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 2016

The directors of Media Chinese International Limited (the "Company") are pleased to announce the unaudited condensed 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 2016, together with comparative figures for the corresponding period in 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		(Unaudited) Six months ended 30 September	
		2016	2015
	Note	***US$'000***	*US$'000*
Turnover	*4*	**168,251**	197,280
Cost of goods sold		**(108,606)**	(125,156)
Gross profit		**59,645**	72,124
Other income	*6*	**4,434**	4,173
Other losses, net	*7*	**(102)**	(178)
Selling and distribution expenses		**(28,543)**	(29,527)
Administrative expenses		**(15,763)**	(17,123)
Other operating expenses		**(2,815)**	(3,080)
Operating profit		**16,856**	26,389
Finance costs	*8*	**(2,624)**	(2,823)
Share of profits of joint ventures and associates		**311**	5
Profit before income tax		**14,543**	23,571
Income tax expense	*9*	**(4,674)**	(7,199)
Profit for the period		**9,869**	16,372
Profit/(loss) attributable to:			
Owners of the Company		**10,169**	16,453
Non-controlling interests		**(300)**	(81)
		9,869	16,372
Earnings per share attributable to owners of the Company			
Basic (US cents)	*10*	**0.60**	0.98
Diluted (US cents)	*10*	**0.60**	0.98

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Six months ended 30 September	
	2016	2015
	US$'000	*US$'000*
Profit for the period	**9,869**	16,372
Other comprehensive loss		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(9,052)**	(24,907)
Other comprehensive loss for the period, net of tax	**(9,052)**	(24,907)
Total comprehensive income/(loss) for the period	**817**	(8,535)
Total comprehensive income/(loss) for the period attributable to:		
Owners of the Company	**1,149**	(8,383)
Non-controlling interests	**(332)**	(152)
	817	(8,535)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**(Unaudited) As at 30 September 2016** *US$'000*	(Audited) As at 31 March 2016 *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**105,636**	114,596
Investment properties		**14,769**	15,451
Intangible assets		**50,384**	53,516
Deferred income tax assets		**532**	300
Interests in joint ventures and associates		**931**	749
		172,252	184,612
Current assets			
Inventories		**28,850**	23,869
Available-for-sale financial assets		**97**	97
Financial assets at fair value through profit or loss		**338**	340
Trade and other receivables	*12*	**47,883**	51,669
Income tax recoverable		**1,313**	1,403
Cash and cash equivalents		**135,708**	140,950
		214,189	218,328
Current liabilities			
Trade and other payables	*13*	**53,282**	53,131
Income tax liabilities		**4,247**	3,871
Bank and other borrowings	*14*	**54,743**	58,453
Current portion of other non-current liabilities		**79**	83
		112,351	115,538
Net current assets		**101,838**	102,790
Total assets less current liabilities		**274,090**	287,402
EQUITY			
Equity attributable to owners of the Company			
Share capital		**21,715**	21,715
Share premium		**54,664**	54,664
Other reserves		**(116,735)**	(107,715)
Retained earnings		**244,406**	244,360
		204,050	213,024
Non-controlling interests		**5,364**	5,703
Total equity		**209,414**	218,727
Non-current liabilities			
Bank and other borrowings	*14*	**54,407**	57,663
Deferred income tax liabilities		**9,172**	9,981
Other non-current liabilities		**1,097**	1,031
		64,676	68,675
		274,090	287,402

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2016

1 BASIS OF PREPARATION

The condensed consolidated interim financial information of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2016 ("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 2016, 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 2016 as included in the Company's annual report for the year ended 31 March 2016.

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 2016 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 2016. 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$"), a globally recognised currency, as the presentation currency for the Group's consolidated financial statements. For the entity whose functional currency is not US$, 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 statement of profit or loss for the period.

During the period ended 30 September 2016, 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$9,020,000 was recognised largely due to the changes in the exchange rate of US$ 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, 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 sales of travel packages and provision of tour services.

