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 2014

The directors of Media Chinese International Limited (the "Company") hereby announce that the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") and the Group's interests in joint ventures and associates for the six months ended 30 September 2014, together with comparative figures for the corresponding period in 2013 are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		(Unaudited) Six months ended 30 September	
	Note	**2014** ***US$'000***	2013 *US$'000*
Turnover	*4*	**237,136**	251,787
Cost of goods sold		**(153,761)**	(158,600)
Gross profit		**83,375**	93,187
Other income	*6*	**5,369**	5,681
Other gains, net	*7*	**185**	600
Selling and distribution expenses		**(35,202)**	(35,892)
Administrative expenses		**(20,725)**	(20,000)
Other operating expenses		**(3,127)**	(3,333)
Operating profit		**29,875**	40,243
Finance costs	*8*	**(3,452)**	(4,390)
Share of losses of joint ventures and associates		**(137)**	(203)
Profit before income tax		**26,286**	35,650
Income tax expense	*9*	**(7,793)**	(9,885)
Profit for the period		**18,493**	25,765
Profit attributable to:			
Owners of the Company		**18,324**	25,393
Non-controlling interests		**169**	372
		18,493	25,765
Earnings per share attributable to owners of the Company			
Basic (US cents)	*10*	**1.09**	1.51
Diluted (US cents)	*10*	**1.09**	1.51
Dividends	*11*	**7,255**	12,654

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Six months ended 30 September **2014** *US$'000*	2013 *US$'000*
Profit for the period	**18,493**	25,765
Other comprehensive losses		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(1,031)**	(7,641)
Other comprehensive losses for the period, net of tax	**(1,031)**	(7,641)
Total comprehensive income for the period	**17,462**	18,124
Total comprehensive income for the period attributable to:		
Owners of the Company	**17,289**	17,748
Non-controlling interests	**173**	376
	17,462	18,124

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**(Unaudited) As at 30 September 2014** *US$'000*	(Audited) As at 31 March 2014 *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**140,987**	144,308
Investment properties		**17,082**	17,144
Intangible assets		**72,194**	72,920
Deferred income tax assets		**1,157**	1,455
Interests in joint ventures and associates		**2,812**	2,956
		234,232	238,783
Current assets			
Inventories		**57,994**	52,386
Available-for-sale financial assets		**97**	97
Financial assets at fair value through profit or loss		**275**	237
Trade and other receivables	*12*	**68,342**	67,779
Income tax recoverable		**304**	684
Cash and cash equivalents		**108,828**	102,852
		235,840	224,035
Current liabilities			
Trade and other payables	*13*	**74,982**	68,746
Income tax liabilities		**5,595**	5,384
Bank and other borrowings	*14*	**9,796**	12,726
Current portion of other non-current liabilities		**61**	62
		90,434	86,918
Net current assets		**145,406**	137,117
Total assets less current liabilities		**379,638**	375,900
EQUITY			
Equity attributable to owners of the Company			
Share capital		**21,715**	21,715
Share premium		**54,664**	54,664
Other reserves		**(80,981)**	(79,946)
Retained earnings			
— Proposed dividend		**7,255**	11,473
— Others		**220,975**	209,906
		228,230	221,379
		223,628	217,812
Non-controlling interests		**6,989**	7,237
Total equity		**230,617**	225,049
Non-current liabilities			
Bank and other borrowings	*14*	**137,174**	137,804
Deferred income tax liabilities		**11,002**	12,306
Other non-current liabilities		**845**	741
		149,021	150,851
		379,638	375,900

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2014

1 BASIS OF PREPARATION

The condensed consolidated interim financial information for the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2014 ("interim financial information") has been prepared in accordance with the International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and 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 interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2014, which were prepared in accordance with International Financial Reporting Standards ("IFRSs").

This interim financial information has not been audited.

2 ACCOUNTING POLICIES

The accounting policies adopted for preparing this interim financial information are consistent with those set out in the consolidated financial statements of the Company for the year ended 31 March 2014 as included in the Company's annual report for the year ended 31 March 2014.

