

世界華文

媒體 MEDIA CHINESE

Interim Report 2014/15

世界華文媒體有限公司
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 2014

		(Unaudited)	
		Six months ended	
		30 September	
		2014	2013
	Note	US\$'000	US\$'000
Turnover	6	237,136	251,787
Cost of goods sold		(153,761)	(158,600)
Gross profit		83,375	93,187
Other income	8	5,369	5,681
Other gains, net	9	185	600
Selling and distribution expenses		(35,202)	(35,892)
Administrative expenses		(20,725)	(20,000)
Other operating expenses		(3,127)	(3,333)
Operating profit		29,875	40,243
Finance costs	10	(3,452)	(4,390)
Share of losses of joint ventures and associates		(137)	(203)
Profit before income tax		26,286	35,650
Income tax expense	11	(7,793)	(9,885)
Profit for the period		18,493	25,765
Profit attributable to:			
Owners of the Company		18,324	25,393
Non-controlling interests		169	372
		18,493	25,765
Earnings per share attributable to owners of the Company			
Basic (US cents)	12	1.09	1.51
Diluted (US cents)	12	1.09	1.51
Dividends	13	7,255	12,654

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2014

	(Unaudited)	
	Six months ended	
	30 September	
	2014	2013
	US\$'000	US\$'000
Profit for the period	18,493	25,765
Other comprehensive losses		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	(1,031)	(7,641)
Other comprehensive losses for the period, net of tax	(1,031)	(7,641)
Total comprehensive income for the period	17,462	18,124
Total comprehensive income for the period attributable to:		
Owners of the Company	17,289	17,748
Non-controlling interests	173	376
	17,462	18,124

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014

	Note	(Unaudited) As at 30 September 2014 US\$'000	(Audited) As at 31 March 2014 US\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	140,987	144,308
Investment properties		17,082	17,144
Intangible assets		72,194	72,920
Deferred income tax assets		1,157	1,455
Interests in joint ventures and associates		2,812	2,956
		234,232	238,783
Current assets			
Inventories		57,994	52,386
Available-for-sale financial assets		97	97
Financial assets at fair value through profit or loss		275	237
Trade and other receivables	15	68,342	67,779
Income tax recoverable		304	684
Cash and cash equivalents		108,828	102,852
		235,840	224,035
Current liabilities			
Trade and other payables	16	74,982	68,746
Income tax liabilities		5,595	5,384
Bank and other borrowings	17	9,796	12,726
Current portion of other non-current liabilities	18	61	62
		90,434	86,918
Net current assets		145,406	137,117
Total assets less current liabilities		379,638	375,900
EQUITY			
Equity attributable to owners of the Company			
Share capital	19	21,715	21,715
Share premium	19	54,664	54,664
Other reserves		(80,981)	(79,946)
Retained earnings			
— Proposed dividend		7,255	11,473
— Others		220,975	209,906
		228,230	221,379
Non-controlling interests		223,628	217,812
		6,989	7,237
Total equity		230,617	225,049
Non-current liabilities			
Bank and other borrowings	17	137,174	137,804
Deferred income tax liabilities		11,002	12,306
Other non-current liabilities	18	845	741
		149,021	150,851
		379,638	375,900

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2014

	(Unaudited)						
	Attributable to owners of the Company					Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Total US\$'000		
Balance at 1 April 2013 (Restated)	21,715	54,664	(71,643)	202,270	207,006	6,939	213,945
Comprehensive income							
Profit for the period	-	-	-	25,393	25,393	372	25,765
Other comprehensive (losses)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(7,645)	-	(7,645)	4	(7,641)
Other comprehensive (losses)/income, net of tax	-	-	(7,645)	-	(7,645)	4	(7,641)
Total comprehensive (losses)/income for the six months ended 30 September 2013	-	-	(7,645)	25,393	17,748	376	18,124
Total contributions by and distributions to owners of the Company recognised directly in equity							
2012/2013 second interim dividend paid	-	-	-	(17,125)	(17,125)	-	(17,125)
Total contributions by and distributions to owners of the Company	-	-	-	(17,125)	(17,125)	-	(17,125)
2012/2013 interim dividend paid by a subsidiary	-	-	-	-	-	(10)	(10)
2012/2013 final dividend paid by a listed subsidiary	-	-	-	-	-	(484)	(484)
Total transactions with owners	-	-	-	(17,125)	(17,125)	(494)	(17,619)
Balance at 30 September 2013	21,715	54,664	(79,288)	210,538	207,629	6,821	214,450
Balance at 1 April 2014	21,715	54,664	(79,946)	221,379	217,812	7,237	225,049
Comprehensive income							
Profit for the period	-	-	-	18,324	18,324	169	18,493
Other comprehensive (losses)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(1,035)	-	(1,035)	4	(1,031)
Other comprehensive (losses)/income, net of tax	-	-	(1,035)	-	(1,035)	4	(1,031)
Total comprehensive (losses)/income for the six months ended 30 September 2014	-	-	(1,035)	18,324	17,289	173	17,462
Total contributions by and distributions to owners of the Company recognised directly in equity							
2013/2014 second interim dividend paid	-	-	-	(11,473)	(11,473)	-	(11,473)
Total contributions by and distributions to owners of the Company	-	-	-	(11,473)	(11,473)	-	(11,473)
2014/2015 interim dividend paid by a subsidiary	-	-	-	-	-	(6)	(6)
2013/2014 final dividend paid by a listed subsidiary	-	-	-	-	-	(415)	(415)
Total transactions with owners	-	-	-	(11,473)	(11,473)	(421)	(11,894)
Balance at 30 September 2014	21,715	54,664	(80,981)	228,230	223,628	6,989	230,617