The Group Executive Committee assesses the performance of the operating segments based on a measure of segment profit 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 2016, analysed by operating segment, are as follows:

	(Unaudited)					
	Publishing and printing					
	Malaysia and other Southeast Asian countries	Hong Kong, Taiwan 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	**85,773**	**27,415**	**8,837**	**122,025**	**46,226**	**168,251**
Segment profit/(loss) before income tax	**16,209**	**(1,027)**	**(766)**	**14,416**	**2,780**	**17,196**
Unallocated interest expense						**(2,611)**
Other net unallocated expenses						**(353)**
Share of profits of joint ventures and associates						**311**
Profit before income tax						**14,543**
Income tax expense						**(4,674)**
Profit for the period						**9,869**
Other information:						
Interest income	**1,666**	**47**	**9**	**1,722**	**10**	**1,732**
Interest expense	**(6)**	**(7)**	**–**	**(13)**	**–**	**(13)**
Depreciation of property, plant and equipment	**(3,555)**	**(746)**	**(178)**	**(4,479)**	**(64)**	**(4,543)**
Amortisation of intangible assets	**(403)**	**(111)**	**(7)**	**(521)**	**(20)**	**(541)**
Income tax (expense)/credit	**(4,115)**	**(70)**	**196**	**(3,989)**	**(685)**	**(4,674)**

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 *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	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)

Turnover is derived from the publication, 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 period is as follows:

	(Unaudited) Six months ended 30 September	
	2016 **US$'000**	2015 *US$'000*
Advertising income, net of trade discounts	**85,421**	97,973
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	**36,604**	40,864
Travel and travel related services income	**46,226**	58,443
	168,251	197,280

The segment assets and liabilities as at 30 September 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	**293,873**	**58,641**	**13,650**	**366,164**	**18,105**	**(213)**	**384,056**
Unallocated assets							**2,385**
Total assets							**386,441**
Total assets include:							
Interests in joint ventures and associates	**–**	**931**	**–**	**931**	**–**	**–**	**931**
Additions to non-current assets (other than deferred income tax assets)	**508**	**637**	**43**	**1,188**	**50**	**–**	**1,238**
Segment liabilities	**(22,529)**	**(13,847)**	**(6,819)**	**(43,195)**	**(9,419)**	**213**	**(52,401)**
Unallocated liabilities							**(124,626)**
Total liabilities							**(177,027)**

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

	(Audited)						
	Publishing and printing						
	Malaysia and other Southeast Asian countries	Hong Kong, Taiwan 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	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 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 and income tax recoverable of the Group and all assets of the Company.

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

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 six months ended 30 September 2016 and 2015, analysed by operating countries, is as follows:

	(Unaudited) Six months ended 30 September	
	2016	2015
	US$'000	*US$'000*
Main operating countries		
Malaysia and other Southeast Asian countries	**85,773**	97,969
Hong Kong, Taiwan and Mainland China	**27,415**	31,070
Other countries	**8,837**	9,798
	122,025	138,837

As at 30 September 2016, 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 2016	(Audited) As at 31 March 2016
	US$'000	*US$'000*
Main operating countries		
Malaysia and other Southeast Asian countries	**147,058**	159,413
Hong Kong, Taiwan and Mainland China	**17,645**	17,755
Other countries	**7,017**	7,144
	171,720	184,312

5 EXPENSES BY NATURE

	(Unaudited) Six months ended 30 September	
	2016	2015
	US$'000	*US$'000*
Employee benefit expense (including directors' emoluments)	**48,755**	50,778
Direct costs of travel and travel related services	**39,184**	48,057
Raw materials and consumables used	**28,055**	33,296
Depreciation of property, plant and equipment	**4,543**	4,776
Amortisation of intangible assets	**541**	569
Allowance for impairment and write-off of trade and other receivables	**191**	276
Allowance for impairment and write-off of/(reversal of allowance for) inventories	**81**	(53)
(Gains)/losses on disposal of property, plant and equipment — net	**(23)**	42

6 OTHER INCOME

	(Unaudited) Six months ended 30 September	
	2016	2015
	US$'000	*US$'000*
Interest income	**1,732**	1,286
Scrap sales of old newspapers and magazines	**1,280**	1,516
Other media-related income	**886**	801
Rental and management fee income	**394**	417
Licence fee and royalty income	**73**	104
Dividend income	**11**	8
Others	**58**	41
	4,434	4,173

