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 2013

The directors of Media Chinese International Limited (the "Company") are pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") and the Group's interests in jointly controlled entities and associates for the six months ended 30 September 2013, together with comparative figures for the corresponding period in 2012 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		(Unaudited) Six months ended 30 September	
	Note	**2013** *US$'000*	2012 *US$'000* (Restated)
Turnover	*4*	**251,787**	244,702
Cost of goods sold		**(158,600)**	(154,659)
Gross profit		**93,187**	90,043
Other income	*6*	**5,681**	4,617
Other gains, net	*7*	**600**	3,135
Selling and distribution expenses		**(35,892)**	(35,699)
Administrative expenses		**(20,000)**	(21,645)
Other operating expenses		**(3,333)**	(3,310)
Operating profit		**40,243**	37,141
Finance costs	*8*	**(4,390)**	(82)
Share of losses of jointly controlled entities and associates		**(203)**	(8)
Profit before income tax		**35,650**	37,051
Income tax expense	*9*	**(9,885)**	(8,297)
Profit for the period		**25,765**	28,754
Profit attributable to:			
Owners of the Company		**25,393**	28,219
Non-controlling interests		**372**	535
		25,765	28,754
Earnings per share attributable to owners of the Company			
Basic (US cents)	*10*	**1.51**	1.67
Diluted (US cents)	*10*	**1.51**	1.67
Dividends	*11*	**12,654**	11,355

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Six months ended 30 September	
	2013	2012
	US$'000	*US$'000*
		(Restated)
Profit for the period	**25,765**	28,754
Other comprehensive (losses)/income		
Item that may be reclassified subsequently to profit or loss		
Currency translation differences	**(7,641)**	482
Item that will not be reclassified subsequently to profit or loss		
Remeasurements of post employment benefit obligations	**–**	153
Other comprehensive (losses)/income for the period, net of tax	**(7,641)**	635
Total comprehensive income for the period	**18,124**	29,389
Total comprehensive income for the period attributable to:		
Owners of the Company	**17,748**	28,848
Non-controlling interests	**376**	541
	18,124	29,389

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	(Unaudited) As at 30 September 2013 US$'000	(Audited) As at 31 March 2013 US$'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment		**144,109**	150,935
Investment properties		**16,847**	17,579
Intangible assets		**73,613**	77,908
Deferred income tax assets		**1,681**	1,674
Interests in jointly controlled entities and associates		**3,023**	3,142
		239,273	251,238
Current assets			
Inventories		**56,646**	50,128
Available-for-sale financial assets		**97**	97
Financial assets at fair value through profit or loss		**220**	230
Trade and other receivables	*12*	**73,332**	74,695
Income tax recoverable		**642**	870
Cash and cash equivalents		**104,125**	101,829
		235,062	227,849
Current liabilities			
Trade and other payables	*13*	**75,675**	72,898
Income tax liabilities		**8,151**	7,147
Short-term bank borrowings		**161,756**	170,602
Current portion of long-term liabilities		**55**	58
		245,637	250,705
Net current liabilities		**(10,575)**	(22,856)
Total assets less current liabilities		**228,698**	228,382
EQUITY			
Equity attributable to owners of the Company			
Share capital		**21,715**	21,715
Share premium		**54,664**	54,664
Other reserves		**(79,288)**	(71,643)
Retained earnings			
— Proposed dividend		**12,654**	17,125
— Others		**197,884**	185,145
		210,538	202,270
		207,629	207,006
Non-controlling interests		**6,821**	6,939
Total equity		**214,450**	213,945
Non-current liabilities			
Other long-term liabilities		**1,410**	1,332
Deferred income tax liabilities		**12,838**	13,105
		14,248	14,437
		228,698	228,382

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2013

1. BASIS OF PREPARATION

The condensed consolidated interim financial information ("interim financial information") for the six months ended 30 September 2013 has been prepared in accordance with the International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange").

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2013, which were prepared in accordance with International Financial Reporting Standards ("IFRSs").

The interim financial information has not been audited.

2. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2013, as described in those annual financial statements.