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2014

	(Unaudited)	
	Six months ended	
	30 September	
	2014	2013
	US\$'000	US\$'000
Cash flows from operating activities		
Cash generated from operations	34,473	40,174
Interest paid	(3,457)	(3,561)
Income tax paid	(8,157)	(8,150)
Net cash generated from operating activities	22,859	28,463
Cash flows from investing activities		
Additional investment in an associate	(98)	–
Purchases of property, plant and equipment	(2,990)	(4,854)
Purchases of intangible assets	(209)	(235)
Proceeds from disposal of property, plant and equipment	669	7
Interest received	931	823
Dividends received	14	12
Net cash used in investing activities	(1,683)	(4,247)
Cash flows from financing activities		
Dividends paid	(11,473)	(17,125)
Dividends paid to non-controlling interests by a subsidiary	(6)	(10)
Dividends paid to non-controlling interests by a listed subsidiary	(415)	(484)
Proceeds from bank and other borrowings	9,335	7,857
Repayments of bank and other borrowings	(12,276)	(9,117)
Net cash used in financing activities	(14,835)	(18,879)
Net increase in cash and cash equivalents	6,341	5,337
Cash and cash equivalents at beginning of period	102,852	101,829
Exchange adjustments on cash and cash equivalents	(365)	(3,041)
Cash and cash equivalents at end of period	108,828	104,125

The notes on pages 6 to 24 are 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 newspapers, magazines, digital contents and books primarily in Chinese language, 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 set of condensed consolidated interim financial information, which is presented in United States dollars (“US\$”) unless otherwise stated, has been approved for issue by the board of directors on 26 November 2014.

This condensed consolidated interim financial information has been reviewed but not audited.

2 BASIS OF PREPARATION

The condensed consolidated interim financial information for the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2014 (“this interim financial information”) has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” and applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the HK Stock Exchange (the “HK Listing Rules”).

This interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2014, which were prepared in accordance with International Financial Reporting Standards (“IFRSs”).

3 ACCOUNTING POLICIES

The accounting policies adopted for preparing this interim financial information are consistent with those set out in the consolidated financial statements of the Company for the year ended 31 March 2014 as included in the Company’s annual report for the year ended 31 March 2014.

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 interim periods 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 2014. 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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 2014.

5 FINANCIAL RISK MANAGEMENT

5.1 *Financial risk factors*

The Group's activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and foreign exchange 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 2014.

There have been no changes in the risk management department or in any risk management policies since 31 March 2014.

5.2 *Fair value estimation*

For financial instruments that are measured at fair value, the Group classifies fair value measurements using a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value.

The fair value hierarchy has the following levels:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — 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 3 — Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 FINANCIAL RISK MANAGEMENT (Continued)

5.2 Fair value estimation (Continued)

The following table presents the Group's assets that are measured at fair value at 30 September 2014:

	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	275	-	-	275
Available-for-sale financial assets				
Unlisted club debentures	-	-	97	97
	275	-	97	372

The following table presents the Group's assets that are measured at fair value at 31 March 2014:

	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	237	-	-	237
Available-for-sale financial assets				
Unlisted club debentures	-	-	97	97
	237	-	97	334

There were no transfers between Levels 1, 2 and 3 during the period.

There were no changes in valuation techniques during the period.

The Group's finance team reviews the valuations of the Group's financial assets that are stated at fair value for financial reporting purposes. The valuation results are reviewed by senior management on a quarterly basis, in line with the Group's reporting dates. If none of the valuation techniques results in a reasonable estimate on the fair value, the financial asset is stated in the statement of financial position at cost less impairment losses.

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 segments are engaged in the publication, printing and distribution of newspapers, magazines, digital contents and books primarily in 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 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 2014, 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	132,197	34,684	11,846	178,727	58,409	237,136
Segment profit/(loss) before income tax	24,697	2,084	(193)	26,588	3,463	30,051
Unallocated interest expense						(3,304)
Other net unallocated expenses						(324)
Share of losses of joint ventures and associates						(137)
Profit before income tax						26,286
Income tax expense						(7,793)
Profit for the period						18,493
Other information:						
Interest income	795	128	-	923	8	931
Interest expense	(112)	(36)	-	(148)	-	(148)
Depreciation of property, plant and equipment	(4,333)	(738)	(210)	(5,281)	(61)	(5,342)
Amortisation of intangible assets	(450)	(75)	(38)	(563)	(10)	(573)
Income tax (expense)/credit	(6,314)	(706)	68	(6,952)	(841)	(7,793)

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 2013, 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	145,158	34,157	13,059	192,374	59,413	251,787
Segment profit before income tax	34,040	1,764	155	35,959	4,704	40,663
Unallocated interest expense						(4,248)
Other net unallocated expenses						(562)
Share of losses of joint ventures and associates						(203)
Profit before income tax						35,650
Income tax expense						(9,885)
Profit for the period						25,765
Other information:						
Interest income	727	92	–	819	4	823
Interest expense	(142)	–	–	(142)	–	(142)
Depreciation of property, plant and equipment	(4,213)	(688)	(194)	(5,095)	(22)	(5,117)
Amortisation of intangible assets	(455)	(65)	(44)	(564)	(10)	(574)
Income tax expense	(8,623)	(510)	(211)	(9,344)	(541)	(9,885)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 TURNOVER AND SEGMENT INFORMATION (Continued)

Turnover is derived from publishing, printing and distribution of newspapers, magazines, digital contents and books primarily in Chinese language, and provision of travel and travel related services. Turnover recognised during the six months ended 30 September 2014 and 2013 is as follows:

	(Unaudited)	
	Six months ended	
	30 September	
	2014	2013
	US\$'000	US\$'000
Advertising income, net of trade discounts	128,038	136,595
Sales of newspapers, magazines, digital contents and books, net of trade discounts and returns	50,689	55,779
Travel and travel related services income	58,409	59,413
	237,136	251,787

The segment assets as at 30 September 2014 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	358,874	73,489	16,205	448,568	19,725	(186)	468,107
Unallocated assets							1,965
Total assets							470,072
Total assets include:							
Interests in joint ventures and associates	-	2,812	-	2,812	-	-	2,812
Additions to non-current assets (other than deferred income tax assets)	2,011	439	705	3,155	44	-	3,199

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 TURNOVER AND SEGMENT INFORMATION (Continued)

The segment assets as at 31 March 2014 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	356,121	72,071	16,813	445,005	15,387	(221)	460,171
Unallocated assets							2,647
Total assets							462,818
Total assets include:							
Interests in joint ventures and associates	–	2,956	–	2,956	–	–	2,956
Additions to non-current assets (other than deferred income tax assets)	9,840	711	289	10,840	329	–	11,169

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 — listed equity securities, income tax recoverable and assets held by the Company.

