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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 2010

The directors of Media Chinese International Limited (the "Company") are pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively the "Group") and the Group's interest in an associate for the six months ended 30 September 2010, together with comparative figures for the corresponding period in 2009.

CONDENSED CONSOLIDATED INCOME STATEMENT

		(Unaudited) Six months ended 30 September	
		2010	2009
	Note	***US$'000***	*US$'000*
Turnover	*4*	**221,587**	181,696
Cost of goods sold	*5*	**(135,994)**	(117,350)
Gross profit		**85,593**	64,346
Other income	*6*	**3,536**	2,274
Other gains, net	*7*	**1,057**	1,187
Selling and distribution expenses	*5*	**(30,237)**	(26,817)
Administrative expenses	*5*	**(18,359)**	(16,985)
Other operating expenses	*5*	**(3,180)**	(2,850)
Operating profit		**38,410**	21,155
Finance costs	*8*	**(432)**	(376)
Share of loss of an associate		**(170)**	–
Profit before income tax		**37,808**	20,779
Income tax expense	*9*	**(10,223)**	(6,353)
Profit for the period		**27,585**	14,426
Attributable to:			
Equity holders of the Company		**27,328**	14,652
Non-controlling interests		**257**	(226)
		27,585	14,426
Earnings per share attributable to the equity holders of the Company			
Basic (US cents)	*10*	**1.62**	0.87
Diluted (US cents)	*10*	**1.62**	0.87
Dividends	*11*	**13,471**	7,578

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Six months ended 30 September	
	2010	2009
	US$'000	*US$'000*
Profit for the period	**27,585**	14,426
Other comprehensive income		
Currency translation differences	**16,610**	12,832
Revaluation gain recognised upon transfer from property held for own use to investment properties	**–**	409
Other comprehensive income for the period, net of tax	**16,610**	13,241
Total comprehensive income for the period	**44,195**	27,667
Attributable to:		
Equity holders of the Company	**43,912**	27,860
Non-controlling interests	**283**	(193)
	44,195	27,667

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	(Unaudited) 30 September 2010 US$'000	(Audited and restated) 31 March 2010 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**154,857**	139,962
Investment properties		**9,127**	8,686
Leasehold land and land use rights		**2,115**	2,144
Intangible assets		**81,687**	77,466
Deferred income tax assets		**1,448**	1,831
Defined benefit plan assets		**278**	258
Interest in an associate		**2,571**	2,739
Investment in convertible notes – debt portion		**525**	511
		252,608	233,597
Current assets			
Inventories		**83,925**	76,079
Available-for-sale financial assets		**645**	644
Financial assets at fair value through profit or loss		**238**	226
Trade and other receivables	*12*	**69,825**	67,608
Income tax recoverable		**981**	1,418
Cash and cash equivalents		**87,027**	77,635
		242,641	223,610
Current liabilities			
Trade and other payables	*13*	**69,526**	57,415
Income tax liabilities		**8,052**	4,240
Short-term bank loans		**23,919**	30,618
Bank overdrafts, secured		**–**	198
Current portion of long-term liabilities		**701**	1,230
		102,198	93,701
Net current assets		**140,443**	129,909
Total assets less current liabilities		**393,051**	363,506
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**21,672**	21,672
Share premium		**280,160**	280,160
Other reserves		**(75,021)**	(92,337)
Retained earnings		**146,159**	131,814
		372,970	341,309
Non-controlling interests		**4,708**	8,263
Total equity		**377,678**	349,572
Non-current liabilities			
Other long-term liabilities		**1,470**	1,560
Deferred income tax liabilities		**13,903**	12,374
		15,373	13,934
		393,051	363,506

1. BASIS OF PREPARATION

These condensed consolidated financial information for the six months ended 30 September 2010 have been reviewed by PricewaterhouseCoopers, Hong Kong, the auditors of the Company 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, and by the audit committee of the Company (the "Audit Committee").

These condensed consolidated financial information have 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").

These condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2010, which were prepared in accordance with International Financial Reporting Standards ("IFRSs").

