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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

FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), Media Chinese International Limited (the “Company”), a public company listed on the main market of Bursa Securities, announced the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) and the Group’s interests in joint ventures and associates for the quarter ended 30 September 2016 to Bursa Securities on 30 November 2016.

This announcement is also made pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HK Listing Rules”) and the Inside Information Provisions (as defined under the HK Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

30 November 2016

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

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)
Financial report for the second quarter ended 30 September 2016

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Three months ended 30 September		(Unaudited) Three months ended 30 September	
	2016 US\$'000	2015 US\$'000	2016 RM'000 <i>(Note)</i>	2015 RM'000 <i>(Note)</i>
Turnover	85,465	97,306	353,441	402,409
Cost of goods sold	<u>(55,932)</u>	<u>(62,776)</u>	<u>(231,307)</u>	<u>(259,610)</u>
Gross profit	29,533	34,530	122,134	142,799
Other income	2,129	2,100	8,804	8,684
Other losses, net	(18)	(85)	(74)	(352)
Selling and distribution expenses	(14,421)	(14,232)	(59,639)	(58,856)
Administrative expenses	(7,559)	(8,547)	(31,260)	(35,346)
Other operating expenses	<u>(1,412)</u>	<u>(1,494)</u>	<u>(5,839)</u>	<u>(6,178)</u>
Operating profit	8,252	12,272	34,126	50,751
Finance costs	(1,306)	(1,335)	(5,401)	(5,521)
Share of profits of joint ventures and associates	<u>158</u>	<u>34</u>	<u>654</u>	<u>141</u>
Profit before income tax	7,104	10,971	29,379	45,371
Income tax expense	<u>(2,102)</u>	<u>(3,493)</u>	<u>(8,693)</u>	<u>(14,445)</u>
Profit for the quarter	<u>5,002</u>	<u>7,478</u>	<u>20,686</u>	<u>30,926</u>
Profit / (loss) attributable to:				
Owners of the Company	5,145	7,613	21,277	31,484
Non-controlling interests	<u>(143)</u>	<u>(135)</u>	<u>(591)</u>	<u>(558)</u>
	<u>5,002</u>	<u>7,478</u>	<u>20,686</u>	<u>30,926</u>
Earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	0.30	0.45	1.24	1.86
Diluted (US cents/sen) #	<u>0.30</u>	<u>0.45</u>	<u>1.24</u>	<u>1.86</u>

Refer to B11 for calculations of basic and diluted earnings per share

Note: The presentation currency of this unaudited financial information is United States Dollar ("US\$"). Supplementary information in Malaysian Ringgit ("RM") for the quarter ended 30 September 2016 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.1355 ruling at 30 September 2016. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)
Financial report for the second quarter ended 30 September 2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Three months ended 30 September		(Unaudited) Three months ended 30 September	
	2016 US\$'000	2015 US\$'000	2016 RM'000 <i>(Note)</i>	2015 RM'000 <i>(Note)</i>
Profit for the quarter	5,002	7,478	20,686	30,926
Other comprehensive loss				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences	<u>(3,901)</u>	<u>(21,963)</u>	<u>(16,133)</u>	<u>(90,828)</u>
Other comprehensive loss for the quarter, net of tax	<u>(3,901)</u>	<u>(21,963)</u>	<u>(16,133)</u>	<u>(90,828)</u>
Total comprehensive income / (loss) for the quarter	<u>1,101</u>	<u>(14,485)</u>	<u>4,553</u>	<u>(59,902)</u>
Total comprehensive income / (loss) for the quarter attributable to:				
Owners of the Company	1,250	(14,277)	5,169	(59,042)
Non-controlling interests	<u>(149)</u>	<u>(208)</u>	<u>(616)</u>	<u>(860)</u>
	<u>1,101</u>	<u>(14,485)</u>	<u>4,553</u>	<u>(59,902)</u>

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the quarter ended 30 September 2016 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.1355 ruling at 30 September 2016. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

MEDIA CHINESE INTERNATIONAL LIMITED
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Financial report for the second quarter ended 30 September 2016

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Six months ended 30 September		(Unaudited) Six months ended 30 September	
	2016 US\$'000	2015 US\$'000	2016 RM'000 <i>(Note)</i>	2015 RM'000 <i>(Note)</i>
Turnover	168,251	197,280	695,802	815,851
Cost of goods sold	<u>(108,606)</u>	<u>(125,156)</u>	<u>(449,140)</u>	<u>(517,583)</u>
Gross profit	59,645	72,124	246,662	298,268
Other income	4,434	4,173	18,337	17,257
Other losses, net	(102)	(178)	(422)	(736)
Selling and distribution expenses	(28,543)	(29,527)	(118,040)	(122,109)
Administrative expenses	(15,763)	(17,123)	(65,188)	(70,812)
Other operating expenses	<u>(2,815)</u>	<u>(3,080)</u>	<u>(11,641)</u>	<u>(12,737)</u>
Operating profit	16,856	26,389	69,708	109,131
Finance costs	(2,624)	(2,823)	(10,852)	(11,675)
Share of profits of joint ventures and associates	311	5	1,286	21
Profit before income tax	14,543	23,571	60,142	97,477
Income tax expense	<u>(4,674)</u>	<u>(7,199)</u>	<u>(19,329)</u>	<u>(29,771)</u>
Profit for the period	<u>9,869</u>	<u>16,372</u>	<u>40,813</u>	<u>67,706</u>
Profit / (loss) attributable to:				
Owners of the Company	10,169	16,453	42,054	68,041
Non-controlling interests	<u>(300)</u>	<u>(81)</u>	<u>(1,241)</u>	<u>(335)</u>
	<u>9,869</u>	<u>16,372</u>	<u>40,813</u>	<u>67,706</u>
Earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	0.60	0.98	2.48	4.05
Diluted (US cents/sen) #	<u>0.60</u>	<u>0.98</u>	<u>2.48</u>	<u>4.05</u>

