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 2009

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") for the six months ended 30 September 2009 together with comparative figures for the corresponding period in 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		(Unaudited) Six months ended 30 September	
		2009	2008
	Note	***US$'000***	*US$'000*
Turnover	*4*	**181,696**	220,135
Cost of goods sold	*5*	**(117,350)**	(143,622)
Gross profit		**64,346**	76,513
Other income	*6*	**2,274**	3,638
Other gains/(losses), net	*6*	**1,187**	(102)
Selling and distribution expenses	*5*	**(26,817)**	(31,743)
Administrative expenses	*5*	**(16,985)**	(20,817)
Other operating expenses	*5*	**(2,850)**	(3,542)
Operating profit		**21,155**	23,947
Finance costs	*7*	**(376)**	(781)
Profit before income tax		**20,779**	23,166
Income tax expense	*8*	**(6,353)**	(7,921)
Profit for the period		**14,426**	15,245
Attributable to:			
Equity holders of the Company		**14,652**	15,036
Minority interests		**(226)**	209
		14,426	15,245
Earnings per share attributable to the equity holders of the Company			
Basic (US cents)	*9*	**0.87**	0.89
Diluted (US cents)	*9*	**0.87**	0.89
Dividends	*10*	**7,578**	7,578

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Six months ended 30 September	
	2009	2008
	US$'000	*US$'000*
Profit for the period	**14,426**	15,245
Other comprehensive income/(expense)		
Currency translation differences	**12,832**	(15,536)
Revaluation gain on property, plant and equipment	**409**	–
Total comprehensive income/(expense) for the period	**27,667**	(291)
Total comprehensive income/(expense) attributable to:		
Equity holders of the Company	**27,860**	(519)
Minority interests	**(193)**	228
	27,667	(291)

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**(Unaudited) 30 September 2009 *US$'000***	(Audited) 31 March 2009 *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**103,306**	99,692
Investment properties		**7,804**	6,224
Leasehold land and land use rights		**22,676**	22,445
Intangible assets		**15,445**	14,861
Goodwill		**57,525**	54,620
Non-current assets held for sale		**–**	77
Deferred income tax assets		**2,254**	2,430
Investment in convertible notes – debt portion		**247**	–
		209,257	200,349
Current assets			
Inventories		**66,329**	41,948
Available-for-sale financial assets		**646**	646
Financial assets at fair value through profit or loss		**192**	221
Trade and other receivables	*11*	**64,191**	58,980
Income tax recoverable		**939**	1,057
Cash and cash equivalents		**69,990**	70,205
		202,287	173,057
Current liabilities			
Trade and other payables	*12*	**58,205**	50,210
Income tax liabilities		**4,731**	2,787
Short-term bank loans		**18,545**	14,579
Bank overdrafts, secured		**1,011**	2,428
Current portion of long-term liabilities		**1,541**	2,074
		84,033	72,078
Net current assets		**118,254**	100,979
Total assets less current liabilities		**327,511**	301,328
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**21,672**	21,672
Share premium		**280,160**	280,160
Other reserves		**(109,441)**	(122,666)
Retained earnings		**112,908**	100,652
		305,299	279,818
Minority interests		**7,787**	8,189
Total equity		**313,086**	288,007
Non-current liabilities			
Long-term liabilities		**2,640**	3,072
Deferred income tax liabilities		**11,785**	10,249
		14,425	13,321
		327,511	301,328

1. BASIS OF PREPARATION

This condensed consolidated financial information for the six months ended 30 September 2009 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 condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2009, which were prepared in accordance with International Financial Reporting Standards ("IFRSs").

This condensed consolidated financial information has not been audited.

2. ACCOUNTING POLICIES

The preparation of this condensed consolidated financial information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2009 with the adoption of the following standards which are relevant to the Group's operations and are mandatory for the financial year ending 31 March 2010:

IFRS 8 "Operating Segments". IFRS 8 replaces IAS 14 "Segment Reporting". It requires a management approach under which segment information is presented on the same basis as that used for internal reporting purpose and in a manner consistent with the internal reporting provided to the chief operating decision maker. This has resulted in a redesignation of the Group's reportable segments, but does not have any effect on the reported results or financial position of the Group. Comparatives of segment information have been restated.