There are no amended standards or interpretations that are effective for the first time for this interim period that is expected to have a material impact on the Group.

Taxes on income in the six months ended 30 September 2014 are accrued using the tax rate that would be applicable to expected total annual earnings.

The Group has not early adopted other new or revised standards and amendments to standards that have been issued but are not yet effective for the accounting period beginning 1 April 2014. 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 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 period.

During the period ended 30 September 2014, the Group is 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$1,035,000 was recognised largely due to the changes in the exchange rate of US$ 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 segments are engaged in the publication, printing and distribution of newspapers, magazines, digital contents and books primarily in 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 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 2014, analysed by operating segment, are 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	**132,197**	**34,684**	**11,846**	**178,727**	**58,409**	**237,136**
Segment profit/(loss) before income tax	**24,697**	**2,084**	**(193)**	**26,588**	**3,463**	**30,051**
Unallocated interest expense						**(3,304)**
Other net unallocated expenses						**(324)**
Share of losses of joint ventures and associates						**(137)**
Profit before income tax						**26,286**
Income tax expense						**(7,793)**
Profit for the period						**18,493**
Other information:						
Interest income	**795**	**128**	**–**	**923**	**8**	**931**
Interest expense	**(112)**	**(36)**	**–**	**(148)**	**–**	**(148)**
Depreciation of property, plant and equipment	**(4,333)**	**(738)**	**(210)**	**(5,281)**	**(61)**	**(5,342)**
Amortisation of intangible assets	**(450)**	**(75)**	**(38)**	**(563)**	**(10)**	**(573)**
Income tax (expense)/credit	**(6,314)**	**(706)**	**68**	**(6,952)**	**(841)**	**(7,793)**

The Group's turnover and results for the six months ended 30 September 2013, analysed by operating segment, are 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	145,158	34,157	13,059	192,374	59,413	251,787
Segment profit before income tax	34,040	1,764	155	35,959	4,704	40,663
Unallocated interest expense						(4,248)
Other net unallocated expenses						(562)
Share of losses of joint ventures and associates						(203)
Profit before income tax						35,650
Income tax expense						(9,885)
Profit for the period						25,765
Other information:						
Interest income	727	92	–	819	4	823
Interest expense	(142)	–	–	(142)	–	(142)
Depreciation of property, plant and equipment	(4,213)	(688)	(194)	(5,095)	(22)	(5,117)
Amortisation of intangible assets	(455)	(65)	(44)	(564)	(10)	(574)
Income tax expense	(8,623)	(510)	(211)	(9,344)	(541)	(9,885)

Turnover is derived from publishing, printing and distribution of newspapers, magazines, digital contents and books primarily in Chinese language, and provision of travel and travel related services. Turnover recognised during the period is as follows:

	(Unaudited) Six months ended 30 September	
	2014	2013
	US$'000	*US$'000*
Advertising income, net of trade discounts	**128,038**	136,595
Sales of newspapers, magazines, digital contents and books, net of trade discounts and returns	**50,689**	55,779
Travel and travel related services income	**58,409**	59,413
	237,136	251,787

The segment assets as at 30 September 2014 are 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	Elimination	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Segment assets	**358,874**	**73,489**	**16,205**	**448,568**	**19,725**	**(186)**	**468,107**
Unallocated assets							**1,965**
Total assets							**470,072**
Total assets include:							
Interests in joint ventures and associates	**–**	**2,812**	**–**	**2,812**	**–**	**–**	**2,812**
Additions to non-current assets (other than deferred income tax assets)	**2,011**	**439**	**705**	**3,155**	**44**	**–**	**3,199**

The segment assets as at 31 March 2014 are as follows:

	(Audited)						
	Publishing and printing						
	Malaysia and other Southeast Asian countries	Hong Kong and Mainland China	North America	Sub-total	Travel and travel related services	Elimination	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Segment assets	356,121	72,071	16,813	445,005	15,387	(221)	460,171
Unallocated assets							2,647
Total assets							462,818
Total assets include:							
Interests in joint ventures and associates	–	2,956	–	2,956	–	–	2,956
Additions to non-current assets (other than deferred income tax assets)	9,840	711	289	10,840	329	–	11,169

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 deferred income tax assets, available-for-sale financial assets, financial assets at fair value through profit or loss — listed equity securities, income tax recoverable and assets held by the Company.

