MEDIA CHINESE INTERNATIONAL LIMITED
世 界 華 文 媒 體 有 限 公 司

(Incorporated in Bermuda with limited liability)
(Malaysia Company No. 995098-A)
(Hong Kong Stock Code: 685)
(Malaysia Stock Code: 5090)

ANNOUNCEMENT OF INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

The directors of Media Chinese International Limited (the "Company") are pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") and the Group's interest in an associate for the six months ended 30 September 2011, together with comparative figures for the corresponding period in 2010 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		(Unaudited) Six months ended 30 September	
		2011	2010
	Note	***US$'000***	*US$'000*
Turnover	*4*	**245,660**	221,587
Cost of goods sold	*5*	**(153,182)**	(135,994)
Gross profit		**92,478**	85,593
Other income	*6*	**4,890**	3,536
Other gains, net	*7*	**796**	1,057
Selling and distribution expenses	*5*	**(34,504)**	(30,237)
Administrative expenses	*5*	**(21,243)**	(18,359)
Other operating expenses	*5*	**(3,327)**	(3,180)
Operating profit		**39,090**	38,410
Finance costs	*8*	**(216)**	(432)
Share of loss of an associate		**(182)**	(170)
Gain on dilution of interest in an associate		**33**	—
Profit before income tax		**38,725**	37,808
Income tax expense	*9*	**(9,846)**	(10,223)
Profit for the period		**28,879**	27,585
Attributable to:			
Equity holders of the Company		**28,611**	27,328
Non-controlling interests		**268**	257
		28,879	27,585
Earnings per share attributable to the equity holders of the Company			
Basic (US cents)	*10*	**1.70**	1.62
Diluted (US cents)	*10*	**1.70**	1.62
Dividends	*11*	**20,247**	13,471

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Six months ended 30 September 2011 US$'000	2010 US$'000
Profit for the period	**28,879**	27,585
Other comprehensive (loss)/income for the period, net of tax		
Currency translation differences	**(17,771)**	16,610
Total comprehensive income for the period	**11,108**	44,195
Attributable to:		
Equity holders of the Company	**10,810**	43,912
Non-controlling interests	**298**	283
	11,108	44,195

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**(Unaudited) As at 30 September 2011** *US$'000*	(Audited) As at 31 March 2011 *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**147,562**	157,145
Investment properties		**10,841**	11,428
Leasehold land and land use rights		**2,048**	2,079
Intangible assets		**75,294**	79,300
Deferred income tax assets		**1,412**	972
Defined benefit plan assets		**310**	277
Interest in an associate		**2,230**	2,379
Investment in convertible notes — debt portion		**—**	537
		239,697	254,117
Current assets			
Inventories		**62,763**	69,153
Available-for-sale financial assets		**97**	97
Financial assets at fair value through profit or loss		**193**	213
Investment in convertible notes — debt portion		**551**	—
Trade and other receivables	*12*	**68,903**	68,911
Income tax recoverable		**1,255**	1,471
Cash and cash equivalents		**122,529**	110,519
		256,291	250,364
Current liabilities			
Trade and other payables	*13*	**76,605**	68,816
Income tax liabilities		**7,328**	5,671
Dividend payable		**6,749**	—
Short-term bank loans		**5,564**	14,865
Current portion of long-term liabilities		**152**	451
		96,398	89,803
Net current assets		**159,893**	160,561
Total assets less current liabilities		**399,590**	414,678
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**21,715**	21,681
Share premium		**280,818**	280,299
Other reserves		**(85,558)**	(67,757)
Retained earnings		**162,610**	160,185
		379,585	394,408
Non-controlling interests		**5,469**	5,457
Total equity		**385,054**	399,865
Non-current liabilities			
Other long-term liabilities		**783**	1,267
Deferred income tax liabilities		**13,753**	13,546
		14,536	14,813
		399,590	414,678

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2011

1. BASIS OF PREPARATION

This condensed consolidated interim financial information has been prepared in accordance with the International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange").

This condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2011, which were prepared in accordance with International Financial Reporting Standards ("IFRSs").

2. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2011 as described therein.

