20,054
Repayments of bank and other borrowings	(27,791)	(22,898)
Principal elements of lease liabilities	(3,105)	(2,927)
Net cash generated from/(used in) financing activities	42,762	(23,963)
Net increase/(decrease) in cash and cash equivalents	29,026	(26,878)
Cash and cash equivalents at beginning of year	250,634	286,920
Exchange adjustments on cash and cash equivalents	7,164	(9,408)
Cash and cash equivalents at end of year	286,824	250,634

Note: The presentation currency of these consolidated financial statements is US\$. Additional information in RM for the year ended 31 March 2021 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM4.1460 ruling at 31 March 2021. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

Analysis of Shareholdings

As at 2 July 2021

Authorised share capital	:	HK\$250,000,000 divided into 2,500,000,000 ordinary shares of HK\$0.10 each
Issued and paid-up capital	:	HK\$168,723,624.10
Class of shares	:	ordinary shares of HK\$0.10 each
Voting rights	:	one vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	Number of shareholders	% of shareholders	Number of shares held	% of issued shares
1 to 99	696	6.71	30,388	—*
100 to 1,000	1,324	12.76	872,066	0.05
1,001 to 10,000	4,936	47.56	24,087,889	1.43
10,001 to 100,000	2,861	27.56	97,199,826	5.76
100,001 to 84,361,811 [#]	558	5.37	645,210,292	38.24
84,361,812 and above ^{**}	4	0.04	919,835,780	54.52
TOTAL	10,379	100.00	1,687,236,241	100.00

Remark: * negligible

[#] less than 5% of issued shares

^{**} 5% and above of issued shares

DIRECTORS' INTERESTS

(a) The Company

Name of directors	Direct interest		Indirect interest ⁽⁹⁾	
	Number of shares	% of issued ordinary shares	Number of shares	% of issued ordinary shares
Dato' Sri Dr TIONG Ik King	35,144,189	2.08	253,987,700 ⁽¹⁾	15.05
Ms TIONG Choon	2,654,593	0.16	653,320 ⁽²⁾	0.04
			1,023,632 ⁽³⁾	0.06
Mr TIONG Kiew Chiong	4,087,539	0.24	—	—
Mr WONG Khang Yen	83	—*	—	—

* negligible

(b) Subsidiary — One Media Group Limited

Name of directors	Direct interest		Indirect interest ⁽⁹⁾	
	Number of shares	% of issued ordinary shares of One Media	Number of shares	% of issued ordinary shares of One Media
Dato' Sri Dr TIONG Ik King	—	—	292,700,000	73.01
Ms TIONG Choon	26,000	0.01	—	—

Analysis of Shareholdings

As at 2 July 2021

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of shareholders	Direct interest		Indirect interest ⁽⁹⁾	
	Number of shares	% of issued ordinary shares	Number of shares	% of issued ordinary shares
Tan Sri Datuk Sir TIONG Hiew King	87,109,058	5.16	1,006,844,190 ⁽⁴⁾	59.67
Dato' Sri Dr TIONG Ik King	35,144,189	2.08	253,987,700 ⁽¹⁾	15.05
Tiong Toh Siong Holdings Sdn Bhd	378,998,616	22.46	–	–
Conch Company Limited	253,987,700	15.05	–	–
Kinta Hijau Sdn Bhd	129,424,143	7.67	–	–
Teck Sing Lik Enterprise Sdn Bhd	65,319,186	3.87	190,575,768 ⁽⁵⁾	11.30
Tiong Toh Siong Enterprises Sdn Bhd	1,744,317	0.10	151,493,027 ⁽⁶⁾	8.98
Pertumbuhan Abadi Asia Sdn Bhd	26,808,729	1.59	74,944,004 ⁽⁷⁾	4.44
Seaview Global Company Limited	–	–	253,987,700 ⁽⁸⁾	15.05

Notes:

- (1) Deemed interested by virtue of his interest in Conch Company Limited.
- (2) Deemed interested by virtue of her interest in TC Blessed Holdings Sdn Bhd.
- (3) Deemed interested by virtue of her spouse's interest.
- (4) Deemed interested by virtue of his interests in Tiong Toh Siong Holdings Sdn Bhd, Conch Company Limited, Kinta Hijau Sdn Bhd, Ezywood Options Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd, Madigreen Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, Pertumbuhan Abadi Asia Sdn Bhd and Tiong Toh Siong Enterprises Sdn Bhd.
- (5) Deemed interested by virtue of its interests in Madigreen Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd, Kinta Hijau Sdn Bhd and Rimbunan Hijau Southeast Asia Sdn Bhd.
- (6) Deemed interested by virtue of its interests in Kinta Hijau Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd and Rimbunan Hijau Southeast Asia Sdn Bhd.
- (7) Deemed interested by virtue of its interests in Madigreen Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd and Rimbunan Hijau Southeast Asia Sdn Bhd.
- (8) Deemed interested by virtue of its interest in Conch Company Limited.
- (9) The indirect interests of directors and shareholders of the Company presented in the above are calculated pursuant to the Malaysian Companies Act, 2016.

Analysis of Shareholdings

As at 2 July 2021

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

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name of shareholders	Number of shares held	% of issued ordinary shares
1	Tiong Toh Siong Holdings Sdn Bhd	378,998,616	22.46%
2	HKSCC Nominees Limited	325,053,963	19.27%
3	Kinta Hijau Sdn Bhd	129,424,143	7.67%
4	Tan Sri Datuk Sir TIONG Hiew King	86,359,058	5.12%
5	Ezywood Options Sdn Bhd	75,617,495	4.48%
6	Teck Sing Lik Enterprise Sdn Bhd	65,319,186	3.87%
7	Madigreen Sdn Bhd	52,875,120	3.13%
8	Pertumbuhan Abadi Asia Sdn Bhd	26,808,729	1.59%
9	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Mr OON Hooi Lin)	26,116,200	1.55%
10	Citigroup Nominees (Tempatan) Sdn Bhd (Exempt An for Bank of Singapore Limited (Local))	24,000,000	1.42%
11	Globegate Alliance Sdn Bhd	16,750,000	0.99%
12	Roseate Garland Sdn Bhd	16,170,491	0.96%
13	Rimbunan Hijau (Sarawak) Sdn Bhd	15,536,696	0.92%
14	UOB Kay Hian Nominees (Tempatan) Sdn Bhd (Exempt An for UOB Kay Hian Pte Ltd (A/C Clients))	14,900,000	0.88%
15	HSBC Nominees (Asing) Sdn Bhd (Exempt An for Bank Julius Baer & Co Ltd (Singapore Bch))	12,836,000	0.76%
16	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad (Exempt An for Deutsche Bank AG Singapore (Maybank SG PWM))	11,144,189	0.66%
17	Pertumbuhan Tiasa Sdn Bhd	10,230,945	0.61%
18	Ms WONG Kieh Nguk	9,520,000	0.56%
19	Mr LEE Guan Huat	7,005,166	0.42%
20	UOB Kay Hian Nominees (Asing) Sdn Bhd (Exempt An for UOB Kay Hian Pte Ltd (A/C Clients))	6,587,762	0.39%
21	Rimbunan Hijau Southeast Asia Sdn Bhd	6,532,188	0.39%
22	Mr TIONG Chiong Ong	6,274,037	0.37%
23	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Datuk TIONG Thai King)	6,190,000	0.37%
24	Ms WONG Siik Ngik	4,455,000	0.26%
25	Mr BEH Ah Lek	4,320,000	0.26%
26	Mr LEE Guan Seong	3,550,866	0.21%
27	Mr GUE Chet Kang	3,550,000	0.21%
28	CGS-CIMB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Mr NG Yew Kuan (MY2092))	3,500,000	0.21%
29	Ms TIONG Chiew	3,314,431	0.20%
30	Ms WONG Yiing Ngik	3,005,800	0.18%
TOTAL		1,355,946,081	80.37%