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 2014, analysed by operating countries, is as follows:

	(Unaudited) Six months ended 30 September	
	2014	2013
	US$'000	*US$'000*
Main operating countries		
Malaysia and other Southeast Asian countries	**132,197**	145,158
Hong Kong and Mainland China	**34,684**	34,157
Other countries	**11,846**	13,059
	178,727	192,374

As at 30 September 2014, the Group's total non-current assets, other than deferred income tax assets, analysed by operating countries, are as follows:

	(Unaudited) As at 30 September 2014	(Audited) As at 31 March 2014
	US$'000	*US$'000*
Main operating countries		
Malaysia and other Southeast Asian countries	**203,671**	207,786
Hong Kong and Mainland China	**21,245**	21,817
Other countries	**8,159**	7,725
	233,075	237,328

5 EXPENSES BY NATURE

	(Unaudited) Six months ended 30 September	
	2014	2013
	US$'000	*US$'000*
Employee benefit expense (including directors' emoluments)	**58,958**	57,117
Raw materials and consumables used	**50,411**	55,136
Depreciation of property, plant and equipment	**5,342**	5,117
Amortisation of intangible assets	**573**	574
Allowance for and written-off of inventories	**73**	73
Allowance for impairment and written-off of trade and other receivables	**44**	215
(Gains)/losses on disposal of property, plant and equipment — net	**(250)**	48

6 OTHER INCOME

	(Unaudited) Six months ended 30 September	
	2014	2013
	US$'000	*US$'000*
Scrap sales of old newspapers and magazines	**2,352**	2,578
Other media-related income	**1,173**	1,427
Interest income	**931**	823
Rental and management fee income	**713**	710
License fee and royalty income	**123**	84
Dividend income	**9**	9
Others	**68**	50
	5,369	5,681

7 OTHER GAINS, NET

	(Unaudited) Six months ended 30 September	
	2014	2013
	US$'000	*US$'000*
Net exchange gains	**146**	374
Fair value gains/(losses) on financial assets at fair value through profit or loss	**39**	(11)
Others	**–**	237
	185	600

8 FINANCE COSTS

	(Unaudited) Six months ended 30 September	
	2014	2013
	US$'000	*US$'000*
Interest on short-term bank borrowings	**148**	4,390
Interest on medium term notes	**3,304**	–
	3,452	4,390

9 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2013: 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 rate of 25% (2013: 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.

	(Unaudited) Six months ended 30 September	
	2014	2013
	US$'000	*US$'000*
Hong Kong taxation		
Current period	**778**	1,077
Malaysian taxation		
Current period	**7,552**	8,307
Other countries' taxation		
Current period	**460**	247
(Over)/under provision in prior years	**(17)**	6
Deferred income tax (credit)/expense	**(980)**	248
	7,793	9,885

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

10 EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	(Unaudited) Six months ended 30 September	
	2014	2013
Profit attributable to owners of the Company (US$'000)	**18,324**	25,393
Weighted average number of ordinary shares in issue	**1,687,238,924**	1,687,239,968
Basic earnings per share (US cents)	**1.09**	1.51
Diluted earnings per share (US cents)	**1.09**	1.51

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 six months ended 30 September 2014 and 2013.

