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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 2017

The directors of Media Chinese International Limited (the "Company") hereby announce that the consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2017, together with comparative figures for the corresponding period in 2016, are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		(Unaudited) Six months ended 30 September	
		2017	2016
	Note	***US$'000***	*US$'000*
Turnover	*4*	**153,643**	168,251
Cost of goods sold		**(103,365)**	(108,606)
Gross profit		**50,278**	59,645
Other income	*5*	**3,758**	4,434
Other losses, net	*6*	**(99)**	(102)
Selling and distribution expenses		**(25,649)**	(28,543)
Administrative expenses		**(15,646)**	(15,763)
Other operating expenses		**(2,419)**	(2,815)
Operating profit		**10,223**	16,856
Finance costs	*8*	**(1,311)**	(2,624)
Share of post-tax results of joint ventures and associates		**84**	311
Profit before income tax		**8,996**	14,543
Income tax expense	*9*	**(3,848)**	(4,674)
Profit for the period		**5,148**	9,869
Profit/(loss) attributable to:			
Owners of the Company		**5,724**	10,169
Non-controlling interests		**(576)**	(300)
		5,148	9,869
Earnings per share attributable to owners of the Company			
Basic (US cents)	*10*	**0.34**	0.60
Diluted (US cents)	*10*	**0.34**	0.60

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	(Unaudited) Six months ended 30 September	
	2017	2016
	US$'000	*US$'000*
Profit for the period	**5,148**	9,869
Other comprehensive income/(loss)		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	**7,211**	(9,052)
Other comprehensive income/(loss) for the period, net of tax	**7,211**	(9,052)
Total comprehensive income for the period	**12,359**	817
Total comprehensive income/(loss) for the period attributable to:		
Owners of the Company	**12,918**	1,149
Non-controlling interests	**(559)**	(332)
	12,359	817

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**(Unaudited) As at 30 September 2017** *US$'000*	(Audited) As at 31 March 2017 *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**96,235**	96,266
Investment properties		**15,117**	14,587
Intangible assets		**44,870**	43,231
Deferred income tax assets		**236**	226
Investments accounted for using the equity method		**529**	731
Other non-current financial assets		**118**	–
		157,105	155,041
Current assets			
Inventories		**22,143**	19,918
Available-for-sale financial assets		**97**	97
Financial assets at fair value through profit or loss		**343**	346
Trade and other receivables	*12*	**43,633**	41,239
Income tax recoverable		**1,239**	2,133
Short-term bank deposits		**12,366**	10,086
Cash and cash equivalents		**92,344**	79,946
		172,165	153,765
Current liabilities			
Trade and other payables	*13*	**52,813**	46,634
Income tax liabilities		**2,010**	1,644
Bank and other borrowings	*14*	**7,984**	2,506
Current portion of other non-current liabilities		**27**	26
		62,834	50,810
Net current assets		**109,331**	102,955
Total assets less current liabilities		**266,436**	257,996

	Note	(Unaudited) As at 30 September 2017 US$'000	(Audited) As at 31 March 2017 US$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital		**21,715**	21,715
Share premium		**54,664**	54,664
Other reserves		**(119,072)**	(126,266)
Retained earnings		**243,390**	243,581
		200,697	193,694
Non-controlling interests		**2,629**	3,621
Total equity		**203,326**	197,315
Non-current liabilities			
Bank and other borrowings	*14*	**53,292**	50,870
Deferred income tax liabilities		**8,504**	8,622
Other non-current liabilities		**1,314**	1,189
		63,110	60,681
		266,436	257,996

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2017

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 2017 ("interim financial information") has been prepared in accordance with the International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB") and applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (the "HK Listing Rules") on The Stock Exchange of Hong Kong Limited ("HK Stock Exchange").

This interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2017 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 followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2017, except for the adoption of amendments to IFRSs that are effective for the financial year ending 31 March 2018.

