

世界華文

媒體 MEDIA CHINESE

Interim Report 2015/16

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 2015

(Unaudited)			
Six months ended 30 September			
		2015	2014
	Note	US\$'000	US\$'000
Turnover	6	197,280	237,136
Cost of goods sold		(125,156)	(153,761)
Gross profit		72,124	83,375
Other income	8	4,173	5,369
Other (losses)/gains, net	9	(178)	185
Selling and distribution expenses		(29,527)	(35,202)
Administrative expenses		(17,123)	(20,725)
Other operating expenses		(3,080)	(3,127)
Operating profit		26,389	29,875
Finance costs	10	(2,823)	(3,452)
Share of profits/(losses) of joint ventures and associates		5	(137)
Profit before income tax		23,571	26,286
Income tax expense	11	(7,199)	(7,793)
Profit for the period		16,372	18,493
Profit/(loss) attributable to:			
Owners of the Company		16,453	18,324
Non-controlling interests		(81)	169
		16,372	18,493
Earnings per share attributable to owners of the Company			
Basic (US cents)	12	0.98	1.09
Diluted (US cents)	12	0.98	1.09

The notes on pages 8 to 25 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2015

	(Unaudited)	
	Six months ended 30 September	
	2015	2014
	US\$'000	US\$'000
Profit for the period	16,372	18,493
Other comprehensive loss		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	(24,907)	(1,031)
Other comprehensive loss for the period, net of tax	(24,907)	(1,031)
Total comprehensive (loss)/income for the period	(8,535)	17,462
Total comprehensive (loss)/income for the period attributable to:		
Owners of the Company	(8,383)	17,289
Non-controlling interests	(152)	173
	(8,535)	17,462

The notes on pages 8 to 25 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

		(Unaudited) As at 30 September 2015 US\$'000	(Audited) As at 31 March 2015 US\$'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	14	107,330	126,909
Investment properties		13,957	15,943
Intangible assets		49,617	59,004
Deferred income tax assets		589	723
Interests in joint ventures and associates		737	796
		172,230	203,375
Current assets			
Inventories		22,944	40,888
Available-for-sale financial assets		97	97
Financial assets at fair value through profit or loss		305	294
Trade and other receivables	15	51,017	58,911
Income tax recoverable		588	631
Cash and cash equivalents		125,565	118,620
		200,516	219,441
Current liabilities			
Trade and other payables	16	55,667	59,916
Income tax liabilities		4,796	3,657
Bank and other borrowings	17	319	9,585
Current portion of other non-current liabilities	18	49	58
		60,831	73,216
Net current assets		139,685	146,225
Total assets less current liabilities		311,915	349,600

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

		(Unaudited) As at 30 September 2015 US\$'000	(Audited) As at 31 March 2015 US\$'000
	Note		
EQUITY			
Equity attributable to owners of the Company			
Share capital	19	21,715	21,715
Share premium	19	54,664	54,664
Other reserves		(125,536)	(100,761)
Retained earnings			
— Proposed dividend		8,436	8,436
— Others		233,707	225,690
		242,143	234,126
		192,986	209,744
Non-controlling interests		6,139	6,361
Total equity		199,125	216,105
Non-current liabilities			
Bank and other borrowings	17	102,378	121,506
Deferred income tax liabilities		9,512	11,138
Other non-current liabilities	18	900	851
		112,790	133,495
		311,915	349,600

The notes on pages 8 to 25 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 2015

	(Unaudited)						
	Attributable to owners of the Company					Non-	
	Share capital	Share premium	Other reserves	Retained earnings	Total	controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
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 (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	–	–	(1,035)	–	(1,035)	4	(1,031)
Other comprehensive (loss)/income, net of tax	–	–	(1,035)	–	(1,035)	4	(1,031)
Total comprehensive (loss)/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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2015

