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 2015

The directors of Media Chinese International Limited (the "Company") are pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") and the Group's interests in joint ventures and associates for the six months ended 30 September 2015, together with comparative figures for the corresponding period in 2014 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		(Unaudited) Six months ended 30 September	
		2015	2014
	Note	***US$'000***	*US$'000*
Turnover	*4*	**197,280**	237,136
Cost of goods sold		**(125,156)**	(153,761)
Gross profit		**72,124**	83,375
Other income	*6*	**4,173**	5,369
Other (losses)/gains, net	*7*	**(178)**	185
Selling and distribution expenses		**(29,527)**	(35,202)
Administrative expenses		**(17,123)**	(20,725)
Other operating expenses		**(3,080)**	(3,127)
Operating profit		**26,389**	29,875
Finance costs	*8*	**(2,823)**	(3,452)
Share of profits/(losses) of joint ventures and associates		**5**	(137)
Profit before income tax		**23,571**	26,286
Income tax expense	*9*	**(7,199)**	(7,793)
Profit for the period		**16,372**	18,493
Profit/(loss) attributable to:			
Owners of the Company		**16,453**	18,324
Non-controlling interests		**(81)**	169
		16,372	18,493
Earnings per share attributable to owners of the Company			
Basic (US cents)	*10*	**0.98**	1.09
Diluted (US cents)	*10*	**0.98**	1.09

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Six months ended 30 September	
	2015	2014
	US$'000	*US$'000*
Profit for the period	**16,372**	18,493
Other comprehensive loss		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(24,907)**	(1,031)
Other comprehensive loss for the period, net of tax	**(24,907)**	(1,031)
Total comprehensive (loss)/income for the period	**(8,535)**	17,462
Total comprehensive (loss)/income for the period attributable to:		
Owners of the Company	**(8,383)**	17,289
Non-controlling interests	**(152)**	173
	(8,535)	17,462

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**(Unaudited) As at 30 September 2015** *US$'000*	(Audited) As at 31 March 2015 *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**107,330**	126,909
Investment properties		**13,957**	15,943
Intangible assets		**49,617**	59,004
Deferred income tax assets		**589**	723
Interests in joint ventures and associates		**737**	796
		172,230	203,375
Current assets			
Inventories		**22,944**	40,888
Available-for-sale financial assets		**97**	97
Financial assets at fair value through profit or loss		**305**	294
Trade and other receivables	*12*	**51,017**	58,911
Income tax recoverable		**588**	631
Cash and cash equivalents		**125,565**	118,620
		200,516	219,441
Current liabilities			
Trade and other payables	*13*	**55,667**	59,916
Income tax liabilities		**4,796**	3,657
Bank and other borrowings	*14*	**319**	9,585
Current portion of other non-current liabilities		**49**	58
		60,831	73,216
Net current assets		**139,685**	146,225
Total assets less current liabilities		**311,915**	349,600
EQUITY			
Equity attributable to owners of the Company			
Share capital		**21,715**	21,715
Share premium		**54,664**	54,664
Other reserves		**(125,536)**	(100,761)
Retained earnings			
— Proposed dividend		**8,436**	8,436
— Others		**233,707**	225,690
		242,143	234,126
		192,986	209,744
Non-controlling interests		**6,139**	6,361
Total equity		**199,125**	216,105
Non-current liabilities			
Bank and other borrowings	*14*	**102,378**	121,506
Deferred income tax liabilities		**9,512**	11,138
Other non-current liabilities		**900**	851
		112,790	133,495
		311,915	349,600

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2015

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 2015 ("interim financial information") has been prepared in accordance with the International Accounting Standard 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 ("HK Listing Rules').

This interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2015, which were prepared in accordance with International Financial Reporting Standards.

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 2015 as included in the Company's annual report for the year ended 31 March 2015.