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 2017 are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new and amendments to standards and interpretations have been issued but not yet effective and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to IAS 28	Investment in associates and joint ventures	1 January 2018
Amendments to IAS 40	Transfers of investment property	1 January 2018
Amendments to IFRS 1	Deletion of short-term exemptions for first-time adopters	1 January 2018
Amendments to IFRS 2	Classification and measurement of share-based payment transactions	1 January 2018
Amendments to IFRS 4	Insurance contracts	1 January 2018
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Effective date to be determined
Amendments to IFRS 15	Clarifications to IFRS 15	1 January 2018
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019
IFRIC 22	Foreign currency transactions and advance consideration	1 January 2018

Impact of standards issued but not yet effective nor early adopted by the Group

The adoption of the Amendments to IAS 28, Amendments to IAS 40, Amendments to IFRS 1, Amendments to IFRS 2, Amendments to IFRS 4, Amendments to IFRS 10 and IAS 28, and IFRIC 22 would not have any significant impact on the Group's result of operations and financial position.

(a) IFRS 9 "Financial Instruments"

IFRS 9 "Financial Instruments" addresses the classification, measurement and derecognition of financial assets and liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Group has decided not to adopt the IFRS 9 until it becomes effective for the financial year beginning 1 April 2018.

The Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets for the following reasons:

- The financial instruments that are currently classified as available-for-sale financial assets ("AFS") would appear to satisfy the conditions for classification as at fair value through other comprehensive income ("FVOCI") and hence there will be no change to the accounting for these assets.

- The equity investments currently measured at fair value through profit or loss ("FVTPL") would likely continue to be measured on the same basis under IFRS 9.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 "Financial Instruments: Recognition and Measurement" and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses ("ECL") rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15 "Revenue from Contracts with Customers", lease receivables, loan commitments and certain financial guarantee contracts.

While the Group is in the process of performing a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of adoption of the new standard.

(b) IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 addresses the recognition of revenue. This will replace IAS 18 which covers revenue arising from the sale of goods and the rendering of services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The standard permits either a full retrospective or a modified retrospective approach for the adoption. The Group has decided not to adopt the IFRS 15 until it becomes effective for the financial year beginning 1 April 2018.

Management is currently assessing the effects of applying the new standard on the Group's financial statements.

At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact.

(c) IFRS 16 "Leases"

IFRS 16 addresses the definition of a lease, recognition and measurement of leases. The standard replaces IAS 17 "Leases" and related Interpretations. A key change arising from IFRS 16 is that most operating leases will be accounted for in the lessee's statement of financial position.

IFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to amortise certain leases outside of the statement of financial position. Instead, all non-current leases must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Thus each lease will be mapped in the lessee's statement of financial position. Short-term leases of less than twelve months and leases of low-value assets are exempt from the reporting obligation. The new standard will therefore result in an increase in right-of-use asset and an increase in financial liability in the lessee's statement of financial position. This will affect related ratios, such as the debt to capital ratio.

In the statement of comprehensive income, leases will be recognised in the future as depreciation and amortisation (for the right-of-use asset) and will no longer be recorded as property rental and related expenses. Interest expense on the lease liability will be presented separately from the depreciation and amortisation and will be included under finance costs. As a result, the property rental and related expenses under otherwise identical circumstances will decrease, while depreciation and amortisation and interest expense will increase. The combination of a straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to the profit or loss in the initial year of the lease, and decreasing expenses during the latter part of the lease term.

The Group is a lessee of office premises which are currently classified as operating leases. The Group conducted preliminary assessment and estimated that the adoption of IFRS 16 would not result in significant impact on the Group's financial performance and position. The Group will continue to assess the impact in more details. The Group has decided not to adopt the IFRS 16 until it becomes effective for the financial year beginning 1 April 2019.

The Group's future operating lease commitments, which are not reflected in the consolidated statement of financial position, under non-cancellable operating leases amounted to US$3,410,000 as at 30 September 2017.

There are no other new, amended or revised IFRS and interpretations that are not yet effective that would be expected to have a material impact on the Group.