List of Properties

As at 31 March 2021

The top 10 land and buildings in terms of highest net book amount owned by the Group are as follows:

	Location	Year of acquisition	Tenure/Expiry of lease	Description	Approximate land area (Sq ft)	Approximate built-up area (Sq ft)	Approximate age of buildings	Carrying amount US\$'000
1	No. 1, Jalan SS7/2, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia	1994	Freehold	Office building	255,092	252,714	27 years	8,711
2	No. 78, Jalan Prof Diraja Ungku Aziz, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2008	Leasehold/2059	Office building	128,172	132,800	12 years	6,542
3	No. 76, Jalan Prof Diraja Ungku Aziz, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2001	Leasehold/2063	Office building	50,500	51,505	30 years	4,824
4	No. 19, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2019	Leasehold/2059	Office, factory building and warehouse	46,978	34,243	27 years	4,614
5	No. 25, Rawang Integrated Industrial Park, Jalan Batu Arang, 48000 Rawang, Selangor Darul Ehsan, Malaysia	2002	Freehold	Office building and single storey factory building	131,987	111,326	26 years	4,584
6	No. 76, Jalan Prof Diraja Ungku Aziz, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2001	Leasehold/2063	Printing plant	138,805	152,521	16 years	4,090
7	No. 37-06, Prince Street, Flushing NY 11354, USA	2012	Freehold	Commercial building	1,005	3,938	17 years	3,900
8	Lot 22, Jalan Sultan Mohamed 4, Taman Perindustrian Bandar Sultan Sulaiman, 42000 Pelabuhan Klang Utara, Selangor Darul Ehsan, Malaysia	2012	Leasehold/2105	Warehouse	144,624	77,024	26 years	2,822
9	No. 80, Jalan Riong, 59100 Kuala Lumpur, Malaysia	1976	Freehold	Office building	42,715	81,618	46 years	2,415
10	Workshops 1-16 on 1/F MP Industrial Centre No. 18 Ka Yip Street, Chai Wan, Hong Kong	1992	Leasehold/2047	Warehouse	–	33,232	29 years	2,386

Notice of the 31st Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-first Annual General Meeting ("AGM") of Media Chinese International Limited will be held fully virtual and entirely through remote participation and voting via TIH Online website at <https://tiah.online> provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia; and at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong on Wednesday, 25 August 2021 at 10:00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|--|------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 March 2021 together with the Directors' and Independent Auditor's Reports thereon. | Ordinary Resolution 1 |
| 2. | To approve the payment of Directors' fees and benefits for the financial year ended 31 March 2021 in the amount of US\$169,000. | Ordinary Resolution 2 |
| 3. | To approve the payment of Directors' fees and benefits from this 31st AGM until the next AGM in the amount of US\$216,000. | Ordinary Resolution 3 |
| 4. | To re-elect the following Directors who retire pursuant to the Company's Bye-Laws: | |
| | (i) Ms TIONG Choon | Ordinary Resolution 4 |
| | (ii) Mr TIONG Kiew Chiong | Ordinary Resolution 5 |
| | (iii) Mr KHOO Kar Khoo | Ordinary Resolution 6 |
| | (iv) Mr WONG Khang Yen | Ordinary Resolution 7 |
| | (v) Mr LIEW Sam Ngan | Ordinary Resolution 8 |
| | (vi) Ms TIONG Yijia | Ordinary Resolution 9 |
| | (vii) Mr IP Koon Wing, Ernest | Ordinary Resolution 10 |
| 5. | To re-appoint Messrs PricewaterhouseCoopers as auditor of the Company for the ensuing year and to authorise the Directors to fix its remuneration. | Ordinary Resolution 11 |

AS SPECIAL BUSINESS

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

6. ORDINARY RESOLUTION

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

"THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with specific classes of Related Parties (as set out in Section 2 of Part A of the circular to shareholders dated 27 July 2021, which are necessary for the day-to-day operations of the Company and its subsidiaries, in the ordinary course of business on terms not more favourable than those generally available to the public and are not detrimental to the minority shareholders of the Company;