Taxes on income in the interim periods are accrued using the tax rates that would be applicable to expected total annual earnings.

The Group has adopted the following revised standard and amendment to standard, which are mandatory for the financial year beginning 1 April 2011 and are relevant to its operations:

- IAS 24 (Revised), "Related Party Disclosures" is effective for annual periods beginning on or after 1 January 2011. It introduces an exemption from all of the disclosure requirements of IAS 24 for transactions among government related entities and the government. It also clarifies and simplifies the definition of a related party. The amendment does not have a material impact on this condensed consolidated interim financial information.

- Amendment to IAS 34, "Interim Financial Reporting" is effective for annual periods beginning on or after 1 January 2011. It emphasises the existing disclosure principles in IAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The amendment does not have a material impact on this condensed consolidated interim financial information.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but are not yet effective for the accounting period beginning 1 April 2011. The Group is in the process of making an assessment of the impact of these new or revised standards and amendments to standards on the Group's results and financial position in the period of initial application.

3. FUNCTIONAL CURRENCY AND TRANSLATION TO PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. The functional currency of the Company is Ringgit Malaysia ("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, the management considers that it is more appropriate to use US dollar ("US$"), a globally recognised currency, as the presentation currency for the Group's consolidated financial statements. For the entity whose functional currency is not the presentation currency, i.e. US$, its results and financial position have been translated into US$.

The assets and liabilities of each entity within the Group are mostly denominated in its own functional currency and do not have material impact on the profit or loss for the period.

During the six months ended 30 September 2011, the Group is particularly exposed to movements in the US$ to RM exchange rate as a major part of the Group's operation is located in Malaysia, and a decrease in the exchange fluctuation reserve of US$17,801,000 was recognised largely due to the changes in the exchange rate of US$ to RM.

4. TURNOVER AND SEGMENT INFORMATION

The Group has determined the operating segments based on the reports that are reviewed and used by the Group Executive Committee for making strategic decisions.

The Group is organised operationally on a worldwide basis in four major operating segments:

Publishing and printing: Malaysia and other Southeast Asian countries
Publishing and printing: Hong Kong and Mainland China
Publishing and printing: North America
Travel and travel related services

Publishing and printing segment is engaged in the publication of various newspapers and magazines in Chinese language, and other related printed and digital publications. It derives its revenue mainly from advertising and sales of newspapers and magazines. Travel and travel related services segment derives revenue from the sale of travel packages and provision of tour services.

The Group Executive Committee assesses the performance of the operating segments based on a measure of segment profit before income tax as per the internal financial report. Other information provided is measured in a manner consistent with that in the internal financial report.

The Group's turnover and results for the six months ended 30 September 2011, analysed by operating segment, were as follows:

	(Unaudited) Publishing and printing					
	Malaysia and other Southeast Asian countries *US$'000*	**Hong Kong and Mainland China** *US$'000*	**North America** *US$'000*	**Sub-total** *US$'000*	**Travel and travel related services** *US$'000*	**Total** *US$'000*
Turnover	**145,669**	**36,595**	**15,445**	**197,709**	**47,951**	**245,660**
Segment profit before income tax	**33,786**	**2,734**	**1,082**	**37,602**	**1,840**	**39,442**
Net unallocated expenses						**(568)**
Share of loss of an associate						**(182)**
Gain on dilution of interest in an associate						**33**
Profit before income tax						**38,725**
Income tax expense						**(9,846)**
Profit for the period						**28,879**
Other information:						
Interest income	**1,109**	**111**	**—**	**1,220**	**3**	**1,223**
Interest expense	**(168)**	**(4)**	**(44)**	**(216)**	**—**	**(216)**
Depreciation	**(4,195)**	**(760)**	**(263)**	**(5,218)**	**(38)**	**(5,256)**
Amortisation of leasehold land and land use rights	**—**	**(30)**	**—**	**(30)**	**—**	**(30)**
Amortisation of intangible assets	**(450)**	**(40)**	**(40)**	**(530)**	**(5)**	**(535)**
Share of loss of an associate	**—**	**(182)**	**—**	**(182)**	**—**	**(182)**
Gain on dilution of interest in an associate	**—**	**33**	**—**	**33**	**—**	**33**
Income tax expense	**(9,222)**	**(106)**	**(314)**	**(9,642)**	**(204)**	**(9,846)**