Refer to B11 for calculations of basic and diluted earnings per share

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the six months ended 30 September 2016 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.1355 ruling at 30 September 2016. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Six months ended 30 September		(Unaudited) Six months ended 30 September	
	2016 US\$'000	2015 US\$'000	2016 RM'000 <i>(Note)</i>	2015 RM'000 <i>(Note)</i>
Profit for the period	9,869	16,372	40,813	67,706
Other comprehensive loss				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences	<u>(9,052)</u>	<u>(24,907)</u>	<u>(37,434)</u>	<u>(103,003)</u>
Other comprehensive loss for the period, net of tax	<u>(9,052)</u>	<u>(24,907)</u>	<u>(37,434)</u>	<u>(103,003)</u>
Total comprehensive income / (loss) for the period	<u>817</u>	<u>(8,535)</u>	<u>3,379</u>	<u>(35,297)</u>
Total comprehensive income / (loss) for the period attributable to:				
Owners of the Company	<u>1,149</u>	<u>(8,383)</u>	<u>4,752</u>	<u>(34,668)</u>
Non-controlling interests	<u>(332)</u>	<u>(152)</u>	<u>(1,373)</u>	<u>(629)</u>
	<u>817</u>	<u>(8,535)</u>	<u>3,379</u>	<u>(35,297)</u>

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the six months ended 30 September 2016 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.1355 ruling at 30 September 2016. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 September 2016 US\$'000 (Unaudited)	As at 31 March 2016 US\$'000 (Audited)	As at 30 September 2016 RM'000 (Unaudited) (Note)	As at 31 March 2016 RM'000 (Unaudited) (Note)
ASSETS				
Non-current assets				
Property, plant and equipment	105,636	114,596	436,858	473,912
Investment properties	14,769	15,451	61,077	63,898
Intangible assets	50,384	53,516	208,363	221,315
Deferred income tax assets	532	300	2,200	1,241
Interests in joint ventures and associates	931	749	3,850	3,097
	<u>172,252</u>	<u>184,612</u>	<u>712,348</u>	<u>763,463</u>
Current assets				
Inventories	28,850	23,869	119,310	98,710
Available-for-sale financial assets	97	97	401	401
Financial assets at fair value through profit or loss	338	340	1,398	1,406
Trade and other receivables	47,883	51,669	198,020	213,677
Income tax recoverable	1,313	1,403	5,430	5,802
Cash and cash equivalents	135,708	140,950	561,220	582,899
	<u>214,189</u>	<u>218,328</u>	<u>885,779</u>	<u>902,895</u>
Current liabilities				
Trade and other payables	53,282	53,131	220,348	219,723
Income tax liabilities	4,247	3,871	17,563	16,009
Bank and other borrowings	54,743	58,453	226,390	241,732
Current portion of other non-current liabilities	79	83	327	343
	<u>112,351</u>	<u>115,538</u>	<u>464,628</u>	<u>477,807</u>
Net current assets	<u>101,838</u>	<u>102,790</u>	<u>421,151</u>	<u>425,088</u>
Total assets less current liabilities	<u>274,090</u>	<u>287,402</u>	<u>1,133,499</u>	<u>1,188,551</u>
EQUITY				
Equity attributable to owners of the Company				
Share capital	21,715	21,715	89,802	89,802
Share premium	54,664	54,664	226,063	226,063
Other reserves	(116,735)	(107,715)	(482,757)	(445,455)
Retained earnings	244,406	244,360	1,010,741	1,010,551
	<u>204,050</u>	<u>213,024</u>	<u>843,849</u>	<u>880,961</u>
Non-controlling interests	<u>5,364</u>	<u>5,703</u>	<u>22,183</u>	<u>23,585</u>
Total equity	<u>209,414</u>	<u>218,727</u>	<u>866,032</u>	<u>904,546</u>
Non-current liabilities				
Bank and other borrowings	54,407	57,663	225,000	238,465
Deferred income tax liabilities	9,172	9,981	37,931	41,276
Other non-current liabilities	1,097	1,031	4,536	4,264
	<u>64,676</u>	<u>68,675</u>	<u>267,467</u>	<u>284,005</u>
	<u>274,090</u>	<u>287,402</u>	<u>1,133,499</u>	<u>1,188,551</u>
Net assets per share attributable to owners of the Company (US cents/sen)	<u>12.09</u>	<u>12.63</u>	<u>50.00</u>	<u>52.23</u>