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 2015 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 2015. 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 2015, 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$24,836,000 was recognised largely due to the changes in the exchange rate of US$ 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 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 six months ended 30 September 2015, 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	**97,969**	**31,070**	**9,798**	**138,837**	**58,443**	**197,280**
Segment profit/(loss) before income tax	**21,106**	**336**	**(754)**	**20,688**	**6,020**	**26,708**
Unallocated interest expense						**(2,754)**
Other net unallocated expenses						**(388)**
Share of profits of joint ventures and associates						**5**
Profit before income tax						**23,571**
Income tax expense						**(7,199)**
Profit for the period						**16,372**
Other information:						
Interest income	**1,180**	**100**	**–**	**1,280**	**6**	**1,286**
Interest expense	**(43)**	**(26)**	**–**	**(69)**	**–**	**(69)**
Depreciation of property, plant and equipment	**(3,752)**	**(769)**	**(193)**	**(4,714)**	**(62)**	**(4,776)**
Amortisation of intangible assets	**(453)**	**(83)**	**(10)**	**(546)**	**(23)**	**(569)**
Income tax (expense)/credit	**(5,461)**	**(380)**	**76**	**(5,765)**	**(1,434)**	**(7,199)**

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)

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	
	2015	2014
	US$'000	*US$'000*
Advertising income, net of trade discounts	**97,973**	128,038
Sales of newspapers, magazines, digital contents and books, net of trade discounts and returns	**40,864**	50,689
Travel and travel related services income	**58,443**	58,409
	197,280	237,136

The segment assets and liabilities as at 30 September 2015 are as follows:

	(Unaudited)						
	Publishing and printing						
	Malaysia and other Southeast Asian countries *US$'000*	**Hong Kong and Mainland China** *US$'000*	**North America** *US$'000*	**Sub-total** *US$'000*	**Travel and travel related services** *US$'000*	**Elimination** *US$'000*	**Total** *US$'000*
Segment assets	**270,884**	**63,007**	**13,895**	**347,786**	**23,462**	**(187)**	**371,061**
Unallocated assets							**1,685**
Total assets							**372,746**
Total assets include:							
Interests in joint ventures and associates	**–**	**737**	**–**	**737**	**–**	**–**	**737**
Additions to non-current assets (other than deferred income tax assets)	**1,507**	**451**	**68**	**2,026**	**20**	**–**	**2,046**
Segment liabilities	**(19,604)**	**(13,761)**	**(6,937)**	**(40,302)**	**(14,017)**	**187**	**(54,132)**
Unallocated liabilities							**(119,489)**
Total liabilities							**(173,621)**

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 and bank and other borrowings. They exclude liabilities of the Company, deferred income tax liabilities, defined benefit plan liabilities and income tax liabilities.

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 2015 and 2014, analysed by operating countries, is as follows:

	(Unaudited) Six months ended 30 September	
	2015	2014
	US$'000	*US$'000*
Main operating countries		
Malaysia and other Southeast Asian countries	**97,969**	132,197
Hong Kong and Mainland China	**31,070**	34,684
Other countries	**9,798**	11,846
	138,837	178,727

As at 30 September 2015, the Group's total non-current assets, other than deferred income tax assets, analysed by operating countries, are as follows:

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2015	2015
	US$'000	*US$'000*
Main operating countries		
Malaysia and other Southeast Asian countries	**146,460**	176,608
Hong Kong and Mainland China	**18,043**	18,559
Other countries	**7,138**	7,485
	171,641	202,652

5 EXPENSES BY NATURE

	(Unaudited) Six months ended 30 September	
	2015	2014
	US$'000	*US$'000*
Employee benefit expense (including directors' emoluments)	**50,778**	58,958
Raw materials and consumables used	**33,296**	50,411
Depreciation of property, plant and equipment	**4,776**	5,342
Amortisation of intangible assets	**569**	573
Allowance for impairment and written-off of trade and other receivables	**276**	44
Losses/(gains) on disposal of property, plant and equipment — net	**42**	(250)
(Reversal of allowance for)/allowance for and written-off of inventories	**(53)**	73

6 OTHER INCOME

	(Unaudited) Six months ended 30 September	
	2015	2014
	US$'000	*US$'000*
Scrap sales of old newspapers and magazines	**1,516**	2,352
Interest income	**1,286**	931
Other media-related income	**801**	1,173
Rental and management fee income	**417**	713
License fee and royalty income	**104**	123
Dividend income	**8**	9
Others	**41**	68
	4,173	5,369