	(Unaudited)						
	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital US\$'000	Share premium US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Total US\$'000	US\$'000	US\$'000
Balance at 1 April 2015	21,715	54,664	(100,761)	234,126	209,744	6,361	216,105
Comprehensive income/(loss)							
Profit/(loss) for the period	-	-	-	16,453	16,453	(81)	16,372
Other comprehensive loss							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(24,836)	-	(24,836)	(71)	(24,907)
Other comprehensive loss, net of tax	-	-	(24,836)	-	(24,836)	(71)	(24,907)
Total comprehensive (loss)/income for the six months ended 30 September 2015	-	-	(24,836)	16,453	(8,383)	(152)	(8,535)
Total contributions by and distributions to owners of the Company recognised directly in equity							
2014/2015 second interim dividend paid	-	-	-	(8,436)	(8,436)	-	(8,436)
Total contributions by and distributions to owners of the Company	-	-	-	(8,436)	(8,436)	-	(8,436)
Issue of shares under the share option scheme of a listed subsidiary	-	-	61	-	61	78	139
2014/2015 interim dividend paid by a subsidiary	-	-	-	-	-	(8)	(8)
2014/2015 final dividend paid by a listed subsidiary	-	-	-	-	-	(140)	(140)
Total transactions with owners	-	-	61	(8,436)	(8,375)	(70)	(8,445)
Balance at 30 September 2015	21,715	54,664	(125,536)	242,143	192,986	6,139	199,125

The notes on pages 8 to 25 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2015

	(Unaudited)	
	Six months ended 30 September	
	2015	2014
	US\$'000	US\$'000
Cash flows from operating activities		
Cash generated from operations	47,442	34,473
Interest paid	(2,553)	(3,457)
Income tax paid	(5,913)	(8,157)
Net cash generated from operating activities	38,976	22,859
Cash flows from investing activities		
Additional investment in an associate	–	(98)
Purchases of property, plant and equipment	(1,811)	(2,990)
Purchases of intangible assets	(235)	(209)
Proceeds from disposal of property, plant and equipment	11	669
Interest received	1,286	931
Dividends received	73	14
Net cash used in investing activities	(676)	(1,683)
Cash flows from financing activities		
Proceeds from issue of shares under the share option scheme of a listed subsidiary	139	–
Dividends paid	(8,436)	(11,473)
Dividends paid to non-controlling interests by a subsidiary	(8)	(6)
Dividends paid to non-controlling interests by a listed subsidiary	(140)	(415)
Proceeds from bank and other borrowings	1,706	9,335
Repayments of bank and other borrowings	(10,912)	(12,276)
Net cash used in financing activities	(17,651)	(14,835)
Net increase in cash and cash equivalents	20,649	6,341
Cash and cash equivalents at beginning of period	118,620	102,852
Exchange adjustments on cash and cash equivalents	(13,704)	(365)
Cash and cash equivalents at end of period	125,565	108,828

The notes on pages 8 to 25 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 25 November 2015.

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 2015 (“interim financial information”) has been prepared in accordance with the International Accounting Standard 34 “Interim Financial Reporting” and applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HK Listing Rules”).

This interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2015, which were prepared in accordance with International Financial Reporting Standards.

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 2015 as included in the Company’s annual report for the year ended 31 March 2015.

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 six months ended 30 September 2015 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 2015. 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 2015.

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 2015.

There have been no significant changes in the risk management department or in any risk management policies since 31 March 2015.

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 2015:

	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	305	–	–	305
Available-for-sale financial assets				
Unlisted club debentures	–	–	97	97
	305	–	97	402

The following table presents the Group's assets that are measured at fair value at 31 March 2015:

	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	294	–	–	294
Available-for-sale financial assets				
Unlisted club debentures	–	–	97	97
	294	–	97	391

There was no transfer between level 1 and level 2 of the fair value hierarchy during the period.

There was no change during the period attributable to level 3 of the fair value hierarchy.

The Group's finance team reviews the valuations of the Group's financial assets that are measured 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 measured 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 presented in 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 2015, analysed by operating segment, are as follows:

	(Unaudited)					
	Publishing and printing					
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
Turnover	97,969	31,070	9,798	138,837	58,443	197,280
Segment profit/(loss) before income tax	21,106	336	(754)	20,688	6,020	26,708
Unallocated interest expense						(2,754)
Other net unallocated expenses						(388)
Share of profits of joint ventures and associates						5
Profit before income tax						23,571
Income tax expense						(7,199)
Profit for the period						16,372
Other information:						
Interest income	1,180	100	–	1,280	6	1,286
Interest expense	(43)	(26)	–	(69)	–	(69)
Depreciation of property, plant and equipment	(3,752)	(769)	(193)	(4,714)	(62)	(4,776)
Amortisation of intangible assets	(453)	(83)	(10)	(546)	(23)	(569)
Income tax (expense)/credit	(5,461)	(380)	76	(5,765)	(1,434)	(7,199)

