MEDIA CHINESE INTERNATIONAL LIMITED
世界華文媒體有限公司

(Incorporated in Bermuda with limited liability)

(Malaysia Company No. 995098-A)
(Hong Kong Stock Code: 685)
(Malaysia Stock Code: 5090)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2016

The directors of Media Chinese International Limited (the "Company") hereby announce that the consolidated results of the Company and its subsidiaries (collectively the "Group") and the Group's interests in joint ventures and associates for the year ended 31 March 2016, together with comparative figures for the year ended 31 March 2015 are as follows:

CONSOLIDATED INCOME STATEMENT

		(Unaudited)	(Audited)
		Year ended 31 March	
		2016	2015
	Note	***US$'000***	*US$'000*
Turnover	*3*	**349,126**	429,140
Cost of goods sold		**(215,589)**	(263,682)
Gross profit		**133,537**	165,458
Other income	*5*	**9,105**	10,829
Other losses, net	*6*	**(1,801)**	(5,294)
Selling and distribution expenses		**(59,353)**	(69,298)
Administrative expenses		**(32,988)**	(39,172)
Other operating expenses		**(5,859)**	(6,385)
Operating profit		**42,641**	56,138
Finance costs	*7*	**(5,328)**	(6,595)
Share of profits/(losses) of joint ventures and associates		**82**	(147)
Allowance for impairment loss of interest in an associate		**–**	(1,895)
Profit before income tax		**37,395**	47,501
Income tax expense	*8*	**(11,273)**	(16,411)
Profit for the year		**26,122**	31,090
Profit/(loss) attributable to:			
Owners of the Company		**26,649**	31,429
Non-controlling interests		**(527)**	(339)
		26,122	31,090
Earnings per share attributable to owners of the Company			
Basic (US cents)	*9*	**1.58**	1.86
Diluted (US cents)	*9*	**1.58**	1.86

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited)	(Audited)
	Year ended 31 March	
	2016	2015
	US$'000	*US$'000*
Profit for the year	**26,122**	31,090
Other comprehensive (loss)/income		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(6,643)**	(20,842)
Item that will not be reclassified subsequently to profit or loss:		
Remeasurements of post-employment benefit obligations	**29**	45
Other comprehensive loss for the year, net of tax	**(6,614)**	(20,797)
Total comprehensive income for the year	**19,508**	10,293
Total comprehensive income/(loss) for the year attributable to:		
Owners of the Company	**20,091**	10,660
Non-controlling interests	**(583)**	(367)
	19,508	10,293

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**(Unaudited) As at 31 March 2016** *US$'000*	(Audited) As at 31 March 2015 *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**114,596**	126,909
Investment properties		**15,451**	15,943
Intangible assets		**53,516**	59,004
Deferred income tax assets		**300**	723
Interests in joint ventures and associates		**749**	796
		184,612	203,375
Current assets			
Inventories		**23,869**	40,888
Available-for-sale financial assets		**97**	97
Financial assets at fair value through profit or loss		**340**	294
Trade and other receivables	*11*	**51,669**	58,911
Income tax recoverable		**1,403**	631
Cash and cash equivalents		**140,950**	118,620
		218,328	219,441
Current liabilities			
Trade and other payables	*12*	**53,131**	59,916
Income tax liabilities		**3,871**	3,657
Bank and other borrowings	*13*	**58,453**	9,585
Current portion of other non-current liabilities		**83**	58
		115,538	73,216
Net current assets		**102,790**	146,225
Total assets less current liabilities		**287,402**	349,600
EQUITY			
Equity attributable to owners of the Company			
Share capital		**21,715**	21,715
Share premium		**54,664**	54,664
Other reserves		**(107,715)**	(100,761)
Retained earnings			
— Proposed dividend		**10,123**	8,436
— Others		**234,237**	225,690
		244,360	234,126
		213,024	209,744
Non-controlling interests		**5,703**	6,361
Total equity		**218,727**	216,105
Non-current liabilities			
Bank and other borrowings	*13*	**57,663**	121,506
Deferred income tax liabilities		**9,981**	11,138
Other non-current liabilities		**1,031**	851
		68,675	133,495
		287,402	349,600

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

For the year ended 31 March 2016

1. BASIS OF PREPARATION

This consolidated financial information of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, and financial assets at fair value through profit or loss. This consolidated financial information also included applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HK Listing Rules").

(i) New and amended standards and interpretations to existing standards adopted by the Group

a) Amendment to IAS 19 on contributions from employees or third parties to defined benefit plans. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.

b) Amendments from annual improvements to IFRSs–2010–2012 Cycle, on IFRS 8, 'Operating segments', IAS 16, 'Property, plant and equipment', IAS 38, 'Intangible assets' and IAS 24, 'Related party disclosures'. The adoption of the improvements made in the 2010–2012 Cycle has required additional disclosures in the segment note.

c) Amendments from annual improvements to IFRSs–2011–2013 Cycle, on IFRS 3, 'Business combinations', IFRS 13, 'Fair value measurement' and IAS 40, 'Investment property'.

Other than as disclosed above, there are no IFRSs or International Financial Reporting Interpretations Committee interpretations that are effective for the first time for the financial year beginning on 1 April 2015 that have a material impact on the Group.