7 OTHER (LOSSES)/GAINS, NET

	(Unaudited) Six months ended 30 September	
	2015	2014
	US$'000	*US$'000*
Fair value gains on financial assets at fair value through profit or loss	**11**	39
Net exchange (losses)/gains	**(189)**	146
	(178)	185

8 FINANCE COSTS

	(Unaudited) Six months ended 30 September 2015 *US$'000*	2014 *US$'000*
Interest on medium term notes	**2,754**	3,304
Interest on short-term bank borrowings	**69**	148
	2,823	3,452

9 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2014: 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% (2014: 25%) on the estimated assessable profit derived from Malaysia for the period. Taxation on other countries' profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

Income tax expense in the condensed consolidated income statement represents:

	(Unaudited) Six months ended 30 September 2015 *US$'000*	2014 *US$'000*
Hong Kong taxation		
Current period	**936**	778
Malaysian taxation		
Current period	**5,714**	7,552
Other countries' taxation		
Current period	**797**	460
Over provision in prior years	**(83)**	(17)
Deferred income tax credit	**(165)**	(980)
	7,199	7,793

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 **2015**	2014
Profit attributable to owners of the Company (US$'000)	**16,453**	18,324
Weighted average number of ordinary shares in issue	**1,687,237,050**	1,687,238,924
Basic earnings per share (US cents)	**0.98**	1.09
Diluted earnings per share (US cents)	**0.98**	1.09

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 2015 and 2014.

11 DIVIDENDS

	(Unaudited) Six months ended 30 September **2015** ***US$'000***	2014 *US$'000*
Dividend attributable to the period:		
First interim, proposed, US0.500 cents (2014/2015: US0.430 cents) per ordinary share	**8,436**	7,255
Dividend paid during the period:		
Second interim, 2014/2015, US0.500 cents (2013/2014: US0.680 cents) per ordinary share *(note a)*	**8,436**	11,473

The board of directors has declared a first interim dividend of US0.500 cents (2014/2015: US0.430 cents) per ordinary share in respect of the year ending 31 March 2016. The dividend will be payable on 23 December 2015 to shareholders whose names appear on the register of members of the Company at the close of business on 10 December 2015 in cash in RM or in Hong Kong Dollar ("HK$") at the average exchange rates used during the period ended 30 September 2015 for the translation of the results of the subsidiaries whose functional currencies are not US$. This interim dividend is not reflected as a dividend payable in this interim financial information.

The average exchange rates used during the period ended 30 September 2015 of US$ to RM and US$ to HK$, and the amount of the first interim dividend payable are as follows:

	Exchange rates	Dividend per ordinary share
US$ to RM	3.8612	1.931 sen
US$ to HK$	7.7516	HK3.876 cents

Note:

(a) The second interim dividend represented a dividend of US0.500 cents per ordinary share in respect of the year ended 31 March 2015 and was paid to the shareholders of the Company on 31 July 2015.

12 TRADE AND OTHER RECEIVABLES

	(Unaudited) As at 30 September 2015 ***US$'000***	(Audited) As at 31 March 2015 *US$'000*
Trade receivables	**42,671**	50,172
Less: allowance for impairment of trade receivables	**(1,900)**	(2,064)
Trade receivables, net *(note)*	**40,771**	48,108
Deposits and prepayments	**6,551**	7,073
Other receivables	**3,695**	3,730
	51,017	58,911

At 30 September 2015, 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 2015, the ageing analysis of the net trade receivables based on invoice date is as follows:

	(Unaudited) As at 30 September 2015 ***US$'000***	(Audited) As at 31 March 2015 *US$'000*
1 to 60 days	**29,331**	34,767
61 to 120 days	**8,587**	10,050
121 to 180 days	**1,791**	2,217
Over 180 days	**1,062**	1,074
	40,771	48,108

13 TRADE AND OTHER PAYABLES

	(Unaudited) As at 30 September 2015 ***US$'000***	(Audited) As at 31 March 2015 *US$'000*
Trade payables *(note)*	**15,818**	13,099
Accrued charges and other payables	**25,264**	29,069
Receipts in advance	**13,945**	17,440
Amounts due to related parties	**640**	308
	55,667	59,916

At 30 September 2015, the fair values of trade and other payables approximated the carrying amounts.