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM as at 30 September 2016 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.1355 ruling at 30 September 2016. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)						
	Attributable to owners of the Company					Non- controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
At 1 April 2015	21,715	54,664	(100,761)	234,126	209,744	6,361	216,105
Comprehensive income / (loss)							
Profit / (loss) for the period	-	-	-	16,453	16,453	(81)	16,372
Other comprehensive loss							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(24,836)	-	(24,836)	(71)	(24,907)
Other comprehensive loss, net of tax	-	-	(24,836)	-	(24,836)	(71)	(24,907)
Total comprehensive (loss) / income for the six months ended 30 September 2015	-	-	(24,836)	16,453	(8,383)	(152)	(8,535)
Total contributions by and distributions to owners of the Company recognised directly in equity							
2014/2015 second interim dividend paid	-	-	-	(8,436)	(8,436)	-	(8,436)
Total contributions by and distributions to owners of the Company	-	-	-	(8,436)	(8,436)	-	(8,436)
Issue of shares under the share option scheme of a listed subsidiary	-	-	61	-	61	78	139
2014/2015 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(8)	(8)
2014/2015 final dividend paid by a listed subsidiary	-	-	-	-	-	(140)	(140)
Total transactions with owners	-	-	61	(8,436)	(8,375)	(70)	(8,445)
At 30 September 2015	21,715	54,664	(125,536)	242,143	192,986	6,139	199,125
At 1 April 2016	21,715	54,664	(107,715)	244,360	213,024	5,703	218,727
Comprehensive income / (loss)							
Profit / (loss) for the period	-	-	-	10,169	10,169	(300)	9,869
Other comprehensive loss							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(9,020)	-	(9,020)	(32)	(9,052)
Other comprehensive loss, net of tax	-	-	(9,020)	-	(9,020)	(32)	(9,052)
Total comprehensive (loss) / income for the six months ended 30 September 2016	-	-	(9,020)	10,169	1,149	(332)	817
Total contributions by and distributions to owners of the Company recognised directly in equity							
2015/2016 second interim dividend paid	-	-	-	(10,123)	(10,123)	-	(10,123)
Total contributions by and distributions to owners of the Company	-	-	-	(10,123)	(10,123)	-	(10,123)
2015/2016 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(5)	(5)
2016/2017 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(2)	(2)
Total transactions with owners	-	-	-	(10,123)	(10,123)	(7)	(10,130)
At 30 September 2016	21,715	54,664	(116,735)	244,406	204,050	5,364	209,414

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(Unaudited)						
	Attributable to owners of the Company						
	Share capital RM'000 (Note)	Share premium RM'000 (Note)	Other reserves RM'000 (Note)	Retained earnings RM'000 (Note)	Total RM'000 (Note)	Non- controlling interests RM'000 (Note)	Total equity RM'000 (Note)
At 1 April 2015	89,802	226,063	(416,697)	968,228	867,396	26,306	893,702
Comprehensive income / (loss)							
Profit / (loss) for the period	-	-	-	68,041	68,041	(335)	67,706
Other comprehensive loss							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(102,709)	-	(102,709)	(294)	(103,003)
Other comprehensive loss, net of tax	-	-	(102,709)	-	(102,709)	(294)	(103,003)
Total comprehensive (loss) / income for the six months ended 30 September 2015	-	-	(102,709)	68,041	(34,668)	(629)	(35,297)
Total contributions by and distributions to owners of the Company recognised directly in equity							
2014/2015 second interim dividend paid	-	-	-	(34,887)	(34,887)	-	(34,887)
Total contributions by and distributions to owners of the Company	-	-	-	(34,887)	(34,887)	-	(34,887)
Issue of shares under the share option scheme of a listed subsidiary	-	-	252	-	252	323	575
2014/2015 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(33)	(33)
2014/2015 final dividend paid by a listed subsidiary	-	-	-	-	-	(579)	(579)
Total transactions with owners	-	-	252	(34,887)	(34,635)	(289)	(34,924)
At 30 September 2015	89,802	226,063	(519,154)	1,001,382	798,093	25,388	823,481
At 1 April 2016	89,802	226,063	(445,455)	1,010,551	880,961	23,585	904,546
Comprehensive income / (loss)							
Profit / (loss) for the period	-	-	-	42,054	42,054	(1,241)	40,813
Other comprehensive loss							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(37,302)	-	(37,302)	(132)	(37,434)
Other comprehensive loss, net of tax	-	-	(37,302)	-	(37,302)	(132)	(37,434)
Total comprehensive (loss) / income for the six months ended 30 September 2016	-	-	(37,302)	42,054	4,752	(1,373)	3,379
Total contributions by and distributions to owners of the Company recognised directly in equity							
2015/2016 second interim dividend paid	-	-	-	(41,864)	(41,864)	-	(41,864)
Total contributions by and distributions to owners of the Company	-	-	-	(41,864)	(41,864)	-	(41,864)
2015/2016 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(21)	(21)
2016/2017 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(8)	(8)
Total transactions with owners	-	-	-	(41,864)	(41,864)	(29)	(41,893)
At 30 September 2016	89,802	226,063	(482,757)	1,010,741	843,849	22,183	866,032

