

世界 華文

媒體 MEDIA CHINESE

Interim Report 2012/13

Media Chinese International Limited

明報
MING PAO DAILY NEWS

星洲日報
SIN CHEW DAILY

南洋商報
NANYANG SIANG PAU

中國報
CHINA PRESS

光明日報
Guang Ming Daily

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2012

		(Unaudited)	
		Six months ended	
		30 September	
		2012	2011
	Note	US\$'000	US\$'000
Turnover	6	244,702	245,660
Cost of goods sold		(154,659)	(153,182)
Gross profit		90,043	92,478
Other income	8	4,617	4,890
Other gains, net	9	3,135	796
Selling and distribution expenses		(35,699)	(34,504)
Administrative expenses		(21,492)	(21,243)
Other operating expenses		(3,310)	(3,327)
Operating profit		37,294	39,090
Finance costs	10	(82)	(216)
Share of losses of associates		(8)	(182)
Gain on dilution of interest in an associate		–	33
Profit before income tax		37,204	38,725
Income tax expense	11	(8,297)	(9,846)
Profit for the period		28,907	28,879
Profit attributable to:			
Equity holders of the Company		28,372	28,611
Non-controlling interests		535	268
		28,907	28,879
Earnings per share attributable to the equity holders of the Company			
Basic (US cents)	12	1.68	1.70
Diluted (US cents)	12	1.68	1.70
Dividends	13	11,355	20,247

The notes on pages 6 to 24 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2012

	(Unaudited)	
	Six months ended	
	30 September	
	2012	2011
	US\$'000	US\$'000
Profit for the period	28,907	28,879
Other comprehensive income/(losses) for the period, net of tax		
Currency translation differences	482	(17,771)
Total comprehensive income for the period	29,389	11,108
Total comprehensive income for the period attributable to:		
Equity holders of the Company	28,848	10,810
Non-controlling interests	541	298
	29,389	11,108

The notes on pages 6 to 24 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2012

	(Unaudited) As at 30 September 2012 US\$'000	(Audited) As at 31 March 2012 US\$'000
<i>Note</i>		
ASSETS		
Non-current assets		
Property, plant and equipment	14 153,958	151,049
Investment properties	11,234	11,212
Leasehold land and land use rights	1,997	2,025
Intangible assets	78,218	78,124
Deferred income tax assets	1,258	1,426
Interests in associates	2,247	2,253
Investment in an exchangeable bond — equity derivatives	1,166	–
	250,078	246,089
Current assets		
Inventories	51,672	57,899
Available-for-sale financial assets	97	97
Financial assets at fair value through profit or loss	210	191
Investment in convertible notes	–	568
Trade and other receivables	15 79,310	76,140
Income tax recoverable	952	1,625
Cash and cash equivalents	144,344	134,657
	276,585	271,177
Current liabilities		
Trade and other payables	16 74,947	70,623
Income tax liabilities	7,483	5,520
Short-term bank loans	17 4,820	5,285
Current portion of long-term liabilities	18 146	145
	87,396	81,573
Net current assets	189,189	189,604
Total assets less current liabilities	439,267	435,693
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	19 21,715	21,715
Share premium	19 280,818	280,818
Other reserves	(72,203)	(72,679)
Retained earnings		
– Proposed dividend	11,355	24,431
– Others	176,296	159,279
	187,651	183,710
Non-controlling interests	417,981	413,564
	6,496	6,229
Total equity	424,477	419,793
Non-current liabilities		
Other long-term liabilities	18 1,287	1,348
Deferred income tax liabilities	13,503	14,552
	14,790	15,900
	439,267	435,693

The notes on pages 6 to 24 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2012

	(Unaudited)						
	Attributable to equity holders 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 2011	21,681	280,299	(67,757)	160,185	394,408	5,457	399,865
Total comprehensive (losses)/income for the six months ended 30 September 2011	–	–	(17,801)	28,611	10,810	298	11,108
Transactions with equity holders in their capacity as owners:							
Exercise of share options	34	520	–	–	554	–	554
Repurchase of ordinary shares	–	(1)	–	–	(1)	–	(1)
2010–2011 final dividend paid by a listed subsidiary	–	–	–	–	–	(286)	(286)
2010–2011 second interim dividend paid	–	–	–	(19,437)	(19,437)	–	(19,437)
2011–2012 special dividend paid	–	–	–	(6,749)	(6,749)	–	(6,749)
Total transactions with equity holders	34	519	–	(26,186)	(25,633)	(286)	(25,919)
At 30 September 2011	21,715	280,818	(85,558)	162,610	379,585	5,469	385,054
At 1 April 2012	21,715	280,818	(72,679)	183,710	413,564	6,229	419,793
Total comprehensive income for the six months ended 30 September 2012	–	–	476	28,372	28,848	541	29,389
Transactions with equity holders in their capacity as owners:							
A non-controlling interest arising from a newly incorporated subsidiary	–	–	–	–	–	297	297
2012–2013 first interim dividend paid by a subsidiary	–	–	–	–	–	(18)	(18)
2011–2012 final dividend paid by a listed subsidiary	–	–	–	–	–	(553)	(553)
2011–2012 second interim dividend paid	–	–	–	(24,431)	(24,431)	–	(24,431)
Total transactions with equity holders	–	–	–	(24,431)	(24,431)	(274)	(24,705)
At 30 September 2012	21,715	280,818	(72,203)	187,651	417,981	6,496	424,477

The notes on pages 6 to 24 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2012

	(Unaudited)	
	Six months ended	
	30 September	
	2012	2011
	US\$'000	US\$'000
Cash flows from operating activities		
Cash generated from operations	47,936	55,003
Interest paid	(82)	(216)
Income tax paid	(6,661)	(7,334)
Net cash generated from operating activities	41,193	47,453
Cash flows from investing activities		
Acquisition of a subsidiary	(75)	–
Purchase of an exchangeable bond — equity derivatives	(1,145)	–
Purchases of property, plant and equipment	(7,981)	(2,977)
Purchases of intangible assets	(448)	(269)
Proceeds from disposal of property, plant and equipment	184	31
Proceeds from disposal of convertible notes	1,694	–
Interest received	1,407	1,209
Dividends received	7	7
Net cash used in investing activities	(6,357)	(1,999)
Cash flows from financing activities		
Repurchase of ordinary shares	–	(1)
Proceeds from exercise of share options	–	554
Dividends paid	(24,431)	(19,437)
Dividends paid to non-controlling interests by a subsidiary	(18)	–
Dividends paid to non-controlling interests by a listed subsidiary	(553)	(286)
Capital injection from a non-controlling interest of a newly incorporated subsidiary	297	–
Proceeds from bank loans	8,361	7,779
Repayments of bank loans	(8,830)	(16,815)
Capital element of finance lease payments	–	(725)
Net cash used in financing activities	(25,174)	(28,931)
Net increase in cash and cash equivalents	9,662	16,523
Cash and cash equivalents at beginning of period	134,657	110,519
Exchange adjustments on cash and cash equivalents	25	(4,513)
Cash and cash equivalents at end of period	144,344	122,529

The notes on pages 6 to 24 form an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Media Chinese International Limited (the “Company”) is a limited liability company incorporated in Bermuda. The Company is an investment holding company. The principal activities of its subsidiaries are the publishing, printing and distribution of Chinese language newspapers, magazines and books, and the provision of travel and travel related services in Hong Kong, Mainland China, North America, Malaysia and other Southeast Asian countries. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “HK Stock Exchange”) since 22 March 1991 and subsequently dual-listed on Bursa Malaysia Securities Berhad (“Bursa Securities”) on 30 April 2008.