(a) Amendments to IAS 1 "Presentation of financial statements" require grouping of items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. The Group's presentation of other comprehensive income in the consolidated financial statements has been modified accordingly with comparative information re-presented.

(b) IAS19 (revised) "Employee benefits" amends the accounting for employment benefits. The Group has applied the standard retrospectively in accordance with the transition provisions of the standard. The impact on the Group has been in the following areas:

The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year. There is no change to determining the discount rate; this continues to reflect the yield on high-quality corporate bonds. This has increased the income statement charge as the discount rate applied to assets is lower than the expected return on assets. This has no effect on total comprehensive income as the increased charge in profit or loss is offset by a credit in other comprehensive income. The change has resulted in increases in the income statement charge for the six months ended 30 September 2012 and the year ended 31 March 2013 of US$153,000 and US$307,000 respectively.

There is a new term "remeasurements". This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost.

The standard requires remeasurements to be recognised in retained earnings or a separate reserve. The Group has elected to recognise the remeasurements in retained earnings, this resulted in increases of US$2,573,000 and US$2,639,000 in other reserves with corresponding decreases in the retained earnings as at 1 April 2012 and 1 April 2013 respectively.

(c) Taxes on income in the interim periods are accrued using the tax rates that would be applicable to expected total annual earnings.

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

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 2013. 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 US dollar ("US$"), a globally recognised currency, as the presentation currency for the Group's consolidated financial statements. For the entity whose functional currency is not the presentation currency, i.e. US$, its results and financial position have been translated into US$.

The assets and liabilities of each entity within the Group are mostly denominated in its own functional currency and do not have material impact on the consolidated income statement for the period.

During the six months ended 30 September 2013, 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$7,645,000 was recognised largely due to the changes in the exchange rate of US$ to RM.

4. TURNOVER AND SEGMENT INFORMATION

The Group has determined the operating segments based on the reports that are reviewed and used by the Group Executive Committee for making strategic decisions.

The Group is organised operationally on a worldwide basis in four major operating segments:

Publishing and printing: Malaysia and other Southeast Asian countries

Publishing and printing: Hong Kong and Mainland China

Publishing and printing: North America

Travel and travel related services

Publishing and printing segment is engaged in the publication of various newspapers and magazines, and other related printed and digital publications in primarily Chinese language. It derives its revenue mainly from advertising and sales of newspapers and magazines. Travel and travel related services segment derives revenue from the sale of travel packages and provision of tour services.

The Group Executive Committee assesses the performance of the operating segments based on a measure of segment profit before income tax as per the internal financial report. Other information provided is measured in a manner consistent with that in the internal financial report.

The Group's turnover and results for the six months ended 30 September 2013, analysed by operating segments, are as follows:

	(Unaudited)					
	Publishing and printing					
	Malaysia and other Southeast Asian countries	Hong Kong and Mainland China	North America	Sub-total	Travel and travel related services	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Turnover	**145,158**	**34,157**	**13,059**	**192,374**	**59,413**	**251,787**
Segment profit before income tax	**34,040**	**1,764**	**155**	**35,959**	**4,704**	**40,663**
Unallocated interest expense						**(4,248)**
Other net unallocated expenses						**(562)**
Share of losses of jointly controlled entities and associates						**(203)**
Profit before income tax						**35,650**
Income tax expense						**(9,885)**
Profit for the period						**25,765**
Other information:						
Interest income	**727**	**92**	**–**	**819**	**4**	**823**
Interest expense	**(142)**	**–**	**–**	**(142)**	**–**	**(142)**
Depreciation of property, plant and equipment	**(4,213)**	**(688)**	**(194)**	**(5,095)**	**(22)**	**(5,117)**
Amortisation of intangible assets	**(455)**	**(65)**	**(44)**	**(564)**	**(10)**	**(574)**
Share of losses of jointly controlled entities and associates	**–**	**(203)**	**–**	**(203)**	**–**	**(203)**
Income tax expense	**(8,623)**	**(510)**	**(211)**	**(9,344)**	**(541)**	**(9,885)**