7 OTHER LOSSES, NET

	(Unaudited) Six months ended 30 September	
	2016	2015
	US$'000	*US$'000*
Fair value (losses)/gains on financial assets at fair value through profit or loss — net	**(2)**	11
Net exchange losses	**(100)**	(189)
	(102)	(178)

8 FINANCE COSTS

	(Unaudited) Six months ended 30 September	
	2016	2015
	US$'000	*US$'000*
Interest on medium-term notes	**2,611**	2,754
Interest on short-term bank borrowings	**13**	69
	2,624	2,823

9 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 period. Income tax for the Group's Malaysian operations is calculated at the rate of 24% (2015: 25%) on the estimated assessable profit derived from Malaysia for the period. Taxation on other countries' profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

Income tax expense in the condensed consolidated statement of profit or loss represents:

	(Unaudited) Six months ended 30 September	
	2016	2015
	US$'000	*US$'000*
Hong Kong taxation		
Current period	**567**	936
Malaysian taxation		
Current period	**4,495**	5,714
Other countries' taxation		
Current period	**244**	797
Under/(over) provision in prior years	**3**	(83)
Deferred income tax credit	**(635)**	(165)
	4,674	7,199

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	
	2016	2015
Profit attributable to owners of the Company *(US$'000)*	**10,169**	16,453
Weighted average number of ordinary shares in issue	**1,687,236,241**	1,687,237,050
Basic earnings per share *(US cents)*	**0.60**	0.98
Diluted earnings per share *(US cents)*	**0.60**	0.98

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 2016 and 2015.

11 DIVIDENDS

	(Unaudited) Six months ended 30 September	
	2016	2015
	US$'000	*US$'000*
Dividend attributable to the period:		
First interim, proposed, US0.360 cents (2015/2016: US0.500 cents) per ordinary share	**6,074**	8,436
Dividend paid during the period:		
Second interim, 2015/2016, US0.600 cents (2014/2015: US0.500 cents) per ordinary share *(note a)*	**10,123**	8,436

The Board of Directors has declared a first interim dividend of US0.360 cents (2015/2016: US0.500 cents) per ordinary share in respect of the year ending 31 March 2017. The dividend will be payable on Friday, 30 December 2016 to shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 15 December 2016 in cash in RM or in Hong Kong Dollar ("HK$") at the average exchange rates used during the period ended 30 September 2016 for the translation of the results of the subsidiaries whose functional currencies are not US$. This interim dividend is not reflected as a dividend payable in this interim financial information.

The average exchange rates used during the period ended 30 September 2016 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	4.0234	1.448 sen
US$ to HK$	7.7542	HK2.792 cents

Note:

(a) The second interim dividend represented a dividend of US0.600 cents per ordinary share in respect of the year ended 31 March 2016 and was paid to shareholders of the Company on 13 July 2016.

12 TRADE AND OTHER RECEIVABLES

	(Unaudited) As at 30 September 2016	(Audited) As at 31 March 2016
	US$'000	*US$'000*
Trade receivables	**39,900**	44,144
Less: allowance for impairment of trade receivables	**(2,085)**	(2,132)
Trade receivables, net *(note)*	**37,815**	42,012
Deposits and prepayments	**7,166**	6,274
Other receivables	**2,902**	3,383
	47,883	51,669

As at 30 September 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.

As at 30 September 2016, the ageing analysis of the net trade receivables based on invoice date is as follows:

	(Unaudited) **As at** **30 September** **2016** ***US$'000***	(Audited) As at 31 March 2016 *US$'000*
1 to 60 days	**27,589**	29,113
61 to 120 days	**8,160**	9,409
121 to 180 days	**1,223**	2,140
Over 180 days	**843**	1,350
	37,815	42,012

13 TRADE AND OTHER PAYABLES

	(Unaudited) **As at** **30 September** **2016** ***US$'000***	(Audited) As at 31 March 2016 *US$'000*
Trade payables *(note)*	**15,708**	13,089
Accrued charges and other payables	**24,305**	26,011
Receipts in advance	**12,112**	13,711
Amounts due to related parties	**1,157**	320
	53,282	53,131

As at 30 September 2016, the fair values of trade and other payables approximated the carrying amounts.