This condensed consolidated interim financial information, which is presented in United States dollars (“US\$”) unless otherwise stated, was approved for issue on 29 November 2012.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information (“interim financial information”) for the six months ended 30 September 2012 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 HK Stock Exchange.

This interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2012, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”).

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2012, as described in those annual financial statements.

(a) *Change in accounting policy*

In December 2010, the International Accounting Standard Board amended IAS 12, “Income taxes”, to introduce an exception to the principle for the measurement of deferred tax assets or liabilities arising on an investment property measured at fair value. IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely by sale. The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012 with early adoption permitted.

As required by the amendment, the Group has re-measured the deferred tax relating to all investment properties according to the tax consequence on the presumption that they are recovered entirely by sales retrospectively, and the impact to the Group’s financial statement is considered as insignificant. The comparative figures for the previous year have not been restated accordingly.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3 ACCOUNTING POLICIES (Continued)

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

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

The Group has not early adopted other new or revised standards and amendments to standards that have been issued but are not yet effective for the accounting period beginning 1 April 2012. 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.

4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2012.

5 FINANCIAL RISK MANAGEMENT

(a) *Financial risk factors*

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

This interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2012.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 FINANCIAL RISK MANAGEMENT (Continued)

(b) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets that are measured at fair value at 30 September 2012.

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Financial assets at fair value through profit or loss				
Listed equity securities	210	–	–	210
Investment in an exchangeable bond				
– equity derivatives	–	–	1,166	1,166
Available-for-sale financial assets				
Unlisted club debentures	–	–	97	97
	210	–	1,263	1,473

The following table presents the Group's assets that are measured at fair value at 31 March 2012.

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Financial assets at fair value through profit or loss				
Listed equity securities	191	–	–	191
Available-for-sale financial assets				
Unlisted club debentures	–	–	97	97
	191	–	97	288

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 TURNOVER AND SEGMENT INFORMATION

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

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

Publishing and printing: Malaysia and other Southeast Asian countries

Publishing and printing: Hong Kong and Mainland China

Publishing and printing: North America

Travel and travel related services

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 TURNOVER AND SEGMENT INFORMATION (Continued)

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

	(Unaudited)					Total US\$'000
	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	
Turnover	144,322	38,297	13,921	196,540	48,162	244,702
Segment profit/(loss) before income tax	31,169	4,558	(227)	35,500	1,913	37,413
Net unallocated expenses						(201)
Share of losses of associates						(8)
Profit before income tax						37,204
Income tax expense						(8,297)
Profit for the period						28,907
Other information:						
Interest income	1,246	158	–	1,404	3	1,407
Finance costs — interest expenses	(82)	–	–	(82)	–	(82)
Depreciation of property, plant and equipment	(4,211)	(796)	(244)	(5,251)	(22)	(5,273)
Amortisation of leasehold land and land use rights	–	(30)	–	(30)	–	(30)
Amortisation of intangible assets	(485)	(56)	(41)	(582)	(8)	(590)
Share of losses of associates	–	(8)	–	(8)	–	(8)
Income tax expense	(6,800)	(970)	(136)	(7,906)	(391)	(8,297)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 TURNOVER AND SEGMENT INFORMATION (Continued)

The Group's turnover and results for the six months ended 30 September 2011, analysed by operating segment, are as follows:

	(Unaudited)					Total US\$'000
	Publishing and printing			Sub-total US\$'000	Travel and travel related services US\$'000	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000			
Turnover	145,669	36,595	15,445	197,709	47,951	245,660
Segment profit before income tax	33,786	2,734	1,082	37,602	1,840	39,442
Net unallocated expenses						(568)
Share of loss of an associate						(182)
Gain on dilution of interest in an associate						33
Profit before income tax						38,725
Income tax expense						(9,846)
Profit for the period						28,879
Other information:						
Interest income	1,109	111	–	1,220	3	1,223
Finance costs — interest expenses	(168)	(4)	(44)	(216)	–	(216)
Depreciation of property, plant and equipment	(4,195)	(760)	(263)	(5,218)	(38)	(5,256)
Amortisation of leasehold land and land use rights	–	(30)	–	(30)	–	(30)
Amortisation of intangible assets	(450)	(40)	(40)	(530)	(5)	(535)
Share of loss of an associate	–	(182)	–	(182)	–	(182)
Gain on dilution of interest in an associate	–	33	–	33	–	33
Income tax expense	(9,222)	(106)	(314)	(9,642)	(204)	(9,846)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 TURNOVER AND SEGMENT INFORMATION (Continued)

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

	(Unaudited)	
	Six months ended	
	30 September	
	2012	2011
	US\$'000	US\$'000
Advertising income, net of trade discounts	139,579	137,923
Sales of newspapers, magazines and books, net of trade discounts and returns	56,961	59,786
Travel and travel related services income	48,162	47,951
	244,702	245,660

The segment assets as at 30 September 2012 are as follows:

	(Unaudited)						
	Publishing and printing						
	Malaysia and other Southeast Asian countries	Hong Kong and Mainland China	North America	Sub-total	Travel and travel related services	Elimination	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Segment assets	413,672	91,775	15,403	520,850	18,224	(15,035)	524,039
Unallocated assets							2,624
Total assets							526,663
Total assets include:							
Interests in associates	-	2,247	-	2,247	-	-	2,247
Additions to non-current assets (other than investment in an exchangeable bond — equity derivatives and deferred income tax assets)	6,354	2,013	52	8,419	10	-	8,429

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 TURNOVER AND SEGMENT INFORMATION (Continued)

The segment assets as at 31 March 2012 are as follows:

	(Audited)						Total US\$'000
	Publishing and printing			Sub-total US\$'000	Travel and travel related services US\$'000	Elimination US\$'000	
Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000					
Segment assets	408,824	85,138	14,814	508,776	11,352	(6,309)	513,819
Unallocated assets							3,447
Total assets							517,266
Total assets include:							
Interests in associates	-	2,253	-	2,253	-	-	2,253
Additions to non-current assets (other than defined benefit plan assets and deferred income tax assets)	5,949	1,520	203	7,672	114	-	7,786

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

Segment assets consist primarily of property, plant and equipment, investment properties, leasehold land and land use rights, intangible assets, interests in associates, investment in an exchangeable bond — equity derivatives, investment in convertible notes, 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, income tax recoverable and assets held by the Company.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 TURNOVER AND SEGMENT INFORMATION (Continued)