These condensed consolidated financial information have not been audited.

2. ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2010.

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

The Group has adopted the following new or revised standards and amendments to standard, which are mandatory for the financial year beginning 1 April 2010 and are relevant to its operations.

- IAS 17 (amendment), "Leases". The amendment deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of IAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under "Leasehold land and land use rights", and amortised over the lease term.

  IAS 17 (amendment) has been applied retrospectively in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 April 2010 on the basis of information existing at the inception of those leases, and recognised all leasehold land, except for those in Mainland China, as finance lease retrospectively. As a result of the reassessment, the Group has reclassified certain leasehold land from operating lease to finance lease.

  The effect of the adoption of this amendment is as follows:

	As at 30 September 2010 *US$'000*	As at 31 March 2010 *US$'000*
Increase/(decrease) in:		
Property, plant and equipment	**28,290**	28,339
Leasehold land and land use rights	**(28,290)**	(28,339)

2. ACCOUNTING POLICIES (Continued)

- IAS 27 (revised), "Consolidated and Separate Financial Statements". The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains or losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group has applied IAS 27 (revised) prospectively to transactions with non-controlling interests from 1 April 2010.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but are not yet effective for the accounting period beginning 1 April 2010. 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 Ringgit Malaysia ("RM"). However, each entity 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 profit or loss for the period.

During the six months ended 30 September 2010, the Group is particularly exposed to movements in the US$ to RM exchange rate as the majority of the Group's operations are located in Malaysia, and an increase in the exchange fluctuation reserve of US$16,610,000 was recognised largely due to the changes in the exchange rate of US$ 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 production of various newspapers and magazines in the Chinese language, and other related printed and digital publications. 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.

4. TURNOVER AND SEGMENT INFORMATION (Continued)

The Group's turnover and results for the period ended 30 September 2010, analysed by operating segment, were as follows:

	(Unaudited)					
	Publishing and printing					
	Malaysia and other Southeast Asian countries *US$'000*	Hong Kong and Mainland China *US$'000*	North America *US$'000*	Sub-total *US$'000*	Travel and travel related services *US$'000*	Total *US$'000*
Turnover	**131,887**	**35,549**	**14,540**	**181,976**	**39,611**	**221,587**
Segment profit before income tax	**32,479**	**1,898**	**1,726**	**36,103**	**1,920**	**38,023**
Net unallocated expenses						**(45)**
Share of loss of an associate						**(170)**
Profit before income tax						**37,808**
Income tax expense						**(10,223)**
Profit for the period						**27,585**
Other information:						
Interest income	**527**	**55**	**–**	**582**	**1**	**583**
Interest expense	**(401)**	**(19)**	**(12)**	**(432)**	**–**	**(432)**
Depreciation	**(3,576)**	**(854)**	**(275)**	**(4,705)**	**(46)**	**(4,751)**
Amortisation of leasehold land and land use rights	**–**	**(30)**	**–**	**(30)**	**–**	**(30)**
Amortisation of intangible assets	**(378)**	**(19)**	**(21)**	**(418)**	**(2)**	**(420)**

4. TURNOVER AND SEGMENT INFORMATION (Continued)

The Group's turnover and results for the period ended 30 September 2009, analysed by operating segment, were 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	111,124	33,007	11,615	155,746	25,950	181,696
Segment profit/(loss) before income tax	21,043	449	(682)	20,810	277	21,087
Net unallocated expenses						(308)
Profit before income tax						20,779
Income tax expense						(6,353)
Profit for the period						14,426
Other information:						
Interest income	285	42	–	327	2	329
Interest expense	(328)	(22)	(26)	(376)	–	(376)
Depreciation	(2,856)	(1,014)	(355)	(4,225)	(50)	(4,275)
Amortisation of leasehold land and land use rights	–	(29)	–	(29)	–	(29)
Amortisation of intangible assets	(335)	(15)	(4)	(354)	–	(354)