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 six months ended 30 September 2017, 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 an increase in the exchange fluctuation reserve of US$7,194,000 was recognised largely due to the changes in the exchange rate of US$ to RM.

4 TURNOVER AND SEGMENT INFORMATION

The Group Executive Committee is the Group's chief operating decision-maker. Management has determined the operating segments based on the reports that are reviewed by the Group Executive Committee for strategic decisions making.

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 the provision of advertising services 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 2017, analysed by operating segment, are as follows:

	(Unaudited)					
	Publishing and printing					
	Malaysia and other Southeast Asian countries *US$'000*	Hong Kong, Taiwan and Mainland China *US$'000*	North America *US$'000*	Sub-total *US$'000*	Travel and travel related services *US$'000*	Total *US$'000*
Turnover	**69,251**	**26,140**	**7,828**	**103,219**	**50,424**	**153,643**
Segment profit/(loss) before income tax	**10,485**	**(1,605)**	**(1,301)**	**7,579**	**2,901**	**10,480**
Unallocated finance costs						**(1,261)**
Other net unallocated expenses						**(307)**
Share of post-tax results of joint ventures and associates						**84**
Profit before income tax						**8,996**
Income tax expense						**(3,848)**
Profit for the period						**5,148**
Other information:						
Interest income	**1,051**	**17**	**19**	**1,087**	**18**	**1,105**
Finance costs	**(29)**	**(21)**	**–**	**(50)**	**–**	**(50)**
Depreciation of property, plant and equipment	**(3,174)**	**(653)**	**(159)**	**(3,986)**	**(43)**	**(4,029)**
Amortisation of intangible assets	**(358)**	**(99)**	**(8)**	**(465)**	**(18)**	**(483)**
Income tax expense	**(2,810)**	**(280)**	**–**	**(3,090)**	**(758)**	**(3,848)**

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 finance costs						(2,611)
Other net unallocated expenses						(353)
Share of post-tax results 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
Finance costs	(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)

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

	(Unaudited) Six months ended 30 September	
	2017	2016
	US$'000	*US$'000*
Advertising income, net of trade discounts	**70,820**	85,421
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	**32,399**	36,604
Travel and travel related services income	**50,424**	46,226
	153,643	168,251

The segment assets and liabilities as at 30 September 2017 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	**247,867**	**44,998**	**12,594**	**305,459**	**22,041**	**(248)**	**327,252**
Unallocated assets							**2,018**
Total assets							**329,270**
Total assets include:							
Investments accounted for using the equity method	**–**	**529**	**–**	**529**	**–**	**–**	**529**
Additions to non-current assets (other than deferred income tax assets)	**419**	**46**	**25**	**490**	**3**	**–**	**493**
Segment liabilities	**(23,600)**	**(17,023)**	**(6,842)**	**(47,465)**	**(13,065)**	**248**	**(60,282)**
Unallocated liabilities							**(65,662)**
Total liabilities							**(125,944)**

The segment assets and liabilities as at 31 March 2017 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	231,116	44,068	13,256	288,440	17,586	(150)	305,876
Unallocated assets							2,930
Total assets							308,806
Total assets include:							
Investments accounted for using the equity method	–	731	–	731	–	–	731
Additions to non-current assets (other than deferred income tax assets)	825	901	92	1,818	52	–	1,870
Segment liabilities	(16,363)	(14,480)	(6,678)	(37,521)	(11,054)	150	(48,425)
Unallocated liabilities							(63,066)
Total liabilities							(111,491)

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

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, investments accounted for using the equity method, other non-current financial assets, inventories, trade and other receivables, short-term bank deposits 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 after elimination of the interests in and amounts due from subsidiaries.

Segment liabilities consist primarily of trade and other payables, bank and other borrowings and other non-current liabilities. They exclude deferred income tax liabilities and income tax liabilities of the Group and all liabilities of the Company after elimination of the amounts due to subsidiaries.

The Group operates its publishing and printing businesses mainly in Malaysia, other Southeast Asian countries, Hong Kong, Taiwan and Mainland China ("Main operating countries").