The Group's turnover and results for the six months ended 30 September 2010, analysed by operating segment, were as follows:

	(Unaudited) Publishing and printing					
	Malaysia and other Southeast Asian countries	Hong Kong and Mainland China	North America	Sub-total	Travel and travel related services	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Turnover	131,887	35,549	14,540	181,976	39,611	221,587
Segment profit before income tax	32,479	1,898	1,726	36,103	1,920	38,023
Net unallocated expenses						(45)
Share of loss of an associate						(170)
Profit before income tax						37,808
Income tax expense						(10,223)
Profit for the period						27,585
Other information:						
Interest income	527	55	—	582	1	583
Interest expense	(401)	(19)	(12)	(432)	—	(432)
Depreciation	(3,576)	(854)	(275)	(4,705)	(46)	(4,751)
Amortisation of leasehold land and land use rights	—	(30)	—	(30)	—	(30)
Amortisation of intangible assets	(378)	(19)	(21)	(418)	(2)	(420)
Share of loss of an associate	—	(170)	—	(170)	—	(170)
Income tax expense	(8,692)	(565)	(785)	(10,042)	(181)	(10,223)

The segment assets as at 30 September 2011 were as follows:

	(Unaudited)						
	Publishing and printing						
	Malaysia and other Southeast Asian countries *US$'000*	Hong Kong and Mainland China *US$'000*	North America *US$'000*	Sub-total *US$'000*	Travel and travel related services *US$'000*	Elimination *US$'000*	Total *US$'000*
Segment assets	**389,639**	**82,958**	**13,347**	**485,944**	**13,941**	**(7,276)**	**492,609**
Unallocated assets							**3,379**
Total assets							**495,988**
Total assets include:							
Interest in an associate	**—**	**2,230**	**—**	**2,230**	**—**	**—**	**2,230**
Additions to non-current assets (other than interest in an associate, defined benefit plan assets, financial assets and deferred income tax assets)	**2,702**	**434**	**64**	**3,200**	**46**	**—**	**3,246**

The segment assets as at 31 March 2011 were as follows:

	(Audited)						
	Publishing and printing						
	Malaysia and other Southeast Asian countries *US$'000*	Hong Kong and Mainland China *US$'000*	North America *US$'000*	Sub-total *US$'000*	Travel and travel related services *US$'000*	Elimination *US$'000*	Total *US$'000*
Segment assets	406,079	74,122	14,680	494,881	9,233	(2,775)	501,339
Unallocated assets							3,142
Total assets							504,481
Total assets include:							
Interest in an associate	—	2,379	—	2,379	—	—	2,379
Additions to non-current assets (other than interest in an associate, defined benefit plan assets, financial assets and deferred income tax assets)	18,906	725	223	19,854	72	—	19,926

The Company is domiciled in Bermuda while the Group operates its publishing and printing businesses mainly in Malaysia, other Southeast Asian countries, Hong Kong and Mainland China ("main operating countries"). Revenue from external customers of the Group's publishing and printing businesses for the six months ended 30 September 2011 and 2010, analysed by operating countries, was as follows:

	(Unaudited) Six months ended 30 September	
	2011	2010
	US$'000	*US$'000*
Main operating countries	**182,264**	167,436
Other countries	**15,445**	14,540
	197,709	181,976

The Group's total non-current assets, other than defined benefit plan assets, investment in convertible notes and deferred income tax assets, analysed by operating countries, were as follows:

	(Unaudited) As at 30 September 2011	(Audited) As at 31 March 2011
	US$'000	*US$'000*
Main operating countries	**232,553**	246,346
Other countries	**5,422**	5,985
	237,975	252,331

The elimination between segments represented intercompany receivables and payables between the segments.