(ii) New accounting standards and amendments to standards that are not yet effective and have not been early adopted by the Group

The following new standards and amendments to standards are effective for annual periods beginning after 1 April 2015, and have not been applied in preparing this consolidated financial information:

		Effective for annual periods beginning on or after
IFRS 14	Regulatory deferral accounts	1 January 2016
Amendments to IAS 1	Disclosure initiative	1 January 2016
Amendment to IFRS 11	Accounting for acquisitions of interests in joint operations	1 January 2016
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to IAS 16 and IAS 41	Agriculture: bearer plants	1 January 2016
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Note
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment entities: applying the consolidation exception	1 January 2016
Amendment to IAS 27	Equity method in separate financial statements	1 January 2016
Annual improvements 2014	Annual improvement for 2012–2014 cycle	1 January 2016
Amendments to IAS 7	Statement of cash flows	1 January 2017
Amendments to IAS 12	Income taxes	1 January 2017
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019

Note: The effective date was postponed indefinitely.

None of the above is expected to have a significant effect on this consolidated financial information.

(iii) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) came into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in this consolidated financial information.

2. 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 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 United States 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 consolidated income statement for the year.

During the year ended 31 March 2016, the Group was particularly exposed to movements in the US$ to RM exchange rate as a major part of the Group's operations is located in Malaysia, and a decrease in the exchange fluctuation reserve of US$7,015,000 was recognised largely due to the changes in the exchange rate of US$ to RM.

3. 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, Taiwan and Mainland China
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 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 presented in 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 year ended 31 March 2016, analysed by operating segments, are as follows:

	(Unaudited)					
	Publishing and printing					
	Malaysia and other Southeast Asian countries *US$'000*	**Hong Kong, Taiwan and Mainland China** *US$'000*	**North America** *US$'000*	**Sub-total** *US$'000*	**Travel and travel related services** *US$'000*	**Total** *US$'000*
Turnover	**186,387**	**60,848**	**19,186**	**266,421**	**82,705**	**349,126**
Segment profit/(loss) before income tax	**39,619**	**(1,821)**	**(996)**	**36,802**	**6,250**	**43,052**
Unallocated interest expense						**(5,250)**
Other net unallocated expenses						**(489)**
Share of profits of joint ventures and associates						**82**
Profit before income tax						**37,395**
Income tax expense						**(11,273)**
Profit for the year						**26,122**
Other information:						
Interest income	**2,640**	**153**	**–**	**2,793**	**17**	**2,810**
Interest expense	**(51)**	**(27)**	**–**	**(78)**	**–**	**(78)**
Depreciation of property, plant and equipment	**(7,196)**	**(1,532)**	**(370)**	**(9,098)**	**(125)**	**(9,223)**
Amortisation of intangible assets	**(862)**	**(166)**	**(19)**	**(1,047)**	**(45)**	**(1,092)**
Impairment loss of goodwill	**(1,957)**	**–**	**–**	**(1,957)**	**–**	**(1,957)**
Income tax (expense)/credit	**(10,603)**	**(719)**	**1,190**	**(10,132)**	**(1,141)**	**(11,273)**

The Group's turnover and results for the year ended 31 March 2015, analysed by operating segments, are 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$'000*	Total *US$'000*
Turnover	249,961	69,744	23,529	343,234	85,906	429,140
Segment profit before income tax	48,374	4,617	297	53,288	3,770	57,058
Unallocated interest expense						(6,323)
Other net unallocated expenses						(1,192)
Share of losses of joint ventures and associates						(147)
Allowance for impairment loss of interest in an associate						(1,895)
Profit before income tax						47,501
Income tax expense						(16,411)
Profit for the year						31,090
Other information:						
Interest income	1,861	258	–	2,119	12	2,131
Interest expense	(201)	(71)	–	(272)	–	(272)
Depreciation of property, plant and equipment	(8,374)	(1,485)	(420)	(10,279)	(123)	(10,402)
Amortisation of intangible assets	(872)	(151)	(70)	(1,093)	(33)	(1,126)
Impairment loss of goodwill	(5,315)	(351)	–	(5,666)	–	(5,666)
Income tax expense	(14,030)	(1,387)	(13)	(15,430)	(981)	(16,411)

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 as follows:

	(Unaudited) Year ended 31 March **2016** ***US$'000***	(Audited) 2015 *US$'000*
Advertising income, net of trade discounts	**190,109**	248,319
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	**76,312**	94,915
Travel and travel related services income	**82,705**	85,906
	349,126	429,140

The segment assets and liabilities as at 31 March 2016 are as follows:

	(Unaudited)						
	Publishing and printing						
	Malaysia and other Southeast Asian countries *US$'000*	**Hong Kong, Taiwan and Mainland China** *US$'000*	**North America** *US$'000*	**Sub-total** *US$'000*	**Travel and travel related services** *US$'000*	**Elimination** *US$'000*	**Total** *US$'000*
Segment assets	**309,346**	**60,419**	**14,197**	**383,962**	**16,877**	**(167)**	**400,672**
Unallocated assets							**2,268**
Total assets							**402,940**
Total assets include:							
Interests in joint ventures and associates	**–**	**749**	**–**	**749**	**–**	**–**	**749**
Additions to non-current assets (other than deferred income tax assets)	**2,065**	**1,075**	**103**	**3,243**	**69**	**–**	**3,312**
Segment liabilities	**(20,901)**	**(16,255)**	**(6,690)**	**(43,846)**	**(8,968)**	**167**	**(52,647)**
Unallocated liabilities							**(131,566)**
Total liabilities							**(184,213)**