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)					
	Publishing and printing				Travel and	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	travel related services US\$'000	Total 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)

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 period is as follows:

	(Unaudited)	
	Six months ended 30 September	
	2015	2014
	US\$'000	US\$'000
Advertising income, net of trade discounts	97,973	128,038
Sales of newspapers, magazines, digital contents and books, net of trade discounts and returns	40,864	50,689
Travel and travel related services income	58,443	58,409
	197,280	237,136

The segment assets and liabilities as at 30 September 2015 are as follows:

	(Unaudited)						
	Publishing and printing						
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Elimination US\$'000	Total US\$'000
Segment assets	270,884	63,007	13,895	347,786	23,462	(187)	371,061
Unallocated assets							1,685
Total assets							372,746
Total assets include:							
Interests in joint ventures and associates	-	737	-	737	-	-	737
Additions to non-current assets (other than deferred income tax assets)	1,507	451	68	2,026	20	-	2,046
Segment liabilities	(19,604)	(13,761)	(6,937)	(40,302)	(14,017)	187	(54,132)
Unallocated liabilities							(119,489)
Total liabilities							(173,621)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 TURNOVER AND SEGMENT INFORMATION (Continued)

The segment assets and liabilities as at 31 March 2015 are as follows:

	(Audited)						
	Publishing and printing						
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Elimination US\$'000	Total US\$'000
Segment assets	318,147	70,272	15,595	404,014	17,110	(175)	420,949
Unallocated assets							1,867
Total assets							422,816
Total assets include:							
Interests in joint ventures and associates	–	796	–	796	–	–	796
Additions to non-current assets (other than deferred income tax assets)	7,598	870	733	9,201	180	–	9,381
Segment liabilities	(26,620)	(20,597)	(7,065)	(54,282)	(13,375)	175	(67,482)
Unallocated liabilities							(139,229)
Total liabilities							(206,711)

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 assets held by the Company, deferred income tax assets, available-for-sale financial assets, financial assets at fair value through profit or loss and income tax recoverable.

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

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 2015 and 2014, analysed by operating countries, is as follows:

	(Unaudited)	
	Six months ended 30 September	
	2015	2014
	US\$'000	US\$'000
Main operating countries		
Malaysia and other Southeast Asian countries	97,969	132,197
Hong Kong and Mainland China	31,070	34,684
Other countries	9,798	11,846
	138,837	178,727

As at 30 September 2015, 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
	2015	2015
	US\$'000	US\$'000
Main operating countries		
Malaysia and other Southeast Asian countries	146,460	176,608
Hong Kong and Mainland China	18,043	18,559
Other countries	7,138	7,485
	171,641	202,652

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 EXPENSES BY NATURE

	(Unaudited)	
	Six months ended 30 September	
	2015	2014
	US\$'000	US\$'000
Employee benefit expense (including directors' emoluments)	50,778	58,958
Raw materials and consumables used	33,296	50,411
Depreciation of property, plant and equipment	4,776	5,342
Amortisation of intangible assets	569	573
Allowance for impairment and written-off of trade and other receivables	276	44
Losses/(gains) on disposal of property, plant and equipment — net	42	(250)
(Reversal of allowance for)/allowance for and written-off of inventories	(53)	73

8 OTHER INCOME

	(Unaudited)	
	Six months ended 30 September	
	2015	2014
	US\$'000	US\$'000
Scrap sales of old newspapers and magazines	1,516	2,352
Interest income	1,286	931
Other media-related income	801	1,173
Rental and management fee income	417	713
License fee and royalty income	104	123
Dividend income	8	9
Others	41	68
	4,173	5,369

9 OTHER (LOSSES)/GAINS, NET

	(Unaudited)	
	Six months ended 30 September	
	2015	2014
	US\$'000	US\$'000
Fair value gains on financial assets at fair value through profit or loss	11	39
Net exchange (losses)/gains	(189)	146
	(178)	185