Note: At 30 September 2015, the ageing analysis of the trade payables based on invoice date is as follows:

	(Unaudited) As at 30 September 2015 ***US$'000***	(Audited) As at 31 March 2015 *US$'000*
1 to 60 days	**13,164**	10,978
61 to 120 days	**2,391**	1,689
121 to 180 days	**159**	76
Over 180 days	**104**	356
	15,818	13,099

14 BANK AND OTHER BORROWINGS

	(Unaudited) As at 30 September 2015 ***US$'000***	(Audited) As at 31 March 2015 *US$'000*
Current		
Short-term bank borrowings (secured)	**–**	892
Short-term bank borrowings (unsecured)	**319**	8,693
	319	9,585
Non-current		
Medium term notes (unsecured)	**102,378**	121,506
Total bank and other borrowings	**102,697**	131,091

Movements in bank and other borrowings are analysed as follows:

	(Unaudited) Six months ended 30 September **2015** ***US$'000***	2014 *US$'000*
At 1 April	**131,091**	150,530
New bank and other borrowings raised	**1,706**	9,335
Repayments of bank and other borrowings	**(10,912)**	(12,276)
Currency translation differences	**(19,188)**	(619)
At 30 September	**102,697**	146,970

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

(in US$'000)

	(Unaudited) For the six months ended 30 September		
	2015	2014	Change
Turnover	**197,280**	237,136	–16.8%
Profit before income tax	**23,571**	26,286	–10.3%
EBITDA	**30,453**	34,722	–12.3%
Basic earnings per share (US cents)	**0.98**	1.09	–10.1%

OVERALL REVIEW OF OPERATIONS

Operating environment remained challenging for the Group during the first half-year of 2015/2016 amid the soft advertising market and weak consumer sentiment in all its publishing segments. In addition, currency volatility continued to pose significant negative impact on the Group's performance. Turnover for the six months ended 30 September 2015 declined 16.8% or US$39,856,000 year-on-year to US$197,280,000, while profit before income tax registered a decrease of 10.3% or US$2,715,000 to US$23,571,000 from US$26,286,000 in the first half-year of 2014/2015. However, if currency impact was excluded, the decline in turnover would have been about 7.4% whereas the Group's profit before income tax would have registered an increase of about 6%.

EBITDA for the first six months of 2015/2016 was down by 12.3% or US$4,269,000 from the prior year period to US$30,453,000. It would be an increase of about 3.3% if currency impact was excluded.

The Group's publishing and printing segment has been adversely affected by the soft advertising market and weak consumer sentiment during the current period. The segment reported a turnover of US$138,837,000, reflecting a decline of 22.3% or US$ 39,890,000 from the same period last year. Profit before income tax decreased by 22.2% or US$5,900,000 to US$20,688,000. The results were affected by negative currency translation effects, the decreases in turnover and profit before income tax would have been about 10.8% and 6.6% respectively if currency impact was excluded.

Segment turnover of the Group's tour business amounted to US$58,443,000, which was at the same level as last year's. However, if currency impact was excluded, segment turnover would have been about 2.9% higher than the prior year period. Segment profit before income tax surged 73.8% or US$2,557,000 to US$6,020,000. This notable profit growth was primarily attributable to improved profit margins and effective cost containment measures.

Both Malaysian Ringgit ("RM") and Canadian Dollar ("C$") weakened against the US$ during the first half-year of 2015/2016, which brought negative currency impact of approximately US$22,291,000 and US$4,298,000 on the Group's turnover and profit before income tax respectively.

Basic earnings per share for the six months ended 30 September 2015 was US0.98 cents, a decrease of US0.11 cents or 10.1% from US1.09 cents in the corresponding period last year.

As at 30 September 2015, the Group's cash and cash equivalents amounted to US$125,565,000, an increase of 5.9% since 31 March 2015; and the Group's net gearing ratio dropped to Nil from 5.9% as at 31 March 2015.

SEGMENTAL REVIEW

Publishing and Printing

Malaysia and other Southeast Asian countries

The business conditions remain challenging for the media and advertising industry in Malaysia. The economic uncertainties, including the weakening Malaysian Ringgit, plunge in oil and commodity prices and the recently implemented Goods and Services Tax, have affected the persistent soft market sentiments in Malaysia.