There has been no material change in total liabilities from the amount disclosed in the last annual financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 TURNOVER AND SEGMENT INFORMATION (Continued)

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 2014 and 2013, analysed by operating countries, is as follows:

	(Unaudited)	
	Six months ended	
	30 September	
	2014	2013
	US\$'000	US\$'000
Main operating countries		
Malaysia and other Southeast Asian countries	132,197	145,158
Hong Kong and Mainland China	34,684	34,157
Other countries	11,846	13,059
	178,727	192,374

As at 30 September 2014, the Group's total non-current assets, other than deferred income tax assets, analysed by operating countries, are as follows:

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2014	2014
	US\$'000	US\$'000
Main operating countries		
Malaysia and other Southeast Asian countries	203,671	207,786
Hong Kong and Mainland China	21,245	21,817
Other countries	8,159	7,725
	233,075	237,328

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 EXPENSES BY NATURE

	(Unaudited)	
	Six months ended	
	30 September	
	2014	2013
	US\$'000	US\$'000
Employee benefit expense (including directors' emoluments)	58,958	57,117
Raw materials and consumables used	50,411	55,136
Depreciation of property, plant and equipment	5,342	5,117
Amortisation of intangible assets	573	574
Allowance for and written-off of inventories	73	73
Allowance for impairment and written-off of trade and other receivables	44	215
(Gains)/losses on disposal of property, plant and equipment — net	(250)	48

8 OTHER INCOME

	(Unaudited)	
	Six months ended	
	30 September	
	2014	2013
	US\$'000	US\$'000
Scrap sales of old newspapers and magazines	2,352	2,578
Other media-related income	1,173	1,427
Interest income	931	823
Rental and management fee income	713	710
License fee and royalty income	123	84
Dividend income	9	9
Others	68	50
	5,369	5,681

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

9 OTHER GAINS, NET

	(Unaudited)	
	Six months ended	
	30 September	
	2014	2013
	US\$'000	US\$'000
Net exchange gains	146	374
Fair value gains/(losses) on financial assets at fair value through profit or loss	39	(11)
Others	–	237
	185	600

10 FINANCE COSTS

	(Unaudited)	
	Six months ended	
	30 September	
	2014	2013
	US\$'000	US\$'000
Interest on short-term bank borrowings	148	4,390
Interest on medium term notes	3,304	–
	3,452	4,390

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2013: 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% (2013: 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.

	(Unaudited)	
	Six months ended	
	30 September	
	2014	2013
	US\$'000	US\$'000
Hong Kong taxation		
Current period	778	1,077
Malaysian taxation		
Current period	7,552	8,307
Other countries' taxation		
Current period	460	247
(Over)/under provision in prior years	(17)	6
Deferred income tax (credit)/expense	(980)	248
	7,793	9,885

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 OWNERS OF THE COMPANY

	(Unaudited)	
	Six months ended	
	30 September	
	2014	2013
Profit attributable to owners of the Company (US\$'000)	18,324	25,393
Weighted average number of ordinary shares in issue	1,687,238,924	1,687,239,968
Basic earnings per share (US cents)	1.09	1.51
Diluted earnings per share (US cents)	1.09	1.51

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 six months ended 30 September 2014 and 2013.

13 DIVIDENDS

	(Unaudited)	
	Six months ended	
	30 September	
	2014	2013
	US\$'000	US\$'000
Dividend attributable to the period:		
First interim, proposed, US0.430 cents (2013/2014: US0.750 cents) per ordinary share	7,255	12,654
Dividend paid during the period:		
Second interim, 2013/2014, US0.680 cents (2012/2013: US1.015 cents) per ordinary share (<i>note a</i>)	11,473	17,125

The board of directors has declared a first interim dividend of US0.430 cents (2013/2014: US0.750 cents) per ordinary share in respect of the year ending 31 March 2015. The dividend will be payable on 15 January 2015 to shareholders whose names appear on the register of members of the Company at the close of business on 17 December 2014 in cash in Malaysian Ringgit ("RM") or in Hong Kong Dollar ("HK\$") at exchange rates determined on 26 November 2014 by reference to the middle exchange rates applicable to US\$ at 12:00 noon as quoted by Bank Negara Malaysia. This interim dividend is not reflected as a dividend payable in this interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

13 DIVIDENDS (Continued)

The middle exchange rates at 12:00 noon on 26 November 2014 as quoted by Bank Negara Malaysia of US\$ to RM and US\$ to HK\$, and the amount of the first interim dividend payable is as follows:

	Exchange rates	Dividend per ordinary share
US\$ to RM	3.3475	1.439 sen
US\$ to HK\$	7.7548	HK3.335 cents

Note:

- (a) The second interim dividend represented a dividend of US0.680 cents per ordinary share in respect of the year ended 31 March 2014 and was paid to shareholders of the Company on 1 August 2014.

14 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2014, the Group acquired property, plant and equipment at a cost of US\$2,990,000 (six months ended 30 September 2013: US\$4,854,000) and disposed of property, plant and equipment at net book value of US\$419,000 (six months ended 30 September 2013: US\$55,000).

15 TRADE AND OTHER RECEIVABLES

	(Unaudited) As at 30 September 2014 US\$'000	(Audited) As at 31 March 2014 US\$'000
Trade receivables	58,203	57,228
Less: allowance for impairment of trade receivables	(1,939)	(1,848)
Trade receivables, net (<i>note</i>)	56,264	55,380
Deposits and prepayments	7,478	8,227
Other receivables	4,600	4,172
	68,342	67,779

At 30 September 2014, the fair values of trade and other receivables approximated the carrying amounts.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

15 TRADE AND OTHER RECEIVABLES (Continued)

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

At 30 September 2014, the ageing analysis of the net trade receivables based on invoice date is as follows:

	(Unaudited) As at 30 September 2014 US\$'000	(Audited) As at 31 March 2014 US\$'000
1 to 60 days	41,642	38,400
61 to 120 days	10,671	13,412
121 to 180 days	2,852	2,366
Over 180 days	1,099	1,202
	56,264	55,380

16 TRADE AND OTHER PAYABLES

	(Unaudited) As at 30 September 2014 US\$'000	(Audited) As at 31 March 2014 US\$'000
Trade payables (note)	21,270	18,855
Accrued charges and other payables	35,463	29,922
Receipts in advance	15,933	16,737
Amounts due to related parties	2,316	3,232
	74,982	68,746

At 30 September 2014, the fair values of trade and other payables approximated the carrying amounts.