The segment assets and liabilities as at 31 March 2015 are 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	318,147	70,272	15,595	404,014	17,110	(175)	420,949
Unallocated assets							1,867
Total assets							422,816
Total assets include:							
Interests in joint ventures and associates	–	796	–	796	–	–	796
Additions to non-current assets (other than deferred income tax assets)	7,598	870	733	9,201	180	–	9,381
Segment liabilities	(26,620)	(20,597)	(7,065)	(54,282)	(13,375)	175	(67,482)
Unallocated liabilities							(139,229)
Total liabilities							(206,711)

The elimination between segments represents intercompany receivables and payables between segments.

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, interests in joint ventures and associates, inventories, trade and other receivables and cash and cash equivalents. They exclude assets held by the Company, deferred income tax assets, available-for-sale financial assets, financial assets at fair value through profit or loss and income tax recoverable.

Segment liabilities consist primarily of trade and other payables, retirement benefit obligations, defined benefit plan liabilities and bank and other borrowings. They exclude liabilities of the Company, deferred income tax liabilities and income tax liabilities.

The Group operates its publishing and printing businesses mainly in Malaysia, other Southeast Asian countries, Hong Kong, Taiwan and Mainland China ("Main operating countries"). Revenue from external customers of the Group's publishing and printing businesses for the years ended 31 March 2016 and 2015, analysed by operating countries, is as follows:

	(Unaudited)	(Audited)
	Year ended 31 March	
	2016	2015
	US$'000	*US$'000*
Main operating countries		
Malaysia and other Southeast Asian countries	**186,387**	249,961
Hong Kong, Taiwan and Mainland China	**60,848**	69,744
Other countries	**19,186**	23,529
	266,421	343,234

As at 31 March 2016, the Group's total non-current assets, other than deferred income tax assets, analysed by operating countries, are as follows:

	(Unaudited)	(Audited)
	As at 31 March	
	2016	2015
	US$'000	*US$'000*
Main operating countries		
Malaysia and other Southeast Asian countries	**159,413**	176,608
Hong Kong, Taiwan and Mainland China	**17,755**	18,559
Other countries	**7,144**	7,485
	184,312	202,652

4. EXPENSES BY NATURE

	(Unaudited)	(Audited)
	Year ended 31 March	
	2016	2015
	US$'000	*US$'000*
Employee benefit expense (including directors' emoluments)	**99,345**	111,491
Direct costs of travel and travel related services	**67,777**	72,424
Raw materials and consumables used	**61,328**	88,661
Depreciation of property, plant and equipment	**9,223**	10,402
Amortisation of intangible assets	**1,092**	1,126
Allowance for impairment and write-off of trade and other receivables	**605**	544
Allowance for impairment and write-off of inventories	**119**	276
Losses/(gains) on disposal of property, plant and equipment — net	**50**	(184)

5. OTHER INCOME

	(Unaudited)	(Audited)
	Year ended 31 March	
	2016	2015
	US$'000	*US$'000*
Scrap sales of old newspapers and magazines	**2,905**	4,212
Interest income	**2,810**	2,131
Other media-related income	**2,064**	2,815
Rental and management fee income	**810**	1,221
Licence fee and royalty income	**226**	274
Dividend income	**11**	12
Others	**279**	164
	9,105	10,829

6. OTHER LOSSES, NET

	(Unaudited)	(Audited)
	Year ended 31 March	
	2016	2015
	US$'000	*US$'000*
Fair value gains on investment properties — net	**145**	438
Fair value gains on financial assets at fair value through profit or loss	**46**	58
Net exchange losses	**(68)**	(124)
Impairment loss of goodwill	**(1,957)**	(5,666)
Others	**33**	–
	(1,801)	(5,294)

7. FINANCE COSTS

	(Unaudited)	(Audited)
	Year ended 31 March	
	2016	2015
	US$'000	*US$'000*
Interest on medium-term notes	**5,250**	6,323
Interest on short-term bank borrowings	**78**	272
	5,328	6,595

8. INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit derived from Hong Kong for the year. Income tax for the Group's Malaysian operations is calculated at the rate of 25% (2015: 25%) on the estimated assessable profit derived from Malaysia for the year. Taxation on other countries' profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

Income tax expense in the consolidated income statement represents:

	(Unaudited)	(Audited)
	Year ended 31 March	
	2016	2015
	US$'000	*US$'000*
Hong Kong taxation		
Current year	**972**	1,494
Over provision in prior years	**(7)**	(7)
Malaysian taxation		
Current year	**11,396**	13,599
(Over)/under provision in prior years	**(65)**	246
Other countries' taxation		
Current year	**357**	503
Over provision in prior years	**(1,108)**	(82)
Deferred income tax (credit)/expense	**(272)**	658
	11,273	16,411

9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	(Unaudited)	(Audited)
	Year ended 31 March	
	2016	2015
Profit attributable to owners of the Company (US$'000)	**26,649**	31,429
Weighted average number of ordinary shares in issue	**1,687,236,645**	1,687,238,085
Basic earnings per share (US cents)	**1.58**	1.86
Diluted earnings per share (US cents)	**1.58**	1.86

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential shares in issue during the years ended 31 March 2016 and 2015.