The Group's turnover and results for the six months ended 30 September 2012, analysed by operating segments, are as follows:

	(Unaudited and restated) 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	144,322	38,297	13,921	196,540	48,162	244,702
Segment profit/(loss) before income tax	31,169	4,405	(227)	35,347	1,913	37,260
Net unallocated expenses						(201)
Share of losses of associates						(8)
Profit before income tax						37,051
Income tax expense						(8,297)
Profit for the period						28,754
Other information:						
Interest income	1,246	158	–	1,404	3	1,407
Interest expense	(82)	–	–	(82)	–	(82)
Depreciation of property, plant and equipment	(4,211)	(796)	(244)	(5,251)	(22)	(5,273)
Amortisation of land use rights	–	(30)	–	(30)	–	(30)
Amortisation of intangible assets	(485)	(56)	(41)	(582)	(8)	(590)
Share of losses of associates	–	(8)	–	(8)	–	(8)
Income tax expense	(6,800)	(970)	(136)	(7,906)	(391)	(8,297)

The segment assets as at 30 September 2013 are as follows:

	(Unaudited)						
	Publishing and printing						
	Malaysia and other Southeast Asian countries *US$'000*	**Hong Kong and Mainland China** *US$'000*	**North America** *US$'000*	**Sub-total** *US$'000*	**Travel and travel related services** *US$'000*	**Elimination** *US$'000*	**Total** *US$'000*
Segment assets	**364,125**	**71,498**	**16,922**	**452,545**	**19,181**	**(165)**	**471,561**
Unallocated assets							**2,774**
Total assets							**474,335**
Total assets include:							
Interests in jointly controlled entities and associates	**–**	**3,023**	**–**	**3,023**	**–**	**–**	**3,023**
Additions to non-current assets (other than deferred income tax assets)	**4,638**	**322**	**117**	**5,077**	**12**	**–**	**5,089**

The segment assets as at 31 March 2013 are as follows:

	(Audited)						
	Publishing and printing						
	Malaysia and other Southeast Asian countries *US$'000*	Hong Kong and Mainland China *US$'000*	North America *US$'000*	Sub-total *US$'000*	Travel and travel related services *US$'000*	Elimination *US$'000*	Total *US$'000*
Segment assets	373,398	73,512	18,043	464,953	13,786	(2,674)	476,065
Unallocated assets							3,022
Total assets							479,087
Total assets include:							
Interests in jointly controlled entities and associates	–	3,142	–	3,142	–	–	3,142
Additions to non-current assets (other than investment in an exchangeable bond — equity derivatives and deferred income tax assets)	15,855	2,750	3,554	22,159	67	–	22,226

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 jointly controlled entities and associates, inventories, trade and other receivables, and cash and cash equivalents. They exclude deferred income tax assets, available-for-sale financial assets, financial assets at fair value through profit or loss — listed equity securities, income tax recoverable and assets held by the Company.

There has been no material change in total liabilities from the amount disclosed in the last annual financial statements.

The Group operates its publishing and printing businesses mainly in Malaysia, other Southeast Asian countries, Hong Kong and Mainland China ("main operating countries"). Revenue from external customers of the Group's publishing and printing businesses for the six months ended 30 September 2013, analysed by operating countries, is as follows:

	(Unaudited) Six months ended 30 September	
	2013	2012
	US$'000	*US$'000*
Main operating countries		
Malaysia and other Southeast Asian countries	**145,158**	144,322
Hong Kong and Mainland China	**34,157**	38,297
Other countries	**13,059**	13,921
	192,374	196,540

As at 30 September 2013, the Group's total non-current assets, other than deferred income tax assets, analysed by operating countries, are as follows:

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2013	2013
	US$'000	*US$'000*
Main operating countries		
Malaysia and other Southeast Asian countries	**207,576**	218,812
Hong Kong and Mainland China	**22,063**	22,574
Other countries	**7,953**	8,178
	237,592	249,564