Note: At 30 September 2014, the ageing analysis of the trade payables based on invoice date is as follows:

	(Unaudited) As at 30 September 2014 US\$'000	(Audited) As at 31 March 2014 US\$'000
1 to 60 days	18,954	16,025
61 to 120 days	1,986	1,956
121 to 180 days	147	212
Over 180 days	183	662
	21,270	18,855

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

17 BANK AND OTHER BORROWINGS

	(Unaudited) As at 30 September 2014 US\$'000	(Audited) As at 31 March 2014 US\$'000
Current		
Short-term bank borrowings (secured)	1,455	765
Short-term bank borrowings (unsecured)	8,341	11,961
	9,796	12,726
Non-current		
Medium term notes (unsecured)	137,174	137,804
Total bank and other borrowings	146,970	150,530

Movements in bank and other borrowings are analysed as follows:

	(Unaudited) Six months ended 30 September 2014 US\$'000	2013 US\$'000
At 1 April	150,530	170,602
New bank and other borrowings raised	9,335	7,857
Repayments of bank and other borrowings	(12,276)	(9,117)
Interest expense	–	829
Currency translation differences	(619)	(8,415)
At 30 September	146,970	161,756

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

18 OTHER NON-CURRENT LIABILITIES

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2014	2014
	US\$'000	US\$'000
Retirement benefit obligations	771	752
Defined benefit plan liabilities	135	51
	906	803
Current portion of other non-current liabilities	(61)	(62)
	845	741

19 SHARE CAPITAL AND PREMIUM

The number of authorised ordinary shares is 2,500 million shares (31 March 2014: 2,500 million 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 2014	1,687,239,241	21,715	54,664	76,379
Repurchase of ordinary shares	(2,000)	—*	—*	—*
At 30 September 2014	1,687,237,241	21,715	54,664	76,379

* *negligible*

All the shares repurchased during the six months ended 30 September 2014 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

20 CAPITAL COMMITMENTS

	(Unaudited) As at 30 September 2014 US\$'000	(Audited) As at 31 March 2014 US\$'000
Property, plant and equipment		
Authorised and contracted for	1,970	3,204
Authorised but not contracted for	5,930	1,390
	7,900	4,594

21 CONTINGENT LIABILITIES

As at 30 September 2014, 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 interim 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.

22 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	(Unaudited) Six months ended 30 September 2014 US\$'000	2013 US\$'000
Newsprint purchases from a related company (<i>note 1</i>)	20,742	22,328
Rental expenses paid to related companies (<i>note 1</i>)	40	10
Purchases of air tickets from a related company (<i>note 1</i>)	17	23
Royalty fee for sales of books and DVDs to a related company (<i>note 1</i>)	3	-
Scrap sales of old newspapers and magazines to a related company (<i>note 1</i>)	(1,340)	(1,509)
Agency fee income received from an associate	(133)	(131)
Content providing and video production income received from a joint venture	(60)	(220)
Provision of air tickets and accommodation arrangement services to related companies (<i>note 1</i>)	(10)	(73)
Rental income received from a related company (<i>note 1</i>)	(9)	(46)
Provision of accounting service to related companies (<i>note 1</i>)	(4)	-
Software development income from a joint venture	-	(10)

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

22 RELATED PARTY TRANSACTIONS (Continued)

(b) Key management compensation

Key management comprised all members of the Group's executive committees, some of whom are directors of the Company. The compensation paid or payable to the key management is shown below:

	(Unaudited)	
	Six months ended	
	30 September	
	2014	2013
	US\$'000	US\$'000
Directors' fees, basic salaries, bonuses, other allowances and benefits in kind	1,173	1,310
Contributions to pension schemes	82	100
	1,255	1,410

(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 equity of 52.40% in the Company as at 30 September 2014. Details of interests held by Tan Sri Datuk Sir TIONG Hiew King in the Company are set out in paragraph (a) "Interests and short positions in the shares, underlying shares and debentures of the Company" on page 30.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

<i>(in US\$'000)</i>	(Unaudited)		
	For the six months ended 30 September		
	2014	2013	Change
Turnover	237,136	251,787	-5.8%
Profit before income tax	26,286	35,650	-26.3%
EBITDA	34,722	44,908	-22.7%
Basic earnings per share (US cents)	1.09	1.51	-27.8%

OVERALL REVIEW OF OPERATIONS

The Group faced a tough business environment in the first half of 2014/2015. Turnover for the six months ended 30 September 2014 decreased by 5.8% or US\$14,651,000 year-on-year to US\$237,136,000. Profit before income tax dropped 26.3% or US\$9,364,000 to US\$26,286,000 from US\$35,650,000 in the prior year period.

The Group's EBITDA was down by 22.7% or US\$10,186,000 from the year-ago period to US\$34,722,000.

The Group's publishing and printing segment has been adversely affected by the weak market sentiments and intense market competition. Segment turnover decreased by 7.1% or US\$13,647,000 to US\$178,727,000. The decline in revenue was cushioned by lower newsprint costs and tight cost management. Profit before income tax declined 26.1% or US\$9,371,000 to US\$26,588,000 from a year earlier.

The Group's travel segment reported year-on-year declines of 1.7% and 26.4% in segment turnover and profit before income tax to US\$58,409,000 and US\$3,463,000 respectively during the period under review. The decrease in segment profit was due to lower revenue amid intensified competition in the tourism market and an increase in operating expenses during the current period.