10. DIVIDENDS

	(Unaudited) Year ended 31 March 2016 US$'000	(Audited) 2015 US$'000
Dividends attributable to the year:		
First interim, paid, US0.500 cents (2014/2015: US0.430 cents) per ordinary share	**8,436**	7,255
Second interim, declared after the end of the reporting period of US0.600 cents (2014/2015: US0.500 cents) per ordinary share	**10,123**	8,436
	18,559	15,691
Dividends paid during the year:		
Second interim, 2014/2015, US0.500 cents (2013/2014: US0.680 cents) per ordinary share *(note (a))*	**8,436**	11,473
First interim, 2015/2016, US0.500 cents (2014/2015: US0.430 cents) per ordinary share *(note (b))*	**8,436**	7,255
	16,872	18,728

On 30 May 2016, the Board of Directors declared a second interim dividend of US0.600 cents (2014/2015: US0.500 cents) per ordinary share in lieu of a final dividend for the year ended 31 March 2016. The dividend will be payable on 13 July 2016 to shareholders whose names appear on the register of members of the Company at the close of business on 23 June 2016 in cash in RM or in Hong Kong dollars ("HK$") at the average exchange rates used during the year ended 31 March 2016 for the translation of the results of the subsidiaries whose functional currencies are not US$. This interim dividend is not reflected as a dividend payable in this consolidated financial information.

The average exchange rates used during the year ended 31 March 2016 of US$ to RM and US$ to HK$, and the amount of the second interim dividend payable are as follows:

	Exchange rates	**Dividend per ordinary share**
US$ to RM	4.0506	2.430 sen
US$ to HK$	7.7363	HK4.642 cents

Note:

(a) The second interim dividend of US0.500 cents per ordinary share totaling US$8,436,000 in respect of the year ended 31 March 2015 was paid on 31 July 2015.

(b) The first interim dividend of US0.500 cents per ordinary share totaling US$8,436,000 in respect of the year ended 31 March 2016 was paid on 23 December 2015.

11. TRADE AND OTHER RECEIVABLES

	(Unaudited)	(Audited)
	As at 31 March	
	2016	2015
	US$'000	*US$'000*
Trade receivables	**44,144**	50,172
Less: allowance for impairment of trade receivables	**(2,132)**	(2,064)
Trade receivables, net *(note)*	**42,012**	48,108
Deposits and prepayments	**6,274**	7,073
Other receivables	**3,383**	3,730
	51,669	58,911

At 31 March 2016, 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.

At 31 March 2016, the ageing analysis of the net trade receivables based on invoice date is as follows:

	(Unaudited)	(Audited)
	As at 31 March	
	2016	2015
	US$'000	*US$'000*
1 to 60 days	**29,113**	34,767
61 to 120 days	**9,409**	10,050
121 to 180 days	**2,140**	2,217
Over 180 days	**1,350**	1,074
	42,012	48,108

12. TRADE AND OTHER PAYABLES

	(Unaudited)	(Audited)
	As at 31 March	
	2016	2015
	US$'000	*US$'000*
Trade payables *(note)*	**13,089**	13,099
Accrued charges and other payables	**26,011**	29,069
Receipts in advance	**13,711**	17,440
Amounts due to related parties	**320**	308
	53,131	59,916

At 31 March 2016, the fair values of trade and other payables approximated the carrying amounts.

Note: At 31 March 2016, the ageing analysis of the trade payables based on invoice date is as follows:

	(Unaudited)	(Audited)
	As at 31 March	
	2016	2015
	US$'000	*US$'000*
1 to 60 days	**11,076**	10,978
61 to 120 days	**1,796**	1,689
121 to 180 days	**84**	76
Over 180 days	**133**	356
	13,089	13,099

13. BANK AND OTHER BORROWINGS

	(Unaudited)	(Audited)
	As at 31 March	
	2016	2015
	US$'000	*US$'000*
Current		
Short-term bank borrowings (secured)	**361**	892
Short-term bank borrowings (unsecured)	**429**	8,693
Medium-term notes (unsecured)	**57,663**	–
	58,453	9,585
Non-current		
Medium-term notes (unsecured)	**57,663**	121,506
Total bank and other borrowings	**116,116**	131,091

The carrying amounts of the bank and other borrowings are denominated in the following currencies:

	(Unaudited)	(Audited)
	As at 31 March	
	2016	2015
	US$'000	*US$'000*
Malaysian Ringgit	**115,634**	126,330
US dollars	**482**	892
Hong Kong dollars	**–**	3,869
	116,116	131,091

The carrying amounts of the bank and other borrowings that are repayable:

	(Unaudited)	(Audited)
	As at 31 March	
	2016	2015
	US$'000	*US$'000*
Within 1 year	**58,453**	9,585
After 1 year and within 2 years	**–**	60,753
After 2 years and within 5 years	**57,663**	60,753
	116,116	131,091

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

(US$'000)	**Year ended 31 March**		
	2016	2015	Change
Turnover	**349,126**	429,140	–18.6%
Profit before income tax	**37,395**	47,501	–21.3%
Profit for the year	**26,122**	31,090	–16.0%
Profit attributable to owners of the Company	**26,649**	31,429	–15.2%
EBITDA	**50,228**	63,493	–20.9%
Basic earnings per share (US cents)	**1.58**	1.86	–15.1%

OVERALL REVIEW OF OPERATIONS

For the year ended 31 March 2016, the Group recorded total turnover of US$349,126,000, a decrease of 18.6% from US$429,140,000 reported in the previous year. Profit before income tax for the year declined by 21.3% to US$37,395,000 from last year's US$47,501,000.