IAS 1 (revised) "Presentation of Financial Statements". The revised standard prohibits the presentation of items of income and expenses (that is "non-owner changes in equity") in the statement of changes in equity, and requires "non-owner changes in equity" to be presented separately from owner changes in equity. All "non-owner changes in equity" are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements: an income statement and a statement of comprehensive income. This condensed consolidated financial information has been prepared under the revised disclosure requirements.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 April 2009, but are not currently relevant for the Group.

IAS 23 (revised)	"Borrowing costs"
IAS 32 (amendment)	"Financial instruments: presentation"
IFRS 2 (amendment)	"Share-based payment"
IFRS 7 (amendment)	"Financial instruments: disclosures"
Amendments to IFRS 1 and IAS 27	"Cost of an investment in a subsidiary, jointly controlled entity and associate"
IFRIC – Int 9 (amendment) and IAS 39 (amendment)	"Reassessment of embedded derivatives" and "Financial instruments: Recognition and measurement"
IFRIC – Int 13	"Customer loyalty programmes"
IFRIC – Int 15	"Agreements for the construction of real estate"
IFRIC – Int 16	"Hedges of a net investment in a foreign operation"

Apart from the above, a number of improvements and minor amendments to IFRSs have also been issued and effective for the accounting period ended 30 September 2009 and have no significant impact on this condensed consolidated financial information.

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. 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 is having operations worldwide, management considers that it is more appropriate to use United States dollars ("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$.

4. SEGMENT INFORMATION

The Group has adopted IFRS 8 Operating Segments with effect from 1 April 2009. IFRS 8 requires operating segments to be identified based on internal reporting that is regularly reviewed by the chief operating decision maker. The Group has regarded the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance.

The Group is organised operationally on a worldwide basis in two major business segments: publishing and printing, and travel and travel related services. Publishing and printing is further evaluated on a geographical basis. This is the main measure reported to the Group Executive Committee for the purposes of resources allocation and assessment of segment performance.

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

Publishing and printing segment is engaged in the publication of various newspapers and magazines in Chinese language, and other related print 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's turnover and results for the period, analysed by operating segment, are as follows:

	(Unaudited) Six months ended 30 September 2009					
	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:						
Depreciation						**4,035**
Amortisation of leasehold land and land use rights						**269**
Amortisation of intangible assets						**354**

4. SEGMENT INFORMATION (Continued)

	(Unaudited) Six months ended 30 September 2008					
	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	126,437	39,532	16,597	182,566	37,569	220,135
Segment profit/(loss) before income tax	23,923	931	(1,888)	22,966	733	23,699
Net unallocated expenses						(533)
Profit before income tax						23,166
Income tax expense						(7,921)
Profit for the period						15,245
Other information:						
Depreciation						4,831
Amortisation of leasehold land and land use rights						375
Amortisation of intangible assets						413

The Group's assets by operating segment are as follows:

	(Unaudited)						
	Publishing and printing						
	Malaysia and other Southeast Asian countries ***US$'000***	**Hong Kong and Mainland China** ***US$'000***	**North America** ***US$'000***	**Sub-total** ***US$'000***	**Travel and travel related services** ***US$'000***	**Elimination** ***US$'000***	**Total** ***US$'000***
As at 30 September 2009							
Segment assets	**316,820**	**74,341**	**11,643**	**402,804**	**7,635**	**(2,818)**	**407,621**
Unallocated assets							**3,923**
Total assets							**411,544**
As at 31 March 2009							
Segment assets	279,014	76,478	11,896	367,388	5,567	(3,817)	369,138
Unallocated assets							4,268
Total assets							373,406

5. EXPENSES BY NATURE

	(Unaudited) Six months ended 30 September **2009** *US$'000*	2008 *US$'000*
Raw materials and consumables used	**52,501**	62,101
Amortisation of leasehold land and land use rights	**269**	375
Amortisation of intangible assets	**354**	413
Depreciation	**4,035**	4,831
Employee benefit expenses (including directors' emoluments)	**45,487**	53,743