As at 30 September 2017 and 31 March 2017, 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 2017	(Audited) As at 31 March 2017
	US\$'000	*US\$'000*
Main operating countries		
Malaysia and other Southeast Asian countries	**134,170**	131,126
Hong Kong, Taiwan and Mainland China	**15,701**	16,737
Other countries	**6,998**	6,952
	156,869	154,815

5 OTHER INCOME

	(Unaudited) Six months ended 30 September	
	2017	2016
	US\$'000	*US\$'000*
Dividend income	**12**	11
Interest income	**1,105**	1,732
Licence fee and royalty income	**74**	73
Other media-related income	**883**	886
Rental and management fee income	**390**	394
Scrap sales of old newspapers and magazines	**1,276**	1,280
Others	**18**	58
	3,758	4,434

6 OTHER LOSSES, NET

	(Unaudited) Six months ended 30 September	
	2017	2016
	US\$'000	*US\$'000*
Fair value losses on financial assets at fair value through profit or loss — net	**(1)**	(2)
Net exchange losses	**(98)**	(100)
	(99)	(102)

7 EXPENSES BY NATURE

	(Unaudited) Six months ended 30 September 2017 *US$'000*	2016 *US$'000*
Amortisation of intangible assets	**483**	541
Depreciation of property, plant and equipment	**4,029**	4,543
Direct costs of travel and travel related services	**43,165**	39,184
Employee benefit expense (including directors' emoluments)	**45,336**	48,755
Gains on disposal of property, plant and equipment — net	**–**	(23)
Provision for impairment and write-off of trade and other receivables	**122**	191
Provision for impairment and write-off of inventories	**83**	81
Raw materials and consumables used	**22,746**	28,055
Other expenses	**31,115**	34,400
Total cost of goods sold, selling and distribution expenses, administrative expenses and other operating expenses	**147,079**	155,727

8 FINANCE COSTS

	(Unaudited) Six months ended 30 September 2017 *US$'000*	2016 *US$'000*
Interest expense on medium-term notes	**1,261**	2,611
Interest expense on short-term bank borrowings	**50**	13
	1,311	2,624

9 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% for the six months ended 30 September 2017 (the tax rate for the six months ended 30 September 2016: 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% for the six months ended 30 September 2017 (the tax rate for the six months ended 30 September 2016: 24%) 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 comprises the following:

	(Unaudited) Six months ended 30 September	
	2017	2016
	US$'000	*US$'000*
Hong Kong taxation		
Current period	**512**	567
Malaysian taxation		
Current period	**3,152**	4,495
Other countries' taxation		
Current period	**590**	244
Under provision in prior years	**3**	3
Deferred income tax credit	**(409)**	(635)
	3,848	4,674

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	
	2017	2016
Profit attributable to owners of the Company *(US$'000)*	**5,724**	10,169
Weighted average number of ordinary shares in issue	**1,687,236,241**	1,687,236,241
Basic earnings per share *(US cents)*	**0.34**	0.60
Diluted earnings per share *(US cents)*	**0.34**	0.60

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 2017 and 2016.

11 DIVIDENDS

	(Unaudited) Six months ended 30 September 2017 US$'000	2016 US$'000
Dividend attributable to the period:		
First interim, proposed, US0.25 cents (2016/2017: US0.36 cents) per ordinary share	**4,218**	6,074
Dividend paid during the period:		
Second interim, 2016/2017, US0.36 cents (2015/2016: US0.60 cents) per ordinary share *(note (a))*	**6,074**	10,123

The Board of Directors has declared a first interim dividend of US0.25 cents (2016/2017: US0.36 cents) per ordinary share in respect of the year ending 31 March 2018. The dividend will be payable on Friday, 29 December 2017 to shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 13 December 2017 in cash in RM or in Hong Kong Dollar ("HK$") at the average exchange rates used during the period ended 30 September 2017 for the translation of the results of the subsidiaries whose functional currencies are not US$. No tax is payable on the dividend declared by the Company to be received by shareholders in Malaysia as it is income from foreign source in accordance with paragraph 28 of Schedule 6 of Malaysian Income Tax Act 1967. This interim dividend has not been recognised as a dividend payable in this unaudited interim financial information. It will be recognised in shareholders' equity in the year ending 31 March 2018.