Note: As at 30 September 2016, the ageing analysis of the trade payables based on invoice date is as follows:

	(Unaudited) **As at** **30 September** **2016** ***US$'000***	(Audited) As at 31 March 2016 *US$'000*
1 to 60 days	**9,958**	11,076
61 to 120 days	**5,413**	1,796
121 to 180 days	**168**	84
Over 180 days	**169**	133
	15,708	13,089

14 BANK AND OTHER BORROWINGS

	(Unaudited) As at 30 September 2016 *US$'000*	(Audited) As at 31 March 2016 *US$'000*
Current		
Short-term bank borrowings (secured)	**130**	361
Short-term bank borrowings (unsecured)	**206**	429
Medium-term notes (unsecured)	**54,407**	57,663
	54,743	58,453
Non-current		
Medium-term notes (unsecured)	**54,407**	57,663
Total bank and other borrowings	**109,150**	116,116

Movements in bank and other borrowings are analysed as follows:

	(Unaudited) Six months ended 30 September	
	2016 *US$'000*	2015 *US$'000*
At 1 April	**116,116**	131,091
New bank and other borrowings raised	**2,534**	1,706
Repayments of bank and other borrowings	**(2,973)**	(10,912)
Currency translation differences	**(6,527)**	(19,188)
At 30 September	**109,150**	102,697

15 PROPOSED DISPOSAL

Reference is made to the announcement of the Company dated 1 August 2016, the Board of Directors announced that on 22 July 2016, Comwell Investment Limited ("Comwell", as vendor), a wholly-owned subsidiary of the Company, the Company (as guarantor) and Qingdao West Coast Holdings (Internation) Limited ("Qingdao West Coast", as purchaser) entered into the share transfer agreement, pursuant to which Comwell conditionally agreed to sell and Qingdao West Coast conditionally agreed to purchase 292,700,000 shares in One Media Group Limited ("One Media"), representing approximately 73.01% of the entire issued share capital of One Media. Qingdao West Coast is a company incorporated in the British Virgin Islands, whose ultimate controlling shareholder is Qingdao West Coast Development (Group) Limited, which is a PRC state-owned enterprise.

Reference is also made to the announcement of the Company dated 28 November 2016, the Board of Directors announced that on 28 November 2016, Comwell and Qingdao West Coast entered into a supplemental agreement which extended the long stop date of the share transfer agreement to 31 January 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

(US$'000)

	(Unaudited) For the six months ended 30 September		
	2016	2015	Change
Turnover	**168,251**	197,280	–14.7%
Profit before income tax	**14,543**	23,571	–38.3%
EBITDA	**20,519**	30,453	–32.6%
Basic earnings per share (US cents)	**0.60**	0.98	–38.8%

OVERALL REVIEW OF OPERATIONS

During the first half-year of 2016/2017, the Group continued to face challenges arising from the weak consumer sentiments and shrinking advertising markets. The Group's turnover for the six months ended 30 September 2016 declined 14.7% or US$29,029,000 to US$168,251,000 year-on-year, while profit before income tax decreased by 38.3% or US$9,028,000 to US$14,543,000 from US$23,571,000 in the same period last year.

The Group's EBITDA for the first half-year of 2016/2017 was down by 32.6% or US$9,934,000 from the prior year period to US$20,519,000.

The Group's publishing and printing segment has been adversely affected by the weak consumer and business spending environment. Compared with the same period of last year, the segment's turnover dropped 12.1% or US$16,812,000 to US$122,025,000 from US$138,837,000 while profit before income tax fell 30.3% or US$6,272,000 to US$14,416,000 from US$20,688,000 in the corresponding period last year.

The Group's tour segment reported a turnover of US$46,226,000, reflecting a decline of 20.9% or US$12,217,000 from the same period last year. Segment profit before income tax fell 53.8% or US$3,240,000 year-on-year to US$2,780,000 from US$6,020,000.

Both Malaysian Ringgit ("RM") and the Canadian dollar weakened against the US dollar during the first half of 2016/2017, which brought negative currency impact of approximately US$4,493,000 and US$799,000 to the Group's revenue and profit before income tax respectively.

Basic earnings per share for the six months ended 30 September 2016 was US0.60 cents, a decrease of US0.38 cents or 38.8% from US0.98 cents in the corresponding period last year.