6. OTHER INCOME AND OTHER GAINS/(LOSSES), NET

	(Unaudited) Six months ended 30 September **2009** *US$'000*	2008 *US$'000*
Other income		
Interest income	**329**	1,007
Rental and management fee income	**249**	248
Dividend income	**43**	7
License fee and royalty income	**187**	192
Sales of newsprint waste	**1,466**	2,184
	2,274	3,638
Other gains/(losses), net		
Net exchange gain	**559**	193
Fair value losses on financial assets at fair value through profit or loss	**(31)**	(1,129)
Provision for impairment of convertible notes	**(44)**	–
Others	**703**	834
	1,187	(102)
	3,461	3,536

7. FINANCE COSTS

	(Unaudited) Six months ended 30 September **2009** *US$'000*	2008 *US$'000*
Interest on bank loans and overdrafts	**367**	728
Interest element of finance lease payments	**9**	53
	376	781

8. INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2008: 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% (2008: 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.

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

	(Unaudited) Six months ended 30 September	
	2009	2008
	US$'000	*US$'000*
Hong Kong profits tax		
– Current period	**367**	566
– Under provision in prior years	**–**	24
Malaysian taxation		
– Current period	**4,639**	5,095
– Over provision in prior years	**(184)**	–
Other countries' taxation		
– Current period	**132**	440
– (Over)/under provision in prior years	**(40)**	144
Deferred income tax expense	**1,439**	1,652
	6,353	7,921

9. EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

(a) Basic

Basic earnings per share is calculated by dividing the Group's unaudited profit attributable to equity holders of the Company for the period of US$14,652,000 (2008: US$15,036,000) by the weighted average number of 1,683,898,088 (2008: 1,685,290,897) ordinary shares in issue during the period and all the shares that were deemed to have been issued during the period were taken into account.

(b) Diluted

Diluted earnings per share for the six months ended 30 September 2009 is the same as the basic earnings per share as there were no dilutive shares outstanding during the period presented.

Diluted earnings per share for the six months ended 30 September 2008 is calculated based on 1,686,105,586 ordinary shares which is the weighted average number of ordinary shares in issue plus the weighted average number of 814,689 ordinary shares deemed to have been issued at no consideration after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme.

10. DIVIDENDS

	(Unaudited) Six months ended 30 September	
	2009	2008
	US$'000	*US$'000*
First interim dividend in respect of 2009-2010, proposed, US0.450 cents (2008-2009: US0.450 cents) per ordinary share	**7,578**	7,578
Second interim dividend in respect of 2008-2009, proposed and paid, US0.143 cents (2007-2008: US0.926 cents) per ordinary share *(note)*	**2,396**	15,275
	9,974	22,853

The directors have declared a first interim dividend of US0.450 cents (2008: US0.450 cents) per ordinary share payable on 21 January 2010 to shareholders whose names appear on the register of members of the Company at the close of the business on 5 January 2010 in cash in Ringgit Malaysia ("RM") or in HK$ at exchange rates determined on 25 November 2009 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 2009 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	3.378	1.520 sen
US$ to HK$	7.751	HK3.488 cents

Note:

The second interim dividend represented a dividend of US0.143 cents per ordinary share in respect of the year ended 31 March 2009 and was paid to shareholders of the Company on 13 August 2009.

The actual 2008-2009 second interim dividend paid was different from the proposed 2008-2009 second interim dividend as disclosed in Annual Report 2009. This was caused by the fluctuations in exchange rates between the dividend declaration date and the dividend payment date.

11. TRADE AND OTHER RECEIVABLES

	(Unaudited)	(Audited)
	30 September	31 March
	2009	2009
	US$'000	*US$'000*
Trade receivables	**56,533**	52,226
Less: provision for impairment of trade receivables	**(4,392)**	(4,182)
Trade receivables – net *(note)*	**52,141**	48,044
Deposits and prepayments	**8,569**	6,929
Other receivables	**3,481**	4,007
	64,191	58,980

11. TRADE AND OTHER RECEIVABLES (Continued)

Note: Ageing analysis of trade receivables at the respective balance sheet date is as follows:

	(Unaudited) 30 September 2009 *US$'000*	(Audited) 31 March 2009 *US$'000*
0 to 60 days	**39,092**	36,871
61 to 120 days	**10,634**	8,453
121 to 180 days	**1,791**	1,726
Over 180 days	**624**	994
	52,141	48,044

The credit periods on trade receivables range from 7 to 120 days.