Given the prolonged challenges, the Group's turnover in Malaysia declined by 25.9% or US$34,228,000 to US$97,969,000 as compared with the same period last year. The segment profit before income tax dropped 14.5% or US$3,591,000 to U$21,106,000 when compared with the corresponding period a year ago. However, if currency impact was excluded, the Malaysian segment achieved a growth in profit before income tax of 2.7% in local currency RM, and that the decrease in turnover would have been about 11.4% only.

As a leading Chinese media group in Malaysia, the Group publishes four market-leading Chinese newspapers of the respective segments, *Sin Chew Daily*, *China Press*, *Guang Ming Daily* and *Nanyang Siang Pau*, with a combined average daily readership of 2.8 million and together accounted for about 76% of all the Chinese newspapers sold in Malaysia during the period under review.

Sin Chew Daily remains the most widely read Chinese language newspaper across the country and achieved a daily circulation for print and digital of 373,537 copies for the period from July to December 2014 according to the Audit Bureau of Circulation report ("ABC report"). Providing the local Chinese communities with quality comprehensive news, the daily readership of *Sin Chew Daily* has recorded a 16% growth from July 2014 to June 2015 compared to a year ago.

China Press continues to be the most popular evening newspaper with the second-largest readership among all Chinese language newspapers in Malaysia. Based on the ABC report, *China Press* had a daily circulation for print and digital of 219,994 copies from July to December 2014.

At the same time, *Guang Ming Daily* enjoys the largest readership in the northern region of Peninsular Malaysia with 99,263 daily circulated copies for print and digital between July to December 2014 according to the ABC report.

Nanyang Siang Pau differentiates itself by providing sophisticated business news reporting and professional analysis to the highly educated Chinese business community, resulting in its daily readership recording a 9% growth from July 2014 to June 2015 compared to a year ago.

The Group's Life Magazines maintains its leading position as Malaysia's largest Chinese language magazine publisher with a combined portfolio of 16 magazines and one tabloid newspaper. Its publication covers a wide range of the hottest topics such as health, bridal, fashion and lifestyle. In addition, it also achieved great success in organising various trade fairs and events such as "Health Fair", "Romance in Fate Bridal Fair", and "Angling & Outdoor Recreational Fair".

Hong Kong and Mainland China

For the six months ended 30 September 2015, turnover of the Group's Hong Kong and Mainland China publishing and printing operations amounted to US$31,070,000, down by 10.4% or US$3,614,000 from the prior year period. The segment's top line has been affected by the slow property market as well as the slumping luxury retail sales in Hong Kong which have led to advertisers cutting back on their promotional spending. The decline in turnover was partly mitigated by reduction in operating costs and the segment reported a profit before income tax of US$336,000 for the current period as against last year's US$2,084,000.

The Group's flagship newspaper title in Hong Kong, *Ming Pao Daily News*, continues its commitment to providing readers with professional journalism and comprehensive news coverage of economic, political and social issues both at home and abroad. *Ming Pao Daily News* has been widely recognised as one of the most influential and credible newspapers in Hong Kong over the years.

One Media Group publishes Chinese language lifestyle magazines and provides digital and outdoor media services in the Greater China region. For the six months ended 30 September 2015, One Media Group registered a turnover of HK$68,731,000, a decrease of 21.6% compared with HK$87,711,000 in the prior year period. The market's advertising spending on magazines has been on a declining trend amid a slowdown in the retail sector caused by weak consumer demand and reduced spending by Mainland tourists, especially for branded labels and luxury goods. As a result of the decline in revenue, One Media Group reported a loss of HK$1,833,000 for the current period as against a profit of HK$4,172,000 reported in the corresponding period last year.

Leveraging on its abundant resources and strong network with the local education community, the Group's new educational textbook business has achieved satisfactory growth in terms of both circulation and market share. With a view to fostering a stronger presence in the field, the Group will continue to extend efforts in the development of both print and digital educational products while at the same time expanding its distribution network to reach out to a wider target customer base.

North America

During the period under review, the impact of falling oil and commodity prices as well as a looming interest rate hike have affected the business and consumer sentiments and weakened the Canadian economy. The weak local economy has an adverse impact on the performance of the Group's publishing and printing operations in this segment. The situation was further exacerbated by the depreciation of the C$ against the US$, resulting in a decrease in segment turnover of 17.3% to US$9,798,000 and a segment loss of US$754,000 as against a loss of US$193,000 reported in the prior year period.

