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 2008

The directors of Media Chinese International Limited (the "Company") are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2008 together with comparative figures for the corresponding period in 2007:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

		(Unaudited)	
		2008	2007
	Note	***US$'000***	*US$'000*
Turnover	*5*	**220,135**	171,014
Cost of goods sold	*6*	**(143,622)**	(114,384)
Gross profit		**76,513**	56,630
Other income		**3,638**	2,289
Other (losses)/gains, net		**(102)**	951
Selling and distribution expenses	*6*	**(31,743)**	(23,415)
Administrative expenses	*6*	**(20,817)**	(15,625)
Other operating expenses	*6*	**(3,542)**	(2,419)
Operating profit		**23,947**	18,411
Finance costs	*7*	**(781)**	(401)
Profit before income tax		**23,166**	18,010
Income tax expense	*8*	**(7,921)**	(5,120)
Profit for the six months		**15,245**	12,890
Attributable to:			
Equity holders of the Company		**15,036**	7,338
Minority interests		**209**	5,552
		15,245	12,890
Earnings per share attributable to the equity holders of the Company, expressed in US cents			
- Basic	*9*	**0.89**	0.80
- Diluted	*9*	**0.89**	0.80
Dividends			
First interim dividend in respect of current year, proposed (2008: proposed and paid)		**(7,578)**	(1,037)
Second interim dividend in respect of prior year, proposed and paid (2008: proposed and paid)		**(15,275)**	-

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT 30 SEPTEMBER 2008

	Note	(Unaudited) 30 September 2008 US$'000	(Audited) 31 March 2008 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**104,044**	112,603
Investment properties		**6,543**	7,056
Leasehold land and land use rights		**23,101**	24,262
Intangible assets		**20,160**	22,022
Goodwill		**61,493**	62,450
Financial assets at fair value through profit or loss	*11*	**-**	1,128
Defined benefit plan assets		**615**	579
Deferred income tax assets		**2,825**	3,630
		218,781	233,730
Current assets			
Inventories		**41,571**	50,531
Available-for-sale financial assets		**644**	644
Financial assets at fair value through profit or loss	*11*	**203**	276
Trade and other receivables	*12*	**73,715**	76,896
Income tax recoverable		**2,105**	2,760
Cash and cash equivalents		**80,697**	76,559
		198,935	207,666
Current liabilities			
Trade and other payables	*13*	**62,747**	58,982
Income tax liabilities		**6,088**	4,067
Short-term bank loans		**16,110**	24,414
Bank overdrafts, secured		**3,892**	2,962
Current portion of long-term liabilities		**2,828**	6,460
		91,665	96,885
Net current assets		**107,270**	110,781
Total assets less current liabilities		**326,051**	344,511
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**21,684**	5,167
Share premium		**280,341**	12,809
Other reserves		**(103,358)**	196,554
Retained earnings			
- Proposed dividend		**7,578**	15,610
- Others		**98,911**	91,136
		305,156	321,276
Minority interests		**8,012**	7,952
Total equity		**313,168**	329,228
Non-current liabilities			
Long-term liabilities		**3,433**	6,453
Deferred income tax liabilities		**9,450**	8,830
		326,051	344,511

1. Basis of preparation

This unaudited condensed consolidated interim financial report ("interim financial report") of the Company for the six months ended 30 September 2008 has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange").

This interim financial report should be read in conjunction with the audited consolidated annual financial statements of the Group for the year ended 31 March 2008 and the accompanying explanatory notes attached to this interim financial report.

2. Accounting policies

The preparation of this interim financial report in conformity with International Financial Reporting Standards ("IFRS") 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 used in the audited consolidated annual financial statements of the Group for the year ended 31 March 2008 with the addition of the following amendments and interpretation to existing standard which are relevant to the Group's operations and are mandatory for the financial year ending 31 March 2009:

Amendments to IAS 39 and IFRS 7	Reclassification of financial assets
IFRIC-Int 14	IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

The adoption of the new IFRSs has no material effect on the financial position or performance of the Group.

The Group has not yet early adopted the following new and revised standards, amendments or interpretations that have been issued but are not yet effective for the financial year ending 31 March 2009. The Group is in the process of making an assessment of the impact of these new IFRSs in the period of the initial application.