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

	(Unaudited) Six months ended 30 September	
	2013	2012
	US$'000	*US$'000*
Advertising income, net of trade discounts	**136,595**	139,579
Sales of newspapers, magazines, digital contents and books, net of trade discounts and returns	**55,779**	56,961
Travel and travel related services income	**59,413**	48,162
	251,787	244,702

5. EXPENSES BY NATURE

	(Unaudited) Six months ended 30 September	
	2013	2012
	US$'000	*US$'000*
		(Restated)
Employee benefit expense (including directors' emoluments)	**57,117**	59,648
Raw materials and consumables used	**55,136**	59,443
Depreciation of property, plant and equipment	**5,117**	5,273
Amortisation of intangible assets	**574**	590
Losses/(gains) on disposal of property, plant and equipment — net	**48**	(33)
Amortisation of land use rights	**–**	30

6. OTHER INCOME

	(Unaudited) Six months ended 30 September	
	2013	2012
	US$'000	*US$'000*
Scrap sales of old newspapers and magazines	**2,578**	2,440
Other media-related income	**1,427**	–
Interest income	**823**	1,407
Rental and management fee income	**710**	610
License fee and royalty income	**84**	153
Dividend income	**9**	7
Others	**50**	–
	5,681	4,617

7. OTHER GAINS, NET

	(Unaudited) Six months ended 30 September 2013 US$'000	2012 US$'000
Net exchange gains	**374**	312
Fair value (losses)/gains on financial assets at fair value through profit or loss	**(11)**	18
Gain on disposal of convertible notes	**–**	1,126
Others	**237**	1,679
	600	3,135

8. FINANCE COSTS

	(Unaudited) Six months ended 30 September 2013 US$'000	2012 US$'000
Interest on bank borrowings	**4,390**	82

9. INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit derived from Hong Kong for the period. Income tax for the Group's Malaysian operations is calculated at the rate of 25% (2012: 25%) on the estimated assessable profit derived from Malaysia for the period. Taxation on other countries' profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

Income tax expense in the condensed consolidated income statement represents:

	(Unaudited) Six months ended 30 September 2013 US$'000	2012 US$'000
Hong Kong taxation		
Current period	**1,077**	973
Malaysian taxation		
Current period	**8,307**	7,933
Over provision in prior years	**–**	(50)
Other countries' taxation		
Current period	**247**	153
Under provision in prior years	**6**	196
Deferred income tax expense/(credit)	**248**	(908)
	9,885	8,297

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 2013	2012 (Restated)
Profit attributable to owners of the Company (US$'000)	**25,393**	28,219
Weighted average number of ordinary shares in issue	**1,687,239,968**	1,687,241,066
Basic earnings per share (US cents)	**1.51**	1.67
Diluted earnings per share (US cents)	**1.51**	1.67

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 period ended 30 September 2013.

11. DIVIDENDS

	(Unaudited) Six months ended 30 September 2013 *US$'000*	2012 *US$'000*
Dividends attributable to the period:		
First interim, proposed, US0.750 cents (2012/2013: US0.673 cents) per ordinary share	**12,654**	11,355
Dividends paid during the period:		
Second interim, 2012/2013, paid, US1.015 cents (2011/2012: US1.448 cents) per ordinary share *(note a)*	**17,125**	24,431

The board of directors has declared a first interim dividend of US0.750 cents (2012/2013: US0.673 cents) per ordinary share in respect of the year ending 31 March 2014. The dividend will be payable on 15 January 2014 to shareholders whose names appear on the register of members of the Company at the close of the business on 17 December 2013 in cash in RM or in Hong Kong dollars ("HK$") at exchange rates determined on 27 November 2013 by reference to the middle exchange rates applicable to US$ at 12:00 noon as quoted by Bank Negara Malaysia. This interim dividend is not reflected as a dividend payable in this interim financial information.

The middle exchange rates at 12:00 noon on 27 November 2013 as quoted by Bank Negara Malaysia of US$ to RM and US$ to HK$, and the amount of the first interim dividend payable is as follows:

	Exchange rates	**Dividend per ordinary share**
US$ to RM	3.2240	2.418 sen
US$ to HK$	7.7521	HK5.814 cents

Note:

(a) The second interim dividend represented a dividend of US1.015 cents per ordinary share in respect of the year ended 31 March 2013 and was paid to the shareholders of the Company on 31 July 2013.