Notice of the 31st Annual General Meeting

THAT such an approval shall only continue to be in force until whichever is the earliest of:

- (a) the conclusion of the next AGM of the Company at which time it will lapse, unless the mandate is renewed by an ordinary resolution passed at the next AGM;
- (b) the expiration of the period within which the next AGM of the Company is required by any applicable laws or the Bye-Laws of the Company to be held; or
- (c) the date on which the approval set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

AND **THAT** the Directors of the Company be and are hereby authorised to take all steps and to do all such acts and deeds as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

7. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

"THAT subject to the rules, regulations, orders made pursuant to the Malaysian Companies Act, 2016 (the "Act"), provisions of the Company's Bye-Laws, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HK Listing Rules"), the Listing Requirements of Bursa Securities or of any other stock exchange and any other relevant authority or approval for the time being in force or as amended from time to time, and paragraph (a) below, the Directors of the Company be and are hereby authorised to repurchase ordinary shares in the Company's issued share capital as may be determined by the Directors from time to time through The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Bursa Securities or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong, the Stock Exchange and Bursa Securities for this purpose, upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

Ordinary Resolution 13

- (a) the total number of shares of the Company which may be repurchased pursuant to the approval in the paragraph above shall not exceed 10% of the total number of issued ordinary shares of the Company as at the date of passing this resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of the shares of the Company into a smaller or larger number of shares of the Company after the passing of this resolution), and the said approval shall be limited accordingly;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings and share premium reserves of the Company at the time of the said purchase(s); and
- (c) the authority conferred by this resolution shall commence immediately upon the passing of this resolution and continue to be in force during the Relevant Period.

Notice of the 31st Annual General Meeting

For the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next AGM of the Company following the passing of the share buy-back resolution, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by any applicable laws or the Bye-Laws of the Company to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to cancel all the shares so purchased pursuant to Rule 10.06(5) of the HK Listing Rules and/or to deal with the shares in any other manner as may be allowed or prescribed by the Act, rules, regulations and orders made pursuant to the Act, the HK Listing Rules and Listing Requirements of Bursa Securities.

AND **THAT** the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the aforesaid purchase(s) of shares with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company.”

8. ORDINARY RESOLUTION

PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved; Ordinary Resolution 14
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;

Notice of the 31st Annual General Meeting

- (c) the number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company; (iii) an issue of shares as scrip dividends pursuant to the Bye-Laws of the Company from time to time; or (iv) an issue of shares under any option scheme or similar arrangement for the grant or issue of shares or rights to acquire shares of the Company, shall not exceed 10% of the total number of the issued shares of the Company as at the date of passing this resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of the shares of the Company into a smaller or larger number of shares of the Company after the passing of this resolution), and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next AGM of the Company;
 - (ii) the expiration of the period within which the next AGM of the Company is required by any applicable laws or the Bye-Laws of the Company to be held; or
 - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of the shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

Notice of the 31st Annual General Meeting

9. ORDINARY RESOLUTION

PROPOSED GENERAL MANDATE RELATING TO AN EXTENSION TO THE GENERAL MANDATE TO ISSUE NEW SHARES

“THAT subject to the passing of the resolutions Nos. 13 and 14 set out in the notice convening the meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to resolution No. 14 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the total number of issued shares of the Company repurchased by the Company under the authority granted pursuant to resolution No. 13 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the total number of issued shares of the Company as the date of the said resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of the shares of the Company into a smaller or larger number of shares of the Company after the passing of this resolution).”

Ordinary Resolution 15

By Order of the Board
MEDIA CHINESE INTERNATIONAL LIMITED
TONG Siew Kheng
YEUNG Ying Fat
Joint Company Secretaries

27 July 2021

Notes:

1. In view of the ongoing COVID-19 epidemic, the 31st AGM of the Company in Malaysia will be conducted on fully virtual basis and entirely through remote participation and electronic voting facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIH Online website at <https://tihi.online>. Please follow the procedures provided in the Administrative Details for the 31st AGM in order to register, participate and vote remotely.