As at 30 September 2009 and 31 March 2009, the carrying amounts of trade and other receivables approximated their fair values.

12. TRADE AND OTHER PAYABLES

	(Unaudited) 30 September 2009 *US$'000*	(Audited) 31 March 2009 *US$'000*
Trade payables *(note)*	**23,345**	18,736
Accrued charges	**23,575**	20,191
Subscriptions received in advance	**11,285**	11,283
	58,205	50,210

Note: Ageing analysis of trade payables at the respective balance sheet date is as follows:

	(Unaudited) 30 September 2009 *US$'000*	(Audited) 31 March 2009 *US$'000*
0 to 60 days	**20,232**	15,257
61 to 120 days	**1,764**	1,853
121 to 180 days	**217**	391
Over 180 days	**1,132**	1,235
	23,345	18,736

As at 30 September 2009 and 31 March 2009, the carrying amounts of trade and other payables approximated their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

(in US$'000)	For the six months ended 30 September 2009	2008	Change
Turnover	181,696	220,135	-17%
Profit before income tax	20,779	23,166	-10%
Profit for the period	14,426	15,245	-5%
Profit attributable to equity holders of the Company	14,652	15,036	-3%
Basic earnings per share (US cents)	0.87	0.89	-2%

The Group's revenue for the six months ended 30 September 2009 amounted to US$181,696,000, reflected a decline of 17% or US$38,439,000 from US$220,135,000 in the last corresponding period. The downturn in advertising markets which began in the second half of last financial year continued unabated throughout the first half of the financial year 2009-2010, thus depressing the Group's financial performance. The outbreak of H1N1 influenza has further hampered the revenue from our tour operation.

Despite the 17% decline in revenue, profit before income tax for the six months ended 30 September 2009 dropped by 10% only to US$20,779,000 when compared to US$23,166,000 in the last corresponding period. These results reflected the Group's continuing efforts in enhancing operating efficiency in light of the revenue realities in the current difficult market.

Fluctuations in the Ringgit Malaysia and the Canadian dollar against the US dollar during the period also negatively impacted the Group's turnover and profit before income tax for the period by about US$10,170,000 and US$1,642,000 respectively.

Basic earnings per share for the period were US0.87 cents, down by US0.02 cents or 2% from US0.89 cents in the last corresponding period. As at 30 September 2009, the Group had US$69,990,000 of cash and cash equivalents and its net assets per share was US18.13 cents.

Dividends

The board of directors has declared a first interim dividend of US0.450 cents per ordinary share in respect of the six months ended 30 September 2009 (2008: US0.450 cents).

Segmental Review

Publishing and Printing

Malaysia and other Southeast Asian countries

Amidst difficult economic conditions, the Malaysian operations achieved a profit before income tax of US$21,043,000 for the six months ended 30 September 2009, down 12% from the last corresponding period. In constant currency, Malaysian operations' profit before income tax was only down by 5%.

The Malaysian operations' financial performance was affected negatively by a downturn in the advertising market which commenced since the third quarter of 2008 and have continued throughout the first half of financial year 2009-2010. Total revenue dropped by 5% in local currency terms due to the significant decline in advertising market.

According to Nielsen Media Research Report, advertising expenditure in Malaysia for the period from April to September 2009 grew by 6.6% as compared to the same period last year. However, Chinese newspapers and magazines have been most affected by the economic downturn and were not able to benefit from the increased advertising expenditure. Advertising spending for Chinese newspapers and magazines shrank 5.1% and 12.4% respectively.

With a continuing difficult local advertising market, the focus for the current financial period had been on reducing costs further through exploiting operational efficiencies and rationalisation of the printing plants.

Through effective cost controls and aided by the lower newsprint costs, the Malaysian operations had been able to offset most of its revenue shortfall. Newsprint costs were down by 5% in the local currency terms, driven by lower average consumption costs and tighter controls on returns and pagination. In view of the importance of newsprint price to our operations, the Group has developed plans to mitigate the impact of the fluctuating newsprint prices.