The segment assets as at 30 September 2010 were 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	**394,173**	**75,673**	**12,920**	**482,766**	**13,070**	**(4,035)**	**491,801**
Unallocated assets							**3,448**
Total assets							**495,249**
Total assets include:							
Interest in an associate	**–**	**2,571**	**–**	**2,571**	**–**	**–**	**2,571**
Additions to non-current assets (other than interest in an associate, financial assets, defined benefit plan assets, and deferred income tax assets)	**12,825**	**231**	**55**	**13,111**	**46**	**–**	**13,157**

4. **TURNOVER AND SEGMENT INFORMATION (Continued)**

The segment assets as at 31 March 2010 were as follows:

	(Audited)						
	Publishing and printing						
	Malaysia and other Southeast Asian countries	Hong Kong and Mainland China	North America	Sub-total	Travel and travel related services	Elimination	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Segment assets	360,702	75,603	12,786	449,091	7,881	(4,019)	452,953
Unallocated assets							4,254
Total assets							457,207
Total assets include:							
Interest in an associate	–	2,739	–	2,739	–	–	2,739
Additions to non-current assets (other than interest in an associate, financial assets, defined benefit plan assets, and deferred income tax assets)	17,866	391	352	18,609	21	–	18,630

The Company is domiciled in Bermuda while 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 in the main operating countries for the period ended 30 September 2010 amounted to US$167,436,000 (2009: US$144,131,000), and revenue from external customers in other countries amounted to US$14,540,000 (2009: US$11,615,000).

As at 30 September 2010, total non-current assets, other than financial assets, defined benefit plan assets and deferred tax assets, located in the main operating countries were US$244,221,000 (31 March 2010: US$224,807,000), and total non-current assets located in other countries were US$6,136,000 (31 March 2010: US$6,190,000).

The elimination between segments is intercompany receivables and payables between the segments.

Segment assets consist primarily of property, plant and equipment, investment properties, leasehold land and land use rights, intangible assets, interest in an associate, investment in convertible notes, inventories, trade and other receivables, and cash and cash equivalents. They exclude defined benefit plan assets, deferred income tax assets, available-for-sale financial assets, financial assets at fair value through profit or loss – listed equity securities, and income tax recoverable.

4. TURNOVER AND SEGMENT INFORMATION (Continued)

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

	(Unaudited) Six months ended 30 September 2010 *US$'000*	2009 *US$'000*
Advertising income, net of trade discounts	**124,153**	102,003
Sales of newspapers, magazines and books, net of trade discounts and returns	**57,823**	53,743
Travel and travel related services income	**39,398**	25,780
Travel agency commission income	**213**	170
	221,587	181,696

5. EXPENSES BY NATURE

	(Unaudited) Six months ended 30 September 2010 *US$'000*	2009 *US$'000* (Restated)
Amortisation of leasehold land and land use rights	**30**	29
Amortisation of intangible assets	**420**	354
Depreciation	**4,751**	4,275
Employee benefit expenses (including directors' emoluments)	**50,589**	45,487
Loss/(gain) on disposal of property, plant and equipment – net	**6**	(22)
Raw materials and consumables used	**54,816**	52,501

6. OTHER INCOME

	(Unaudited) Six months ended 30 September 2010 *US$'000*	2009 *US$'000*
Scrap sales of old newspapers and magazines	**2,337**	1,466
Interest income	**583**	329
Rental and management fee income	**495**	249
License fee and royalty income	**112**	187
Dividend income	**9**	43
	3,536	2,274

7. OTHER GAINS, NET

	(Unaudited) Six months ended 30 September	
	2010	2009
	US$'000	*US$'000*
Net exchange gain	**250**	559
Fair value gains/(losses) on financial assets at fair value through profit or loss	**13**	(75)
Others	**794**	703
	1,057	1,187

8. FINANCE COSTS

	(Unaudited) Six months ended 30 September	
	2010	2009
	US$'000	*US$'000*
Interest on bank loans and overdrafts	**420**	367
Interest element of finance lease payments	**12**	9
	432	376

9. INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2009: 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 statutory tax rate of 25% (2009: 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.