The Company is domiciled in Bermuda while the Group operates its publishing and printing businesses mainly in Malaysia, other Southeast Asian countries, Hong Kong and Mainland China ("main operating countries"). Revenue from external customers of the Group's publishing and printing businesses for the six months ended 30 September 2012, analysed by operating countries, is as follows:

	(Unaudited)	
	Six months ended	
	30 September	
	2012	2011
	US\$'000	US\$'000
Main operating countries	182,619	182,264
Other countries	13,921	15,445
	196,540	197,709

At 30 September 2012 and 31 March 2012, the Group's total non-current assets, other than investment in an exchangeable bond — equity derivatives and deferred income tax assets, analysed by operating countries, are as follows:

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2012	2012
	US\$'000	US\$'000
Main operating countries	242,361	239,178
Other countries	5,293	5,485
	247,654	244,663

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 EXPENSES BY NATURE

	(Unaudited)	
	Six months ended	
	30 September	
	2012	2011
	US\$'000	US\$'000
Employee benefit expense (including directors' emoluments)	59,495	55,906
Raw materials and consumables used	59,443	59,584
Depreciation of property, plant and equipment	5,273	5,256
Amortisation of intangible assets	590	535
Amortisation of leasehold land and land use rights	30	30
(Gains)/losses on disposal of property, plant and equipment — net	(33)	23

8 OTHER INCOME

	(Unaudited)	
	Six months ended	
	30 September	
	2012	2011
	US\$'000	US\$'000
Scrap sales of old newspapers and magazines	2,440	2,900
Interest income	1,407	1,223
Rental and management fee income	610	616
License fee and royalty income	153	144
Dividend income	7	7
	4,617	4,890

9 OTHER GAINS, NET

	(Unaudited)	
	Six months ended	
	30 September	
	2012	2011
	US\$'000	US\$'000
Net exchange gains/(losses)	312	(193)
Fair value gains/(losses) on financial assets at fair value through profit or loss	18	(20)
Gain on disposal of convertible notes	1,126	—
Others	1,679	1,009
	3,135	796

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

10 FINANCE COSTS

	(Unaudited)	
	Six months ended	
	30 September	
	2012	2011
	US\$'000	US\$'000
Interest on bank loans and overdrafts	82	172
Interest element of finance lease payments	-	44
	82	216

11 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profit derived from Hong Kong for the period. Income tax for the Group's Malaysian operations is calculated at the rate of 25% (2011: 25%) on the estimated assessable profit derived from Malaysia for the period. Taxation on other countries' profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

Income tax expense in the condensed consolidated income statement represents:

	(Unaudited)	
	Six months ended	
	30 September	
	2012	2011
	US\$'000	US\$'000
Hong Kong taxation		
— Current period	973	749
Malaysian taxation		
— Current period	7,933	8,471
— Over provision in prior years	(50)	-
Other countries' taxation		
— Current period	153	598
— Under/(over) provision in prior years	196	(262)
Deferred income tax (income)/expense	(908)	290
	8,297	9,846

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

12 EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

(a) *Basic*

	(Unaudited) Six months ended 30 September	
	2012	2011
Profit attributable to equity holders of the Company (US\$'000)	28,372	28,611
Weighted average number of ordinary shares in issue	1,687,241,066	1,685,976,656
Basic earnings per share (US cents)	1.68	1.70

(b) *Diluted*

	(Unaudited) Six months ended 30 September	
	2012	2011
Profit attributable to equity holders of the Company (US\$'000)	28,372	28,611
Weighted average number of ordinary shares in issue	1,687,241,066	1,685,976,656
Adjustment for share options	-	730,920
Weighted average number of ordinary shares for diluted earnings per share	1,687,241,066	1,686,707,576
Diluted earnings per share (US cents)	1.68	1.70

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

13 DIVIDENDS

	(Unaudited)	
	Six months ended	
	30 September	
	2012	2011
	US\$'000	US\$'000
Dividends attributable to the period:		
First interim dividend in respect of 2012–2013, proposed, US0.673 cents (2011–2012: US0.800 cents) per ordinary share	11,355	13,498
Special dividend in respect of 2011–2012, paid, US0.400 cents per ordinary share (<i>note b</i>)	–	6,749
	11,355	20,247
Dividends paid during the period:		
Second interim dividend in respect of 2011–2012, US1.448 cents (2010–2011: US1.153 cents) per ordinary share (<i>note a</i>)	24,431	19,437

The board of directors has declared a first interim dividend of US0.673 cents (2011–2012: US0.800 cents) per ordinary share in respect of the year ending 31 March 2013 payable on 15 January 2013 to shareholders whose names appear on the register of members of the Company at the close of the business on 17 December 2012 in cash in RM or in Hong Kong dollars (“HK\$”) at exchange rates determined on 29 November 2012 by reference to the middle exchange rates at 12:00 noon applicable to US\$ as quoted by Bank Negara Malaysia. This interim dividend is not reflected as a dividend payable in this interim financial information.

The middle exchange rates at 12:00 noon on 29 November 2012 as quoted by Bank Negara Malaysia 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	3.0498	2.053 sen
US\$ to HK\$	7.7502	HK5.216 cents

Notes:

- (a) The second interim dividend represented a dividend of US1.448 cents per ordinary share in respect of the year ended 31 March 2012 and was paid to the shareholders of the Company on 27 June 2012.
- (b) The special dividend represented a dividend of US0.400 cents per ordinary share in respect of the year ended 31 March 2012 and was paid to the shareholders of the Company on 6 October 2011.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

14 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2012, the Group acquired property, plant and equipment at cost of US\$7,981,000 (six months ended 30 September 2011: US\$2,977,000) and disposed of property, plant and equipment at net book value of US\$151,000 (six months ended 30 September 2011: US\$54,000).

15 TRADE AND OTHER RECEIVABLES

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2012	2012
	US\$'000	US\$'000
Trade receivables	68,786	66,638
Less: allowance for impairment of trade receivables	(2,696)	(2,806)
Trade receivables — net (<i>note</i>)	66,090	63,832
Deposits and prepayments	8,719	8,622
Other receivables	4,501	3,686
	79,310	76,140

At 30 September 2012, the carrying amounts of trade and other receivables and deposits approximated their fair values.

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

At 30 September 2012 and 31 March 2012, the ageing analyses of the Group's net trade receivables based on invoice date are as follows:

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2012	2012
	US\$'000	US\$'000
0 to 60 days	47,415	44,711
61 to 120 days	14,589	15,241
121 to 180 days	2,630	2,756
Over 180 days	1,456	1,124
	66,090	63,832

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

16 TRADE AND OTHER PAYABLES

	(Unaudited) As at 30 September 2012 US\$'000	(Audited) As at 31 March 2012 US\$'000
Trade payables (<i>note</i>)	22,592	23,271
Accrued charges and other payables	36,670	31,627
Receipts in advance	15,685	15,725
	74,947	70,623

At 30 September 2012, the carrying amounts of trade and other payables approximated their fair values.