12. TRADE AND OTHER RECEIVABLES

	(Unaudited) As at 30 September 2013 *US$'000*	(Audited) As at 31 March 2013 *US$'000*
Trade receivables	**61,244**	66,452
Less: allowance for impairment of trade receivables	**(1,870)**	(2,362)
Trade receivables — net *(note)*	**59,374**	64,090
Deposits and prepayments	**9,063**	7,063
Other receivables	**4,895**	3,542
	73,332	74,695

At 30 September 2013, the carrying amounts of trade and other receivables approximated their fair values.

Note: The Group allows in general a credit period ranging from 7 days to 120 days to its trade customers.

At 30 September 2013, the ageing analysis of the net trade receivables based on invoice date is as follows:

	(Unaudited) As at 30 September 2013 *US$'000*	(Audited) As at 31 March 2013 *US$'000*
1 to 60 days	**43,638**	45,739
61 to 120 days	**12,786**	14,631
121 to 180 days	**1,864**	2,023
Over 180 days	**1,086**	1,697
	59,374	64,090

13. TRADE AND OTHER PAYABLES

	(Unaudited) As at 30 September 2013 *US$'000*	(Audited) As at 31 March 2013 *US$'000*
Trade payables *(note)*	**23,354**	22,601
Accrued charges and other payables	**33,354**	30,283
Receipts in advance	**16,761**	16,921
Amounts due to related parties	**2,206**	3,093
	75,675	72,898

At 30 September 2013, the carrying amounts of trade and other payables approximated their fair values.

Note: At 30 September 2013, the ageing analysis of the trade payables based on invoice date is as follows:

	(Unaudited) As at 30 September 2013 *US$'000*	(Audited) As at 31 March 2013 *US$'000*
1 to 60 days	**19,764**	19,990
61 to 120 days	**2,650**	1,889
121 to 180 days	**577**	253
Over 180 days	**363**	469
	23,354	22,601

14. EVENT AFTER THE BALANCE SHEET DATE

A short-term bank borrowing of RM500 million (equivalent to US$153,146,000) matured on 26 November 2013 and was renewed for a period of three months.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

(in US$'000)

	(Unaudited) For the six months ended 30 September		
	2013	2012 (Restated)	Change
Turnover	**251,787**	244,702	+2.9%
Operating profit	**40,243**	37,141	+8.4%
Profit before income tax	**35,650**	37,051	–3.8%
EBITDA	**44,908**	41,619	+7.9%
Basic earnings per share (US cents)	**1.51**	1.67	–9.6%

OVERALL REVIEW OF OPERATIONS

Despite a stiff headwind from the struggling global economic environment, the Group achieved a 8.4% or US$3,102,000 increase in operating profit to US$40,243,000 from US$37,141,000 a year ago. This improved operating performance was mainly driven by revenue growth and tight cost controls during the period.

The Group's EBITDA improved by 7.9% or US$3,289,000 over the same period last year to US$44,908,000.

For the six months ended 30 September 2013, the Group's turnover grew 2.9% or US$7,085,000 over the same period last year to US$251,787,000. The revenue growth was mainly attributed to improved performance from the tour segment. The increase in revenue, however, was offset in part by higher finance costs incurred during the period, resulting in a 3.8% decline in profit before income tax to US$35,650,000 from US$37,051,000 a year earlier.

The publishing and printing segment's results for the first half-year reflected the difficult trading environment in the markets that the Group operates in. The segment's revenue decreased 2.1% or US$4,166,000 to US$192,374,000 from US$196,540,000 in the corresponding period last year. Nevertheless, the segment's profit before income tax increased slightly by 1.7%, attributable to lower operating costs incurred during the period.

There was significant improvement in the results from the tour segment which reported growth of 23.4% and 145.9% in revenue and segment profit before income tax respectively as compared to the same period last year. This notable growth was bolstered by strong demand for the segment's high-quality tour packages, in particular its flagship European tours.