Segment assets consist primarily of property, plant and equipment, investment properties, leasehold land and land use rights, intangible assets, interest in an associate, investment in convertible notes, inventories, trade and other receivables, and cash and cash equivalents. They exclude defined benefit plan assets, deferred income tax assets, available-for-sale financial assets, financial assets at fair value through profit or loss — listed equity securities, and income tax recoverable.

Turnover is derived from publishing, printing and distribution of Chinese language newspapers, magazines and books, and provision of travel and travel related services.

Turnover recognised during the period was as follows:

	(Unaudited) Six months ended 30 September	
	2011	2010
	US$'000	*US$'000*
Advertising income, net of trade discounts	**137,923**	124,153
Sales of newspapers, magazines and books, net of trade discounts and returns	**59,786**	57,823
Travel and travel related services income	**47,951**	39,611
	245,660	221,587

5. EXPENSES BY NATURE

	(Unaudited) Six months ended 30 September 2011 *US$'000*	2010 *US$'000*
Raw materials and consumables used	**59,584**	54,816
Employee benefit expense (including directors' emoluments)	**55,906**	50,589
Depreciation	**5,256**	4,751
Loss on disposal of property, plant and equipment — net	**23**	6
Amortisation of intangible assets	**535**	420
Amortisation of leasehold land and land use rights	**30**	30

6. OTHER INCOME

	(Unaudited) Six months ended 30 September 2011 *US$'000*	2010 *US$'000*
Scrap sales of old newspapers and magazines	**2,900**	2,337
Interest income	**1,223**	583
Rental and management fee income	**616**	495
License fee and royalty income	**144**	112
Dividend income	**7**	9
	4,890	3,536

7. OTHER GAINS, NET

	(Unaudited) Six months ended 30 September 2011 *US$'000*	2010 *US$'000*
Net exchange (loss)/gain	**(193)**	250
Fair value (loss)/gain on financial assets at fair value through profit or loss	**(20)**	13
Others	**1,009**	794
	796	1,057

8. FINANCE COSTS

	(Unaudited) Six months ended 30 September	
	2011	2010
	US$'000	*US$'000*
Interest on bank loans and overdrafts	**172**	420
Interest element of finance lease payments	**44**	12
	216	432

9. INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit derived from Hong Kong for the period. Income tax for the Group's Malaysian operations is calculated at the statutory tax rate of 25% (2010: 25%) on the estimated assessable profit derived from Malaysia for the period. Taxation on other countries' profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

Income tax expense in the condensed consolidated income statement represents:

	(Unaudited) Six months ended 30 September	
	2011	2010
	US$'000	*US$'000*
Hong Kong taxation		
— Current period	**749**	693
Malaysian taxation		
— Current period	**8,471**	7,313
— Under provision in prior years	**—**	1
Other countries' taxation		
— Current period	**598**	785
— Over provision in prior years	**(262)**	—
Deferred income tax expense	**290**	1,431
	9,846	10,223

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 September 2011 is 25.4% (six months ended 30 September 2010: 27%).

10. EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

	(Unaudited) Six months ended 30 September **2011**	2010
(a) Basic		
Profit attributable to equity holders of the Company (US$'000)	**28,611**	27,328
Weighted average number of ordinary shares in issue	**1,685,976,656**	1,683,897,044
Basic earnings per share (US cents)	**1.70**	1.62
(b) Diluted		
Profit attributable to equity holders of the Company (US$'000)	**28,611**	27,328
Weighted average number of ordinary shares in issue	**1,685,976,656**	1,683,897,044
Adjustment for share options	**730,920**	462,586
Weighted average number of ordinary shares for diluted earnings per share	**1,686,707,576**	1,684,359,630
Diluted earnings per share (US cents)	**1.70**	1.62

11. DIVIDENDS

	(Unaudited) Six months ended 30 September **2011** *US$'000*	2010 *US$'000*
Dividends attributable to the period:		
First interim dividend in respect of 2011–2012, proposed, US0.800 cents (2010–2011: US0.800 cents) per ordinary share	**13,498**	13,471
Special dividend in respect of 2011–2012, proposed, US0.400 cents (2010–2011: Nil) per ordinary share *(note b)*	**6,749**	—
	20,247	13,471
Dividends paid during the period:		
Second interim dividend in respect of 2010–2011, paid, US1.153 cents (2009–2010: US0.771 cents) per ordinary share *(note a)*	**19,437**	12,983