Both Malaysian Ringgit and Canadian dollar weakened against the US dollar during the current period, which brought negative currency impact of approximately US\$3,602,000 and US\$455,000 to the Group's turnover and profit before income tax respectively.

Basic earnings per share for the six months ended 30 September 2014 was US1.09 cents, a decrease of US0.42 cents or 27.8% from US1.51 cents in the corresponding period last year.

As at 30 September 2014, the Group's cash and cash equivalents amounted to US\$108,828,000, an increase of 5.8% since 31 March 2014; and the Group's net gearing ratio dropped to 17.1% from 21.9% as at 31 March 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL REVIEW

Publishing and printing

Malaysia and other Southeast Asian countries

Against the background of weak consumer sentiment, negative impact from MH370 and MH17 tragedies and absence of political advertising from last year's election, segment revenue declined by 8.9% or US\$12,961,000 to US\$132,197,000. The decline in revenue was partly offset by the savings in operating costs, resulting in the Malaysian segment reporting a profit before income tax of US\$24,697,000 for the first half of the financial year, down 27.4% or US\$9,343,000 from the same period last year.

The Group's newspaper operations in Malaysia comprise *Sin Chew Daily*, *China Press*, *Guang Ming Daily* and *Nanyang Siang Pau*, which are all market leaders in their respective segments. Together they account for about 70.4% of all the Chinese newspapers sold in Malaysia and took up approximately 74.5% of the total Chinese newspapers Adex.

Our quality journalism provides a real strength in the competitive Chinese newspaper market as readers search for our titles that they can trust and that deliver informed, timely information and opinion.

Sin Chew Daily continues to be the largest-circulating and most widely read newspaper in Malaysia with a daily circulation of 381,864 copies for the period from July 2013 to December 2013 according to the Audit Bureau of Circulation report. *China Press* continues to win its market share, adding 1,549 copies on the same period last year to 239,015 copies. It continues to be the largest selling evening newspaper as well as the second most popular Chinese newspaper in Malaysia. *Guang Ming Daily* maintains its position as the most read regional newspaper in the northern region of Peninsular Malaysia with a daily circulation of 106,005 copies. *Nanyang Siang Pau* is a newspaper with a strong focus on business and economic news targeting at the Chinese business community.

The Group is also the leading Chinese magazine publisher in Malaysia with one tabloid newspaper and 19 magazine titles.

Malaysia's magazine advertising market recorded a negative growth of 4.5% for the period from April 2014 to September 2014, while the circulation market continued to be threatened by competition from overseas magazines and other new media. In response to these challenges, the Group continues to leverage its market leading position to broaden its coverage of key sectors and diversify its earnings from sponsorship, exhibitions, fairs and electronic media.

Hong Kong and Mainland China

For the six months ended 30 September 2014, the Group's publishing operations in Hong Kong and Mainland China reported segment turnover and profit before income tax of US\$34,684,000 and US\$2,084,000, reflecting year-on-year growth of 1.5% and 18.1% respectively. The improved performance was mainly attributed to higher advertising revenue from the property developers and agents who stepped up their promotions in light of the recent increased activities in the Hong Kong property market.

Ming Pao Daily News retains its long-held position as one of the most influential and credible newspapers in Hong Kong regardless of fierce market competition. Being widely recognised for its journalistic integrity and excellence, *Ming Pao Daily News* is devoted to providing high standards of professional journalism as well as comprehensive and accurate coverage of economic, political and social issues both at home and abroad.

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL REVIEW (Continued)

Publishing and printing (Continued)

Hong Kong and Mainland China (Continued)

One Media Group (“One Media”), the Group’s listed subsidiary and media flagship in Greater China, is primarily engaged in the publication of Chinese language lifestyle magazines as well as the operation of digital and outdoor media businesses. For the six months ended 30 September 2014, One Media reported decreases of 8.8% and 51.5% in turnover and profit before income tax respectively. The weaker performance was mainly due to the decline in advertising revenue, as advertisers tightened their budgets amid the weak retail market, especially for luxury products and branded labels.

North America

Affected by the local weak spending sentiment as well as severe weather conditions during the first quarter, turnover of the Group’s publishing and printing operations in North America dropped 9.3% to US\$11,846,000 from US\$13,059,000 a year ago. As a result, the segment reported a loss of US\$193,000 for the period as against a profit before income tax of US\$155,000 in the corresponding period last year.

Travel and travel related services

The Group’s travel segment, operated through Charming Holidays and Delta Group, registered a turnover of US\$58,409,000, down by 1.7% or US\$1,004,000 from the corresponding period a year ago. During the period under review, the tour operation in Hong Kong continued to face intensified competition and price pressure in the local tourism market and reported a decline in revenue for the period. However, the decrease was partly compensated by higher revenue generated from the tour operations in North America. The travel segment’s profit before income tax amounted to US\$3,463,000, a decrease of 26.4% from US\$4,704,000 in the same period last year, due to lower revenue and an increase in operating expenses.

Digital media

The Group’s strategic objective is to deliver sustainable growth in revenue and profit. As such, the Group will continue to drive the profitability and growth of core publishing operations, whilst rapidly building digital capabilities and new business models leveraging on our content and audience.

During the period under review, the Group continued its long-term investment in editorial content enrichment as well as website and mobile apps enhancement to stimulate readership growth in both print and online platforms. Besides its comprehensive online portfolio of newspapers and magazines websites, the Group also provides subscription-based e-versions of all its newspapers, namely *Sin Chew Daily*, *China Press*, *Guang Ming Daily*, *Nanyang Siang Pau* and *Ming Pao Daily News* as well as all major magazine titles. The e-Papers and e-Magazines will be part of the Group’s effort to cater to a growing online audience.

To leverage on the promotional power of the Group’s media assets, an online marketplace namely “Logon” has been created to target at the Group’s own unique online community. “Logon” is a bi-lingual platform specifically designed to facilitate new businesses as well as existing small and medium-sized enterprises to get their businesses online. Since October this year, we have conducted a series of talks and workshops to introduce the business model to sales staff, merchants and advertisers. “Logon” is targeted to commence business operation in the last quarter of the current financial year. This new business model is expected to help drive revenue and increase the Group’s presence in ecommerce.