		Effective for accounting periods beginning on or after
IFRIC - Int 13	Customer loyalty programmes	1 July 2008
IFRIC - Int 16	Hedges of a net investment in a foreign operation	1 October 2008
IAS 1 (Revised)	Presentation of financial statements	1 January 2009
IAS 23 (Revised)	Borrowing costs	1 January 2009
IAS 32 and IAS 1 Amendment	Puttable financial instruments and obligations arising on liquidation	1 January 2009
IFRS 2 Amendment	Share-based payment vesting conditions and cancellations	1 January 2009
IFRS 8	Operating segments	1 January 2009
IFRIC - Int 15	Agreements for the construction of real estate	1 January 2009
IAS 27 (Revised)	Consolidated and separate financial statements	1 July 2009
IAS 39	Financial instruments: Recognition and measurement – Amendments for eligible hedged items	1 July 2009
IFRS 3 (Revised)	Business combination	1 July 2009
IFRS 3 - Appendix C	Impairment testing cash-generating units with goodwill and non-controlling interests	1 July 2009
IFRS 5	Non-current assets held for sale and discontinued operations	1 July 2009

3. Basis of consolidation

Both the Company and Sin Chew Media Corporation Berhad ("Sin Chew") have been under the common control of the same controlling party before and after the merger, details of which were disclosed in the Company's announcement dated 1 April 2008. As such, the Group has applied the principles of merger accounting to account for the business combination with Sin Chew and its subsidiaries (the "Sin Chew Group") as if the combination had occurred from the date when the Company and Sin Chew first came under the common control of the controlling party.

As the Company and Nanyang Press Holdings Berhad ("Nanyang") were not under common control, the Group has applied the purchase method to account for the acquisition of equity interest in Nanyang as a wholly-owned subsidiary pursuant to the merger on the effective completion date, i.e. 31 March 2008.

Accordingly, the Group's unaudited condensed consolidated income statement for the six months ended 30 September 2008 included the results of both Sin Chew and Nanyang whereas for the comparative six months ended 30 September 2007, only Sin Chew's results were included.

4. Functional currency and translation to presentation currency

Items included in the financial statements of each of the Group's entity 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 may be the same or different from the entity's functional currency. For the entity of which functional currency is not the presentation currency, i.e. US$, it has translated its results and financial position into US$. Assets and liabilities on the balance sheet have been translated at the closing rate at the balance sheet date, i.e. 30 September 2008, and income and expenses on the income statement have been translated at exchange rates at the dates of the transactions. All resulting exchange differences have been recognised as exchange adjustments in the exchange fluctuation reserve.

5. Segment information

The Group's turnover and results for the period, analysed by business segment and geographical segment, are as follows:

Primary reporting format - business segments

	(Unaudited) Six months ended 30 September					
	Publishing and printing		Travel and travel related services		Group	
	2008	2007	**2008**	2007	**2008**	2007
	US$'000	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*
Turnover	**182,566**	127,736	**37,569**	43,278	**220,135**	171,014
Segment results	**22,815**	16,000	**714**	1,314	**23,529**	17,314
Interest income					**1,007**	1,179
Net unallocated expenses					**(589)**	(82)
Operating profit					**23,947**	18,411
Finance costs					**(781)**	(401)
Profit before income tax					**23,166**	18,010
Income tax expense					**(7,921)**	(5,120)
Profit for the six months					**15,245**	12,890

5. Segment information *(Continued)*

Secondary reporting format - geographical segments

	(Unaudited) Turnover Six months ended 30 September		(Unaudited) Segment results Six months ended 30 September	
	2008	2007	**2008**	2007
	US$'000	*US$'000*	***US$'000***	*US$'000*
Malaysia & Southeast Asia	**126,437**	70,895	**23,902**	15,067
Hong Kong	**53,735**	59,678	**2,858**	4,645
North America	**37,845**	37,300	**(1,532)**	(419)
Mainland China	**2,118**	3,141	**(982)**	(1,156)
	220,135	171,014	**24,246**	18,137
Interest income			**1,007**	1,179
Net unallocated expenses			**(1,306)**	(905)
Operating profit			**23,947**	18,411
Finance costs			**(781)**	(401)
Profit before income tax			**23,166**	18,010
Income tax expense			**(7,921)**	(5,120)
Profit for the six months			**15,245**	12,890