Both Malaysian Ringgit and the Canadian dollar weakened against the US dollar during the current period, resulting in negative currency impact of approximately US$2,200,000 and US$400,000 on the Group's revenue and profit before income tax respectively.

Basic earnings per share for the six months ended 30 September 2013 was US1.51 cents, down by US0.16 cents or 9.6% from US1.67 cents in the previous corresponding period.

As at 30 September 2013, the Group's cash and cash equivalents amounted to US$104,125,000, an increase of 2.3% since 31 March 2013; and the Group's net gearing ratio dropped to 27.8% from 33.2% as at 31 March 2013.

The Group's net assets stood at US$214,450,000 as at 30 September, 2013, which was 0.2% higher than the balance of US$213,945,000 as at 31 March 2013.

INTERIM DIVIDEND

The board of directors resolved to declare the payment of a first interim dividend for the year ending 31 March 2014 of US0.750 cents per ordinary share (2012/2013: US0.673 cents per ordinary share) payable on 15 January 2014.

SEGMENTAL REVIEW

Publishing and printing

Malaysia and other Southeast Asian countries

The Group is the leading Chinese newspaper group in Malaysia, publishing 4 Chinese newspapers with a combined average daily readership of 2,708,000 and enjoyed a 74.6% share of the Chinese newspaper advertising market.

It also publishes 1 tabloid, 4 student publications and 18 magazine titles. It has an online portfolio of 16 newspapers and magazines websites, tablets and smartphone apps for its publications. The Group is also well positioned in exhibition and event business.

For the first half of the financial year 2013/2014, the Malaysian operations achieved a 9.2% growth in profit before income tax to reach US$34,040,000 and turnover increasing marginally by 0.6% to US$145,158,000 despite continued difficult trading conditions in the country.

According to Nielsen Media Research, advertising spending in Malaysia grew 19.8% for the period from April to September 2013. The increase was primarily underpinned by strong growth in the Pay-TV segment in which advertising expenditure grew by 76.3% year-on-year. However, if we exclude the Pay-TV segment, the underlying advertising expenditure was even with the same period last year.

Advertising expenditure for the newspaper segment grew by 5.0% to RM2.3 billion; the English and Chinese segments grew 10.8% and 4.7% respectively whilst the Malay segment fell 1.3%. The growth in advertising spending was driven mainly by election-related advertisements in the run up to Malaysia's 13th General Election held in May 2013.

However, the segment's magazine division continued to experience a weak magazine advertising market. The country's magazines have been badly affected by the economic slowdown with the advertising spending shrinking 11.9%. This was mainly due to many magazine advertisers being cautious about the economy and hence, particularly those in the cosmetic and fashion sectors, reduced their advertising budgets during the period.

The recently released AC Nielsen Readership Survey confirms the strong market standing of the Group's newspaper titles, led by *Sin Chew Daily* which attracts 1.2 million readers and continues to be the largest Chinese newspaper in Malaysia. The Group's other newspaper titles remain clear leaders in their respective markets, both in terms of circulation copies and readership.

As part of the ongoing efforts to strengthen the editorial contents of the Group's publications, *Sin Chew Daily* undertook a major editorial revamp in August 2013 to strengthen the quality of news and layout in order to stimulate growth in readership. The changes were well received by the market.

China Press held its position as the most popular evening newspaper and the second most-read Chinese newspaper in Malaysia with a daily readership of about 1.0 million.

Guang Ming Daily remained the most widely read Chinese newspaper in the northern market with a daily average of 368,000 readers.

Nanyang Siang Pau, which celebrated its 90th Anniversary this year, focuses on providing quality business news. It also plays an active role to promote young and rising entrepreneurs. Its annual award function "Golden Eagle Award" is one of the most prestigious and reputable annual business awards recognised by the business community in Malaysia.