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL REVIEW (Continued)

Digital media (Continued)

The Group has launched “*Pocketimes*” in July 2014. “*Pocketimes*” is a new mobile video content platform targeting at the younger and mobile users in Malaysia. Besides broadcasting daily morning news, it also provides breaking news and live broadcast. We hope to broaden our reach beyond our existing customer base as well as to generate more revenue.

OUTLOOK

We expect the business environment for the second half of the financial year to be tough and challenging.

The Malaysian segment is facing a weak advertising business environment as local business and consumers remain cautious. This is mainly due to the overhanging economic uncertainties following the government’s subsidy rationalisation plan and the impending implementation of the GST.

The retail sectors in both Hong Kong and Mainland China, especially for luxury products, continue to show signs of slowing down due in part to the strengthened control of government spending in Mainland China. This would affect the Group’s advertising revenue in these markets as advertisers would become more cautious with their spending.

The operating environment for the Group’s travel business will remain competitive in the light of increasingly intense market competition and concerns over the Ebola virus.

On a positive note, the newsprint prices are expected to remain weak for the remaining of this financial year.

The Group will continue to strengthen its efforts to increase revenue and market share, while maintaining disciplined cost-controls to improve efficiencies.

PLEDGE OF ASSETS

As at 30 September 2014, general security agreements under which all the assets of certain subsidiaries with net book amount of US\$10,817,000 (31 March 2014: US\$11,974,000) were pledged to certain banks to secure general banking facilities granted to the Group.

LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING RATIO

As at 30 September 2014, the Group’s cash and cash equivalents were US\$108,828,000 (31 March 2014: US\$102,852,000) and total bank and other borrowings were US\$146,970,000 (31 March 2014: US\$150,530,000). The net debt position was US\$38,142,000 (31 March 2014: US\$47,678,000). Owners’ equity was US\$223,628,000 (31 March 2014: US\$217,812,000).

The net gearing ratio of the Group, calculated as net debt over owners’ equity, was 17.1% as at 30 September 2014 (31 March 2014: 21.9%).

OTHER INFORMATION

SHARE OPTION SCHEMES

The Company has no share option scheme. The Company's listed subsidiary, One Media Group Limited ("One Media") has adopted two share option schemes, namely the pre-IPO share option scheme ("Pre-IPO Scheme") and the post-IPO share option scheme ("Post-IPO Scheme") (together the "One Media Schemes") which 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 in One Media subject to the terms and conditions stipulated therein.

As at 30 September 2014, no option has been granted or agreed to be granted by One Media under the Post-IPO Scheme. During the six months ended 30 September 2014, movements of the options granted under the Pre-IPO Scheme are as follows:

Grantee	Number of shares involved in share options				Balance at 30 September 2014	Percentage of issued ordinary shares of One Media	Exercise price per share HK\$	Date of grant	Exercisable period
	Balance at 1 April 2014	Granted during the period <i>(note 1)</i>	Exercised during the period <i>(note 1)</i>	Lapsed during the period <i>(note 2)</i>					
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									
	4,218,000	-	-	(350,000)	3,868,000	0.97%	1.200	27/09/2005	18/10/2005-25/09/2015
Total	7,868,000	-	-	(350,000)	7,518,000	1.88%			

Notes:

- No share option was granted, exercised or cancelled during the period.
- During the period, 350,000 share options lapsed by reason of the grantees ceased to be directors of One Media and full time employee of One Media Group.

OTHER INFORMATION

INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS HELD BY THE DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES

As at 30 September 2014, 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 (as defined in Part XV of the Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as 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 HK Listing Rules are as follows:

(a) *Interests and short positions in the shares, underlying shares and debentures of the Company*

Name of director	Number of shares held			Total interests in shares	Percentage of issued ordinary shares
	Personal interests	Family interests	Corporate interests (notes 1 & 2)		
Tan Sri Datuk Sir TIONG Hiew King	87,109,058	234,566	796,734,373	884,077,997	52.40%
Dato' Sri Dr TIONG Ik King	11,144,189	–	252,487,700	263,631,889	15.63%
Mr TIONG Kiew Chiong	1,908,039	–	–	1,908,039	0.11%
Mr LEONG Chew Meng	80,000	–	–	80,000	–*
Ms TIONG Choon	2,654,593	1,023,632	653,320	4,331,545	0.26%
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:

- The corporate interests of 796,734,373 shares of the Company held by Tan Sri Datuk Sir TIONG Hiew King comprise:
 - 326,463,556 shares held by Progresif Growth Sdn Bhd ("Progresif");
 - 252,487,700 shares held by Conch Company Limited ("Conch");
 - 75,617,495 shares held by Ezywood Options Sdn Bhd ("Ezywood");
 - 65,319,186 shares held by Teck Sing Lik Enterprise Sdn Bhd ("TSL");
 - 52,875,120 shares held by Madigreen Sdn Bhd ("Madigreen");
 - 15,536,696 shares held by Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS");
 - 6,532,188 shares held by Rimbunan Hijau Southeast Asia Sdn Bhd ("RHSA");
 - 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% 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.

- 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

INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS HELD BY THE DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES (Continued)

(b) *Interests and short positions in the shares, underlying shares and debentures of One Media*

Name of director	Number of shares/underlying shares held				Aggregate interests	Percentage of issued ordinary shares of One Media
	Personal interests	Corporate interests (note 1)	Total interest in shares	Interests in underlying shares pursuant to share options (note 2)		
Tan Sri Datuk Sir TIONG Hiew King	–	292,700,000	292,700,000	1,250,000	293,950,000	73.49%
Dato' Sri Dr TIONG Ik King	–	292,700,000	292,700,000	1,000,000	293,700,000	73.43%
Mr TIONG Kiew Chiong	4,104,000	–	4,104,000	1,250,000	5,354,000	1.34%
Ms TIONG Choon	26,000	–	26,000	–	26,000	0.01%
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:

- 1 Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are deemed interested in 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 and short positions in the shares, underlying shares and debentures of the Company" on page 30.
- 2 These represent share options granted by One Media to the directors of the Company under the Pre-IPO Scheme.