The board of directors has declared a first interim dividend of US0.800 cents (2010–2011: US0.800 cents) per ordinary share in respect of the year ending 31 March 2012 payable on 30 December 2011 to shareholders whose names appear on the register of members of the Company at the close of the business on 12 December 2011 in cash in RM or in Hong Kong dollars ("HK$") at exchange rates determined on 25 November 2011 by reference to the middle exchange rates at 12:00 noon applicable to US$ as quoted by Bank Negara Malaysia. This interim dividend is not reflected as a dividend payable in this condensed consolidated interim financial information.

The middle exchange rates at 12:00 noon on 25 November 2011 as quoted by Bank Negara Malaysia of US$ to RM and US$ to HK$, and the amount of the first interim dividend payable are as follows:

	Exchange rates	**Dividend per ordinary share**
US$ to RM	3.1920	2.554 sen
US$ to HK$	7.7949	HK6.236 cents

Notes:

(a) The second interim dividend represented a dividend of US1.153 cents per ordinary share in respect of the year ended 31 March 2011 and was paid to shareholders of the Company on 2 August 2011.

(b) The special dividend represented a dividend of US0.400 cents per ordinary share in respect of the year ending 31 March 2012 and was paid to shareholders of the Company on 6 October 2011.

12. TRADE AND OTHER RECEIVABLES

	(Unaudited) As at 30 September 2011 ***US$'000***	(Audited) As at 31 March 2011 *US$'000*
Trade receivables	**62,437**	63,258
Less: provision for impairment of trade receivables	**(2,742)**	(3,082)
Trade receivables — net *(note)*	**59,695**	60,176
Deposits and prepayments	**6,059**	5,650
Other receivables	**3,149**	3,085
	68,903	68,911

At 30 September 2011, the carrying amounts of trade and other receivables approximated their fair values.

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

At 30 September 2011 and 31 March 2011, the ageing analyses of the Group's net trade receivables based on invoice date were as follows:

	(Unaudited) As at 30 September 2011	(Audited) As at 31 March 2011
	US$'000	*US$'000*
0 to 60 days	**44,912**	43,487
61 to 120 days	**12,144**	13,430
121 to 180 days	**1,843**	2,496
Over 180 days	**796**	763
	59,695	60,176

13. TRADE AND OTHER PAYABLES

	(Unaudited) As at 30 September 2011	(Audited) As at 31 March 2011
	US$'000	*US$'000*
Trade payables *(note)*	**23,650**	20,108
Accrued charges and other payables	**37,354**	35,310
Receipts in advance	**15,601**	13,398
	76,605	68,816

At 30 September 2011, the carrying amounts of trade and other payables approximated their fair values.

Note: At 30 September 2011 and 31 March 2011, the ageing analyses of the Group's trade payables based on invoice date were as follows:

	(Unaudited) As at 30 September 2011	(Audited) As at 31 March 2011
	US$'000	*US$'000*
0 to 60 days	**20,989**	16,176
61 to 120 days	**1,868**	2,577
121 to 180 days	**211**	260
Over 180 days	**582**	1,095
	23,650	20,108

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL HIGHLIGHTS

(in US$'000)	(Unaudited) For the six months ended 30 September **2011**	2010	Change
Turnover	**245,660**	221,587	10.9%
Profit before income tax	**38,725**	37,808	2.4%
Basic earnings per share (US cents)	**1.70**	1.62	4.9%

OVERALL REVIEW OF OPERATIONS

The Group saw a 10.9% year-on-year increase in its turnover during the six months ended 30 September 2011. Much of this growth was attributable to strong advertising sales and robust tour revenue.

However, escalated inflation had added pressure on the Group's operating expenses, in particular newsprint, tour and labour costs.

For the period under review, the Group's operating expenses rose by 13.0% when compared with those of the corresponding period of the previous financial year. Profit margins are under pressure from the surging costs, resulting in the Group reporting a marginal increase of 2.4% in its profit before income tax for the six months ended 30 September 2011.