As at 30 September 2016, the Group's cash and cash equivalents amounted to US$135,708,000, a decrease of 3.7% since 31 March 2016; and the Group's net gearing ratio was nil, same as at 31 March 2016.

SEGMENTAL REVIEW

Publishing and printing

Malaysia and other Southeast Asian countries

The Group's operations in Malaysia have been adversely affected by the soft advertising market and subdued consumer sentiments, the weakening RM as well as the persistently low oil and gas prices.

For the first six months ended 30 September 2016, the Malaysian segment reported a turnover of US$85,773,000, reflecting a decrease of 12.4% or US$12,196,000 from the same period last year. The segment profit before income tax declined by 23.2% or US$4,897,000 to US$16,209,000 on the back of contracting revenue which was partially cushioned by the effective implementation of cost containment strategies. The strengthening of the US dollar against RM resulted in an adverse currency impact on the segment's results. If the currency impact was excluded, the decline in segment profit before income tax would have been about 19.4%.

Despite the tough business environment, the Group continues to be the most influential Chinese media corporation in Malaysia. The Group reached a combined average daily readership of 2.6 million in Peninsular Malaysia, and accounted for about 79% of all the Chinese newspapers sold in print and digital replica during the period under review in Malaysia.

Sin Chew Daily continues to lead with dominant share in the Chinese market across the nation. According to the Audit Bureau of Circulation report ("ABC report"), *Sin Chew Daily* achieved a combined print and digital daily circulation of 407,977 copies for the period of July to December 2015.

China Press remains the most popular evening newspaper with the second-largest readership among all Chinese language newspapers in Malaysia. Based on the ABC report, *China Press* commanded an average daily circulation for print and digital versions of 212,431 copies during the period from July to December 2015.

Guang Ming Daily holds its position as the leading Chinese language community newspaper in the northern region of Peninsular Malaysia. It achieved an average daily circulation for print and digital versions of 96,913 copies during the period from July to December 2015 (source: ABC report).

Nanyang Siang Pau continues to lead the way in business and economic reporting for a premium audience of highly educated Chinese business professionals, executives and managerial readers. It will continue its journalistic mission in producing quality news content to better meet the needs of its discerning readers.

In tandem with the global circulation trends, the Group has implemented a number of strategic initiatives to grow its audience base as well as to maintain its leading market position and achieve long-term sustainable growth. Whilst managing the decline in print audiences, the Group has been successfully enlarging its e-papers audience base particularly for *Sin Chew Daily* and offset the print decline with an overall net audience growth during the current period.

Hong Kong, Taiwan and Mainland China

For the first half of 2016/2017, total turnover of the Group's publishing and printing operations in Hong Kong, Taiwan and Mainland China amounted to US$27,415,000, down by 11.8% or US$3,655,000 from the prior year period. The weak domestic consumer sentiments as well as continued decreasing number of Mainland visitors and decline in tourist spending has a significant adverse effect on the segment's retail sales and economy. The Group's performance was in turn affected as many businesses slashed their advertising expenditures in view of the slack demand. Driven by the decline in turnover, the segment reported a loss before income tax of US$1,027,000 as against a profit before income tax of US$336,000 in the prior year period.

The Group's educational products business, in both print and digital markets, maintained healthy growth in terms of both circulation and market share during the period under review. The Group will continue to leverage on its resources and distribution network in order to grow this business further.

North America

The region's slow economy continued to weigh on the performance of the Group's operations. Turnover of the Group's publishing and printing operations in North America registered a decline of 9.8% to US$8,837,000 from US$9,798,000 in the prior year period. Despite the decline in turnover, the segment maintained its loss at US$766,000, about the same level as last year's.

Travel and travel related services

The weak global economic conditions and safety concerns have to a certain extent deterred people from travelling, especially for long-haul trips. In addition, increased flight capacity and intensified competition in the market have put pressure on the tour prices and affected the performance of the Group's travel segment, which registered a turnover of US$46,226,000 for the current period, down by 20.9% or US$12,217,000 from the corresponding period last year. The segment's profit before income tax amounted to US$2,780,000, reflecting a year-on-year decrease of 53.8% or US$3,240,000, attributed mainly to the decline in revenue and profit margins.