Save as disclosed above and those disclosed under "Share option schemes", at 30 September 2014, none of the directors, chief executives and their associates had any interests in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO), which are required to be recorded in the register maintained by the Company under Section 352 of the SFO or as 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 six months ended 30 September 2014 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' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2014, the following persons (other than the directors and chief executives of the Company) had interests of 5% or more in the shares of the Company as recorded in the register required to be kept under Section 336 of Part XV of the SFO:

Name of shareholder	Number of ordinary shares held	Percentage of issued ordinary shares
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%

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

Notes:

- 1 Tan Sri Datuk Sir TIONG Hiew King holds, directly and indirectly, 45% interest in Progresif.
- 2 The details of shares held by Conch are set out in note 2 of paragraph (a) "Interests and short positions in the shares, underlying shares and debentures of the Company" on page 30.

Save as disclosed above and those disclosed under "Interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations held by the directors, chief executives and their associates", the Company had not been notified of any other persons or corporations who had interests or short positions representing 5% or more of the issued share capital of the Company as at 30 September 2014.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

In September 2014, the Company repurchased a total of 2,000 of its listed shares on the HK Stock Exchange from the open market at the price of HK\$2.15 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 repurchase are summarised as follows:

Month/Year	Number of ordinary shares repurchased	(Unaudited)		Aggregate purchase consideration HK\$	Equivalents in US\$
		Purchase price per share			
		Highest HK\$	Lowest HK\$		
September 2014	2,000	2.15	2.15	4,300	555

All the shares repurchased during the six months ended 30 September 2014 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 six months ended 30 September 2014.

OTHER INFORMATION

CLOSURE OF THE REGISTER OF MEMBERS

The register of members in Hong Kong will be closed on Wednesday, 17 December 2014 whereby no transfer of shares will be registered on that date. In order to qualify for the first interim dividend of US0.430 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 Tuesday, 16 December 2014. 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 Wednesday, 17 December 2014 in respect of transfers; and (ii) shares bought on Bursa Securities on a cum entitlement basis according to the rules of Bursa Securities. The first interim dividend will be payable to the shareholders on 15 January 2015.

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 2014 to 17 December 2014, both days inclusive.

EMPLOYEES AND EMOLUMENT POLICY

At 30 September 2014, the Group has 4,613 employees (31 March 2014: 4,659 employees), the majority of whom are 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/her associates is involved in dealing with his/her 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 Malaysian Code on Corporate Governance (the "Malaysian Code") and the Corporate Governance Code contained in Appendix 14 of the HK Listing Rules (the "Hong Kong Code"). The Company has adopted the principles and 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 met the code provisions as set out in the Hong Kong Code. In respect of the Malaysian Code, the Company has complied with the principles and recommendations set out in the Malaysian Code wherever possible save for (i) the appointment of a senior independent non-executive director; and (ii) the appointment of an independent non-executive chairman, or to have a board with a majority of independent directors. The board will continue to review and evaluate such recommendations under the Malaysian Code and is committed to achieving and sustaining high standards of corporate governance.

OTHER INFORMATION

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 Securities ("Chapter 14 of the Listing Requirements of Bursa Securities") and (ii) the HK Model Code. All directors of the Company have confirmed, following specific enquiry by the Company, their compliance with the required standards as set out in (i) Chapter 14 of the Listing Requirements of Bursa Securities and (ii) the HK Model Code during the period under review.

AUDIT COMMITTEE

The Audit Committee was established on 30 March 1999. It currently has three members, namely, Mr David YU Hon To (Chairman), Tan Sri Dato' LAU Yin Pin and Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH, all of them are 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 Audit Committee has reviewed with management this interim financial information, including accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 25 May 2005 with specific terms of reference that specify its authorities and duties. It 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. It currently has three members, namely, Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH (Chairman), Mr David YU Hon To and Tan Sri Dato' LAU Yin Pin, all of them are 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.

OTHER INFORMATION

REVIEW OF INTERIM FINANCIAL RESULTS

This interim financial information 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.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the HK Listing Rules, set out below are the changes in information of directors since the date of the 2013/14 Annual Report:

With effect from 20 November 2014, Tan Sri Dato' LAU Yin Pin, an independent non-executive director, the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company, was appointed as a trustee of TARC Education Foundation in Malaysia.

By Order of the Board

MEDIA CHINESE INTERNATIONAL LIMITED

TIONG Kiew Chiong

Director

26 November 2014

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 Mr LEONG Chew Meng, being executive directors; Ms TIONG Choon, 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 2014

	(Unaudited)	
	Six months ended	
	30 September	
	2014	2013
	RM'000	RM'000
	(note)	(note)
Turnover	777,925	825,987
Cost of goods sold	(504,413)	(520,287)
Gross profit	273,512	305,700
Other income	17,613	18,637
Other gains, net	607	1,968
Selling and distribution expenses	(115,480)	(117,744)
Administrative expenses	(67,989)	(65,610)
Other operating expenses	(10,258)	(10,934)
Operating profit	98,005	132,017
Finance costs	(11,324)	(14,401)
Share of losses of joint ventures and associates	(450)	(666)
Profit before income tax	86,231	116,950
Income tax expense	(25,565)	(32,428)
Profit for the period	60,666	84,522
Profit attributable to:		
Owners of the Company	60,112	83,302
Non-controlling interests	554	1,220
	60,666	84,522
Earnings per share attributable to owners of the Company		
Basic (sen)	3.58	4.95
Diluted (sen)	3.58	4.95
Dividends	23,800	41,511

Note: The presentation currency of this condensed consolidated interim financial information is US\$. Additional information in RM for the six months ended 30 September 2014 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.2805 ruling at 30 September 2014. 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 2014