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

10 FINANCE COSTS

	(Unaudited)	
	Six months ended 30 September	
	2015	2014
	US\$'000	US\$'000
Interest on medium term notes	2,754	3,304
Interest on short-term bank borrowings	69	148
	2,823	3,452

11 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2014: 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% (2014: 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	
	2015	2014
	US\$'000	US\$'000
Hong Kong taxation		
Current period	936	778
Malaysian taxation		
Current period	5,714	7,552
Other countries' taxation		
Current period	797	460
Over provision in prior years	(83)	(17)
Deferred income tax credit	(165)	(980)
	7,199	7,793

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	
	2015	2014
Profit attributable to owners of the Company (US\$'000)	16,453	18,324
Weighted average number of ordinary shares in issue	1,687,237,050	1,687,238,924
Basic earnings per share (US cents)	0.98	1.09
Diluted earnings per share (US cents)	0.98	1.09

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 2015 and 2014.

13 DIVIDENDS

	(Unaudited)	
	Six months ended 30 September	
	2015	2014
	US\$'000	US\$'000
Dividend attributable to the period:		
First interim, proposed, US0.500 cents (2014/2015: US0.430 cents) per ordinary share	8,436	7,255
Dividend paid during the period:		
Second interim, 2014/2015, US0.500 cents (2013/2014: US0.680 cents) per ordinary share (note a)	8,436	11,473

The board of directors has declared a first interim dividend of US0.500 cents (2014/2015: US0.430 cents) per ordinary share in respect of the year ending 31 March 2016. The dividend will be payable on 23 December 2015 to shareholders whose names appear on the register of members of the Company at the close of business on 10 December 2015 in cash in Malaysian Ringgit ("RM") or in Hong Kong Dollar ("HK\$") at the average exchange rates used during the period ended 30 September 2015 for the translation of the results of the subsidiaries whose functional currencies are not US\$. This interim dividend is not reflected as a dividend payable in this interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

13 DIVIDENDS (Continued)

The average exchange rates used during the period ended 30 September 2015 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	3.8612	1.931 sen
US\$ to HK\$	7.7516	HK\$3.876 cents

Note:

- (a) The second interim dividend represented a dividend of US\$0.500 cents per ordinary share in respect of the year ended 31 March 2015 and was paid to the shareholders of the Company on 31 July 2015.

14 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2015, the Group acquired property, plant and equipment at a cost of US\$1,811,000 (six months ended 30 September 2014: US\$2,990,000) and disposed of property, plant and equipment with the carrying amount of US\$53,000 (six months ended 30 September 2014: US\$419,000).

15 TRADE AND OTHER RECEIVABLES

	(Unaudited) As at 30 September 2015 US\$'000	(Audited) As at 31 March 2015 US\$'000
Trade receivables	42,671	50,172
Less: allowance for impairment of trade receivables	(1,900)	(2,064)
Trade receivables, net (<i>note</i>)	40,771	48,108
Deposits and prepayments	6,551	7,073
Other receivables	3,695	3,730
	51,017	58,911

At 30 September 2015, 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 2015, the ageing analysis of the net trade receivables based on invoice date is as follows:

	(Unaudited) As at 30 September 2015 US\$'000	(Audited) As at 31 March 2015 US\$'000
1 to 60 days	29,331	34,767
61 to 120 days	8,587	10,050
121 to 180 days	1,791	2,217
Over 180 days	1,062	1,074
	40,771	48,108

16 TRADE AND OTHER PAYABLES

	(Unaudited) As at 30 September 2015 US\$'000	(Audited) As at 31 March 2015 US\$'000
Trade payables (note)	15,818	13,099
Accrued charges and other payables	25,264	29,069
Receipts in advance	13,945	17,440
Amounts due to related parties	640	308
	55,667	59,916

At 30 September 2015, the fair values of trade and other payables approximated the carrying amounts.