The decline in profit during the year was primarily due to weaker performance of the Group's publishing and printing segment amid the subdued advertising market conditions in the Group's major operating areas, partially offset by improved profitability of its tour segment as well as cost reduction initiatives during the year.

Turnover from the Group's publishing and printing segment dropped 22.4% or US$76,813,000 to US$266,421,000 from US$343,234,000 in last year on the back of declining revenue. Segment profit before income tax decreased by 30.9% or US$16,486,000 year-on-year to US$36,802,000.

Turnover of the Group's travel segment amounted to US$82,705,000, reflecting a year-on-year decrease of 3.7%. Despite the decline in turnover, the travel segment achieved a notable growth in segment profit before income tax of 65.8% or US$2,480,000 to US$6,250,000, mainly attributable to margin enhancement and continued efforts on cost containment.

Both Malaysian Ringgit ("RM") and the Canadian dollar ("CAD") weakened against the US dollar during the year under review, resulting in negative currency impact on the Group's turnover and profit before income tax of approximately US$43,090,000 and US$8,575,000 or 12.3% and 22.9% respectively for the year ended 31 March 2016.

Basic earnings per share for the year ended 31 March 2016 was US1.58 cents, a decrease of US0.28 cents or 15.1% from US1.86 cents in the previous financial year. As at 31 March 2016, the Group's cash and cash equivalents and net assets per share attributable to owners of the Company amounted to US$140,950,000 and US12.63 cents, respectively.

SEGMENTAL REVIEW

Publishing and printing

Malaysia and other Southeast Asian countries

During the year, the Malaysian segment was faced with a challenging operating environment weighed down by the adverse global economic uncertainty, currency volatility and weak consumer sentiment — all of which contributed to the market challenges encountered by the domestic economy as well as the media industry in Malaysia.

Turnover for the Group's operations in Malaysia for the financial year ended 31 March 2016 was US$186,387,000, representing a decline of 25.4% or US$63,574,000 compared to the previous financial year. However, the decline was largely cushioned by the US$54,819,000 or 27.2% year-on-year decrease in net operating expenditure due to the effective cost containment strategies. As a consequence, the segment profit before income tax reported a decrease of 18.1% or US$8,755,000 from US$48,374,000 to US$39,619,000. The strengthening of the U.S. dollar against RM resulted in an adverse currency impact of US$8,575,000 on the segment's result. If the currency impact was excluded, the decline in profit before income tax would be 0.4%.

The Group is the leading news and information providers in Malaysia, operating 4 Chinese language newspapers, 1 tabloid and 15 magazine titles. In terms of the combined circulation copies of the four newspaper titles in Malaysia, the Group has maintained its dominant position in the Chinese language segment and reached an aggregate average daily readership of 2.73 million in Peninsular Malaysia during the year. To combat the unrelenting challenges faced by the traditional media, the Group's print media business is now complemented by its growing multi-platform digital products. The Group's digital portfolio comprises the established websites of the Group's publication titles and standalone sites such as an online marketplace "Logon"; an online mobile video portal "Pocketimes"; and a range of mobile sites and apps.

Sin Chew Daily's success is built on its commitment to quality journalism and integrity reporting. During the year, *Sin Chew Daily* underwent a revamp of its content, layout and design that is refreshing and relevant to readers. As the most read daily publication in Malaysia, *Sin Chew Daily* first introduced its e-paper morning edition in February 2014 and subsequently its e-paper evening edition in August 2015. The average daily print circulation of *Sin Chew Daily* was 364,739 copies for the period of January to June 2015 according to the Audit Bureau of Circulation report ("ABC report"). With the concerted efforts taken throughout the year, *Sin Chew Daily* recorded a triple-digit growth in its digital subscription base during the year. This was evidenced by the achievement of a 20% growth over the past year in *Sin Chew Daily*'s average daily readership to 1,433,000 readers in Peninsular Malaysia during the period of January to December 2015 (source: Q4 2015 Nielsen Consumer and Media View).

China Press will be celebrating its 70th anniversary in 2016 with a variety of special events to engage with readers and the public. It remains the most popular evening newspaper and continues to command the second-largest readership among all Chinese language newspapers in Malaysia. *China Press* introduced its digital replica in June 2014 to cater to readers' shifting reading habits. The paper had an average daily readership of 933,000 readers during the period of January to December 2015 (source: Q4 2015 Nielsen Consumer and Media View), and an average daily print circulation of 210,053 copies during the period of January to June 2015 (source: ABC report).