The average exchange rates used during the period ended 30 September 2017 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	4.2940	1.074 sen
US$ to HK$	7.8111	HK1.953 cents

Note:

(a) The second interim dividend of US0.36 cents per ordinary share, totaling US$6,074,000, in respect of the year ended 31 March 2017 was paid on 10 July 2017.

12 TRADE AND OTHER RECEIVABLES

	(Unaudited) As at 30 September 2017 *US$'000*	(Audited) As at 31 March 2017 *US$'000*
Trade receivables	**37,429**	35,199
Less: provision for impairment of trade receivables	**(2,199)**	(2,294)
Trade receivables, net *(note)*	**35,230**	32,905
Deposits and prepayments	**5,522**	6,139
Other receivables	**2,881**	2,195
	43,633	41,239

As at 30 September 2017 and 31 March 2017, 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 2017 and 31 March 2017, the ageing analysis of the net trade receivables (including amounts due from related parties of trading in nature) based on invoice date is as follows:

	(Unaudited) **As at** **30 September** **2017** ***US$'000***	(Audited) As at 31 March 2017 *US$'000*
1 to 60 days	**25,281**	22,320
61 to 120 days	**7,294**	7,934
121 to 180 days	**1,690**	1,196
Over 180 days	**965**	1,455
	35,230	32,905

13 TRADE AND OTHER PAYABLES

	(Unaudited) **As at** **30 September** **2017** ***US$'000***	(Audited) As at 31 March 2017 *US$'000*
Trade payables *(note)*	**15,610**	11,474
Accrued charges and other payables	**23,697**	19,954
Receipts in advance	**13,506**	15,206
	52,813	46,634

As at 30 September 2017 and 31 March 2017, the fair values of trade and other payables approximated the carrying amounts.

Note: As at 30 September 2017 and 31 March 2017, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	(Unaudited) **As at** **30 September** **2017** ***US$'000***	(Audited) As at 31 March 2017 *US$'000*
1 to 60 days	**12,642**	8,820
61 to 120 days	**2,713**	2,434
121 to 180 days	**117**	91
Over 180 days	**138**	129
	15,610	11,474

14 BANK AND OTHER BORROWINGS

	(Unaudited) As at 30 September 2017 ***US$'000***	(Audited) As at 31 March 2017 *US$'000*
Current		
Short-term bank borrowings (secured)	**4,469**	1,636
Short-term bank borrowings (unsecured)	**3,515**	870
	7,984	2,506
Non-current		
Medium-term notes (unsecured)	**53,292**	50,870
Total bank and other borrowings	**61,276**	53,376

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

(US$'000)

	(Unaudited) For the six months ended 30 September		
	2017	2016	% change
Turnover	**153,643**	168,251	–8.7%
Profit before income tax	**8,996**	14,543	–38.1%
EBITDA	**13,714**	20,519	–33.2%
Basic earnings per share (US cents)	**0.34**	0.60	–43.3%

OVERALL REVIEW OF OPERATIONS

For the six months ended 30 September 2017, the Group's turnover decreased by 8.7% or US$14,608,000 to US$153,643,000 when compared to the corresponding period last year. This was mainly due to a 15.4% decrease in the turnover of the Group's publishing and printing segment, which was partly cushioned by a 9.1% increase in the turnover of the travel segment.

The profit before income tax for the current period dropped 38.1% or US$5,547,000 to US$8,996,000 when compared to the previous year. Accordingly, the Group's EBITDA for the first half-year of 2017/2018 dropped 33.2% or US$6,805,000 from the prior year period to US$13,714,000.