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)		(Unaudited)	
	Six months ended 30 September		Six months ended 30 September	
	2016	2015	2016	2015
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Cash flows from operating activities				
Cash generated from operations	17,738	47,442	73,355	196,197
Interest paid	(2,630)	(2,553)	(10,876)	(10,558)
Income tax paid	(4,721)	(5,913)	(19,524)	(24,453)
Net cash generated from operating activities	<u>10,387</u>	<u>38,976</u>	<u>42,955</u>	<u>161,186</u>
Cash flows from investing activities				
Purchases of property, plant and equipment	(844)	(1,811)	(3,490)	(7,489)
Purchases of intangible assets	(297)	(235)	(1,228)	(972)
Proceeds from disposal of property, plant and equipment	31	11	128	45
Interest received	1,732	1,286	7,163	5,318
Dividends received	140	73	579	302
Net cash generated from / (used in) investing activities	<u>762</u>	<u>(676)</u>	<u>3,152</u>	<u>(2,796)</u>
Cash flows from financing activities				
Proceeds from issue of shares under the share option scheme of a listed subsidiary	-	139	-	575
Dividend paid	(10,123)	(8,436)	(41,864)	(34,887)
Dividends paid to non-controlling interests by an unlisted subsidiary	(7)	(8)	(29)	(33)
Dividend paid to non-controlling interests by a listed subsidiary	-	(140)	-	(579)
Proceeds from bank and other borrowings	2,534	1,706	10,479	7,055
Repayments of bank and other borrowings	(2,973)	(10,912)	(12,295)	(45,127)
Net cash used in financing activities	<u>(10,569)</u>	<u>(17,651)</u>	<u>(43,709)</u>	<u>(72,996)</u>
Net increase in cash and cash equivalents	580	20,649	2,398	85,394
Cash and cash equivalents at beginning of period	140,950	118,620	582,899	490,553
Exchange adjustments on cash and cash equivalents	(5,822)	(13,704)	(24,077)	(56,673)
Cash and cash equivalents at end of period	<u>135,708</u>	<u>125,565</u>	<u>561,220</u>	<u>519,274</u>

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the six months ended 30 September 2016 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.1355 ruling at 30 September 2016. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

A. NOTES TO THE FINANCIAL INFORMATION

A1. Basis of preparation and changes in accounting policies

a) Basis of preparation

This condensed consolidated financial information of the Company and its subsidiaries (collectively the "Group") for the quarter and six months ended 30 September 2016 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standard Board, Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("HK Listing Rules") and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

This financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2016, which were prepared in accordance with International Financial Reporting Standards.

This financial information has not been audited.

b) Accounting policies

The accounting policies adopted for preparing this financial information are consistent with those set out in the consolidated financial statements of the Company for the year ended 31 March 2016 as included in the Company's annual report for the year ended 31 March 2016.

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

Taxes on income in the three months and six months ended 30 September 2016 are accrued using the tax rate that would be applicable to expected total annual earnings.

The Group has not early adopted other new or revised standards and amendments to standards that have been issued but are not yet effective for the accounting period beginning 1 April 2016. 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.

c) 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 RM. However, each entity within the Group can present its financial statements in any currency, which can be the same or different from the entity's functional currency. As the Group operates internationally, management considers that it is more appropriate to use US\$, a globally recognised currency, as the presentation currency for the Group's consolidated financial statements. For the entity whose functional currency is not US\$, its results and financial position have been translated into US\$.

A2. Auditor's report on preceding annual financial statements

The auditor's report of the Group's annual financial statements for the year ended 31 March 2016 was not subject to any qualification.

A3. Seasonal or cyclical factors

The business operations of the Group may be affected by major festive seasons or major events that may increase or decrease the advertising expenditure and the travel business revenue.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A4. Unusual items

There were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the quarter under review.

A5. Changes in estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect on the results of the current quarter under review.

A6. Changes in debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review.

A7. Dividends paid

The second interim dividend of US0.600 cents per ordinary share totalling US\$10,123,000 in respect of the year ended 31 March 2016 was paid on 13 July 2016.

A8. 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, Taiwan and Mainland China
Publishing and printing: North America
Travel and travel related services

Publishing and printing segments are engaged in the publication, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language. The segments derive revenue mainly from advertising and sales of newspapers and magazines. Travel and travel related services segment derives revenue from the sales of travel packages and provision of tour services.