Guang Ming Daily, the leading Chinese language community newspaper in the northern region of Peninsular Malaysia, is famous for providing entertainment and lifestyle features and quality regional news. *Guang Ming Daily* embarked on its digital edition in February 2014. This initiative has contributed to a total average daily readership of about 277,000 readers during the period of January to December 2015 (source: Q4 2015 Nielsen Consumer and Media View). It also commanded an average daily print circulation of 87,414 copies during the period of January to June 2015 (source: ABC report).

Nanyang Siang Pau continues to appeal to a premium audience, with a sustainable and strong readership profile of highly educated Chinese business professionals, executives, and managerial readers. *Nanyang Siang Pau* provides comprehensive and in-depth business news that keeps readers abreast of the latest development in the business world.

Life Magazines is the largest Chinese language magazine publisher in Malaysia. In recent years, revenues of the Group's magazine titles and the magazine industry as a whole have come under pressure due to the stiff competition from digital platforms, declining discretionary spending by customers, changing reading habit and cover price increase induced by the introduction of Goods and Services Tax in Malaysia. In view of the changes in the magazines marketplace, Life Magazines has diversified its revenue stream through growing its digital portfolios and expanding its business in events management and exhibitions.

The Group has been actively involved in organizing various signature events and activities to engage with readers as well as the community. These include Nanyang Golden Eagle Awards, Sin Chew Business Excellence Awards, Sin Chew Carnival, Bridal Fair, Nanyang Property Fair, entrepreneurship seminars, health forums and cultural events, which further extend the reach and influence of the Group's branding positions throughout Malaysia.

Hong Kong, Taiwan and Mainland China

The Group's Hong Kong, Taiwan and Mainland China publishing and printing operations recorded a total turnover of US$60,848,000 for the financial year ended 31 March 2016, reflecting a decrease of 12.8% or US$8,896,000 from US$69,744,000 in the previous year. The segment reported a loss before income tax of US$1,821,000 for the year, as against a segment profit before income tax of US$4,617,000 in the year of 2014/2015. This was mainly attributed to the decline in performance of Group's listed subsidiary, One Media Group, which reported a loss before income tax of US$1,472,000 for the current year. The continued weakness in the local retail market and subdued consumer sentiment have a profound negative impact on media advertising spending, especially on luxury products, which in turn adversely affected the Group's advertising revenue.

Ming Pao Daily News ("*Ming Pao*'), the Group's flagship newspaper in Hong Kong, has been widely recognised as one of the most credible and influential newspapers over the years by providing high-standard journalism and comprehensive news reporting across the Greater China region. In the Hong Kong News Awards 2015 organised by The Newspaper Society of Hong Kong, *Ming Pao* won a total of 15 awards including 5 Winner awards, 2 First Runner-up awards and 4 Second Runner-up awards. Adding to this, it was also granted 8 awards in the "Focus at the Frontline 2015" Photo Contest organised by the Hong Kong Press Photographers Association.

The Group has been granted licenses to publish textbooks in both print and digital formats on certain subjects under the curricula of secondary schools in Hong Kong. During the year under review, the Group's education business maintained satisfactory growth in terms of both circulation and market share. Both print and digital textbooks have been well accepted among the secondary schools in Hong Kong given the books' quality content as well as the Group's extensive distribution channels and strong network with the local education community.

One Media Group, the Group's listed subsidiary providing Chinese language lifestyle publications and outdoor media services in the Greater China region, reported a turnover of US$17,683,000 for the year ended 31 March 2016, representing a year-on-year decline of about 23.4%. The decrease in revenue was due primarily to the weak retail market conditions and reduced consumer spending which led to a cut-back in promotional spending by advertisers, in particular for branded and luxury products. The decline in revenue resulted in One Media Group reporting a loss before income tax of US$1,472,000 for the year.

North America

Turnover of the Group's publishing and printing operations in North America amounted to US$19,186,000, reflecting a year-on-year decline of 18.5% or US$4,343,000. The region's slow economy had a negative impact on the segment's business, in particular its advertising revenue. As a result, the segment reported a loss of US$996,000 as against a profit before income tax of US$297,000 a year ago.

Travel and travel related services

For the fiscal year 2015/2016, the Group's travel operations in Hong Kong and North America recorded a total turnover of US$82,705,000, a slight drop of 3.7% from last year, while segment profit before income tax surged a notable 65.8% or US$2,480,000 to US$6,250,000. The improved performance was attributed to product margin enhancement and the rigid cost-containment strategies applied during the year under review.

Digital business

The Group has been successfully leveraging our editorial contents over multiple media platforms and generating audience growth. In recent years, we have deployed the Mobile First Strategy across webs, smartphones, mobiles, tablets and social media. Our digital portfolio ranges from news and entertainment sites providing regularly updated news and entertainment content to specialist sites aimed at targeted specific audiences based on interests and behaviours, etc.

We are providing reliable and up-to-date news on the mobile phone applications in extending our reach to both local and international readers. All our Group publication titles use Facebook, YouTube and other social media to reach our audience. Our news have been quoted, referenced, tweeted and circulated among the Chinese community that we served.

In Malaysia, the Group offers a wide variety of advertisement packages encompassing print, digital, video and electronic commerce platforms to satisfy the needs and expectation of advertisers. The recent introduction of the Group's Consumer Preference Targeting Advertisement packages also started to capture the eyeballs of specific audience groups and the responses received from advertisers have been very encouraging.