Digital business

The Group has been continuing to strengthen its footprint in the digital market to mark its importance and increase users. The Group's digital business is also engaged in providing various platforms which generate integrated marketing solutions for its advertisers.

The Group's main website for *Ming Pao Daily News,* mingpao.com, has been consistently ranked in the top five in terms of the number of unique visitors among the digital extension of traditional printed newspapers in Hong Kong. Furthermore, according to the latest statistics, the facebook page of mingpao.com ranked 2nd place among the Chinese language newspapers. Given the rising trend of digital advertising and with the offer of effective cross-platform marketing solutions to advertisers, mingpao.com reported a double-digit growth in revenue during the six months ended 30 September 2016.

"Pocketimes", an online mobile video portal in Malaysia, focuses on the most popular topics of entertainment, sports, lifestyle and business. The Group's e-commerce marketplace, "Logon", will continue its development in the e-marketplace as a bridge between targeted consumers and SMEs/SMIs. In this respect, the Group expects to generate additional revenue sources through diversified digital business strategies.

PROPOSED DISPOSAL

Reference is made to the announcement of the Company dated 1 August 2016 (the "First Announcement"), the Board of Directors announced that on 22 July 2016, Comwell Investment Limited ("Comwell", as vendor), a wholly-owned subsidiary of the Company, the Company (as guarantor) and Qingdao West Coast Holdings (Internation) Limited ("Qingdao West Coast", as purchaser) entered into the share transfer agreement, pursuant to which Comwell conditionally agreed to sell and Qingdao West Coast conditionally agreed to purchase 292,700,000 shares in One Media Group Limited ("One Media"), representing approximately 73.01% of the entire issued share capital of One Media. Qingdao West Coast is a company incorporated in the British Virgin Islands, whose ultimate controlling shareholder is Qingdao West Coast Development (Group) Limited, which is a PRC state-owned enterprise. For details, please refer to the First Announcement.

Reference is also made to the announcement of the Company dated 28 November 2016 (the "Extension Announcement"), the Board of Directors announced that on 28 November 2016, Comwell and Qingdao West Coast entered into a supplemental agreement which extended the long stop date of the share transfer agreement to 31 January 2017. For details, please refer to the Extension Announcement.

OUTLOOK

The Board expects that the Group's operating environment in the second half of 2016/2017 will remain difficult and challenging. The publishing and printing segment is expecting increased competitive pressures from other media along with declining print advertising expenditures. Moreover, weak consumer sentiments as well as safety concerns and cut-throat competition will continue to affect the Group's travel business in the quarters ahead.

Newsprint prices are expected to remain stable in the second half of 2016/2017, and the Group will continue its stringent cost control measurements on newsprint consumption in light of the challenging business environment. On top of that, the Group will continue to drive for operational efficiency while focusing on revenue generation and profitability.

PLEDGE OF ASSETS

As at 30 September 2016 and 31 March 2016, none of the Group's assets were pledged to secure any banking facilities.

CONTINGENT LIABILITIES

As at 30 September 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 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 2016, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in this interim financial information amounted to US$187,000 whereas authorised capital expenditure for property, plant and equipment not contracted and not provided for in this interim financial information amounted to US$791,000.

LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING RATIO

As at 30 September 2016, the Group's cash and cash equivalents were US$135,708,000 (31 March 2016: US$140,950,000) and total bank and other borrowings were US$109,150,000 (31 March 2016: US$116,116,000). The net cash position was US$26,558,000 (31 March 2016: US$24,834,000). Owners' equity was US$204,050,000 (31 March 2016: US$213,024,000).

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 30 September 2016 and 31 March 2016.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 September 2016, the Group had 4,253 employees (31 March 2016: 4,368 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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

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 2016.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members in Hong Kong will be closed on Thursday, 15 December 2016 whereby no transfer of shares will be registered on that date. In order to qualify for the first interim dividend of US0.360 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, 14 December 2016. 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, 15 December 2016 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 Friday, 30 December 2016.

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 Friday, 9 December 2016 to Thursday, 15 December 2016, both days inclusive.

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 period 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 and until 22 June 2016, the Board comprised 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 Securities (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.

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) the 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 the management the interim financial information for the six months ended 30 September 2016, 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 2016 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

30 November 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.