6. Expenses by nature

	(Unaudited) Six months ended 30 September	
	2008	2007
	US$'000	*US$'000*
Raw materials and consumables used	**62,101**	41,598
Amortisation of leasehold land and land use rights	**375**	222
Amortisation of intangible assets	**413**	248
Depreciation		
- Owned property, plant and equipment	**4,690**	3,674
- Leased property, plant and equipment	**141**	73
Employee benefit expense (including directors' emoluments)	**53,743**	38,328

7. Finance costs

	(Unaudited) Six months ended 30 September	
	2008	2007
	US$'000	*US$'000*
Interest on bank loans and overdrafts	**728**	350
Interest element of finance lease payments	**53**	51
	781	401

8. Income tax expense

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2007: 17.5%) 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% (2007: 26%) 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 unaudited condensed consolidated income statement represents:

	(Unaudited) Six months ended 30 September	
	2008	2007
	US$'000	*US$'000*
Hong Kong profits tax		
- Current period	**566**	481
- Under provision in prior years	**24**	-
Malaysian taxation		
- Current period	**5,095**	3,091
Other countries' taxation		
- Current period	**440**	122
- Under provision in prior years	**144**	-
Deferred income tax expense	**1,652**	1,426
	7,921	5,120

9. Earnings per share

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$15,036,000 (2007: US$7,338,000) by the weighted average number of 1,685,290,897 (2007: 913,790,020) 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.

Diluted earnings per share is based on 1,686,105,586 (2007: 914,676,832) ordinary shares which is the weighted average number of ordinary shares in issue during the period plus the weighted average number of 814,689 (2007: 886,812) 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	
	2008	2007
	US$'000	*US$'000*
1st interim, 2008-2009 proposed, US0.450 cents (2007: US0.258 cents) per ordinary share	**7,578**	1,037
2nd interim, 2007-2008 proposed and paid, US0.926 cents per ordinary share (2007: Nil)	**15,275**	-
	22,853	1,037

The directors have declared a first interim dividend of US0.450 cents (2007: US0.258 cents) per ordinary share payable on 22 January 2009 to shareholders whose names appear on the register of members of the Company at close of business on 5 January 2009 in cash in RM or in HK$ at exchange rates to be determined on 27 November 2008 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 27 November 2008 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	3.620	1.629 sen
US$ to HK$	7.754	HK 3.489 cents

The second interim dividend represented a dividend of US0.926 cents per ordinary share in respect of the fourth quarter ended 31 March 2008 and was paid to shareholders of the Company on 15 August 2008.

11. Financial assets at fair value through profit or loss

	(Unaudited) 30 September 2008	(Audited) 31 March 2008
	US$'000	*US$'000*
Listed equity securities in Hong Kong, at market value *(note (a))*	**203**	276
Unlisted securities		
- Equity linked notes *(note (b))*	**-**	1,128
	203	1,404
Less: non-current portion	**-**	(1,128)
	203	276

Note:

(a) The investments were acquired principally for the purpose of selling in short term.

(b) The instruments were designated by management as financial assets at fair value through profit or loss on initial recognition as the management was not able to measure the embedded derivate separately either at acquisition or at a subsequent financial reporting date and the embedded derivatives of the instruments could significantly modify the cash flows that would otherwise be required by the instruments.

The principal amount of the equity linked notes is US$1,500,000 with maturity date in November 2009.

The equity linked notes are interest bearing with interest rate stated at 16.75% per annum, subject to the market prices of the underlying securities at certain pre-determined price levels.

As these instruments are not publicly traded and in the absence of readily available information to determine the fair values of these instruments, the Group has adopted the quotation provided by the issuer's agent as its best estimate of the fair values of these instruments. Accordingly, a loss of the fair value on equity linked notes of US$1,128,000 (2007: a gain of US$32,000) is recognised in the other (losses)/gains, net in the unaudited condensed consolidated interim income statement in the current period.

12. Trade and other receivables

Included in trade and other receivables are trade receivables and their ageing analysis is as follows:

	(Unaudited) 30 September 2008 *US$'000*	(Audited) 31 March 2008 *US$'000*
0 to 60 days	**46,609**	46,826
61 to 120 days	**10,025**	13,964
121 to 180 days	**2,285**	4,136
Over 180 days	**1,728**	1,564
	60,647	66,490

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

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers.