9. INCOME TAX EXPENSE (Continued)

The amount of income tax expense charged to the condensed consolidated income statement represents:

	(Unaudited) Six months ended 30 September	
	2010	2009
	US$'000	*US$'000*
Hong Kong profits tax		
– Current period	**693**	367
Malaysian taxation		
– Current period	**7,313**	4,639
– Under/(over) provision in prior years	**1**	(184)
Other countries' taxation		
– Current period	**785**	132
– Over provision in prior years	**–**	(40)
Deferred income tax expense	**1,431**	1,439
	10,223	6,353

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

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company for the period of US$27,328,000 (2009: US$14,652,000) by the weighted average number of 1,683,897,044 (2009: 1,683,898,088) ordinary shares in issue during the period.

Diluted earnings per share is calculated based on the weighted average number of ordinary shares in issue during the period as used in the basic earnings per share calculation, plus the number of 462,586 (2009: Nil) ordinary shares deemed to have been issued at no consideration on the deemed exercise of all potentially dilutive ordinary shares under the Company's share option scheme.

11. DIVIDENDS

	(Unaudited) Six months ended 30 September	
	2010	2009
	US$'000	*US$'000*
First interim dividend in respect of 2010-2011, proposed, US0.800 cents (2009-2010: US0.450 cents) per ordinary share	**13,471**	7,578
Second interim dividend in respect of 2009-2010, paid, US0.771 cents (2008-2009: US0.143 cents) per ordinary share *(note)*	**12,983**	2,396
	26,454	9,974

11. DIVIDENDS (Continued)

The directors have declared a first interim dividend of US0.800 cents (2009: US0.450 cents) per ordinary share in respect of the year ending 31 March 2011 payable on 30 December 2010 to shareholders whose names appear on the register of members of the Company at the close of the business on 16 December 2010 in cash in RM or in Hong Kong dollars ("HK$") at exchange rates determined on 25 November 2010 by reference to the middle exchange rates at 12:00 noon applicable to US$ as quoted by Bank Negara Malaysia.

The middle exchange rates at 12:00 noon on 25 November 2010 as quoted by Bank Negara Malaysia of US$ to RM and US$ to HK$, and the amount of first interim dividend payable are as follows:

	Exchange rates	**Dividend per ordinary share**
US$ to RM	3.1315	2.505 sens
US$ to HK$	7.7592	HK6.207 cents

Note:

The second interim dividend represented a dividend of US0.771 cents per ordinary share in respect of the year ended 31 March 2010 and was paid to shareholders of the Company on 6 August 2010.

12. TRADE AND OTHER RECEIVABLES

	(Unaudited) 30 September 2010 ***US$'000***	(Audited) 31 March 2010 *US$'000*
Trade receivables	**63,723**	61,539
Less: provision for impairment of trade receivables	**(3,188)**	(3,871)
Trade receivables – net *(note)*	**60,535**	57,668
Deposits and prepayments	**6,197**	7,423
Other receivables	**3,093**	2,517
	69,825	67,608

At 30 September 2010, 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 2010, the ageing analysis of net trade receivables was as follows:

	(Unaudited) 30 September 2010 ***US$'000***	(Audited) 31 March 2010 *US$'000*
0 to 60 days	**43,997**	42,097
61 to 120 days	**13,217**	12,400
121 to 180 days	**2,099**	2,023
Over 180 days	**1,222**	1,148
	60,535	57,668

13. TRADE AND OTHER PAYABLES

	(Unaudited) 30 September 2010 *US$'000*	(Audited) 31 March 2010 *US$'000*
Trade payables *(note)*	**21,938**	17,763
Accrued charges and other payables	**32,917**	26,938
Subscriptions received in advance	**14,671**	12,714
	69,526	57,415

At 30 September 2010, the carrying amounts of trade and other payables approximated their fair values.