Note: At 30 September 2012 and 31 March 2012, the ageing analyses of the Group's trade payables based on invoice date are as follows:

	(Unaudited) As at 30 September 2012 US\$'000	(Audited) As at 31 March 2012 US\$'000
0 to 60 days	19,837	20,628
61 to 120 days	1,844	1,928
121 to 180 days	300	239
Over 180 days	611	476
	22,592	23,271

17 SHORT-TERM BANK LOANS

	(Unaudited) As at 30 September 2012 US\$'000	(Audited) As at 31 March 2012 US\$'000
Trust receipt loans, secured	–	336
Bankers' acceptances, unsecured	3,185	2,241
Revolving credits, unsecured	1,635	2,708
	4,820	5,285

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

17 SHORT-TERM BANK LOANS (Continued)

Movements in short-term bank loans are analysed as follows:

	(Unaudited)	
	Six months ended	
	30 September	
	2012	2011
	US\$'000	US\$'000
At beginning of the period	5,285	14,865
New bank loans raised	8,361	7,779
Repayment of bank loans	(8,830)	(16,815)
Exchange adjustments	4	(265)
At end of the period	4,820	5,564

18 OTHER LONG-TERM LIABILITIES

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2012	2012
	US\$'000	US\$'000
Retirement benefits obligations	1,083	1,103
Defined benefit plan liabilities	350	390
Current portion of long-term liabilities	1,433	1,493
	(146)	(145)
	1,287	1,348

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

19 SHARE CAPITAL AND PREMIUM

Number of authorised shares is 2,500 million ordinary shares (31 March 2012: 2,500 million ordinary shares) with a par value of HK\$0.10 per share. All issued shares are fully paid.

	Number of ordinary shares	Issued share capital US\$'000	Share premium US\$'000	Total US\$'000
At 1 April 2012	1,687,241,241	21,715	280,818	302,533
Repurchase of ordinary shares	(1,000)	—*	—*	—*
At 30 September 2012	1,687,240,241	21,715	280,818	302,533

* *negligible*

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

20 CAPITAL COMMITMENTS

	(Unaudited) As at 30 September 2012 US\$'000	(Audited) As at 31 March 2012 US\$'000
Property, plant and equipment		
Authorised and contracted for	6,281	2,550
Authorised but not contracted for	2,504	3,425
	8,785	5,975

21 CONTINGENT LIABILITIES

At 30 September 2012, there were several libel suits which involved claims against some companies in the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings was still uncertain as of the date of this interim financial information, 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

22 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	(Unaudited)	
	Six months ended	
	30 September	
	2012	2011
	US\$'000	US\$'000
Newsprint purchases from a related company (note)	20,775	20,406
Consultancy fee to a non-executive director	56	57
Rental expenses paid to related companies (note)	12	36
Purchases of air tickets from a related company (note)	20	12
Scrap sales of old newspapers and magazines to a related company (note)	(1,410)	(1,671)
Rental income received from a related company (note)	(45)	(40)
Provision of services such as air-tickets and accommodation arrangement services to related companies (note)	(9)	-
Advertising service income received from a related company (note)	-	(6)

Note: Certain shareholders and directors of the Company are shareholders and/or directors of these related companies. 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.

(b) Key management compensation

Key management comprised all members of the Group's executive committees, some of them are directors of the Company. The remuneration of key management for the six months ended 30 September 2012 and 2011 are as follows:

	(Unaudited)	
	Six months ended	
	30 September	
	2012	2011
	US\$'000	US\$'000
Directors' fees, basic salaries, bonuses, other allowances and benefits in kind	1,156	1,178
Contributions to pension schemes	68	89
	1,224	1,267

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

22 RELATED PARTY TRANSACTIONS (Continued)

(c) *Ultimate controlling party*

The ultimate controlling party of the Group is Tan Sri Datuk Sir TIONG Hiew King, who is the Group Executive Chairman and the controlling shareholder holding an aggregate interests of 52.40% in the Company as at 30 September 2012. Details of interests held by Tan Sri Datuk Sir TIONG Hiew King in the Company are set out in paragraph (a) "Interests in shares in the Company" on page 30.

23 EVENTS AFTER THE BALANCE SHEET DATE

- (a) On 16 July 2012, the board of directors announced that the Company proposed to:
- i. cancel approximately US\$219.78 million (equivalent to approximately RM700.00 million or HK\$1,704.41 million) standing to the credit of the Company's share premium account;
 - ii. transfer the credit arising from the cancellation of the share premium account of the Company to the contributed surplus account of the Company; and
 - iii. distribute approximately US\$219.78 million (equivalent to approximately RM700.00 million or HK\$1,704.41 million) or US\$0.13 (equivalent to RM0.41 or HK\$1.01) per ordinary share to the shareholders ("Proposed Dividend") (collectively referred to as the "Proposals").

At the special general meeting held on 19 October 2012, the Proposals have been approved.

Subsequently on 22 November 2012, the Company entered into a facility agreement with Malayan Banking Berhad ("MBB"), pursuant to which MBB agreed to provide the Company with a bridge loan facility of RM500.00 million (equivalent to approximately US\$156.99 million or HK\$1,217.43 million) in relation to the Proposed Dividend.

The Proposed Dividend was paid to the entitled shareholders on 28 November 2012.

- (b) Reference is made to the announcement of the Company dated 15 August 2012, the board of directors announced the proposal to spin off the Group's travel and travel related business and to have a separate listing of the same on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("GEM") (the "Proposed Spin-off"). For the purpose of the Proposed Spin-off, the Group will undergo a reorganisation. As part of the group reorganisation, five companies with limited liabilities, namely Sun Bloom Limited, Charming Holidays International Limited, Charming Holidays Holdings Limited, Easy Trillion Limited and Ever Gallant Limited, have been incorporated or acquired on 15 August 2012 and became wholly-owned subsidiaries of the Company. On 9 October 2012, Charming Holidays International Limited, the wholly-owned subsidiary of the Company, has submitted an application for the listing of, and permission to deal in, the shares of Charming Holidays International Limited in issue and to be issued on GEM under the Proposed Spin-off. A circular containing, among other matters, further details of the Proposed Spin-off and a notice convening a special general meeting of the Company will be despatched to the shareholders as soon as practicable.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

<i>(in US\$'000)</i>	(Unaudited)		
	For the six months ended 30 September		
	2012	2011	Change
Turnover	244,702	245,660	-0.4%
Profit before income tax	37,204	38,725	-3.9%
Basic earnings per share (US cents)	1.68	1.70	-1.2%

OVERALL REVIEW OF OPERATIONS

For the six months ended 30 September 2012, the Group achieved a turnover of US\$244,702,000 which showed a slight decline when compared to US\$245,660,000 in the corresponding period last year. Profit before income tax for the period was US\$37,204,000 as against US\$38,725,000 in the same period in 2011/2012.

The marginal decline in turnover was due primarily to negative currency impact on the Malaysian operations, while the decrease in the Group's profit before income tax was mainly attributable to increased operating expenses, in particular paper and staff costs.

The negative currency impact, resulting mainly from the weakening of Ringgit Malaysia ("RM") against US dollar, on the turnover and profit before income tax for the period under review amounted to about US\$5,449,000 and US\$1,131,000 respectively.