Sin Chew Daily celebrated its 80th anniversary. It continues to be an influential newspaper with a daily readership of 1,101,000. *China Press* is the second most popular Chinese newspaper in Malaysia and continues to set pace in the popular Chinese evening newspaper market with readership approaching 878,000. *Guang Ming Daily* remains the most popular Chinese newspaper in the northern region of Peninsular Malaysia, reaching out to 378,000 readers daily. *Nanyang Siang Pau* remains as a newspaper popular among the Chinese business community.

As for the magazine market, the Group is the largest Chinese magazine publisher in Malaysia with 24 titles under its portfolio, and an operator of exhibition and consumer fairs.

Hong Kong and Mainland China

As the global financial crisis continued to inflict impact on this segment's economy, especially that of Hong Kong, the local advertising market remained subdued and turnover from this segment was down by 16.5% year-on-year to US$33,007,000 during the six months under review. Profit before income tax was down by 52% year-on-year to US$449,000.

The economy's downward slide has, however, started to slow down in the second quarter of 2009-2010. The segment's turnover dropped only 10% during the three months ended 30 September 2009, compared with the 22% drop in the first financial quarter, due primarily to an emergence of demand for advertising from Hong Kong property developers and commercial banks since mid-August. This, together with the Group's ongoing efficiency enhancement and the savings from the declining newsprint price, resulted in the Hong Kong and Mainland China operations recording a pre-tax profit of US$449,000 for the first six months ended 30 September 2009, despite the reduction in revenue.

The Group's lifestyle magazine publication unit in the Greater China region, One Media Group ("OMG"), was still recovering during the period due to the usual time lag between recovery of daily newspapers and the magazines sector. OMG recorded a decline in advertising revenue of 27% year-on-year as advertisers suspended their budgets awaiting more promising indications of recovery in the luxury products retail sector. The lingering impact of H1N1 influenza on visitor traffic to Hong Kong also affected advertising spending of luxury consumer products, which are increasingly targeted to tourists.

North America

Publication operations relating to overseas editions in Vancouver and Toronto and a free daily newspaper in New York were still battered by the sluggish consumer demand and high unemployment rates in these cities. Turnover from this segment for the six months ended 30 September 2009 decreased 30% year-on-year to US$11,615,000 while pre-tax loss narrowed to US$682,000 from US$1,888,000 in the last corresponding period.

The Canadian economy exhibited some signs of recovery towards the end of the second financial quarter, with the revival came mostly from the real estates and automobile sectors. As the country's unemployment still stayed high at 8.4% in September 2009, market sentiment was yet to stage a total revival.

There is a similar situation in the USA, where the economy is still very fragile and unstable, though some positive economic indicators have emerged lately. Nevertheless, the Group's only publication in the USA, *Ming Pao (NY) Free Daily (紐約免費報)*, was exhibiting very stable momentum during the period with steadily increasing acceptance from advertisers and readers.

Despite the difficult business environment, the Group's decisive move to restructure its USA operations in February this year was a positive strategy and coupled with the cost saving initiatives, resulting in an improvement in the results from this segment.

Travel

The Group's travel business, operated via Charming Holidays and Delta Group, was severely impacted by the global economic slowdown and the outbreak of H1N1 influenza which have significantly reduced the demand for summer study tours and long-haul travels, especially those to North America. Turnover for the six months ended 30 September 2009 dropped by about 31% to US$25,950,000. Through improving operational efficiencies, this segment achieved a pre-tax profit of US$277,000 under intense competition and a difficult operating environment, albeit still lower than the profit of US$733,000 recorded in the last corresponding period.

Digital Media

In August 2009, the Group made its new move into the digital publication technology sector through the subscription of the convertible notes of IATOPIA.COM LIMITED ("IATOPIA"). IATOPIA is specialised in the areas of e-publication technologies and content management system which can provide support for the Group's expansion into the digital media space. It helps the Group extend its rich Chinese-language content to other media platforms such as IPTV, Web and mobile, thereby expand our channels, reader and advertiser bases. On the operation side, the Group will have access to the full integrated content management system and the state-of-the-art search engine developed by IATOPIA, which will help the Group digitalise, manage and aggregate our content, resulting in an enriched and organised content bank. The Group can also leverage on IATOPIA's web channel technologies to develop, create and maintain new web channels that can assist the Group in increasing its global readership as well as developing advertising and marketing opportunities through the Internet.