The decline in profit before income tax was due primarily to the weaker performance of the Group's publishing and printing segment amid the challenging operating environment in the industry. The impact was partially offset by increased profit contribution from the travel segment as well as continued cost savings across all operations. Further, with the partial redemption of the medium-term notes in February 2017, finance costs reduced by 50.0% from last year's US$2,624,000 to US$1,311,000 for the current period.

The market conditions remained soft for the Group's publishing and printing segment during the period under review, weighed down by weak consumer and business spending as well as increasing challenges from the digital media. Compared with the same period of last year, the Group's printing and publishing segment's turnover dropped 15.4% or US$18,806,000 to US$103,219,000 from US$122,025,000 while profit before income tax fell 47.4% or US$6,837,000 to US$7,579,000 from US$14,416,000.

Turnover for the Group's travel segment amounted to US$50,424,000 for the current period, reflecting a year-on-year growth of 9.1% or US$4,198,000. Driven by the increase in revenue, the travel segment's profit before income tax rose 4.4% or US$121,000 to US$2,901,000 from US$2,780,000 in the corresponding period last year.

During the six months ended 30 September 2017, both the Malaysian Ringgit ("RM") and the Canadian dollar ("CAD") weakened against the US dollar which resulted in negative currency impacts on the Group's operating results for the period. If currency impact was excluded, the decreases in the Group's turnover and profit before income tax would have been about 6.0% and 33.3% respectively.

Basic earnings per share for the six months ended 30 September 2017 was US0.34 cents, a decrease of US0.26 cents or 43.3% from US0.60 cents in the corresponding period last year. It would have been a decrease of 38.5% if currency impact was excluded.

As at 30 September 2017, the Group's cash and cash equivalents and short-term bank deposits amounted to US$104,710,000, an increase of 16.3% since 31 March 2017; and the Group's net gearing ratio was nil, same as at 31 March 2017.

SEGMENTAL REVIEW

Publishing and printing

Malaysia and other Southeast Asian countries

The operating environment for the Group's publishing and printing segment remained challenging during the period under review. Despite the improving Malaysian economy, consumer spending remained weak due to higher cost of living, fuelled by inflation and the weakened RM. Total gross adex in Malaysia for the period of April to September 2017 fell 12% year-over-year while the decline for newspapers' adex was 21%.

For the six months ended 30 September 2017, turnover for the Malaysia segment registered a decrease of 19.3% or US$16,522,000 to US$69,251,000 from US$85,773,000 in the same period last year. This was primarily attributable to the decline in revenue from the segment's print business, the impact of which was mitigated by the growth in revenue from the segment's digital business as well as cost savings. The segment reported a 35.3% year-on-year drop in profit before income tax to US$10,485,000 from US$16,209,000. If currency impact was excluded, the decline in the Malaysia segment's turnover and profit before income tax would have been about 13.9% and 31.0% respectively.

Sin Chew Daily maintains its position as the market leader in Malaysia's Chinese newspaper market with a combined print and digital daily circulation of 446,099 copies for the period from July to December 2016 according to the Audit Bureau of Circulation report ("ABC report"). *China Press* remains the second most read Chinese language newspaper in Malaysia with a combined average daily circulation of its print and digital versions of 187,346 copies during the period from July to December 2016 (source: ABC report).

Since the launch of its first digital newspaper edition of *Nanyang Siang Pau* about 4 years ago, the total circulation copies of the electronic editions of the Group's 4 newspapers in Malaysia has grown to about 157,700 copies by September 2017. *Sin Chew Daily's* digital edition has increased to about 127,400 copies, whilst *Guang Ming Daily*, the Group's publication in the north of Peninsular Malaysia, saw its e-paper copies grow to about 12,400 copies.

The publications have redeveloped their sales strategies by leveraging on both their print and digital platforms together with a combination of marketing events and activities. They have also focused on expanding their reach to advertisers in the local community.

The Malaysian operation is still working on enhancing the content on the digital platforms such as Pocketimes, the websites of the respective publications, and their social media sites.