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

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

The Group's turnover and results for the quarter ended 30 September 2016, analysed by operating segment, are as follows:

	(Unaudited)					
	Three months ended 30 September 2016					
	<u>Publishing and printing</u>					
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong, Taiwan and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
Turnover	41,647	13,857	4,372	59,876	25,589	85,465
Segment profit / (loss) before income tax	7,199	213	(476)	6,936	1,502	8,438
Unallocated interest expense						(1,299)
Other net unallocated expenses						(193)
Share of profits of joint ventures and associates						158
Profit before income tax						7,104
Income tax expense						(2,102)
Profit for the quarter						<u>5,002</u>
Other information:						
Interest income	821	22	2	845	7	852
Interest expense	(3)	(4)	-	(7)	-	(7)
Depreciation of property, plant and equipment	(1,762)	(368)	(88)	(2,218)	(33)	(2,251)
Amortisation of intangible assets	(199)	(55)	(4)	(258)	(10)	(268)
Income tax (expense) / credit	(1,816)	(88)	120	(1,784)	(318)	(2,102)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

	(Unaudited)					
	Three months ended 30 September 2015					
	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	45,473	15,491	4,525	65,489	31,817	97,306
Segment profit / (loss) before income tax	9,385	23	(626)	8,782	3,625	12,407
Unallocated interest expense						(1,315)
Other net unallocated expenses						(155)
Share of profits of joint ventures and associates						34
Profit before income tax						10,971
Income tax expense						(3,493)
Profit for the quarter						<u>7,478</u>
Other information:						
Interest income	638	44	-	682	4	686
Interest expense	(11)	(9)	-	(20)	-	(20)
Depreciation of property, plant and equipment	(1,796)	(387)	(94)	(2,277)	(31)	(2,308)
Amortisation of intangible assets	(220)	(43)	(5)	(268)	(11)	(279)
Income tax expense	(2,440)	(195)	(20)	(2,655)	(838)	(3,493)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

The Group's turnover and results for the six months ended 30 September 2016, analysed by operating segment, are as follows:

	(Unaudited)					
	Six months ended 30 September 2016					
	<u>Publishing and printing</u>					
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong, Taiwan and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
Turnover	85,773	27,415	8,837	122,025	46,226	<u>168,251</u>
Segment profit / (loss) before income tax	<u>16,209</u>	<u>(1,027)</u>	<u>(766)</u>	<u>14,416</u>	<u>2,780</u>	17,196
Unallocated interest expense						(2,611)
Other net unallocated expenses						(353)
Share of profits of joint ventures and associates						<u>311</u>
Profit before income tax						14,543
Income tax expense						<u>(4,674)</u>
Profit for the period						<u>9,869</u>
Other information:						
Interest income	1,666	47	9	1,722	10	1,732
Interest expense	(6)	(7)	-	(13)	-	(13)
Depreciation of property, plant and equipment	(3,555)	(746)	(178)	(4,479)	(64)	(4,543)
Amortisation of intangible assets	(403)	(111)	(7)	(521)	(20)	(541)
Income tax (expense) / credit	(4,115)	(70)	196	(3,989)	(685)	(4,674)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

	(Unaudited)					
	Six months ended 30 September 2015					
	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	97,969	31,070	9,798	138,837	58,443	197,280
Segment profit / (loss) before income tax	21,106	336	(754)	20,688	6,020	26,708
Unallocated interest expense						(2,754)
Other net unallocated expenses						(388)
Share of profits of joint ventures and associates						5
Profit before income tax						23,571
Income tax expense						(7,199)
Profit for the period						16,372
Other information:						
Interest income	1,180	100	-	1,280	6	1,286
Interest expense	(43)	(26)	-	(69)	-	(69)
Depreciation of property, plant and equipment	(3,752)	(769)	(193)	(4,714)	(62)	(4,776)
Amortisation of intangible assets	(453)	(83)	(10)	(546)	(23)	(569)
Income tax (expense) / credit	(5,461)	(380)	76	(5,765)	(1,434)	(7,199)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

The segment assets and liabilities as at 30 September 2016 are as follows:

	(Unaudited)						Total US\$'000
	Publishing and printing				Travel and travel related services US\$'000	Elimination US\$'000	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong, Taiwan and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000			
Segment assets	293,873	58,641	13,650	366,164	18,105	(213)	384,056
Unallocated assets							2,385
Total assets							<u>386,441</u>
Total assets include:							
Interests in joint ventures and associates	-	931	-	931	-	-	931
Additions to non-current assets (other than deferred income tax assets)	508	637	43	1,188	50	-	1,238
Segment liabilities	(22,529)	(13,847)	(6,819)	(43,195)	(9,419)	213	(52,401)
Unallocated liabilities							(124,626)
Total liabilities							<u>(177,027)</u>

The segment assets and liabilities as at 31 March 2016 are as follows:

	(Audited)						Total US\$'000
	Publishing and printing				Travel and travel related services US\$'000	Elimination US\$'000	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong, Taiwan and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000			
Segment assets	309,346	60,419	14,197	383,962	16,877	(167)	400,672
Unallocated assets							2,268
Total assets							<u>402,940</u>
Total assets include:							
Interests in joint ventures and associates	-	749	-	749	-	-	749
Additions to non-current assets (other than deferred income tax assets)	2,065	1,075	103	3,243	69	-	3,312
Segment liabilities	(20,901)	(16,255)	(6,690)	(43,846)	(8,968)	167	(52,647)
Unallocated liabilities							(131,566)
Total liabilities							<u>(184,213)</u>

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

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

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, interests in joint ventures and associates, inventories, trade and other receivables, and cash and cash equivalents. They exclude deferred income tax assets, available-for-sale financial assets, financial assets at fair value through profit or loss and income tax recoverable of the Group and all assets of the Company.