11 DIVIDENDS

	(Unaudited) Six months ended 30 September	
	2014	2013
	US$'000	*US$'000*
Dividend attributable to the period:		
First interim, proposed, US0.430 cents (2013/2014: US0.750 cents) per ordinary share	**7,255**	12,654
Dividend paid during the period:		
Second interim, 2013/2014, US0.680 cents (2012/2013: US1.015 cents) per ordinary share *(note a)*	**11,473**	17,125

The board of directors has declared a first interim dividend of US0.430 cents (2013/2014: US0.750 cents) per ordinary share in respect of the year ending 31 March 2015. The dividend will be payable on 15 January 2015 to shareholders whose names appear on the register of members of the Company at the close of business on 17 December 2014 in cash in RM or in Hong Kong Dollar ("HK$") at exchange rates determined on 26 November 2014 by reference to the middle exchange rates applicable to US$ at 12:00 noon as quoted by Bank Negara Malaysia. This interim dividend is not reflected as a dividend payable in this interim financial information.

The middle exchange rates at 12:00 noon on 26 November 2014 as quoted by Bank Negara Malaysia of US$ to RM and US$ to HK$, and the amount of the first interim dividend payable is as follows:

	Exchange rates	**Dividend per ordinary share**
US$ to RM	3.3475	1.439 sen
US$ to HK$	7.7548	HK3.335 cents

Note:

(a) The second interim dividend represented a dividend of US0.680 cents per ordinary share in respect of the year ended 31 March 2014 and was paid to shareholders of the Company on 1 August 2014.

12 TRADE AND OTHER RECEIVABLES

	(Unaudited) As at 30 September 2014	(Audited) As at 31 March 2014
	US$'000	*US$'000*
Trade receivables	**58,203**	57,228
Less: allowance for impairment of trade receivables	**(1,939)**	(1,848)
Trade receivables, net *(note)*	**56,264**	55,380
Deposits and prepayments	**7,478**	8,227
Other receivables	**4,600**	4,172
	68,342	67,779

At 30 September 2014, 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 30 September 2014, the ageing analysis of the net trade receivables based on invoice date is as follows:

	(Unaudited) As at 30 September 2014	(Audited) As at 31 March 2014
	US$'000	*US$'000*
1 to 60 days	**41,642**	38,400
61 to 120 days	**10,671**	13,412
121 to 180 days	**2,852**	2,366
Over 180 days	**1,099**	1,202
	56,264	55,380

13 TRADE AND OTHER PAYABLES

	(Unaudited) As at 30 September 2014	(Audited) As at 31 March 2014
	US$'000	*US$'000*
Trade payables *(note)*	**21,270**	18,855
Accrued charges and other payables	**35,463**	29,922
Receipts in advance	**15,933**	16,737
Amounts due to related parties	**2,316**	3,232
	74,982	68,746

At 30 September 2014, the fair values of trade and other payables approximated the carrying amounts.

Note: At 30 September 2014, the ageing analysis of the trade payables based on invoice date is as follows:

	(Unaudited) As at 30 September 2014	(Audited) As at 31 March 2014
	US$'000	*US$'000*
1 to 60 days	**18,954**	16,025
61 to 120 days	**1,986**	1,956
121 to 180 days	**147**	212
Over 180 days	**183**	662
	21,270	18,855

14 BANK AND OTHER BORROWINGS

	(Unaudited) As at 30 September 2014 *US$'000*	(Audited) As at 31 March 2014 *US$'000*
Current		
Short-term bank borrowings (secured)	**1,455**	765
Short-term bank borrowings (unsecured)	**8,341**	11,961
	9,796	12,726
Non-current		
Medium term notes (unsecured)	**137,174**	137,804
Total bank and other borrowings	**146,970**	150,530

Movements in bank and other borrowings are analysed as follows:

	(Unaudited) Six months ended 30 September	
	2014 *US$'000*	2013 *US$'000*
At 1 April	**150,530**	170,602
New bank and other borrowings raised	**9,335**	7,857
Repayments of bank and other borrowings	**(12,276)**	(9,117)
Interest expense	**–**	829
Currency translation differences	**(619)**	(8,415)
At 30 September	**146,970**	161,756

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

(in US$'000)

	(Unaudited) For the six months ended 30 September		
	2014	2013	Change
Turnover	**237,136**	251,787	–5.8%
Profit before income tax	**26,286**	35,650	–26.3%
EBITDA	**34,722**	44,908	–22.7%
Basic earnings per share (US cents)	**1.09**	1.51	–27.8%

OVERALL REVIEW OF OPERATIONS

The Group faced a tough business environment in the first half of 2014/2015. Turnover for the six months ended 30 September 2014 decreased by 5.8% or US$14,651,000 year-on-year to US$237,136,000. Profit before income tax dropped 26.3% or US$9,364,000 to US$26,286,000 from US$35,650,000 in the prior year period.