Hong Kong, Taiwan and Mainland China

Turnover for the six-month period amounted to US$26,140,000, reflecting a decrease of 4.7% or US$1,275,000 from US$27,415,000 in the corresponding period last year. In Hong Kong, the economy remained soft and advertisers were still cautious with their promotional spending, especially for the luxury goods sector. Furthermore, the increasing shift of advertising dollar from print to digital media put additional pressure on the segment's performance. Despite an overall increase of about 5% in the market's advertising spending during the period, the growth was mainly driven by the television, interactive and mobile sectors, whereas print newspapers and magazines registered decreases of about 5% and 30% respectively.

The segment reported a loss before income tax of US$1,605,000 for the period, which widened from last year's loss of US$1,027,000. The weaker performance was mainly due to losses incurred by One Media Group, the Group's lifestyle magazine operations, of which the performance continued to be adversely affected by the subdued advertising spending on luxury products.

Through the offer of cross-platform targeted advertising solutions and quality digital content, the segment achieved a double-digit growth in revenue from its digital business during the six months ended 30 September 2017.

The segment's educational textbook business also continued to grow as planned with its recent publication "*STEM*" receiving positive responses from the market. The Group will continue to leverage on its resources and distribution network in order to further expand this business.

North America

The region's slow economy and the continued challenges from the fast-growing digital market weighed on the performance of the Group's operations in North America. Turnover of this segment registered a decline of 11.4% to US$7,828,000 from US$8,837,000, while the segment's loss widened to US$1,301,000 from US$766,000 in the prior year period. The Group has taken efforts to broaden the segment's revenue source as well as to contain costs and streamline its processes.

Travel and travel related services

The turnover for the travel segment increased to US$50,424,000 in the six-month period, 9.1% or US$4,198,000 over the US$46,226,000 reported in the same period last year. The revenue growth was largely driven by higher demand for the North America operations' outbound tours given the stronger US dollar and CAD. However, the unusually low fares offered by the airlines during the summer peak season and the strengthening of the euro adversely affected the segment's profit margin. Segment profit before income tax registered a smaller growth of 4.4% or US$121,000 from last year's US$2,780,000 to US$2,901,000 in the period under review.

Digital business

To ride the waves of digital transformation, the Group has intensified its efforts in creating quality content, including video content, for its digital platforms. The Group has also improvised the manner in which advertisement space was sold by offering advertisers more targeted cross-platform marketing solutions involving print, digital and marketing events.

These efforts resulted in the Group achieving a double-digit growth in revenue from its digital business for the six months ended 30 September 2017.

The Group enjoys a leading position as a news and content provider among local Chinese-language newspapers in Malaysia. It has capitalized on its strength to expand its reach to multiple digital platforms, i.e. e-papers, online sites and mobile applications over the past few years to enhance consumers' and readers' stickiness. The Group also ventured into digital commerce through Logon and rolled out its online video portal, Pocketimes. Total page views per month have grown from 74.8 million in September 2016 to 116.4 million in September 2017, achieving a year-on-year growth of 36%, and digital audiences grew to 11.1 million unique visitors. During the same period, Pocketimes' video views reached 4.1 million per month. This demonstrates that the Group's products continue to be well accepted by its readers and users. Its strong audience base will also bring in more digital advertising, especially video advertising, opportunities for the Group in the quarters ahead.

With its comprehensive and high quality news coverage, the Group's main website for *Ming Pao Daily News*, mingpao.com, has been ranked in the top five in terms of the number of unique visitors among the digital extension of traditional printed newspapers in Hong Kong. Besides its main website, the facebook page of mingpao.com has also gained traction with close to 340,000 likes and ranked 2nd place among Chinese language newspapers in Hong Kong according to the latest statistics. *Ming Pao Daily News* has also launched other websites and a number of mobile apps featuring diversified themes including news, magazines, books, TV programmes and recruitment, in order to reach out to the extensive network of online readers.

Moving forward, the Group will focus on monetization of its digital traffic and content as well as provision of multi-platform advertising services, combining traditional print advertising with digital advertising across online and mobile channels within the Group.