Basic earnings per share for the six months ended 30 September 2012 was US1.68 cents, representing a 1.2% decrease from the corresponding period last year. As at 30 September 2012, the Group's net assets per share attributable to equity holders of the Company was US24.77 cents.

INTERIM DIVIDEND

The board of directors resolved to declare the payment of a first interim dividend for the six months ended 30 September 2012 of US0.673 cents per ordinary share (2011: US0.800 cents per ordinary share) payable on 15 January 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL REVIEW

Publishing and printing

Malaysia and other Southeast Asian countries

The Malaysian operations achieved a profit before income tax of US\$31,169,000, representing a decline of 7.7% or US\$2,617,000 with revenue decreased 0.9% or US\$1,347,000 to US\$144,322,000. The decline in revenue was solely a negative currency impact caused by the weakening of RM against US dollar.

In local currency terms, the Malaysian operations' profit before income tax declined by 4.6% despite a 2.3% increase in revenue. The decrease in profit was mainly due to higher operating costs incurred during the period under review.

Operating costs for the period rose by 4.8% in the local currency terms when compared to the corresponding period last year resulting from the impact of higher newsprint expenses, higher staff costs and other inflationary cost pressure.

The Malaysian economy has grown at a slower pace of 5.2% in the current quarter from 5.6% a quarter earlier due to slower external demand. The slowdown in global economy has resulted in advertisers being more cautious in their spending.

Despite the weak advertising environment, advertising spending in Malaysia grew 2% year-on-year to RM4.3 billion during the period under review. Much of the growth was driven by a 4% increase in television advertising expenditure which had benefited from the 2012 London Olympics and the 2012 European Football Championship. Magazines have been most affected by the economic downturn with advertising expenditure shrinking 2%, while newspaper advertising spending was flat. The advertising expenditure for the Chinese Newspaper grew marginally 2% to RM621 million from the prior year corresponding period. Our Group's titles account for about 89% of the Chinese newspaper advertising market in the Peninsular Malaysia.

Sin Chew Daily remained the most read Chinese newspaper with an increase of 42,000 readers in the most recent AC Nielsen Readership Survey (April to June 2012) to reach an average 1,345,000 readers each day. *China Press* also continued to win market share, adding 62,000 readers on the prior year corresponding quarter to 1,028,000 readers. *Guang Ming Daily* remained the most read newspaper in the Northern market with 391,000 readers. *Nanyang Siang Pau*, with its focus on business and economic news, reached out to 155,000 readers daily during the period. *Nanyang Siang Pau's* clear market position helped strengthen its brand among professionals, managers, businessmen and executives.

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL REVIEW (Continued)

Publishing and printing (Continued)

Hong Kong and Mainland China

The Group's publishing and printing businesses in Hong Kong and Mainland China are operated through *Ming Pao Daily News*, a popular Chinese daily newspaper; Mingpao.com, a news portal in Hong Kong covering a wide spectrum of subjects; and One Media Group ("One Media"), a subsidiary listed on the main board of the HK Stock Exchange (stock code: 426) that engages in print and digital media business in this region.

Turnover from the Hong Kong and Mainland China operations for the six months ended 30 September 2012 increased by 4.7% to US\$38,297,000 from US\$36,595,000 in the corresponding period last year while segment profit before income tax rose year-on-year by 66.7% to US\$4,558,000.

Despite the looming global economic uncertainty, Hong Kong's economy stayed relatively stable during the period under review. According to a recent research, Hong Kong's advertising spending rose 11% from the same period last year driven mainly by the local retail market. Advertising spending for newspapers also rose by about the same percentage and that newspapers' share of total advertising expenditure was about 31%.

Ming Pao Daily News achieved a satisfactory growth in advertising revenue during the period under review. This was attributable to its wide recognition as a newspaper with high credibility and quality of journalism in providing comprehensive and accurate coverage on social, political and economic issues in Hong Kong and Mainland China.

One Media achieved an outstanding operating result for the period. Its turnover and profit before income tax for the period were US\$13,632,000 and US\$2,449,000, up 8.9% and 89.3% respectively as compared to those of the same period last year. The significant growth in profit was mainly due to the organic growth in One Media's Hong Kong operation and the positive impact from the restructuring of its business operations.

North America

The Group's publishing and printing operation in North America was affected by the weakening of local economy over the first half year under review. Turnover of this business segment amounted to US\$13,921,000, reflecting a decrease of 9.9% from US\$15,445,000 in the last corresponding period. The decrease was mainly caused by the decline in advertising revenue, in particular revenue from the property market.

Travel and travel related services

Revenue from the Group's travel segment for the period rose slightly to US\$48,162,000 from US\$47,951,000 in the last corresponding period. The segment's European tours increased satisfactorily during the period driven by the weakening of Euro, while China tours and inbound business for the tour operations in North America continued to register growth, supported mainly by customers from Asia. The travel segment reported a 4% growth in profit before income tax to US\$1,913,000 in the current period.

The Group is currently in the process of applying for listing of the travel segment on the GEM board of the HK Stock Exchange.

MANAGEMENT DISCUSSION AND ANALYSIS

DIGITAL MEDIA

The Group aims to become a global multimedia enterprise and continues to apply innovative initiatives to broaden its digital platform so as to remain competitive in the current business environment. The combination of print and digital media across different markets not only expands the Group's readership base, but also enables the Group to provide comprehensive marketing solutions to advertisers and expand revenue base through cross-selling among its various titles.

The six months under review also witnessed the Group's aggressive efforts to expand into the online education market with the development of a comprehensive educational package including i-campus, e-learning and library management. The Group's strong school network in Hong Kong, coupled with its deep market penetration, was conducive to its business promotion. More resources will be invested into the development of this business, which is considered to be promising as a platform for future growth opportunities.

Capitalising on its broad digital media network and rich Chinese archive contents, the Group is also expanding its video capabilities to broaden its business platform for further development.

OUTLOOK

The slowdown in global economy has an impact on consumer spending which in turn will affect the marketing and advertising expenditures. In this connection, the Group's advertising revenue may be affected by the downturn. Nevertheless, as newsprint price is expected to remain steady in the coming quarters, this will help ease the pressure on the Group's operating costs.

The Group maintains a cautious outlook on the economic environment in the second half of 2012/2013. The Group will, however, continue to reinforce its business strategies to enhance revenue and contain costs in order to achieve satisfactory results in the remaining of the financial year.

PLEDGE OF ASSETS

As at 30 September 2012, land and buildings and assets of certain subsidiaries with an aggregate value of US\$13,090,000 (31 March 2012: US\$11,741,000) were pledged to banks to secure general banking facilities granted to the Group.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 30 September 2012, the Group's net current assets amounted to US\$189,189,000 (31 March 2012: US\$189,604,000) and the equity attributable to equity holders of the Company was US\$417,981,000 (31 March 2012: US\$413,564,000). Total bank borrowings were US\$4,820,000 (31 March 2012: US\$5,285,000).

The Group's gearing ratio as at 30 September 2012 was 1.2%, calculated based on the total bank borrowings and the equity attributable to equity holders of the Company. The gearing ratio is expected to increase significantly after payment of the Proposed Dividend as disclosed in note 23(a).