13. Trade and other payables

Included in trade and other payables are trade payables and their ageing analysis is as follows:

	(Unaudited) 30 September 2008 *US$'000*	(Audited) 31 March 2008 *US$'000*
0 to 60 days	**19,038**	16,494
61 to 120 days	**1,778**	1,769
121 to 180 days	**441**	764
Over 180 days	**1,256**	1,240
	22,513	20,267

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's turnover surged by 29% and increased from approximately US$171,014,000 in the last year corresponding period to approximately US$220,135,000 for the financial period ended 30 September 2008. The improvement was partly attributable to the inclusion of turnover from Nanyang Press Holdings Berhad ("Nanyang") which was acquired by the Group in April 2008. The Group's publishing business in Malaysia also recorded satisfactory revenue growth during the period under review, but this improvement was partly offset by the decline in revenue from the Group's travel business.

For the six months ended 30 September 2008, the Group's profit before tax rose 29% to US$23,166,000 when compared to US$18,010,000 in the corresponding period of 2007. This was mainly due to inclusion of the results of Nanyang, the revenue growth of the Group's Malaysian operations as well as comprehensive and effective cost reduction measures that were implemented in the Group's operations. However, the gains were partly offset by lower contributions from the Group's travel business.

Basic earnings per share were US0.89 cents, up 11% from US0.80 cents recorded in the last corresponding period. As at 30 September 2008, the Group had around US$80,697,000 of cash and cash equivalents and the net assets per share was US18.59 cents.

Dividend

The Board of Directors has declared payment of a first interim dividend of US0.450 cents per ordinary share in respect of the six-months ended 30 September 2008 (2007: US0.258 cents).

Segmental review

Publishing and Printing

Southeast Asia

The operations in Southeast Asia recorded a significant growth of 78% in turnover to US$126,437,000 when compared to the corresponding period a year ago. In line with the top-line revenue, the operating profit in the region surged 59% year-on-year to US$24,568,000. This improvement was due to revenue growth across the Malaysian operations, combined with ongoing and effective cost controls as well as the inclusion of Nanyang's turnover.

This performance, against a backdrop of uncertain and turbulent global market environment, reflects good underlying growth in both advertising and circulation revenues, highlighting once again the strength of the Group's leading position in the Chinese newspaper market in Malaysia.

The Group strengthened its position as the leading Chinese Newspaper group in Malaysia. With the completion of the merger exercise, the Malaysian operations focused on consolidating its operations harnessing synergy to enhance profit margin and further increase revenue. Several collaborative marketing efforts were initiated within the Malaysian operations. Adding to this, the Group also integrated certain backend support functions and streamlined operating procedures in order to further enhance the productivity and reduce cost.

In Malaysia, the Group publishes *Sin Chew Daily, China Press, Guang Ming Daily* and *Nanyang Siang Pau*. In the most recent Nielsen Media survey (July 2007 to June 2008) their combined readership of 2,529,000 accounted for 18% of the total Malaysia population aged 15 or over. *Sin Chew Daily* saw a 0.3% increase in readership from mid-year 2008 and remained the best selling Chinese newspapers in Malaysia.

The Group continued to push into the exhibition sector with the highly successful Bridal Fair, Education Fair, Health Fair, Book Fair and Property Fair. Exhibition business is a natural extension of the Group's newspaper and magazine business in Malaysia as the Group can leverage on the existing marketing relationships.

Event management is another area in which the Group made progress during the year. It is leveraging on an increasing demand from advertisers for road shows and product launches to support their advertising campaign.

Mainland China, Hong Kong and Taiwan

As one of the key international cities in Asia, Hong Kong's economy inevitably had to bear the brunt of the recent financial crisis. Spending from advertisers and purchasing power of consumers have been adversely affected since the second half of the calendar year. Moreover, the continued keen competition from free newspapers and other local newspapers and increasing pressures from the rising operating costs have made the operations in Hong Kong even more challenging.

Furthermore, the shifting of print advertising expenditure budget for the Beijing Olympic Games to other media has impacted on the Group's normal advertising revenue in the Mainland China and Hong Kong markets during the period of July and August. Despite the unfavourable market environment in the region, the Group managed to maintain its Greater China region turnover at US$39,533,000 compared to US$39,969,000 in the corresponding period last year, due mainly to the improvement of the magazine operations. The operating profit from the region for the period under review amounted to US$1,392,000 (2007: US$2,826,000).