	(Unaudited)	
	Six months ended	
	30 September	
	2014	2013
	<i>RM'000</i>	<i>RM'000</i>
	<i>(note)</i>	<i>(note)</i>
Profit for the period	60,666	84,522
Other comprehensive losses		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	(3,382)	(25,066)
Other comprehensive losses for the period, net of tax	(3,382)	(25,066)
Total comprehensive income for the period	57,284	59,456
Total comprehensive income for the period attributable to:		
Owners of the Company	56,717	58,223
Non-controlling interests	567	1,233
	57,284	59,456

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ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014

	(Unaudited) As at 30 September 2014 RM'000 (note)	(Unaudited) As at 31 March 2014 RM'000 (note)
ASSETS		
Non-current assets		
Property, plant and equipment	462,508	473,402
Investment properties	56,038	56,241
Intangible assets	236,832	239,214
Deferred income tax assets	3,796	4,773
Interests in joint ventures and associates	9,225	9,697
	768,399	783,327
Current assets		
Inventories	190,249	171,853
Available-for-sale financial assets	318	318
Financial assets at fair value through profit or loss	902	777
Trade and other receivables	224,196	222,349
Income tax recoverable	997	2,244
Cash and cash equivalents	357,010	337,406
	773,672	734,947
Current liabilities		
Trade and other payables	245,978	225,521
Income tax liabilities	18,354	17,662
Bank and other borrowings	32,136	41,748
Current portion of other non-current liabilities	200	203
	296,668	285,134
Net current assets	477,004	449,813
Total assets less current liabilities	1,245,403	1,233,140
EQUITY		
Equity attributable to owners of the Company		
Share capital	71,236	71,236
Share premium	179,325	179,325
Other reserves	(265,658)	(262,263)
Retained earnings		
— Proposed dividend	23,800	37,637
— Others	724,909	688,597
	748,709	726,234
Non-controlling interests	733,612	714,532
	22,927	23,741
Total equity	756,539	738,273
Non-current liabilities		
Bank and other borrowings	450,000	452,066
Deferred income tax liabilities	36,092	40,370
Other non-current liabilities	2,772	2,431
	488,864	494,867
	1,245,403	1,233,140

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ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2014

	(Unaudited)						
	Attributable to owners of the Company					Non-controlling interests RM'000 (note)	Total equity RM'000 (note)
	Share capital RM'000 (note)	Share premium RM'000 (note)	Other reserves RM'000 (note)	Retained earnings RM'000 (note)	Total RM'000 (note)		
Balance at 1 April 2013	71,236	179,325	(235,025)	663,547	679,083	22,763	701,846
Comprehensive income							
Profit for the period	-	-	-	83,302	83,302	1,220	84,522
Other comprehensive (losses)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(25,079)	-	(25,079)	13	(25,066)
Other comprehensive (losses)/income, net of tax	-	-	(25,079)	-	(25,079)	13	(25,066)
Total comprehensive (losses)/income for the six months ended 30 September 2013	-	-	(25,079)	83,302	58,223	1,233	59,456
Total contributions by and distributions to owners of the Company recognised directly in equity							
2012/2013 second interim dividend paid	-	-	-	(56,179)	(56,179)	-	(56,179)
Total contributions by and distributions to owners of the Company	-	-	-	(56,179)	(56,179)	-	(56,179)
2012/2013 interim dividend paid by a subsidiary	-	-	-	-	-	(33)	(33)
2012/2013 final dividend paid by a listed subsidiary	-	-	-	-	-	(1,588)	(1,588)
Total transactions with owners	-	-	-	(56,179)	(56,179)	(1,621)	(57,800)
Balance at 30 September 2013	71,236	179,325	(260,104)	690,670	681,127	22,375	703,502
Balance at 1 April 2014	71,236	179,325	(262,263)	726,234	714,532	23,741	738,273
Comprehensive income							
Profit for the period	-	-	-	60,112	60,112	554	60,666
Other comprehensive (losses)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(3,395)	-	(3,395)	13	(3,382)
Other comprehensive (losses)/income, net of tax	-	-	(3,395)	-	(3,395)	13	(3,382)
Total comprehensive (losses)/income for the six months ended 30 September 2014	-	-	(3,395)	60,112	56,717	567	57,284
Total contributions by and distributions to owners of the Company recognised directly in equity							
2013/2014 second interim dividend paid	-	-	-	(37,637)	(37,637)	-	(37,637)
Total contributions by and distributions to owners of the Company	-	-	-	(37,637)	(37,637)	-	(37,637)
2014/2015 interim dividend paid by a subsidiary	-	-	-	-	-	(20)	(20)
2013/2014 final dividend paid by a listed subsidiary	-	-	-	-	-	(1,361)	(1,361)
Total transactions with owners	-	-	-	(37,637)	(37,637)	(1,381)	(39,018)
Balance at 30 September 2014	71,236	179,325	(265,658)	748,709	733,612	22,927	756,539

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ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2014

	(Unaudited)	
	Six months ended	
	30 September	
	2014	2013
	RM'000	RM'000
	(note)	(note)
Cash flows from operating activities		
Cash generated from operations	113,089	131,791
Interest paid	(11,341)	(11,682)
Income tax paid	(26,759)	(26,736)
Net cash generated from operating activities	74,989	93,373
Cash flows from investing activities		
Additional investment in an associate	(321)	–
Purchases of property, plant and equipment	(9,809)	(15,923)
Purchases of intangible assets	(686)	(771)
Proceeds from disposal of property, plant and equipment	2,195	23
Interest received	3,054	2,700
Dividends received	46	39
Net cash used in investing activities	(5,521)	(13,932)
Cash flows from financing activities		
Dividends paid	(37,637)	(56,179)
Dividends paid to non-controlling interests by a subsidiary	(20)	(33)
Dividends paid to non-controlling interests by a listed subsidiary	(1,361)	(1,588)
Proceeds from bank and other borrowings	30,623	25,775
Repayments of bank and other borrowings	(40,271)	(29,908)
Net cash used in financing activities	(48,666)	(61,933)
Net increase in cash and cash equivalents	20,802	17,508
Cash and cash equivalents at beginning of period	337,406	334,050
Exchange adjustments on cash and cash equivalents	(1,198)	(9,976)
Cash and cash equivalents at end of period	357,010	341,582

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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