Turnover from the publishing and printing segment for the period under review amounted to US$197,709,000, representing 80.5% of the Group's total turnover and a 8.6% upsurge from that of the same period of the previous financial year. Affected by soaring operating costs, the profit before income tax from this segment rose only by 4.2% year-on-year to US$37,602,000.

Competition in the travel industry intensified during the six-month period. However, the Group succeeded in recruiting new patrons through aggressive promotional campaigns, supported by higher demand for its well-acclaimed long-haul tours and financial stability in the Asian markets. Turnover of the travel business for the period surged 21.1% to US$47,951,000. Nevertheless, the strong growth in revenue was negated by hike in tour costs which resulted in a 4.2% marginal dip in the tour segment's profit.

Apart from operational earnings, the Group also benefited from the strength of Ringgit Malaysia and Canadian dollar against the US dollar which resulted in positive currency impact of US$9,492,000 and US$2,892,000 on the Group's turnover and profit before income tax respectively.

Basic earnings per share for the six months ended 30 September 2011 was US1.70 cents, representing a 4.9% increase from that of the corresponding period last year. As at 30 September 2011, the Group's cash and cash equivalents and net assets per share amounted to US$122,529,000 and US22.5 cents respectively.

INTERIM DIVIDEND

The board of directors resolved to declare the payment of a first interim dividend for the six months ended 30 September 2011 of US0.800 cents per ordinary share (2010: US0.800 cents per ordinary share) payable on 30 December 2011.

SEGMENTAL REVIEW

Publishing and printing

Malaysia and other Southeast Asian countries

Total revenue of the Malaysian operations for the period under review rose by 10.4% from that of the same period last year to US$145,669,000. This was mainly attributable to strong advertising revenue growth, coupled with additional contract printing revenue in East Malaysia.

However, higher newsprint expenses and staff costs had pushed up the operating costs of the Malaysian operations. For the six-month period, newsprint expenses alone increased by 10.2% when compared with that of the same period last year. Accelerated operating costs had cut into the operation's margin, resulting in a year-on-year increase of 4.0% in segment profit before income tax to US$33,786,000 for the six months ended 30 September 2011.

Advertising revenue grew by 13.3% driven by strong growth in national advertising revenue with increases in both aggregate volume and rate. The increase in advertising revenue of the Malaysian operations was in line with the 12.9% year-on-year growth of advertising revenue for the newspaper industry in Peninsular Malaysia for the period from April to September 2011. Of the newspaper industry's advertising revenue, advertising expenditure for the Chinese newspapers in Peninsular Malaysia accounted for approximately 23.7%.

The Group's four major daily publications in Malaysia are clearly segmented with different market positions targeting different segments of readers of different profiles and needs. This clear segmentation promotes the growth of the Group's publications operating in the same marketplace.

Sin Chew Daily, with an average daily readership of 1.3 million readers in the second quarter of 2011, continued to dominate the Chinese newspapers market and was the only daily title with an increase in copies sold. This was in sharp contrast to the scenario in the local market, where newspaper companies were facing decline in circulation volume. We believe that this is the result of *Sin Chew Daily* consistently delivering superior reading experience to retain existing and attract new readers.

China Press maintained its market share whilst recording an increase in its average daily readership to 966,000 readers in the second quarter of 2011. It continued to be the largest selling evening newspaper as well as the second most popular Chinese newspaper in Malaysia during the period.

Guang Ming Daily continued to show the strength of its brand in the challenging northern region of Peninsular Malaysia market with an average daily readership of 391,000 readers in the second quarter of 2011, thereby maintaining its position as the most read regional newspaper in the northern region of Peninsular Malaysia.

Nanyang Siang Pau continued to be a paper with a strong focus on business and economic news, attracting 162,000 readers every day in the second quarter of 2011.

The 21 magazine titles in this segment were facing a more challenging market than that of the segment's newspaper titles. This was mainly due to regional magazine advertisers being cautious about the economy and consumer spending and hence many advertisers, particularly in the cosmetic and fashion sectors, deferred their advertising budgets during the period. Nevertheless, the magazine division remained profitable.