The Group's EBITDA was down by 22.7% or US$10,186,000 from the year-ago period to US$34,722,000.

The Group's publishing and printing segment has been adversely affected by the weak market sentiments and intense market competition. Segment turnover decreased by 7.1% or US$13,647,000 to US$178,727,000. The decline in revenue was cushioned by lower newsprint costs and tight cost management. Profit before income tax declined 26.1% or US$9,371,000 to US$26,588,000 from a year earlier.

The Group's travel segment reported year-on-year declines of 1.7% and 26.4% in segment turnover and profit before income tax to US$58,409,000 and US$3,463,000 respectively during the period under review. The decrease in segment profit was due to lower revenue amid intensified competition in the tourism market and an increase in operating expenses during the current period.

Both Malaysian Ringgit and Canadian dollar weakened against the US dollar during the current period, which brought negative currency impact of approximately US$3,602,000 and US$455,000 to the Group's turnover and profit before income tax respectively.

Basic earnings per share for the six months ended 30 September 2014 was US1.09 cents, a decrease of US0.42 cents or 27.8% from US1.51 cents in the corresponding period last year.

As at 30 September 2014, the Group's cash and cash equivalents amounted to US$108,828,000, an increase of 5.8% since 31 March 2014; and the Group's net gearing ratio dropped to 17.1% from 21.9% as at 31 March 2014.

SEGMENTAL REVIEW

Publishing and printing

Malaysia and other Southeast Asian countries

Against the background of weak consumer sentiment, negative impact from MH370 and MH17 tragedies and absence of political advertising from last year's election, segment revenue declined by 8.9% or US$12,961,000 to US$132,197,000. The decline in revenue was partly offset by the savings in operating costs, resulting in the Malaysian segment reporting a profit before income tax of U$24,697,000 for the first half of the financial year, down 27.4% or US$9,343,000 from the same period last year.

The Group's newspaper operations in Malaysia comprise *Sin Chew Daily*, *China Press*, *Guang Ming Daily* and *Nanyang Siang Pau*, which are all market leaders in their respective segments. Together they account for about 70.4% of all the Chinese newspapers sold in Malaysia and took up approximately 74.5% of the total Chinese newspapers Adex.

Our quality journalism provides a real strength in the competitive Chinese newspaper market as readers search for our titles that they can trust and that deliver informed, timely information and opinion.

Sin Chew Daily continues to be the largest-circulating and most widely read newspaper in Malaysia with a daily circulation of 381,864 copies for the period from July 2013 to December 2013 according to the Audit Bureau of Circulation report. *China Press* continues to win its market share, adding 1,549 copies on the same period last year to 239,015 copies. It continues to be the largest selling evening newspaper as well as the second most popular Chinese newspaper in Malaysia. *Guang Ming Daily* maintains its position as the most read regional newspaper in the northern region of Peninsular Malaysia with a daily circulation of 106,005 copies. *Nanyang Siang Pau* is a newspaper with a strong focus on business and economic news targeting at the Chinese business community.

The Group is also the leading Chinese magazine publisher in Malaysia with one tabloid newspaper and 19 magazine titles.

Malaysia's magazine advertising market recorded a negative growth of 4.5% for the period from April 2014 to September 2014, while the circulation market continued to be threatened by competition from overseas magazines and other new media. In response to these challenges, the Group continues to leverage its market leading position to broaden its coverage of key sectors and diversify its earnings from sponsorship, exhibitions, fairs and electronic media.