Hong Kong and Mainland China

The Group's publishing and printing segment in Hong Kong and Mainland China was faced with a harsh operating environment in the first half-year of 2013/2014. The segment's turnover and profit before income tax for the six months ended 30 September 2013 were US$34,157,000 and US$1,764,000, reflecting decreases of 10.8% and 60.0% respectively from the previous corresponding period. This was mainly due to a setback in advertising revenue from the Hong Kong property market which was dampened by the government's tough cooling measures. Adding to this was Mainland China's curbs on extravagant spending which crimped the luxury goods market, a sector that used to be a major contributor to this segment's advertising revenue.

Ming Pao Daily News, which is committed to quality journalism and comprehensive coverage of economic, political and social issues both at home and abroad, remains one of the most influential and credible newspapers in Hong Kong. Leveraging on its niche market position, *Ming Pao Daily News* is able to maintain its ranking in newspaper circulation as well as its share of the market's overall advertising spending in spite of the intensified competition among newspaper titles.

Mingpao.com, an online news portal, proves the Group's solid steps towards becoming a leading multi-media enterprise are paying off. The digital platform enables the Group to provide advertisers with cross-selling opportunities and all-around marketing solutions.

With a view to building up business in the education market, the Group has allocated resources to develop both print and digital education materials. *Ming Pao Daily News* was granted licenses to develop e-textbooks and for this, it has been developing and promoting products relating to the subject of Liberal Studies. Backed by the Group's strong school network and quality archive contents, the Group aims to establish a stronger presence in the education sector.

One Media Group ("One Media"), the media flagship of the Group in the Greater China region, is engaged in magazine publishing, digital and outdoor media businesses. *Ming Pao Weekly* received two awards in Magazine Of The Year 2013 Awards organised by Marketing Hong Kong, namely Silver Prize in the Entertainment category and the 4th ranking in the Top 10 Overall Magazines of the Year 2013. *Top Gear 極速誌* won the Silver Prize in the Motoring category, as well as the First Prize in the Motor Vehicles category of Digital Media Of The Year 2013. One Media has been exploring new business models that optimise resource utilisation and at the same time create new revenue streams. "Connect Media" was jointly formed by One Media and Chu Kong Shipping Enterprises (Group) Company Limited (HK stock code: 560) ("Chu Kong Shipping") last year. Although still at an early investment stage, this new venture, which promotes products to the passengers of Chu Kong Shipping travelling in the Pearl River Delta Region, is expected to bring more business opportunities and synergistic effects to One Media.

North America

The publishing and printing operations in North America were also under pressure as advertising expenditure from the domestic property market was in a downward trend amid uncertain economic conditions. Segment turnover for the six months ended 30 September 2013 decreased by 6.2% year-on-year to US$13,059,000, but segment result saw a turnaround to a profit before income tax of US$155,000, attributable largely to the strict cost control measures taken.

Travel and travel related services

The travel segment, operated through Charming Holidays and Delta Group, reported a robust growth in the first half of this financial year. Segment turnover surged 23.4% to reach US$59,413,000 and segment profit before income tax rose 145.9% to US$4,704,000 from US$1,913,000 in the corresponding period last year. This outstanding performance was attributed to the wide recognition for the Group's high-quality travel services, including its flagship long-haul tours and other new tour packages.

The Group has applied for a separate listing of its tour business on the Growth Enterprise Market of the HK Stock Exchange.

OUTLOOK

The directors expect the operating environment in the coming quarters to remain challenging in the light of economic slowdown in those markets that the Group operates in.

The Malaysian government has introduced the goods and services tax (GST) in Budget 2014, and will implement further subsidy rationalisation measures; these would weigh on consumer sentiments and ultimately impact the advertising spending in Malaysia. Adding to this, China's anti-extravagance campaign and Hong Kong government's property market cooling measures will continue to impact the Group's advertising revenue in these markets.

On a positive note, newsprint prices are expected to stay flat in the near term. However, cost pressures arising from strengthening of US dollar against Malaysian Ringgit remains a concern.

Nevertheless, the Group will continue to explore more revenue sources while keeping tight controls on costs.

Barring any unforeseen circumstances, the Group expects its performance for the second half-year to be satisfactory.