As at 30 September 2012, total cash and cash equivalents was US\$144,344,000 (31 March 2012: US\$134,657,000) and net cash position was US\$139,524,000 (31 March 2012: US\$129,372,000) after deducting total bank borrowings.

OTHER INFORMATION

SHARE OPTION SCHEME

Details of share options granted to certain directors and full time employees under the share option schemes of the Company's listed subsidiary, One Media Group Limited ("One Media"), are as follows:

One Media is an exempted company incorporated in the Cayman Islands with limited liability on 11 March 2005 whose shares have been listed on the main board of the HK Stock Exchange since 18 October 2005 and is a subsidiary of the Company owned as to 73.18% at the date of this interim financial information.

The pre-IPO share option scheme ("Pre-IPO Scheme") and the post-IPO share option scheme ("Post-IPO Scheme") (together the "One Media Schemes") were conditionally approved and adopted by ordinary resolutions of the shareholders of One Media and the Company on 26 September 2005. Pursuant to the One Media Schemes, the board of One Media may, at its absolute discretion, grant share options to any full time employees, executive and non-executive directors (including independent non-executive directors) of One Media and its subsidiaries (the "One Media Group") or the Group (for so long as One Media remains a subsidiary of the Company) to subscribe for shares of One Media subject to the terms and conditions stipulated therein.

As at 30 September 2012, no option has been granted or approved to be granted by One Media under the Post-IPO Scheme. During the period, movements of the share options granted under the Pre-IPO Scheme are as follows:

Grantee	Number of shares involved in share options				As at 30 September 2012	Percentage of issued ordinary shares of One Media at 30 September 2012	Exercise price per share HK\$	Date of grant	Exercisable period
	As at 1 April 2012	Granted during the period (note 1)	Exercised during the period (note 1)	Lapsed during the period (note 2)					
Directors:									
Tan Sri Datuk									
Sir TIONG Hiew King	1,250,000	-	-	-	1,250,000	0.31%	1.200	27/09/2005	18/10/2005 – 25/09/2015
Dato' Sri Dr TIONG Ik King	1,000,000	-	-	-	1,000,000	0.25%	1.200	27/09/2005	18/10/2005 – 25/09/2015
Mr TIONG Kiew Chiong	1,250,000	-	-	-	1,250,000	0.31%	1.200	27/09/2005	18/10/2005 – 25/09/2015
Mr David YU Hon To	150,000	-	-	-	150,000	0.04%	1.200	27/09/2005	18/10/2005 – 25/09/2015
	3,650,000	-	-	-	3,650,000	0.91%			
Directors of One Media and full time employees of the Group									
Legal representative of	4,292,000	-	-	(16,000)	4,276,000	1.07%	1.200	27/09/2005	18/10/2005 – 25/09/2015
Mr TIONG Kiu King (note 3)	1,250,000	-	-	-	1,250,000	0.31%	1.200	27/09/2005	18/10/2005 – 25/09/2015
Total	9,192,000	-	-	(16,000)	9,176,000	2.29%			

Notes:

- 1 No share option was granted, exercised or cancelled during the period.
- 2 During the period, 16,000 share options lapsed by reason of the grantees ceased their employment with the One Media Group.
- 3 Mr TIONG Kiu King passed away on 14 January 2012 and his legal representative shall be entitled within the period of 12 months from the date of his death to exercise the options in full pursuant to the terms of One Media Schemes.

OTHER INFORMATION

PARTICULARS OF INTERESTS HELD BY DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES

As at 30 September 2012, the interests and short positions of the directors, chief executives and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Hong Kong Securities and Futures Ordinance (“SFO”)) which are required to be notified to the Company and the HK Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the HK Stock Exchange pursuant to the 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 are as follows:

(a) Interests in shares in the Company

Name of director	Number of shares held			Total interests in shares	Percentage of issued ordinary shares at 30 September 2012
	Personal interests	Family interests	Corporate interests		
Tan Sri Datuk Sir TIONG Hiew King	87,109,058	234,566	796,734,373 (note 1)	884,077,997	52.40%
Dato' Sri Dr TIONG Ik King	11,144,189	–	252,487,700 (note 2)	263,631,889	15.63%
Mr TIONG Kiew Chiong	2,230,039	–	–	2,230,039	0.13%
Mr LEONG Chew Meng	80,000	–	–	80,000	–*
Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH	135,925	–	–	135,925	0.01%

All the interests stated above represent long positions in the shares of the Company.

* negligible

Notes:

1 The corporate interests of Tan Sri Datuk Sir TIONG Hiew King comprise:

- (i) 326,463,556 shares held by Progresif Growth Sdn Bhd (“Progresif”);
- (ii) 252,487,700 shares held by Conch Company Limited (“Conch”);
- (iii) 75,617,495 shares held by Ezywood Options Sdn Bhd (“Ezywood”);
- (iv) 65,319,186 shares held by Teck Sing Lik Enterprise Sdn Bhd (“TSL”);
- (v) 52,875,120 shares held by Madigreen Sdn Bhd (“Madigreen”);
- (vi) 15,536,696 shares held by Rimbunan Hijau (Sarawak) Sdn Bhd (“RHS”);
- (vii) 6,532,188 shares held by Rimbunan Hijau Southeast Asia Sdn Bhd (“RHSA”);
- (viii) 1,902,432 shares held by Pertumbuhan Abadi Asia Sdn Bhd (“PAA”).

Tan Sri Datuk Sir TIONG Hiew King directly holds 84% interest in TSL and 99.99% interest in PAA. In addition, PAA directly holds 47.62% interest in both RHS and RHSA, and 45% interest in Madigreen. Tan Sri Datuk Sir TIONG Hiew King also directly and indirectly holds 45% interest in Progresif and 70% interest in Ezywood. The details of shares held by Conch are set out in note 2 below.

2 Conch holds 252,487,700 shares of the Company. 40% of the interest in Conch is held by Seaview Global Company Limited, a company jointly owned by Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King. In addition, Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King directly hold 25% and 22% of the interest in Conch respectively.

OTHER INFORMATION

PARTICULARS OF INTERESTS HELD BY DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES (Continued)

(b) Interests in shares and underlying shares in One Media, an associated corporation of the Company

Name of director	Number of shares/underlying shares held					Percentage of issued ordinary shares of One Media at 30 September 2012
	Personal interests	Corporate interests	Total interests in shares	Interests in underlying shares pursuant to share options (note 1)	Aggregate interests	
Tan Sri Datuk Sir TIONG Hiew King	–	292,700,000 (note 2)	292,700,000	1,250,000	293,950,000	73.49%
Dato' Sri Dr TIONG Ik King	–	292,700,000 (note 2)	292,700,000	1,000,000	293,700,000	73.43%
Mr TIONG Kiew Chiong	4,000,000	–	4,000,000	1,250,000	5,250,000	1.31%
Mr David YU Hon To	–	–	–	150,000	150,000	0.04%

All the interests stated above represent long positions in the shares of One Media.