Hong Kong and Mainland China

For the six months ended 30 September 2014, the Group's publishing operations in Hong Kong and Mainland China reported segment turnover and profit before income tax of US$34,684,000 and US$2,084,000, reflecting year-on-year growth of 1.5% and 18.1% respectively. The improved performance was mainly attributed to higher advertising revenue from the property developers and agents who stepped up their promotions in light of the recent increased activities in the Hong Kong property market.

Ming Pao Daily News retains its long-held position as one of the most influential and credible newspapers in Hong Kong regardless of fierce market competition. Being widely recognised for its journalistic integrity and excellence, *Ming Pao Daily News* is devoted to providing high standards of professional journalism as well as comprehensive and accurate coverage of economic, political and social issues both at home and abroad.

One Media Group ("One Media"), the Group's listed subsidiary and media flagship in Greater China, is primarily engaged in the publication of Chinese language lifestyle magazines as well as the operation of digital and outdoor media businesses. For the six months ended 30 September 2014, One Media reported decreases of 8.8% and 51.5% in turnover and profit before income tax respectively. The weaker performance was mainly due to the decline in advertising revenue, as advertisers tightened their budgets amid the weak retail market, especially for luxury products and branded labels.

North America

Affected by the local weak spending sentiment as well as severe weather conditions during the first quarter, turnover of the Group's publishing and printing operations in North America dropped 9.3% to US$11,846,000 from US$13,059,000 a year ago. As a result, the segment reported a loss of US$193,000 for the period as against a profit before income tax of US$155,000 in the corresponding period last year.

Travel and travel related services

The Group's travel segment, operated through Charming Holidays and Delta Group, registered a turnover of US$58,409,000, down by 1.7% or US$1,004,000 from the corresponding period a year ago. During the period under review, the tour operation in Hong Kong continued to face intensified competition and price pressure in the local tourism market and reported a decline in revenue for the period. However, the decrease was partly compensated by higher revenue generated from the tour operations in North America. The travel segment's profit before income tax amounted to US$3,463,000, a decrease of 26.4% from US$4,704,000 in the same period last year, due to lower revenue and an increase in operating expenses.

Digital Media

The Group's strategic objective is to deliver sustainable growth in revenue and profit. As such, the Group will continue to drive the profitability and growth of core publishing operations, whilst rapidly building digital capabilities and new business models leveraging on our content and audience.

During the period under review, the Group continued its long-term investment in editorial content enrichment as well as website and mobile apps enhancement to stimulate readership growth in both print and online platforms. Besides its comprehensive online portfolio of newspapers and magazines websites, the Group also provides subscription-based e-versions of all its newspapers, namely *Sin Chew Daily*, *China Press*, *Guang Ming Daily*, *Nanyang Siang Pau* and *Ming Pao Daily News* as well as all major magazine titles. The e-Papers and e-Magazines will be part of the Group's effort to cater to a growing online audience.

To leverage on the promotional power of the Group's media assets, an online marketplace namely "*Logon*" has been created to target at the Group's own unique online community. "*Logon*" is a bi-lingual platform specifically designed to facilitate new businesses as well as existing small and medium-sized enterprises to get their businesses online. Since October this year, we have conducted a series of talks and workshops to introduce the business model to sales staff, merchants and advertisers. "*Logon*" is targeted to commence business operation in the last quarter of the current financial year. This new business model is expected to help drive revenue and increase the Group's presence in ecommerce.

The Group has launched "*Pocketimes*" in July 2014. "*Pocketimes*" is a new mobile video content platform targeting at the younger and mobile users in Malaysia. Besides broadcasting daily morning news, it also provides breaking news and live broadcast. We hope to broaden our reach beyond our existing customer base as well as to generate more revenue.

OUTLOOK

We expect the business environment for the second half of the financial year to be tough and challenging.

The Malaysian segment is facing a weak advertising business environment as local business and consumers remain cautious. This is mainly due to the overhanging economic uncertainties following the government's subsidy rationalisation plan and the impending implementation of the GST.