Note:

At 30 September 2010, the ageing analysis of trade payables was as follows:

	(Unaudited) 30 September 2010 *US$'000*	(Audited) 31 March 2010 *US$'000*
0 to 60 days	**18,695**	15,074
61 to 120 days	**2,017**	1,604
121 to 180 days	**443**	313
Over 180 days	**783**	772
	21,938	17,763

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

(in US$'000)	**(Unaudited)** **For the six months ended 30 September** **2010**	2009	Change
Turnover	**221,587**	181,696	+22%
Profit before income tax	**37,808**	20,779	+82%
Basic earnings per share (US cents)	**1.62**	0.87	+86%

Overall Review of Operations

The Group continued to benefit from the improving economies and achieved a record profit before income tax of US$37,808,000 for the first six months of 2010-2011, an increase of US$17,029,000 or 82% as compared with US$20,779,000 in the corresponding period last year. Much of this was attributable to the growth in advertising revenue and tour revenue. The Group ended the first half year with a growth of 22% or US$39,891,000 in total revenue over the same period last year. Besides the steady growth in the economies, the strengthening of RM against the US dollar resulted in currency translation gains of about US$12,500,000 and US$3,100,000 on the Group's turnover and profit before tax for the period respectively.

Profitability improved significantly in the travel segment which saw its revenue go up 53% to US$39,611,000 from US$25,950,000 in the last corresponding period, driven by the improving global economies as well as the depreciation of the Euro currency which stimulated a growth in travel to Europe.

Basic earnings per share for the first six months were US1.62 cents, up by US0.75 cents or 86% from US0.87 cents in the corresponding period last year. As at 30 September 2010, the Group had US$87,027,000 of cash and cash equivalents and the net assets per share stood at US22.15 cents.

Dividends

The Board of Directors has declared payment of a first interim dividend of US0.800 cents per ordinary share payable on 30 December 2010, up US0.350 cents or 78% from the same period in the previous financial year.

Segmental Review

Publishing and Printing

Malaysia and other Southeast Asian countries

During the period under review, the profit before income tax of the Malaysian operations continued to expand strongly by 54% or US$11,436,000 to reach US$32,479,000 as compared with US$21,043,000 achieved in previous year's corresponding period. These strong results continued to build on the momentum of the past few quarters as the revenue of the Malaysian operations showed significant improvement.

Total revenue, at US$131,887,000, was 19% higher compared to the same period last year.

The Malaysian operations were experiencing significantly better revenue trends across all titles as the economy improved leading to an increase in consumer confidence which helped boost the growth in advertising spending. The increase in advertising revenue was noted in most of the product categories.

The increase in the advertising revenue of the Malaysian operations was in line with the advertising expenditure growth of Peninsular Malaysia for the period from April to September 2010. The advertising expenditure for the Chinese newspaper industry in Peninsular Malaysia grew 19.2% compared with the same period last year.

Sin Chew Daily, the flagship paper of the Malaysian operations, enhanced its position as the market leader with its continuing growth in circulation and readership in the first six months of the year. It remains the clear No.1 quality Chinese newspaper in Malaysia with an average daily readership of 1,179,000.

China Press kept on with its strong momentum during the period and delivered strong growth in its advertising revenue. It continued to show the strength of its brand in the challenging evening newspaper market and had an average daily readership of 902,000, thus maintaining its leading position in the evening newspaper market as well as the second most popular Chinese newspaper in Malaysia.

Guang Ming Daily continued to be the leading Chinese newspaper in the northern region of Peninsular Malaysia reaching out to an average 299,000 readers daily.

Nanyang Siang Pau will be repositioned into a paper with a strong focus on business and economic news with effect from November this year in order to strengthen its market position in the Chinese business community.

The Group will transfer all its magazine businesses in the Malaysian operations to Nanyang Press Holding Berhad by the end of this year. The move is to streamline its magazine operations and increase efficiencies.

On the digital media front, the Group owns Malaysia's most popular Chinese online newspaper portal, Sinchew-i.com, attracting an average of 1.8 million monthly users over the first half of 2010-2011. Sinchew-i.com continued to innovate with a number of first to market initiatives including the first Chinese newspaper iPhone application in Malaysia.