Notes:

- These represent share options granted by One Media to the directors of the Company under the Pre-IPO Scheme conditionally approved by the Company and conditionally approved and adopted by One Media on 26 September 2005 to subscribe for shares of One Media.
- Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are deemed interested in the 292,700,000 shares in One Media held by Comwell Investment Limited which is an indirect wholly-owned subsidiary of the Company. Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are deemed interested in 52.40% and 15.63% of the Company's shares respectively. Details of their shareholdings in the Company are set out in paragraph (a) "Interests in shares in the Company" on page 30.

Save as disclosed above and those disclosed under "Share Option Schemes", at 30 September 2012, none of the directors, chief executives and their associates had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the HK Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the HK Stock Exchange pursuant to the HK Model Code.

Apart from the share option schemes, at no time during the period were rights to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company granted to any directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company or its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire such rights in any other body corporate.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of interests in shares and short positions maintained under Section 336 of the SFO shows that at 30 September 2012, the Company had been notified of the following shareholders' interests and short positions representing 5% or more of the Company's issued share capital:

Name of shareholder	Number of ordinary shares held	Percentage of issued ordinary shares at 30 September 2012
Progresif Growth Sdn Bhd (<i>note 1</i>)	326,463,556	19.35%
Conch Company Limited (<i>note 2</i>)	252,487,700	14.96%
Zaman Pemimpin Sdn Bhd (<i>note 3</i>)	154,219,783	9.14%
Employees Provident Fund Board	88,904,717	5.27%

All the interests stated above represent long positions in the shares of the Company.

Notes:

- 1 Tan Sri Datuk Sir TIONG Hiew King directly and indirectly holds 45% interest in Progresif.
- 2 The details of shares held by Conch are set out in note 2 of paragraph (a) "Interests in shares in the Company" on page 30.
- 3 Zaman Pemimpin Sdn Bhd ("Zaman") owns 154,219,783 shares of the Company. 49% of the interest in Zaman is held by Globegate Alliance Sdn Bhd, a company jointly owned by Ms LU Mee Bing and Salmiah BINTI SANI.

Save as disclosed above and those disclosed under "Particulars of Interests held by Directors, Chief Executives and Their Associates", the Company had not been notified of any other interests representing 5% or more of the issued share capital of the Company as at 30 September 2012.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

In August 2012, the Company repurchased a total of 1,000 of its listed shares on the HK Stock Exchange from the open market at the price of HK\$3.80 per share for the purpose of validating the declaration of solvency in relation to the share buyback mandate in accordance with the provision of the Malaysian Companies Act. The repurchase was financed by internally generated funds. Details of the repurchases are summarised as follows:

Month/Year	Number of ordinary shares repurchased	Purchase price per share		Aggregate purchase consideration HK\$	Equivalents in US\$
		Highest HK\$	Lowest HK\$		
August 2012	1,000	3.80	3.80	3,800	490

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

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or the Company had 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, 17 December 2012 whereby no transfer of shares will be registered on that date. In order to qualify for the first interim dividend of US0.673 cents per ordinary share, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 14 December 2012. 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, 17 December 2012 in respect of transfers; and (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad. The first interim dividend will be payable to the shareholders on 15 January 2013.

Shareholders who wish to request for transmission of their shares between the Malaysia Register and Hong Kong Register are advised to take note that request for transmission will be suspended from 11 December 2012 to 17 December 2012, both days inclusive.

OTHER INFORMATION

EMPLOYEES AND EMOLUMENT POLICY

As at 30 September 2012, the Group had approximately 4,709 employees (31 March 2012: approximately 4,728 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 Corporate Governance Code (the "Hong Kong Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the HK Stock Exchange. The Company has adopted the 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 save for the appointment of a senior independent non-executive director and met the code provisions 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.

AUDIT COMMITTEE

The Audit Committee was established on 30 March 1999, it currently has four members, namely Mr David YU Hon To (Chairman), Tan Sri Dato' LAU Yin Pin, Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH and Mr LEONG Chew Meng. Except for Mr LEONG Chew Meng who is a non-executive director, the rest of the members are all independent non-executive directors.

The Audit Committee meets regularly with the management and the external auditors to discuss the audit process and accounting issues, and reviews the effectiveness of internal controls. The written terms of reference which specify the authorities and duties of the Audit Committee are regularly reviewed and updated by the board of directors.

The Audit Committee of the Company has reviewed with management the interim financial information for the six months ended 30 September 2012, including accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

OTHER INFORMATION

REMUNERATION COMMITTEE

The Remuneration Committee was established on 25 May 2005 with specific terms of reference that specify its authorities and duties. The Remuneration Committee currently has five members, namely, Tan Sri Dato' LAU Yin Pin (Chairman), Mr David YU Hon To, Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH, Mr TIONG Kiew Chiong and Mr NG Chek Yong. Except for Mr TIONG Kiew Chiong and Mr NG Chek Yong who are executive directors, the rest of the members are all independent non-executive directors. The Remuneration Committee is responsible for the review of the Company's policies for the remuneration of its directors and senior management and the making of any recommendations in relation to such policies to the board of directors.

NOMINATION COMMITTEE

The Nomination Committee was established on 25 May 2005 with specific terms of reference that specify its authorities and duties. The Nomination Committee currently has four members, namely, Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH (Chairman), Mr David YU Hon To, Tan Sri Dato' LAU Yin Pin and Mr LEONG Chew Meng. Except for Mr LEONG Chew Meng who is a non-executive director, the rest of the members are all independent non-executive directors. The Nomination Committee's responsibilities include reviewing the structure, size and composition of the board of directors on a regular basis and making recommendations to the board regarding any proposed changes.

REVIEW OF INTERIM FINANCIAL RESULTS

The interim financial information for the six months ended 30 September 2012 has been reviewed by PricewaterhouseCoopers, the Company's independent auditor, in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the International Auditing and Assurance Standards Board.

By Order of the Board
Media Chinese International Limited
TIONG Kiew Chiong
Director

29 November 2012

As at the date of this condensed consolidated interim financial information, 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 Ms SIEW Nyoke Chow, 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.

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2012

	(Unaudited)	
	Six months ended	
	30 September	
	2012	2011
	<i>RM'000</i>	<i>RM'000</i>
	<i>(note)</i>	<i>(note)</i>
Turnover	748,421	751,351
Cost of goods sold	(473,024)	(468,507)
Gross profit	275,397	282,844
Other income	14,121	14,956
Other gains, net	9,588	2,435
Selling and distribution expenses	(109,185)	(105,530)
Administrative expenses	(65,733)	(64,972)
Other operating expenses	(10,124)	(10,176)
Operating profit	114,064	119,557
Finance costs	(251)	(661)
Share of losses of associates	(24)	(557)
Gain on dilution of interest in an associate	-	101
Profit before income tax	113,789	118,440
Income tax expense	(25,376)	(30,114)
Profit for the period	88,413	88,326
Profit attributable to:		
Equity holders of the Company	86,776	87,506
Non-controlling interests	1,637	820
	88,413	88,326
Earnings per share attributable to the equity holders of the Company		
Basic (sen)	5.14	5.20
Diluted (sen)	5.14	5.20
Dividends	34,729	61,925

Note: The presentation currency of this condensed consolidated interim financial information is US\$. Additional information in RM for the period ended 30 September 2012 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0585 ruling at 30 September 2012. 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.