The retail sectors in both Hong Kong and Mainland China, especially for luxury products, continue to show signs of slowing down due in part to the strengthened control of government spending in Mainland China. This would affect the Group's advertising revenue in these markets as advertisers would become more cautious with their spending.

The operating environment for the Group's travel business will remain competitive in the light of increasingly intense market competition and concerns over the Ebola virus.

On a positive note, the newsprint prices are expected to remain weak for the remaining of this financial year.

The Group will continue to strengthen its efforts to increase revenue and market share, while maintaining disciplined cost-controls to improve efficiencies.

PLEDGE OF ASSETS

As at 30 September 2014, general security agreements under which all the assets of certain subsidiaries with net book amount of US$10,817,000 (31 March 2014: US$11,974,000) were pledged to certain banks to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30 September 2014, there were several libel suits which involve claims against some companies in the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings is still uncertain as of the date this interim 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 30 September 2014, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in this interim financial information amounted to US$1,970,000 whereas authorised capital expenditure for property, plant and equipment not contracted and not provided for in this interim financial information amounted to US$5,930,000.

LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING RATIO

As at 30 September 2014, the Group's cash and cash equivalents were US$108,828,000 (31 March 2014: US$102,852,000) and total bank and other borrowings were US$146,970,000 (31 March 2014: US$150,530,000). The net debt position was US$38,142,000 (31 March 2014: US$47,678,000). Owners' equity was US$223,628,000 (31 March 2014: US$217,812,000).

The net gearing ratio of the Group, calculated as net debt over owners' equity, was 17.1% as at 30 September 2014 (31 March 2014: 21.9%).

EMPLOYEES AND EMOLUMENT POLICY

At 30 September 2014, the Group has 4,613 employees (31 March 2014: 4,659 employees), the majority of whom are employed in Malaysia and Hong Kong. The Group remunerates its employees based on industry practice and performance of individual employees. The emoluments of the directors and senior management are reviewed by the Remuneration Committee regularly, having regard to the Group's operating results, individual performance and comparable market statistics. No director or any of his/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 September 2014, the Company repurchased a total of 2,000 of its listed shares on the HK Stock Exchange from the open market at the price of HK$2.15 per share for the purpose of validating the declaration of solvency in relation to the share buyback mandate in accordance with the provision of the Malaysian Companies Act. The repurchase was financed by internally generated funds. Details of the repurchase are summarised as follows:

	(Unaudited)				
Month/Year	**Number of ordinary shares repurchased**	**Purchase price per share Highest**	**Lowest**	**Aggregate purchase consideration**	**Equivalents in**
		HK$	*HK$*	*HK$*	*US$*
September 2014	2,000	2.15	2.15	4,300	555

All the shares repurchased during the six months ended 30 September 2014 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 six months ended 30 September 2014.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members in Hong Kong will be closed on Wednesday, 17 December 2014 whereby no transfer of shares will be registered on that date. In order to qualify for the first interim dividend of US0.430 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 16 December 2014. In respect of the 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 Wednesday, 17 December 2014 in respect of transfers; and (ii) shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the rules of Bursa Securities. The first interim dividend will be payable to shareholders on 15 January 2015.

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 11 December 2014 to 17 December 2014, 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 Malaysian Code on Corporate Governance (the "Malaysian Code") and the Corporate Governance Code (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 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.

During the period under review, the Company has met the code provisions as set out in the Hong Kong Code. 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 independent non-executive director; 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.

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 Securities ("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) the HK Model Code during the period under review.

REVIEW OF INTERIM FINANCIAL RESULTS

The Audit Committee of the Company has reviewed with management the interim financial information including accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

The interim financial information has also been reviewed by PricewaterhouseCoopers, the Company's independent auditor, 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

26 November 2014

As at the date of this condensed consolidated interim financial information, 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, Tan Sri Dato' LAU Yin Pin and Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH, being independent non-executive directors.