Hong Kong and Mainland China

During the first half of the financial year 2010-2011, the operations in Hong Kong and Mainland China have regained momentum with revenue growth of 8% from US$33,007,000 in the last corresponding period to US$35,549,000. The segment also reported a remarkable improvement in its pre-tax profit of 323% from US$449,000 in the same period last year to US$1,898,000.

Ming Pao Daily News continues to adhere to its mission and long standing editorial direction in providing comprehensive and accurate coverage of social, political and economic issues in Hong Kong and Mainland China.

Mingpao.com continues to provide users around the world with a large and comprehensive source of Chinese online content, covering a wide spectrum of subjects including news, current affairs, finance, health, education, technology, travel, entertainment and lifestyle.

The Group's lifestyle magazine publication unit in the Greater China region, One Media Group ("OMG"), saw its revenue increase by 15% over the same period last year and returned to profitability. This was attributable to the ongoing economic recovery momentum, persistent prudence on cost control and gradual maturity of products launched in the recent two years. OMG's operations in Mainland China continued to see improvements with healthy growth in revenue. OMG's magazine titles published in Mainland China received solid recognitions and endorsements from readers, advertisers and industry critics.

North America

The Group's newspaper operations in North America also benefited from the improving economies and the steady growth in the housing and retail markets in Canada during the period. The operations in the USA continued to show improvement in results with the increasing popularity of the free daily and the new Sunday magazine that was launched in April 2010.

Travel and travel related services

The Group's travel business, via Charming Holidays and Delta Group, performed remarkably well during the six months under review with turnover surged 53% or US$13,661,000 year-on-year to US$39,611,000. Segment profit jumped 593% or US$1,643,000 to US$1,920,000 from US$277,000 in last year's corresponding period.

This remarkable performance was fuelled by continuing consumption growth as the economy recovered strongly, prompting a rebound in consumer confidence. The depreciation of the Euro currency also encouraged outbound travel to European destinations. In addition, the operations' aggressive promotions and introduction of new tour destinations were all well-received by customers and resulted in strong revenue growth for the tour operations during the period.

Digital Media

The Group persisted in its effort to enhance the online versions of its print publications and digitalise its rich Chinese archive contents during the period under review. Agreements were reached with major news portals and social networking websites to distribute the Group's text, pictures and video contents in the capacity as a content provider.

The increasing popularity of electronic reading devices also encouraged users to pay for their access to the Group's contents, a breakthrough from the previous free-of-charge-for-everything online content provision environment. The Group's paid subscriber base for electronic pages and website content access is on the rise.

The mobile e-book reading platform provider, ByRead Inc., which the Group has invested in since last year, performed well with strong growth in registered users. Currently it has over 29 million registered users. The partnership with the content management system provider, Iatopia.com Limited, also progressed its task of digitalising the Group's archived contents as scheduled.

Outlook

There is evidence of improved trading conditions in most of the markets in which the Group operates, however, we remain cautious regarding the pace and sustainability of the economic recovery.

While we will remain diligent in managing our operating expenses, we expect costs to be a challenge in the remaining of this financial year due to the rising newsprint prices, renegotiations of some collective agreements in the Group and increase in promotional spending for the Group's titles.

Nevertheless, we expect continued improvement in revenue in the second half year, albeit at a slower rate and barring any unforeseen circumstances, we expect the Group to deliver satisfactory results for this financial year.

PLEDGE OF ASSETS

As at 30 September 2010, land and buildings and assets of certain subsidiaries with an aggregate value of US$16,704,000 (31 March 2010: US$19,951,000) were pledged to banks to secure general banking facilities.

CONTINGENT LIABILITIES

As at 30 September 2010, the Company issued financial guarantees in favour of certain of its subsidiaries totalling US$22,119,000 (31 March 2010: US$15,969,000) in connection with general banking facilities granted to those subsidiaries. As at 30 September 2010, total facilities utilised amounted to US$4,650,000 (31 March 2010: US$5,488,000). The directors of the Company do not consider that it is probable that a claim will be made against the Company under the financial guarantees. The maximum liability of the Company as at 30 September 2010 under the financial guarantees was the facility drawn down by its subsidiaries. No provision was therefore made in this respect as at 30 September 2010.