In March 2016, the Group expanded its digital footprint by offering the *Sin Chew-The Star* e-paper package in East Malaysia. This package is tailored exclusively for the local community and contains extensive national news coverage as well as comprehensive local news in East Malaysia. The introduction of the *Sin Chew* e-paper activation card has also eased and simplified the subscription process for readers, and is made available at various distribution centers throughout the nation. Working together with its technology partners, *China Press* launched its revamped website in November 2015 and subsequently presented its new smartphone app in March 2016.

To enhance engagement with young readers, the Group also organized various events and roadshows including the formation of Sin Chew E-paper Crew and VJ Search Reality Show to reach the online community while cultivating closer relationship with the youth and students from universities and colleges.

In line with the Group's commitment to develop its bilingual e-commerce business, improvements were made to the Logon e-marketplace to enrich the shopping experience for both e-shoppers and online merchants. This was followed by the launch of the Logon app in June 2015, making it more convenient for e-shoppers to make purchases from our growing online merchant base. We will further strengthen the Logon business model and relevance to our customers in order to achieve sustainable growth in the near future.

In Hong Kong, the ongoing digital revamp and content enhancement for *Ming Pao*'s main website, mingpao.com, have been well accepted by the readers. In terms of the number of unique visitors, mingpao.com ranked 3rd and 4th places for its mobile and desktop platforms, respectively, among the digital extension of traditional printed newspapers and digital only platforms in the news/information category in Hong Kong. By March 2016, *Ming Pao*'s news apps recorded a total number of cumulative downloads of 732,000. (Source: comScore's ranking report for January 2016). Furthermore, according to the market statistics for social media tracking from Socialbakers, the facebook page of mingpao.com ranked as number 20 out of the top 100 media pages in Hong Kong and 2nd place among the Chinese language newspapers.

During the current financial year, *Ming Pao* has launched two new mobile sites, namely the OL and the finance sites. Besides providing quality content to our readers, these mobile platforms also serve as channels for advertisers to market their products either by placing adverts or through content marketing, which are sources of revenue for the Group. New mobile apps have also been launched including one for *Ming Pao*'s education supplements which is designed to support the print edition's subscription. Another income generating mobile app is the "Money Monday e-mag" which provides content from *Ming Pao*'s finance supplements and is a platform for advertisers to integrate their print and mobile advertising.

With the rapid growth in digital communication and spending, the Group's various digital products and services are expected to become one of the main revenue streams in the future. The Group will continue to adapt to this changing market trend and aims to increase revenue through enhancing our digital resources.

CORPORATE PROPOSAL

Reference is made to the announcements made by the Company dated 4 March 2016, 15 April 2016 and 28 June 2016 whereby the Board of Directors announced that the Company's wholly owned subsidiary, Comwell Investment Limited ("Comwell"), has entered into a memorandum of understanding (the "MOU"), a supplemental MOU and a second supplemental MOU on 4 March 2016, 15 April 2016 and 28 June 2016 respectively with a potential purchaser in relation to the possible disposal of 292,700,000 shares in One Media Group by Comwell, representing approximately 73.01% of the issued share capital of One Media Group (the "Possible Transaction"). No formal or legally binding agreement has been entered into between Comwell and the potential purchaser in respect of the Possible Transaction as at the date of this announcement.

OUTLOOK

The Group navigated through a progressively more challenging business environment during the year under review, and the Board expects another tough year ahead in 2016/2017 in light of the ongoing economic uncertainties and currency volatility.

The Board remains cautious on the advertising markets in the coming year given the declining consumer and business spending sentiment in the Group's key operating markets. However, the Group will offer more innovative print and digital advertising packages and bundles, with greater value marketing solutions to advertisers. Furthermore, in light of the growing trend of digital marketing and social media usage, the Group will continue to allocate more resources to enhance its various digital platforms in order to attract targeted customers and to increase the Group's revenue base.

Although newsprint prices are likely to remain stable for the next financial year, any further appreciation of US dollar against RM and the CAD would negatively affect the Group's overall performance.

The Group's travel business is expected to continue to face difficult market conditions in the year ahead amid people's growing concerns about safety and security issues in tourist areas, especially in Europe.

Nevertheless, the Group will continue to strengthen its efforts to diversify its revenue stream, to exploit synergistic benefits by unlocking growth potentials of the existing content assets via multiple platforms besides reinforcing its cost-control efforts to achieve operational efficiencies in order to embrace the ever changing market conditions.

PLEDGE OF ASSETS

As at 31 March 2016, general security agreements under which all the assets of certain subsidiaries with net carrying amount of nil (2015: US$10,484,000) were pledged to certain banks to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 March 2016, 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 is still uncertain as of the date this consolidated financial information is 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.

CAPITAL COMMITMENTS

As at 31 March 2016, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in this consolidated financial information amounted to US$280,000 whereas authorised capital expenditure for property, plant and equipment not contracted and not provided for in this consolidated financial information amounted to US$938,000.

LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING RATIO

As at 31 March 2016, the Group's cash and cash equivalents were US$140,950,000 (2015: US$118,620,000) and total bank and other borrowings were US$116,116,000 (2015: US$131,091,000). The net cash position was US$24,834,000 (2015: net debt of US$12,471,000). Owners' equity was US$213,024,000 (2015: US$209,744,000).

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 31 March 2016 (2015: 5.9%).

EMPLOYEES AND EMOLUMENT POLICY

As at 31 March 2016, the Group had 4,368 employees (2015: 4,554 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/her associates is involved in dealing with his/her 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

In August 2015, the Company repurchased a total of 1,000 of its listed shares on The Stock Exchange of Hong Kong Limited from the open market at the price of HK$1.15 per share for the purpose of validating the declaration of solvency in relation to the share buyback mandate in accordance with the provisions of the Malaysian Companies Act. The repurchase was financed by internally generated funds. Details of the repurchase are summarised as follows:

Month/Year	**Number of ordinary shares repurchased**	**Purchase price per share**		**Aggregate purchase consideration**	**Equivalents in**
		Highest	**Lowest**		
		HK$	*HK$*	*HK$*	*US$*
August 2015	1,000	1.15	1.15	1,150	148

All the shares repurchased during the year ended 31 March 2016 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 year ended 31 March 2016.

CORPORATE GOVERNANCE

The Board of Directors (the "Board") is committed to practising the highest standards of corporate governance and operating within a governance framework that is formulated based on the Malaysian Code on Corporate Governance 2012 (the "Malaysian Code") and the Corporate Governance Code (the "Hong Kong Code") contained in Appendix 14 of the HK Listing Rules. The Company has adopted the principles and recommendations of the Malaysian Code and all the code provisions in the Hong Kong Code as its own code on corporate governance practices.

Save as disclosed below, during the year under review, the Company has met the code provisions as set out in the Hong Kong Code.

Following the passing away of Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH ("Temenggong Datuk Kenneth") on 1 March 2016, the Board comprises eight members, including five executive directors, one non-executive director and two independent non-executive directors ("INEDs"), with the number of INEDs falling below the minimum number required under Rule 3.10(1) of the HK Listing Rules and falling below one-third of the Board as required under Rule 3.10A of the HK Listing Rules and Paragraph 15.02 under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (the "Listing Requirements").

Temenggong Datuk Kenneth also served as the Chairman of the nomination committee ("Nomination Committee"), a member of the audit committee ("Audit Committee") and a member of the remuneration committee ("Remuneration Committee") of the Company. Following Temenggong Datuk Kenneth's passing away, the number of Audit Committee members was reduced from three to two, below the minimum number required under Rule 3.21 of the HK Listing Rules and Paragraph 15.09 under the Listing Requirements; the number of Remuneration Committee members decreased from five to four, comprising two INEDs, which failed to fulfil the requirement that a remuneration committee must comprise a majority of INEDs under Rule 3.25 of the HK Listing Rules; and the chair position of the Nomination Committee became vacant which did not fulfil the requirement under Code Provision A.5.1 of Appendix 14 of the HK Listing Rules.

On 23 June 2016, Mr KHOO Kar Khoon was appointed as an INED, the Chairman of the Nomination Committee, a member of the Audit Committee and a member of the Remuneration Committee of the Company. Following the appointment of Mr KHOO, the number of INEDs and Audit Committee members of the Company fulfils the minimum number as required under Rule 3.10(1), Rule 3.10A and Rule 3.21 of the HK Listing Rules and Paragraph 15.02 and Paragraph 15.09 under the Listing Requirements, the number of INEDs in the Remuneration Committee represents a majority as required under Rule 3.25 of the HK Listing Rules; and the appointment of the Chairman of the Nomination Committee fulfils the requirement under Code Provision A.5.1 of Appendix 14 of the HK Listing Rules.

In respect of the Malaysian Code, the Company has complied with the principles and recommendations set out in the Malaysian Code wherever possible save for (i) the appointment of a senior INED; and (ii) the appointment of an independent non-executive chairman, or to have a board with a majority of independent directors. The Board will continue to review and evaluate such recommendations under the Malaysian Code and is committed to achieving and sustaining high standards of corporate governance.

A detailed Statement of Corporate Governance setting out the Group's framework of governance and explanations about how the recommendations of the Malaysian Code and the code provisions in the Hong Kong Code have been applied will be included in the Company's Annual Report 2015/16.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the requirements and code as set out in (i) Chapter 14 (Dealings in Listed Securities) of the Listing Requirements ("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 HK Listing Rules. 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) the HK Model Code during the year under review.

SCOPE OF WORK OF MESSRS. PRICEWATWERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2016 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. PricewaterhouseCoopers, to the amount set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagement or Hong Kong Standards on Assurance Engagement issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. PricewaterhouseCoopers on this preliminary announcement.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed with management the consolidated financial statements for the year ended 31 March 2016, including accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

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

30 June 2016

As at the date of this announcement, the Board comprises Tan Sri Datuk Sir TIONG Hiew King, Dato' Sri Dr TIONG Ik King, Mr TIONG Kiew Chiong, Mr NG Chek Yong and Mr LEONG Chew Meng, being executive directors; Ms TIONG Choon, being non-executive director; and Mr David YU Hon To, Datuk CHONG Kee Yuon and Mr KHOO Kar Khoon, being independent non-executive directors.