Segment liabilities consist primarily of trade and other payables, retirement benefit obligations, defined benefit plan liabilities and short-term bank borrowings. They exclude deferred income tax liabilities and income tax liabilities of the Group and all liabilities of the Company.

A9. Valuation of property, plant and equipment

There was no revaluation of the Group's property, plant and equipment during the quarter ended 30 September 2016.

A10. Subsequent material events

There were no subsequent material events of the Group.

A11. Changes in the composition of the Group

There were no material changes in the composition of the Group during the quarter under review, except for the following:

Reference is made to the announcement of the Company dated 14 September 2016 that Charming Holidays (Guangdong) Limited, a dormant and indirect wholly-owned subsidiary of the Company, had been dissolved and liquidated in its place of incorporation.

A12. Capital commitments

Capital commitments outstanding as at 30 September 2016 are as follows:

	(Unaudited) US\$'000
Property, plant and equipment :	
Authorised and contracted for	187
Authorised but not contracted for	791
	978

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A13. Related party transactions

	(Unaudited)		(Unaudited)	
	Three months ended		Six months ended	
	30 September		30 September	
	2016	2015	2016	2015
	US\$'000	US\$'000	US\$'000	US\$'000
Newsprint purchases from a related company (<i>note 1</i>)	2,988	3,466	4,338	7,619
Rental expenses paid to related companies (<i>note 1</i>)	23	18	44	40
Purchases of air tickets from a related company (<i>note 1</i>)	8	10	15	18
Motor vehicle insurance premiums paid to a related company (<i>note 1</i>)	-	1	-	1
Scrap sales of old newspapers and magazines to a related company (<i>note 1</i>)	(344)	(389)	(714)	(821)
Provision of accounting service to an associate	(26)	(18)	(64)	(38)
Provision of air tickets and accommodation arrangement services to related companies (<i>note 1</i>)	(7)	(18)	(18)	(27)
Provision of accounting and administrative services to related companies (<i>note 1</i>)	(4)	(2)	(8)	(4)
Rental income received from a related company (<i>note 1</i>)	(1)	-	(2)	-
Content providing income received from a joint venture	-	(30)	(1)	(60)

Notes:

- 1) Certain shareholders and directors of the Company are shareholders and/or directors of these related companies.
- 2) All the transactions above have been entered into in the normal course of business and have been charged at predetermined rates agreed mutually by the parties involved.

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'
MAIN MARKET LISTING REQUIREMENTS**

B1. Analysis of performance

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2016 US\$'000	2015 US\$'000	2016 US\$'000	2015 US\$'000
Turnover	85,465	97,306	168,251	197,280
Profit before income tax	7,104	10,971	14,543	23,571
EBITDA	10,077	14,207	20,519	30,453

The overall operating environment in the Group's major markets continued to be challenging during the current quarter amid weak consumer sentiments and soft advertising spending which affected all the Group's business segments.

For the second quarter ended 30 September 2016, the Group's turnover amounted to US\$85,465,000, reflecting a decrease of 12.2% or US\$11,841,000 compared to the US\$97,306,000 reported in the corresponding quarter last year.

Profit before income tax for the current quarter was US\$7,104,000, 35.2% or US\$3,867,000 below last year's US\$10,971,000.

EBITDA for the second quarter was US\$10,077,000, a decrease of 29.1% from US\$14,207,000 in the year-ago quarter.

The Group's publishing and printing segment reported a turnover of US\$59,876,000 and a profit before income tax of US\$6,936,000 for the current quarter, reflecting year-on-year decreases of 8.6% and 21%, respectively.

The Group's Malaysian segment recorded quarterly revenue of US\$41,647,000, down 8.4% from US\$45,473,000 in the year-earlier quarter. Segment profit before income tax fell 23.3% to US\$7,199,000 as compared with US\$9,385,000 reported in the same quarter last year. The Group's operations in Malaysia have been affected by the local decelerating economy and weak consumer sentiments which continued to negatively impact the advertising market during the quarter.

Turnover for the Group's Hong Kong, Taiwan and Mainland China publishing and printing operations amounted to US\$13,857,000, down 10.5% or US\$1,634,000 from the prior year quarter. With effective cost control measures in place and the improvement in the Group's educational products business, the segment reported an increase in profit before income tax of 826.1% or US\$190,000 to US\$213,000 from US\$23,000 in the second quarter of last year despite the decline in turnover.