With respect to the Group's Chinese news website Sinchew-i.com, the average monthly unique visitors during the period under review increased by 58% year-on-year to reach 3 million. The Group had applied various innovative initiatives to broaden the readership base of the website and attract more Malaysian advertisers.

Hong Kong and Mainland China

The Group's publishing and printing business in Hong Kong and Mainland China was operated through *Ming Pao Daily News*, a popular Chinese daily newspaper, Mingpao.com, a news portal in Hong Kong covering a wide spectrum of subjects, and One Media Group ("OMG"), a subsidiary listed on the main board of the HK Stock Exchange (stock code: 426) that engages in magazine publishing and digital media business in this region.

Turnover from the operations in Hong Kong and Mainland China for the six months ended 30 September 2011 increased by 2.9% from that of the corresponding period last year to US$36,595,000. First half-year segment profit before income tax rose by 44.0% year-on-year to US$2,734,000.

Competition from free newspapers in Hong Kong became ferocious during the period. Two more free Chinese newspapers were launched in the second quarter of this financial year, making a total of five in the market. Advertising budgets had been further sliced by these additional players in the Chinese daily publication market. Advertising revenue of *Ming Pao Daily News* for the period, nevertheless, remained relatively stable. This was attributable to its market position supported by quality unbiased editorial contents, its demonstration of professional journalism and comprehensive coverage of social, political and economic issues in Hong Kong and Mainland China.

OMG's operating results continued to improve during the period under review, mainly due to better performance from its automobile magazines. Turnover and profit before income tax increased by 8.8% and 23.6% from those of the same period last year respectively. OMG has been broadening its variety of contents being offered through multimedia platforms. In November 2011, it has launched a new product — *Partyline*, a social networking application powered by *Ming Pao Weekly*, the flagship magazine of OMG in Hong Kong, providing first-hand news of photos and videos of the hottest events in town via mobile communications devices.

North America

The Group's operations in North America for the six-month period were hampered by the rising operating expenses, especially staff and paper costs. Turnover for the period amounted to US$15,445,000, representing a year-on-year increase of 6.2%, while segment profit before income tax dropped from US$1,726,000 in the same period last year to US$1,082,000. The North American operations were also further impacted by the strike in Toronto that began in late September.

Travel and travel related services

Turnover of the Group's travel business, operated through Charming Holidays and Delta Group, rose by 21.1% year-on-year to US$47,951,000 during the six months ended 30 September 2011. The relatively stable Asian economies, coupled with the Group's well-acclaimed long-haul tour packages are conducive to this revenue growth.

However, there was a modest drop of 4.2% in this segment's profit before income tax. Besides inflationary pressure on the segment's operating costs, more promotion expenses were spent during the period in order to broaden its customer base.

DIGITAL MEDIA

Capitalising on the increasing popularity of mobile reading gadgets, the Group continued to invest in digital media and deliver its rich Chinese archive contents from traditional print publications to multimedia platforms. In addition, the Group further developed contents with interactive features and video clips for distribution through multiple channels. The Group's efforts had begun to generate results, with "Mingpao App" now one of the top free news apps available in the AppStore.

Digital media not only helps improve accessibility of the Group's rich contents and increase readership, but also provides a new advertising platform for effective promotion of trendy merchandises and brand identities to target audience. Although advertising expenditure on online media currently representing a small fraction of the entire advertising pie, the Group is committed to investing more resources into the development of this business. The combination of the print and digital media across different markets enables the Group to provide comprehensive marketing solutions to advertisers and expand revenue base through cross-selling among various titles, not to mention the increased opportunity for expanding readership base. The Group will continue to introduce new platforms for advertising to attract advertisers who are looking for creative marketing channels to reach their target audience.

OUTLOOK

Trading conditions in the main markets in which the Group operates are expected to remain challenging and volatile. This is because economic weakness in the US and the problems faced by the Eurozone will continue to weaken the external environment with consequential challenges to the Malaysian and Hong Kong economies.