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2012

	(Unaudited)	
	Six months ended	
	30 September	
	2012	2011
	<i>RM'000</i>	<i>RM'000</i>
	<i>(note)</i>	<i>(note)</i>
Profit for the period	88,413	88,326
Other comprehensive income/(losses) for the period, net of tax		
Currency translation differences	1,474	(54,352)
Total comprehensive income for the period	89,887	33,974
Total comprehensive income for the period attributable to:		
Equity holders of the Company	88,232	33,063
Non-controlling interests	1,655	911
	89,887	33,974

Note: The presentation currency of this condensed consolidated interim financial information is US\$. Additional information in RM for the period ended 30 September 2012 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0585 ruling at 30 September 2012. 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.

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2012

	(Unaudited) As at 30 September 2012 RM'000 (note)	(Unaudited) As at 31 March 2012 RM'000 (note)
ASSETS		
Non-current assets		
Property, plant and equipment	470,881	461,983
Investment properties	34,359	34,292
Leasehold land and land use rights	6,108	6,193
Intangible assets	239,230	238,942
Deferred income tax assets	3,848	4,361
Interests in associates	6,872	6,891
Investment in an exchangeable bond — equity derivatives	3,566	–
	764,864	752,662
Current assets		
Inventories	158,039	177,084
Available-for-sale financial assets	297	297
Financial assets at fair value through profit or loss	642	584
Investment in convertible notes	–	1,737
Trade and other receivables	242,569	232,874
Income tax recoverable	2,912	4,970
Cash and cash equivalents	441,476	411,848
	845,935	829,394
Current liabilities		
Trade and other payables	229,225	216,000
Income tax liabilities	22,887	16,883
Short-term bank loans	14,742	16,164
Current portion of long-term liabilities	447	443
	267,301	249,490
Net current assets	578,634	579,904
Total assets less current liabilities	1,343,498	1,332,566
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	66,415	66,415
Share premium	858,882	858,882
Other reserves	(220,833)	(222,289)
Retained earnings		
— Proposed dividend	34,729	74,722
— Others	539,202	487,155
	573,931	561,877
Non-controlling interests	1,278,395	1,264,885
	19,868	19,051
Total equity	1,298,263	1,283,936
Non-current liabilities		
Other long-term liabilities	3,936	4,123
Deferred income tax liabilities	41,299	44,507
	45,235	48,630
	1,343,498	1,332,566

Note: The presentation currency of this condensed consolidated interim financial information is US\$. Additional information in RM as at 30 September 2012 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0585 ruling at 30 September 2012. 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.

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2012

	(Unaudited)						
	Attributable to equity holders of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	(note)	(note)	(note)	(note)	(note)	(note)	(note)
At 1 April 2011	66,311	857,295	(207,235)	489,926	1,206,297	16,690	1,222,987
Total comprehensive (losses)/income for the six months ended 30 September 2011	-	-	(54,443)	87,506	33,063	911	33,974
Transactions with equity holders in their capacity as owners:							
Exercise of share options	104	1,590	-	-	1,694	-	1,694
Repurchase of ordinary shares	-	(3)	-	-	(3)	-	(3)
2010-2011 final dividend paid by a listed subsidiary	-	-	-	-	-	(875)	(875)
2010-2011 second interim dividend paid	-	-	-	(59,448)	(59,448)	-	(59,448)
2011-2012 special dividend paid	-	-	-	(20,642)	(20,642)	-	(20,642)
Total transactions with equity holders	104	1,587	-	(80,090)	(78,399)	(875)	(79,274)
At 30 September 2011	66,415	858,882	(261,678)	497,342	1,160,961	16,726	1,177,687
At 1 April 2012	66,415	858,882	(222,289)	561,877	1,264,885	19,051	1,283,936
Total comprehensive income for the six months ended 30 September 2012	-	-	1,456	86,776	88,232	1,655	89,887
Transactions with equity holders in their capacity as owners:							
A non-controlling interest arising from a newly incorporated subsidiary	-	-	-	-	-	908	908
2012-2013 first interim dividend paid by a subsidiary	-	-	-	-	-	(55)	(55)
2011-2012 final dividend paid by a listed subsidiary	-	-	-	-	-	(1,691)	(1,691)
2011-2012 second interim dividend paid	-	-	-	(74,722)	(74,722)	-	(74,722)
Total transactions with equity holders	-	-	-	(74,722)	(74,722)	(838)	(75,560)
At 30 September 2012	66,415	858,882	(220,833)	573,931	1,278,395	19,868	1,298,263

Note: The presentation currency of this condensed consolidated interim financial information is US\$. Additional information in RM for the period ended 30 September 2012 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0585 ruling at 30 September 2012. 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.

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2012

	(Unaudited)	
	Six months ended	
	30 September	
	2012	2011
	<i>RM'000</i>	<i>RM'000</i>
	<i>(note)</i>	<i>(note)</i>
Cash flows from operating activities		
Cash generated from operations	146,612	168,227
Interest paid	(250)	(661)
Income tax paid	(20,373)	(22,431)
Net cash generated from operating activities	125,989	145,135
Cash flows from investing activities		
Acquisition of a subsidiary	(229)	–
Purchase of an exchangeable bond — equity derivatives	(3,502)	–
Purchases of property, plant and equipment	(24,410)	(9,105)
Purchases of intangible assets	(1,370)	(823)
Proceeds from disposal of property, plant and equipment	563	95
Proceeds from disposal of convertible notes	5,181	–
Interest received	4,303	3,698
Dividends received	21	21
Net cash used in investing activities	(19,443)	(6,114)
Cash flows from financing activities		
Repurchase of ordinary shares	–	(3)
Proceeds from exercise of share options	–	1,695
Dividends paid	(74,722)	(59,448)
Dividends paid to non-controlling interests by a subsidiary	(55)	–
Dividends paid to non-controlling interests by a listed subsidiary	(1,691)	(875)
Capital injection from a non-controlling interest of a newly incorporated subsidiary	908	–
Proceeds from bank loans	25,572	23,792
Repayments of bank loans	(27,007)	(51,429)
Capital element of finance lease payments	–	(2,217)
Net cash used in financing activities	(76,995)	(88,485)
Net increase in cash and cash equivalents	29,551	50,536
Cash and cash equivalents at beginning of period	411,848	338,022
Exchange adjustments on cash and cash equivalents	77	(13,803)
Cash and cash equivalents at end of period	441,476	374,755

Note: The presentation currency of this condensed consolidated interim financial information is US\$. Additional information in RM for the period ended 30 September 2012 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0585 ruling at 30 September 2012. 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

MALAYSIA

No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 7965 8888 Fax: (603) 7965 8689

HONG KONG

15/F, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong
Tel: (852) 2595 3111 Fax: (852) 2898 2691

www.mediachinesegroup.com