The Group's publishing and printing operations in North America registered a segment turnover of US\$4,372,000, reflecting a decrease of 3.4% or US\$153,000 from US\$4,525,000 reported in the year-ago quarter. Segment loss was reduced to US\$476,000 from US\$626,000 in the same quarter last year, mainly attributable to stringent cost saving measures.

Revenue for the tour segment amounted to US\$25,589,000 in the second quarter, reflecting a decrease of 19.6% or US\$6,228,000 when compared with the prior year quarter. Segment profit before income tax fell 58.6% to US\$1,502,000 from US\$3,625,000 in the corresponding quarter last year. The weak consumer market and decline in tourists going to Europe, which is one of the segment's major tour destinations, have continued to affect the tour segment's performance.

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES/
MAIN MARKET LISTING REQUIREMENTS (Continued)**

B1. Analysis of performance (Continued)

For the first half of 2016/2017, the Group's turnover and profit before income tax were US\$168,251,000 and US\$14,543,000, representing decreases of 14.7% and 38.3% respectively from the same period last year. Turnover declined as a result of continued market weakness across all the Group's business segments, which effect was partially mitigated by savings from cost control measures.

The currency impact for the second quarter of 2016/2017 was not significant. Whereas for the six months ended 30 September 2016, the Group experienced negative currency impacts of approximately US\$4,493,000 and US\$799,000 on its revenue and profit before income tax, respectively.

B2. Variation of results against immediate preceding quarter

	(Unaudited) Three months ended 30 September 2016 US\$'000	(Unaudited) Three months ended 30 June 2016 US\$'000	% change
Turnover	85,465	82,786	3.2%
Profit before income tax	7,104	7,439	-4.5%

Compared to the immediate preceding quarter, the Group registered an increase of 3.2% in its turnover to US\$85,465,000 whereas its profit before income tax was down by 4.5% to US\$7,104,000. The increase in turnover was due to higher revenue from the travel segment. However, affected by a lower profit contribution from the publishing and printing segment, the Group reported a decline in the overall profit before income tax.

B3. Current year prospects

The Board expects that the Group's operating environment in the second half of 2016/2017 will remain difficult and challenging. The publishing and printing segment is expecting increased competitive pressures from other media along with declining print advertising expenditures. Moreover, weak consumer sentiments as well as safety concerns and cut-throat competition will continue to affect the Group's travel business in the quarters ahead.

Newsprint prices are expected to remain stable in the second half of 2016/2017, and the Group will continue its stringent cost control measurements on newsprint consumption in light of the challenging business environment. On top of that, the Group will continue to drive for operational efficiency while focusing on revenue generation and profitability.

B4. Profit forecast and profit guarantee

The Group has not provided any profit forecast or profit guarantee in any public document.

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' MAIN MARKET LISTING REQUIREMENTS (Continued)

B5. Profit before income tax

Profit before income tax has been arrived at after (charging) / crediting:

	(Unaudited)		(Unaudited)	
	Three months ended		Six months ended	
	30 September		30 September	
	2016	2015	2016	2015
	US\$'000	US\$'000	US\$'000	US\$'000
Allowance for impairment and write-off of trade and other receivables	(160)	(116)	(191)	(276)
(Allowance for impairment and write-off of) / reversal of allowance for inventories	(40)	96	(81)	53
Exchange losses - net	(5)	(69)	(100)	(189)
Gains on derivatives - net	4	-	4	-

Save as disclosed above and in A8, the other items as required under Part A(16) of Appendix 9B of the Bursa Securities' Listing Requirements are not applicable.

B6. Income tax expense

Income tax expense comprises the following:

	(Unaudited)		(Unaudited)	
	Three months ended		Six months ended	
	30 September		30 September	
	2016	2015	2016	2015
	US\$'000	US\$'000	US\$'000	US\$'000
Current period income tax expense	2,786	3,815	5,306	7,447
Under / (over) provision of income tax expense in prior years	3	-	3	(83)
Deferred income tax credit	(687)	(322)	(635)	(165)
	2,102	3,493	4,674	7,199

The effective tax rates of the Group for the current quarter and period under review were higher than the Malaysian statutory tax rate of 24% mainly due to the non-deductibility of certain expenses for income tax purposes.

B7. Status of corporate proposals

There were no corporate proposals announced but not completed at the latest practicable date, which is not earlier than seven days from the date of issue of this unaudited financial information, except for the following:

Reference is made to the announcement of the Company dated 1 August 2016 (the "First Announcement"), the Board of Directors announced that on 22 July 2016, Comwell Investment Limited ("Comwell", as vendor), a wholly-owned subsidiary of the Company, the Company (as guarantor) and Qingdao West Coast Holdings (Internation) Limited ("Qingdao West Coast", as purchaser) entered into the share transfer agreement, pursuant to which Comwell conditionally agreed to sell and Qingdao West Coast conditionally agreed to purchase 292,700,000 shares in One Media Group Limited ("One Media"), representing approximately 73.01% of the entire issued share capital of One Media. Qingdao West Coast is a company incorporated in the British Virgin Islands, whose ultimate controlling shareholder is Qingdao West Coast Development (Group) Limited, which is a PRC state-owned enterprise. For details, please refer to the First Announcement.