For the six months ended 30 September 2008, our lifestyle magazine publication unit, One Media Group Limited ("OMG"; SEHK stock code: 426), experienced significant improvements which were attributable to a record-high advertising revenue of *Ming Pao Weekly*, the Group's flagship magazine in Hong Kong, and the benefits from OMG's year-long restructuring program. Celebrating its 40th anniversary, *Ming Pao Weekly*'s professional market positioning, especially its editorial direction, continues to win strong and sustaining support from advertisers, in particular branded from the consumer products.

Additionally, through a licensing arrangement, the Group has extended its footprint to Taiwan in the current period by launching a Taiwan edition of its proprietary flagship magazine *Ming Pao Weekly* in Taiwan in June 2008. The expansion offered immediate contributions to the Group.

North America

In spite of the worsening economic situation in the US, sales of Ming Pao overseas editions in major cities in North America and the free daily newspapers remained steady.

For the two Canadian editions in Vancouver and Toronto, the Group introduced certain measures, including revamping its newspaper layout dimensions and offering discounts during weekdays, to cope with the difficult business environment. Further, the Group has also introduced new layout designs to generate more advertiser- and reader-friendly layouts.

The two free newspapers in San Francisco and New York, launched more than a year ago, are close to breakeven on a month-by-month cash flow basis. With revenue continuing to grow, the free newspapers operation is expected to start contributing to the Group's bottom line going forward.

Multimedia

Following the successful move towards the mobile phone platform in Hong Kong, the Group has started to work with a local telecommunication services provider in Malaysia on mobile publishing. In view of the maturing penetration of mobile phone users in Asia, mobile publishing will evolve as one of the most important ways to monetize its content and other intangible assets.

In view of the increasing readership from print to online and mobile offering of news contents in North America, the Group will actively explore the possibilities in developing new multimedia business. The Group is well-positioned to further capitalise the opportunities in mobile channels and internet through which archival and exclusive contents become accessible to a huge group of users.

Travel

Revenue from the Group's travel operation, via Charming Holidays and Delta Group, slowed down modestly to US$37,569,000 due to shortage of flight seats available for resale in light of increased demand in the advent of the Beijing Olympics in August and effects of high fuel surcharges. The Group will continue to review this operation from time to time and take appropriate measures when necessary.

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, Hong Kong dollars, Renminbi and Canadian dollars, 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 2008, the Group is particularly exposed to movements in the US dollars to Ringgit Malaysia exchange rate as after the business combinations the majority of the Group's operations are located in Malaysia. During the period under review, a reduction of exchange fluctuation reserve of US$15,536,000 was recognized largely due to the change of exchange rate of US$/RM.

Outlook

In view of the recent global financial crisis, the Group believes that the advertising market will face difficult times when advertisers cutback their spending in peripheral publications and concentrating their budgets on selective core publications in the market.

Barring unforeseen circumstances and taking into account the adverse impact due to the financial crisis, the Group anticipates that the operating environment for its core business in the remaining of this financial year will be very competitive and challenging.

Nevertheless, the Group is taking possible measures to mitigate the adverse effects of slowing economy growth. To overcome the challenges, the Group will continue to drive for operational efficiencies and reduce operating costs.

The Group's core content provision business, meanwhile, continues to constantly maintain their cash flows and improving yields. The Group will continue its efforts to derive further synergies between the Malaysian operations, especially in the areas of shared services and look out for new business opportunities in media assets that could add to the future earnings of the Group.

CAPITAL EXPENDITURE

The Group's total capital expenditure for property, plant and equipment for the six months ended 30 September 2008 amounted to US$3,309,000.

CAPITAL COMMITMENTS

As at 30 September 2008, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in the interim financial report amounted to US$13,075,000 whereas authorised capital expenditure for property, plant and equipment not contracted and not provided for in the interim financial report amounted to US$1,390,000.

FINANCIAL GUARANTEES

As at 30 September 2008, the Company issued financial guarantees in favour of certain of its subsidiaries totalling US$23,160,000 (31 March 2008: US$23,439,000) in connection with general banking facilities granted to those subsidiaries. As at 30 September 2008, total facilities utilised amounted to US$7,284,000 (31 March 2008: US$5,015,000).