STATUS OF CORPORATE PROPOSAL

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 a share transfer agreement (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.

Reference is also made to the announcement of the Company dated 31 August 2017 (the "Lapse Announcement"), pursuant to the Share Transfer Agreement (as supplemented by the fifth supplemental agreement dated 30 June 2017), the share transfer closing is conditional upon the conditions, as set out in the First Announcement, to be satisfied or waived (as the case may be) before 31 August 2017 ("Long Stop Date") or such later date as the parties to the Share Transfer Agreement may agree in writing. As at the Long Stop Date, none of the conditions precedent to the Share Transfer Agreement is satisfied or waived (as the case may be). As the parties to the Share Transfer Agreement have not reached any agreement to further extend the Long Stop Date, the Share Transfer Agreement has lapsed and become of no effect. For details, please refer to the First Announcement and the Lapse Announcement.

The lapse of the Share Transfer Agreement has no material impact on the Group's consolidated financial information for the period ended 30 September 2017.

OUTLOOK

Market conditions in the second half of the financial year 2017/2018 are expected to remain challenging for the Group. For the print media, advertising spending will remain slow given the still weak consumer spending and the continuing shifting of print advertising dollars to big digital and social media players like Google and Facebook. In addition, newsprint price has started showing signs of an upward trend which will further put pressure on the Group's performance.

Nevertheless, the Group will continue its efforts in developing innovative marketing packages integrating its print and digital businesses, enhancing its digital infrastructure, building its digital content and ensuring that its products and content stay competitive and relevant to its readers.

PLEDGE OF ASSETS

As at 30 September 2017 and 31 March 2017, none of the Group's assets were pledged to secure any banking facilities.

CONTINGENT LIABILITIES

As at 30 September 2017, 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 unaudited 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 2017, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in this unaudited interim financial information amounted to US$105,000 whereas authorised capital expenditure for property, plant and equipment not contracted and not provided for in this unaudited interim financial information amounted to US$323,000.

LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING RATIO

As at 30 September 2017, the Group's cash and cash equivalents and short-term bank deposits amounted to US$104,710,000 (31 March 2017: US$90,032,000) and total bank and other borrowings were US$61,276,000 (31 March 2017: US$53,376,000). The net cash position was US$43,434,000 (31 March 2017: US$36,656,000). Owners' equity was US$200,697,000 (31 March 2017: US$193,694,000).

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 30 September 2017 and 31 March 2017.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 September 2017, the Group had 4,071 employees (31 March 2017: 4,208 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

During the six months ended 30 September 2017, neither the Company nor any of its subsidiaries had purchased, sold or the Company had redeemed any of the Company's listed securities.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members in Hong Kong will be closed on Wednesday, 13 December 2017 whereby no transfer of shares will be registered on that date. In order to qualify for the first interim dividend of US0.25 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, 12 December 2017. 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, 13 December 2017 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 the shareholders on Friday, 29 December 2017.

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 Thursday, 7 December 2017 to Wednesday, 13 December 2017, 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 (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.

Code provision E.1.2 of the Hong Kong Code stipulates that the chairman of the board should attend the annual general meeting. Upon doctor's advice, Tan Sri Datuk Sir TIONG Hiew King, the Chairman of the Board, was on medical leave and unable to attend the annual general meeting of the Company held on 11 August 2017. In his absence, Mr TIONG Kiew Chiong, the Group Chief Executive Officer and an executive director of the Company, attended and took the chair of the said annual general meeting and ensured that proceedings of the meeting were conducted in order. The Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those 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 Malaysia Securities Berhad ("Chapter 14 of the Listing Requirements of Bursa Securities") and (ii) Model Code for Securities Transactions by Directors of Listed Issuers (the "HK Model Code") contained in Appendix 10 of the 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 2017, including accounting principles and practices adopted by the Group and discussed risk management and internal control systems and financial reporting matters.

The interim financial information for the six months ended 30 September 2017 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

28 November 2017

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