PLEDGE OF ASSETS

As at 30 September 2013, general security agreements under which all the assets of certain subsidiaries with net book amount of US$10,471,000 (31 March 2013: US$12,401,000) were pledged to certain banks to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30 September 2013, there were several libel suits which involve claims against some companies in the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings is still uncertain as of the date of 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 2013, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in this interim financial information amounted to US$3,303,000 whereas authorised capital expenditure for property, plant and equipment not contracted and not provided for in this interim financial information amounted to US$2,858,000.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 30 September 2013, the Group's cash and cash equivalents were US$104,125,000 (31 March 2013: US$101,829,000) and total bank borrowings were US$161,756,000 (31 March 2013: US$170,602,000). The net debt position was US$57,631,000 (31 March 2013: US$68,773,000). Owners' equity was US$207,629,000 (31 March 2013: US$207,006,000).

The net gearing ratio of the Group, calculated as net debt over owners' equity, was 27.8% as at 30 September 2013 (31 March 2013: 33.2%).

As at 30 September 2013, the Group's net current liabilities amounted to US$10,575,000 (31 March 2013: US$22,856,000) primarily resulted from the drawdown of a short-term bank borrowing to finance, in part, the payment of the special dividend on 28 November 2012. Notwithstanding this, the Group has sufficient working capital and is able to continue to generate net cash inflows from its operating activities to enable it to meet in full its financial obligations as and when they fall due. In addition, the Group is currently in the process of refinancing such borrowing.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 September 2013, the Group has approximately 4,591 employees (31 March 2013: approximately 4,651 employees), the majority of whom are employed in Malaysia and Hong Kong. The Group remunerates its employees based on industry practice and performance of individual employees. The emoluments of the directors and senior management are reviewed by the Remuneration Committee regularly, having regard to the Group's operating results, individual performance and comparable market statistics. No director or any of his/her associates is involved in dealing with his/her own remuneration. The Group has share option schemes as an incentive to directors and eligible employees.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

In August 2013, the Company repurchased a total of 1,000 of its listed shares on the HK Stock Exchange from the open market at the price of HK$2.90 per share for the purpose of validating the declaration of solvency in relation to the share buyback mandate in accordance with the provision of the Malaysian Companies Act. The repurchase was financed by internally generated funds. Details of the repurchase are summarised as follows:

Month/Year	Number of ordinary shares repurchased	Purchase price per share		Aggregate purchase consideration	Equivalents in
		Highest	Lowest		
		HK$	*HK$*	*HK$*	*US$*
August 2013	1,000	2.90	2.90	2,900	374

All the shares repurchased during the period ended 30 September 2013 were cancelled. Accordingly, the issued share capital of the Company was reduced by the par value of the repurchased shares and the premiums paid on these shares were charged against the share premium account. An amount equivalent to the par value of the shares cancelled was transferred from the Company's retained earnings to the capital redemption reserve.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or the Company had redeemed any of the Company's listed securities during the period ended 30 September 2013.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members in Hong Kong will be closed on Tuesday, 17 December 2013 whereby no transfer of shares will be registered on that date. In order to qualify for the first interim dividend of US0.750 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 16 December 2013. 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 Tuesday, 17 December 2013 in respect of transfers; and (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad. The first interim dividend will be payable to the shareholders on 15 January 2014.

Shareholders who wish to request for transmission of their shares between the Malaysia Register and Hong Kong Register are advised to take note that request for transmission will be suspended from 11 December 2013 to 17 December 2013, both days inclusive.

CORPORATE GOVERNANCE

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

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

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the requirements and code as set out in (i) Chapter 14 (Dealings in Listed Securities) of the Main Market Listing Requirements of Bursa 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 Rules Governing the Listing of Securities on the HK Stock Exchange. All directors of the Company have confirmed, following specific enquiry by the Company, their compliance with the required standards as set out in (i) Chapter 14 of the Listing Requirements of Bursa Securities and (ii) 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 2013, 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 2013 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

27 November 2013

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, Tan Sri Dato' LAU Yin Pin and Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH, being independent non-executive directors.