For shareholders in Hong Kong, the 31st AGM of the Company held in Hong Kong will be conducted with additional measures, which will be followed at the AGM, including without limitations, (i) compulsory body temperature checks; (ii) compulsory wearing of surgical face masks prior to entering the meeting venue of the 31st AGM; (iii) each attendee being assigned a designated seat at the time of registration to ensure social distancing; and (iv) no refreshments will be served.

2. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one proxy or proxies to attend, participate, speak and vote instead of him. A proxy may but need not be a member of the Company. When a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. A member of the Company who is an authorised nominee as defined under the Malaysian Securities Industry (Central Depositories) Act 1991 may appoint at least one (1) proxy (but not more than two proxies) in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. For the purpose of the annual general meeting, the register of members in Hong Kong will be closed on Thursday, 19 August 2021 to Wednesday, 25 August 2021, both days inclusive, during which no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 18 August 2021. In respect of the shareholders in Malaysia, a depositor in Malaysia shall qualify for the entitlement to attend the annual general meeting only in respect of shares transferred into the depositor's securities account before 4:00 p.m. on Wednesday, 18 August 2021.

Shareholders who wish to request for transmission of their shares between the Malaysia Register and Hong Kong Register are advised to take note that request for transmission will be suspended from Thursday, 19 August 2021 to Wednesday, 25 August 2021, both days inclusive.

Notice of the 31st Annual General Meeting

5. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with (i) Malaysia share registrar office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, to submit the electronic proxy form via <https://tjih.online>, or (ii) the Hong Kong head office and principal place of business of the Company at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

For shareholders in Malaysia, the proxy form can be submitted electronically via <https://tjih.online>.

6. Explanatory notes on special business:

- (a) Pursuant to the Listing Requirements of Bursa Securities, fees and benefits payable to directors should be approved by shareholders at general meeting. In this respect, the Company is seeking shareholders' approval on the directors' fees and benefits to the non-executive directors ("NEDs") under the proposed Ordinary Resolutions No. 2 and 3. The directors' benefits comprise meeting allowance as and when incurred, after the NEDs have discharged their services to the Company.

For the proposed Ordinary Resolution No. 3, the total amount payable is estimated for a period of 13 months from the 31st AGM until the next AGM, based on the current Board remuneration structure and taking into account various factors including the proposed budget on appointment of a new non-executive director, the number of scheduled Board meetings and Board committees meetings as well as the number of NEDs attending these meetings.

- (b) The proposed Ordinary Resolution No. 12, if passed, will empower the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties in the ordinary course of business based on normal commercial terms which are not more favourable to the related parties than those generally available to the public which are necessary for the day-to-day operations of the Company and its subsidiaries. Please refer to the circular to shareholders dated 27 July 2021 for more information.
- (c) The detailed information on Ordinary Resolution No. 13 on the proposed renewal of share buy-back mandate is set out in the circular to shareholders dated 27 July 2021 accompanying this Annual Report.
- (d) The Company has not issued any new shares under the general mandate for issuance and allotment of shares up to 10% of the total number of issued shares of the Company, which was approved at the 30th AGM held on 26 August 2020 and which will lapse at the conclusion of the 31st AGM to be held on 25 August 2021. A renewal of this mandate is sought at the 31st AGM under proposed Ordinary Resolution No. 14.

The proposed Ordinary Resolution No. 14, if passed, will authorise the Directors to issue and allot shares up to 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors would consider to be in the interest of the Company. This is to avoid any delay and cost involved in convening a general meeting to approve such an issue of shares. This authority, unless revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The general mandate, if passed, will provide flexibility to the Directors of the Company to allot and issue shares for any possible fund raising activities, including but not limited to placement of shares, for the purpose of funding future investment, working capital and/or acquisition.

Media Chinese International Limited

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