Currency Fluctuations

The Group reports its results in US dollars, the presentation currency, but its subsidiaries in various countries around the world receive revenue and incur expenses in their respective local currencies, mainly Ringgit Malaysia ("RM"), Hong Kong dollars ("HK$"), Renminbi ("RMB") and Canadian dollars ("CAD"), which are also their respective functional currencies. The Group is thereby exposed to the impact of currency fluctuations which will affect the US dollar value of the Group's operations of which the functional currencies are not US dollars, the presentation currency. Although the Group actively manages its currency exposures, fluctuation of the functional currencies in which the Group conducts operations relative to the US dollars could affect the Group's financial positions and results of operations presented in US dollars. During the six months ended 30 September 2009, the Group is particularly exposed to movements in the US dollars to Ringgit Malaysia exchange rate as the majority of the Group's operations are located in Malaysia. During the period under review, an increase of exchange fluctuation reserve of US$12,832,000 was recognised largely due to the change of exchange rate of US$/RM.

Outlook

In the coming quarters, we believe that advertisers will continue to be cautious with their spending and focus on market leaders. Lately, the rate of decline in advertising in Malaysia and Hong Kong appears to have slowed down but a material recovery in advertising demand is still yet to commence.

Although the advertising market remains challenging, however, with key strategies in place to contain costs together with intensive efforts to increase revenue, the Group is cautiously optimistic about its results for the remaining of this financial year.

CAPITAL EXPENDITURE

The Group's total capital expenditure for property, plant and equipment for the six months ended 30 September 2009 amounted to US$3,683,000.

CAPITAL COMMITMENTS

As at 30 September 2009, 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$12,217,000 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$1,312,000. 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$439,000.

FINANCIAL GUARANTEES

As at 30 September 2009, the Company issued financial guarantees in favour of certain of its subsidiaries totalling US$20,970,000 (31 March 2009: US$20,099,000) in connection with general banking facilities granted to those subsidiaries. As at 30 September 2009, total facilities utilised amounted to US$3,785,000 (31 March 2009: US$4,878,000).

PLEDGE OF ASSETS

As at 30 September 2009, certain machinery and printing equipment, land and buildings and assets of certain subsidiaries with an aggregate value of US$38,709,000 (31 March 2009: US$37,453,000) were pledged to banks to secure general banking facilities.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RM, RMB, CAD, HK$ and US$. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Currency exposure arising from the net assets of the Group's operations, such as those in Mainland China, Hong Kong, Malaysia and Southeast Asia and North America are managed primarily through operating liabilities denominated in the relevant foreign currencies.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 30 September 2009, the Group's net current assets amounted to US$118,254,000 (31 March 2009: US$100,979,000) and the shareholders' funds were US$305,299,000 (31 March 2009: US$279,818,000). Total bank borrowings and finance lease obligations were US$22,054,000 (31 March 2009: US$20,516,000) and the gearing ratio, which is defined as the ratio of total borrowings to shareholders' funds, was 0.072 (31 March 2009: 0.073).

As at 30 September 2009, total cash and cash equivalents was US$69,990,000 (31 March 2009: US$70,205,000) and net cash position was US$47,936,000 (31 March 2009: US$49,689,000) after deducting the total bank borrowings.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the six months period ended 30 September 2009, 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	Purchase price per share Lowest	Aggregate purchase consideration	Equivalent in
		HK$	*HK$*	*HK$*	*US$*
September 2009	1,000	1.18	1.18	1,180	153

All the shares repurchased during the period under review 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 Tuesday, 5 January 2010 whereby no transfer of shares will be registered on that date. In order to qualify for the first interim dividend of US0.450 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 Monday, 4 January 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 Tuesday, 5 January 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 21 January 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 30 December 2009 to 5 January 2010, both days inclusive.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 September 2009, the Group had approximately 4,641 employees (31 March 2009: approximately 4,780 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.

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 and, to certain extent, the recommended best practices as set out in 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 2009, including accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

By Order of the Board
Tiong Kiew Chiong
Director

25 November 2009

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.