The impact of this economic turbulence on the Malaysian and Hong Kong economies will be felt more keenly in the coming months with economic growth expected to further moderate. Against this backdrop, the Group's advertising revenue is expected to move in tandem with the economy.

Further, the Group will continue to face increasing cost pressures due to rising staff costs and raw material prices brought about by inflation. Nevertheless, we expect newsprint prices to remain stable in the second half of this financial year.

The management will continue to strengthen the Group's business while enhancing its cost containment efforts in order to remain competitive and achieve satisfactory results for the remaining period of this financial year.

PLEDGE OF ASSETS

As at 30 September 2011, land and buildings and assets of certain subsidiaries with an aggregate value of US$15,806,000 (31 March 2011: US$18,882,000) were pledged to banks to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

At 30 September 2011, there were several libel suits which involved claims against some companies in the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings was still uncertain as of the date of this condensed consolidated interim financial information, 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.

CAPITAL COMMITMENTS

As at 30 September 2011, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in this condensed consolidated interim financial information amounted to US$699,000 whereas authorised capital expenditure for property, plant and equipment not contracted and not provided for in this condensed consolidated interim financial information amounted to US$3,144,000.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2011, the Group's net current assets amounted to US$159,893,000 (31 March 2011: US$160,561,000) and the shareholders' funds were US$379,585,000 (31 March 2011: US$394,408,000). Total bank borrowings and finance lease obligations were US$5,572,000 (31 March 2011: US$15,589,000).

As at 30 September 2011, total cash and cash equivalents was US$122,529,000 (31 March 2011: US$110,519,000) and net cash position was US$116,957,000 (31 March 2011: US$94,930,000) after deducting total bank borrowings and finance lease obligations.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 September 2011, the Group had approximately 4,668 employees (31 March 2011: approximately 4,639 employees), the majority of whom were employed in Malaysia and Hong Kong. The Group remunerates its employees based on industry practice and performance of individual employees. The emoluments of the directors and senior management are reviewed by the Remuneration Committee regularly, having regard to the Group's operating results, individual performance and comparable market statistics. No director, or any of his associates, is involved in dealing with his own remuneration. The Group has share option schemes as an incentive to directors and eligible employees.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the six months ended 30 September 2011, the Company repurchased a total of 3,000 of its listed shares on the HK Stock Exchange for the purpose of enhancing the net asset value per share of the Company. Details of the repurchases are summarised as follows:

Month/Year	Number of ordinary shares repurchased	Purchase price per share Highest	Lowest	Aggregate purchase consideration	Equivalent in
		HK$	*HK$*	*HK$*	*US$*
August 2011	3,000	2.95	2.95	8,850	1,135

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

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

CLOSURE OF THE REGISTER OF MEMBERS

The register of members in Hong Kong will be closed on Monday, 12 December 2011 whereby no transfer of shares will be registered on that date. In order to qualify for the first interim dividend of US0.800 cents per ordinary share, 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 9 December 2011. In respect of shareholders in Malaysia, a depositor in Malaysia shall qualify for the entitlement to the dividend only in respect of: (i) shares transferred into the Depositor's Securities Account before 4:00 p.m. on Monday, 12 December 2011 in respect of transfers; and (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad. The first interim dividend will be payable to the shareholders on 30 December 2011.

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 6 December 2011 to 12 December 2011, both days inclusive.

CORPORATE GOVERNANCE

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

During the period under review, the Company has complied with the best practices of the Malaysian Code save for the appointment of a senior independent non-executive director and met the code provisions as set out in the Hong Kong Code.

DIRECTORS' SECURITIES TRANSACTIONS

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

REVIEW OF INTERIM FINANCIAL RESULTS

The Audit Committee of the Company has reviewed with management the condensed consolidated interim financial information for the six months ended 30 September 2011, including accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

The condensed consolidated interim financial information for the six months ended 30 September 2011 has been reviewed by PricewaterhouseCoopers, the auditors of the Company, in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the International Auditing and Assurance Standards Board.

By Order of the Board
MEDIA CHINESE INTERNATIONAL LIMITED
TIONG Kiew Chiong
Director

25 November 2011

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