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' MAIN MARKET LISTING REQUIREMENTS (Continued)

B7. Status of corporate proposals (Continued)

Reference is also made to the announcement of the Company dated 28 November 2016 (the "Extension Announcement"), the Board of Directors announced that on 28 November 2016, Comwell and Qingdao West Coast entered into a supplemental agreement which extended the long stop date of the share transfer agreement to 31 January 2017. For details, please refer to the Extension Announcement.

B8. Group borrowings

The Group's borrowings as at 30 September 2016 are as follows:

	Secured US\$'000	(Unaudited) Unsecured US\$'000	Total US\$'000
Current			
Medium-term notes	-	54,407	54,407
Short-term bank borrowings	130	206	336
Non-current			
Medium-term notes	-	54,407	54,407
	130	109,020	109,150

The Group's borrowings were denominated in the following currencies:

	(Unaudited) US\$'000
Malaysian Ringgit	109,020
United States dollars	130
	109,150

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 30 September 2016 and 31 March 2016.

B9. Material litigation

As at 30 September 2016, there were several libel suits which involved claims against some companies in the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings is still uncertain as of the date this unaudited financial information is authorised for issue, the directors of the Company are of the opinion that the respective ultimate liability, if any, will not have a material adverse impact upon the Group's financial position.

B10. Dividend payable

The Board of Directors has declared a first interim dividend of US0.360 cents (2015/2016: US0.500 cents) per ordinary share in respect of the year ending 31 March 2017. The dividend will be payable on Friday, 30 December 2016 to shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 15 December 2016 in cash in RM or in Hong Kong dollars ("HK\$") at the average exchange rates used during the period ended 30 September 2016 for the translation of the results of the subsidiaries whose functional currencies are not US\$. This interim dividend is not reflected as a dividend payable in this unaudited financial information.

The average exchange rates used during the period ended 30 September 2016 of US\$ to RM and US\$ to HK\$, and the amount of the first interim dividend payable are as follows:

	Exchange rates	Dividend per ordinary share
US\$ to RM	4.0234	1.448 sen
US\$ to HK\$	7.7542	HK2.792 cents

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'
MAIN MARKET LISTING REQUIREMENTS (Continued)**

B10. Dividend payable (Continued)

No tax is payable on the dividend declared by the Company to be received by shareholders in Malaysia as it is income from foreign source in accordance to paragraph 28 of Schedule 6 of Malaysian Income Tax Act 1967.

The register of members in Hong Kong will be closed on Thursday, 15 December 2016 whereby no transfer of shares will be registered on that date. In order to qualify for the first interim dividend of US0.360 cents per ordinary share, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 14 December 2016. In respect of the shareholders in Malaysia, a depositor in Malaysia shall qualify for the entitlement to the dividend only in respect of: i) shares transferred into the depositor's securities account before 4:00 p.m. on Thursday, 15 December 2016 in respect of transfers; and ii) shares bought on Bursa Securities on a cum entitlement basis according to the rules of Bursa Securities.

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 Friday, 9 December 2016 to Thursday, 15 December 2016, both days inclusive.

B11. Earnings per share attributable to owners of the Company

	(Unaudited)		(Unaudited)	
	Three months ended		Six months ended	
	30 September		30 September	
	2016	2015	2016	2015
Profit attributable to owners of the Company (US\$'000)	<u>5,145</u>	7,613	<u>10,169</u>	16,453
Weighted average number of ordinary shares in issue	<u>1,687,236,241</u>	1,687,236,861	<u>1,687,236,241</u>	1,687,237,050
Basic earnings per share (US cents)	<u>0.30</u>	0.45	<u>0.60</u>	0.98
Diluted earnings per share (US cents)	<u>0.30</u>	0.45	<u>0.60</u>	0.98

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential shares in issue during the quarters and six months ended 30 September 2016 and 2015.

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES/
MAIN MARKET LISTING REQUIREMENTS (Continued)**

B12. Disclosure of realised and unrealised retained profits

The following analysis of realised and unrealised retained profits is prepared in accordance with the Guidance on Special Matter No.1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements", as issued by the Malaysian Institute of Accountants and based on the prescribed format by Bursa Securities.

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2016	2016
	US\$'000	US\$'000
Total retained profits of the Company and its subsidiaries:		
- Realised	270,053	271,806
- Unrealised	<u>(7,119)</u>	<u>(8,903)</u>
	262,934	262,903
Total share of accumulated losses of joint ventures and associates:		
- Realised	(992)	(1,303)
Less : consolidation adjustments	<u>(17,536)</u>	<u>(17,240)</u>
Group's retained profits as per condensed consolidated statement of financial position	<u>244,406</u>	<u>244,360</u>

The disclosure of realised and unrealised retained profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

On behalf of the Board
Media Chinese International Limited

Law Yuk Kuen
Tong Siew Kheng
Joint Company Secretaries
30 November 2016