At 30 September 2010, 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 was still uncertain as of the date of this announcement, 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 2010, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in the unaudited condensed consolidated financial information amounted to US$2,876,000 whereas authorised capital expenditure for property, plant and equipment not contracted and not provided for in the unaudited condensed consolidated financial information amounted to US$4,306,000. In addition, the Group's authorised capital injection for a subsidiary contracted but not provided for in the unaudited condensed consolidated financial information amounted to US$438,000.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 30 September 2010, the Group's net current assets amounted to US$140,443,000 (31 March 2010: US$129,909,000) and the shareholders' funds were US$372,970,000 (31 March 2010: US$341,309,000). Total bank borrowings and finance lease obligations were US$25,044,000 (31 March 2010: US$32,620,000) and the gearing ratio, which is defined as the ratio of total borrowings to shareholders' funds, was 0.067 (31 March 2010: 0.096).

As at 30 September 2010, total cash and cash equivalents was US$87,027,000 (31 March 2010: US$77,635,000) and net cash position was US$61,983,000 (31 March 2010: US$45,015,000) after deducting the total bank borrowings.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 September 2010, the Group had approximately 4,665 employees (31 March 2010: approximately 4,659 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 associates and executive is involved in dealing with his 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

During the six months ended 30 September 2010, the Company repurchased a total of 1,000 of its listed shares on the HK Stock Exchange for the purpose of enhancing the net asset value per share of the Company. Details of the repurchases are summarised as follows:

Month/Year	Number of ordinary shares repurchased	Purchase price per share Highest	Lowest	Aggregate purchase consideration	Equivalent in
		HK$	*HK$*	*HK$*	*US$*
August 2010	1,000	2.00	2.00	2,000	257

All the shares repurchased during the period 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 redeemed any of the Company's listed securities during the period.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members in Hong Kong will be closed on Thursday, 16 December 2010 whereby no transfer of shares will be registered on that date. In order to qualify for the first interim dividend of US0.800 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, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 15 December 2010. In respect of shareholders in Malaysia, a depositor in Malaysia shall qualify for the entitlement to the dividend only in respect of: (i) shares transferred into the Depositor's Securities Account before 4:00 p.m. on Thursday, 16 December 2010 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 30 December 2010.

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 10 December 2010 to 16 December 2010, 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 recommendations of the Malaysian Code on Corporate Governance (the "Malaysian Code") and the Code on Corporate Governance Practices (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 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 complied with the best practices of the Malaysian Code and met the code provisions as set out in the Hong Kong Code save for the appointment of a senior independent non-executive director and deviation in the establishment of Remuneration Committee.

Malaysian Code requires wholly or mainly of the Remuneration Committee's members being non-executive directors and code provision B.1.1 of Hong Kong Code requires that the majority members of the Remuneration Committee should be independent non-executive directors. On 1 October 2009, Mr Victor YANG resigned as an independent non-executive director, the Chairman of the Nomination Committee, and a member of the Audit Committee and Remuneration Committee of the Company. Following his resignation, the composition of the Remuneration Committee was below the requirements of the Malaysian Code and the code provision B.1.1 of the Hong Kong Code. On 26 June 2010, Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH, an independent non-executive director of the Company, was appointed as a member of the Remuneration Committee, immediately after the appointment, the Company has complied with both the Malaysian Code and the code provision B.1.1 of the Hong Kong Code.

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 unaudited condensed consolidated financial information for the period ended 30 September 2010, including accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

By Order of the Board
MEDIA CHINESE INTERNATIONAL LIMITED
TIONG Kiew Chiong
Director

25 November 2010

As at the date of this announcement, the Board comprises Tan Sri Datuk Sir Tiong Hiew King, Mr Tiong Kiu King, Dato' Sri Dr Tiong Ik King, Mr Tiong Kiew Chiong, Ms Siew Nyoke Chow and Ms Sim Sai Hoon, being executive directors; Mr Leong Chew Meng, 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.