PLEDGE OF ASSETS

As at 30 September 2008, certain machinery and printing equipment, land and buildings and assets of certain subsidiaries with an aggregate value of US$42,435,000 (31 March 2008: US$60,665,000) 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 Ringgit Malaysia ("RM"), Renminbi ("RMB"), 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, North America, Malaysia and Southeast Asia, is managed primarily through operating liabilities denominated in the relevant foreign currencies.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 30 September 2008, the Group's net current assets amounted to US$107,270,000 (31 March 2008: US$110,781,000) and the shareholders' funds were US$313,168,000 (31 March 2008: US$329,228,000). Total bank borrowings and finance lease obligations were US$25,358,000 (31 March 2008: US$39,287,000) and the gearing ratio, which is defined as the ratio of total bank borrowings to shareholders' funds, was 0.08 (31 March 2008: 0.12).

As at 30 September 2008, total cash and cash equivalents was US$80,697,000 (31 March 2008: US$76,559,000) and net cash position was US$55,339,000 (31 March 2008: US$37,272,000) after deducting the total bank borrowings and finance lease obligations.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the six months period ended 30 September 2008, the Company repurchased a total of 1,430,000 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		Aggregate purchase consideration	Equivalent in
		Highest	Lowest		
		HK$	*HK$*	*HK$*	*US$*
April 2008	600,000	2.20	1.85	1,285,000	164,908
May 2008	50,000	2.00	2.00	100,000	12,821
June 2008	780,000	2.05	1.99	1,565,830	200,565
	1,430,000			2,950,830	378,294

All the repurchased shares were cancelled during the period under review. 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 profits 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 Monday, 5 January 2009 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 Friday, 2 January 2009. 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 Monday, 5 January 2009 in respect of transfers; and ii) shares bought on Bursa Securities on a cum entitlement basis according to the rules of Bursa Malaysia. The first interim dividend will be payable to the shareholders on 22 January 2009.

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 2008 to 5 January 2009.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 September 2008, the Group had approximately 4,932 employees (31 March 2008: approximately 5,047 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

Sound corporate governance is crucial to the smooth, effective and transparent operation of a company and its ability to attract investment, protect rights of shareholders and stakeholders, and enhance shareholder value. The Company has always attached great importance to corporate governance so as to ensure its sustainable development.

The Company has adopted the recommendations of the Malaysian Code on Corporate Governance (the "Malaysian Code") and all the code provisions in 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 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 code provisions E.1.1 and E.2.2 in the Hong Kong Code explained below.

Code provision E.1.1 provides that in respect of each substantially separate issue, such as the nomination of persons as directors, at a general meeting, a separate resolution should be proposed by the chairman of that meeting.

At the annual general meeting of the Company held on 27 August 2008 ("AGM"), a shareholder proposed that the re-election of the retiring directors be passed under a single resolution instead of re-electing each director individually under separate resolutions in view of that such arrangement would enable the AGM being conducted in an efficient manner. The proposal was duly seconded by another shareholder and put to the meeting to vote by a show of hands. By unanimous votes in favour of the proposal, it was decided that the re-election of retiring directors be passed under a single resolution. The Board considered that the arrangement, being proposed and unanimous resolved by shareholders present at the AGM, was reasonable and appropriate.

Code provision E.2.2 stipulates that the chairman of a meeting should indicate to the meeting the balance for and against the resolution after it has been dealt with on a show of hands.

At the AGM, all the resolutions were passed by unanimous votes or majority votes, as such the chairman has not indicated to the meeting the balance for and against each resolution. The votes cast were properly recorded in the minutes of the meeting. The Board considered that the meeting was conducted in a good and efficient manner and the deviation to the Hong Kong Code was acceptable.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the requirements and code as set out in (i) Chapter 14 (Dealings in Securities) of the 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 of Appendix 10 of the Rules Governing the Listing of Securities on the HK Stock Exchange ("HK Model Code"). 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 FINANCIAL STATEMENTS

The audit committee of the Company has reviewed with management the interim financial report for the period ended 30 September 2008, 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

27 November 2008

As at the date of this announcement, the Board comprises Tan Sri Datuk Tiong Hiew King, Mr Tiong Kiu King, Dato' Seri Dr Tiong Ik King, Dato' Leong Khee Seong, 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, Mr Victor Yang, Tan Sri Dato' Lau Yin Pin and Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh, being independent non-executive directors.