Travel and Travel Related Services

During the first half-year of 2015/2016, turnover of the Group's travel segment was maintained at last year's level of US$58,443,000, however, segment profit before income tax achieved a notable 73.8% or US$2,557,000 increase to US$6,020,000. If currency impact was excluded, the increases in the travel segment's turnover and profit before income tax would have been about 2.9% and 78.3% respectively. The improved profitability was mainly attributed to enhanced profit margins as well as disciplined cost-controls implemented during the period.

Digital Business

Given its increasing importance, digital business has helped the Group further to diversify its audience base and revenue sources. During the period under review, e-versions of the Group's newspapers and magazines, together with their respective websites and mobile apps as well as the online video platform "Pocketimes", continued to provide readers with multimedia reading experience and advertisers with integrated marketing solutions. The Group's bilingual e-commerce marketplace, "Logon", facilitates an online business platform between SMEs/SMIs and e-shoppers with a vision to empower small and medium-sized merchants to reach targeted consumers, while at the same time enriching the online shopping experiences. As part of its digital business strategy, the Group has continued to expand its online community base and achieved a significant growth in terms of e-paper subscriptions, number of unique visitors, pageviews and video views for the Group's various web portals.

OUTLOOK

With the outlook for global economic activities remaining uncertain and the continued volatility in the currency market, we foresee another challenging half-year ahead for FY 2015/2016. The publishing and printing segment will continue to face revenue pressure from a cautious advertising spending environment as well as increased competitive pressures from other media.

Although newsprint prices are expected to remain stable in the second half of FY 2015/2016, we remain cautious as the ongoing appreciation of the US$ could have negative impact on the Group's cost base and profitability.

On a positive note for the Group's operations in North America, it is expected that the operating environment may improve in the 2nd half-year of FY 2015/2016 in light of the recent improving US economy.

Notwithstanding the difficult business environment ahead, the Group will continue to reinforce sustainable cost reduction strategies while at the same time improve operating efficiencies as well as overall profitability.

PLEDGE OF ASSETS

As at 30 September 2015, general security agreements under which all the assets of certain subsidiaries with net book amount of nil (31 March 2015: US$10,484,000) were pledged to certain banks to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30 September 2015, 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 2015, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in this interim financial information amounted to US$650,000 whereas authorised capital expenditure for property, plant and equipment not contracted and not provided for in this interim financial information amounted to US$853,000.

LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING RATIO

As at 30 September 2015, the Group's cash and cash equivalents were US$125,565,000 (31 March 2015: US$118,620,000) and total bank and other borrowings were US$102,697,000 (31 March 2015: US$131,091,000). The net cash position was US$22,868,000 (31 March 2015: net debt US$12,471,000). Owners' equity was US$192,986,000 (31 March 2015: US$209,744,000).

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 30 September 2015 (31 March 2015: 5.9%).

EMPLOYEES AND EMOLUMENT POLICY

At 30 September 2015, the Group had 4,389 employees (31 March 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 (the "HK Stock Exchange") 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 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$*
August 2015	1,000	1.15	1.15	1,150	148

All the shares repurchased during the period ended 30 September 2015 were cancelled. Accordingly, the issued share capital of the Company was reduced by the par value of the repurchased shares and the premiums paid on these shares were charged against the share premium account. An amount equivalent to the par value of the shares cancelled was transferred from the Company's retained earnings to the capital redemption reserve.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or the Company had redeemed any of the Company's listed securities during the period ended 30 September 2015.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members in Hong Kong will be closed on Thursday, 10 December 2015 whereby no transfer of shares will be registered on that date. In order to qualify for the first interim dividend of US0.500 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 Wednesday, 9 December 2015. 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 Thursday, 10 December 2015 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 23 December 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 4 December 2015 to 10 December 2015, 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 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.

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 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 period under review.

REVIEW OF INTERIM FINANCIAL RESULTS

The Audit Committee of the Company has reviewed with management the interim financial information for the six months ended 30 September 2015, including accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

The interim financial information for the six months ended 30 September 2015 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

25 November 2015

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.