Note: At 30 September 2015, the ageing analysis of the trade payables based on invoice date is as follows:

	(Unaudited) As at 30 September 2015 US\$'000	(Audited) As at 31 March 2015 US\$'000
1 to 60 days	13,164	10,978
61 to 120 days	2,391	1,689
121 to 180 days	159	76
Over 180 days	104	356
	15,818	13,099

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

17 BANK AND OTHER BORROWINGS

	(Unaudited) As at 30 September 2015 US\$'000	(Audited) As at 31 March 2015 US\$'000
Current		
Short-term bank borrowings (secured)	–	892
Short-term bank borrowings (unsecured)	319	8,693
	319	9,585
Non-current		
Medium term notes (unsecured)	102,378	121,506
Total bank and other borrowings	102,697	131,091

Movements in bank and other borrowings are analysed as follows:

	(Unaudited) Six months ended 30 September 2015 US\$'000	2014 US\$'000
At 1 April	131,091	150,530
New bank and other borrowings raised	1,706	9,335
Repayments of bank and other borrowings	(10,912)	(12,276)
Currency translation differences	(19,188)	(619)
At 30 September	102,697	146,970

18 OTHER NON-CURRENT LIABILITIES

	(Unaudited) As at 30 September 2015 US\$'000	(Audited) As at 31 March 2015 US\$'000
Retirement benefit obligations	703	771
Defined benefit plan liabilities	246	138
	949	909
Current portion of other non-current liabilities	(49)	(58)
	900	851

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

19 SHARE CAPITAL AND PREMIUM

The number of authorised ordinary shares is 2,500 million shares (31 March 2015: 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 <i>US\$'000</i>	Share premium <i>US\$'000</i>	Total <i>US\$'000</i>
At 1 April 2015	1,687,237,241	21,715	54,664	76,379
Repurchase of ordinary shares	(1,000)	—*	—*	—*
At 30 September 2015	1,687,236,241	21,715	54,664	76,379

* negligible

All the shares repurchased during the six months ended 30 September 2015 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 2015 <i>US\$'000</i>	(Audited) As at 31 March 2015 <i>US\$'000</i>
Property, plant and equipment		
Authorised and contracted for	650	4,003
Authorised but not contracted for	853	1,753
	1,503	5,756

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

21 CONTINGENT LIABILITIES

As at 30 September 2015, 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	
	2015	2014
	US\$'000	US\$'000
Newsprint purchases from a related company (note 1)	7,619	20,742
Rental expenses paid to related companies (note 1)	40	40
Purchases of air tickets from a related company (note 1)	18	17
Motor vehicle insurance premium paid to a related company (note 1)	1	–
Royalty fee for sales of books and DVDs to a related company (note 1)	–	3
Scrap sales of old newspapers and magazines to a related company (note 1)	(821)	(1,340)
Content providing income received from a joint venture	(60)	(60)
Provision of air tickets and accommodation arrangement services to related companies (note 1)	(27)	(10)
Provision of accounting service to an associate	(38)	–
Provision of accounting service to related companies (note 1)	(4)	(4)
Agency fee income received from an associate	–	(133)
Rental income received from a related company (note 1)	–	(9)

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	
	2015	2014
	US\$'000	US\$'000
Directors' fees, basic salaries, bonuses, other allowances and benefits in kind	1,211	1,173
Contributions to pension schemes	65	82
	1,276	1,255

(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 2015. 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 31.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

(in US\$'000)	(Unaudited)		
	For the six months ended 30 September		
	2015	2014	Change
Turnover	197,280	237,136	-16.8%
Profit before income tax	23,571	26,286	-10.3%
EBITDA	30,453	34,722	-12.3%
Basic earnings per share (US cents)	0.98	1.09	-10.1%

OVERALL REVIEW OF OPERATIONS

Operating environment remained challenging for the Group during the first half-year of 2015/2016 amid the soft advertising market and weak consumer sentiment in all its publishing segments. In addition, currency volatility continued to pose significant negative impact on the Group's performance. Turnover for the six months ended 30 September 2015 declined 16.8% or US\$39,856,000 year-on-year to US\$197,280,000, while profit before income tax registered a decrease of 10.3% or US\$2,715,000 to US\$23,571,000 from US\$26,286,000 in the first half-year of 2014/2015. However, if currency impact was excluded, the decline in turnover would have been about 7.4% whereas the Group's profit before income tax would have registered an increase of about 6%.

EBITDA for the first six months of 2015/2016 was down by 12.3% or US\$4,269,000 from the prior year period to US\$30,453,000. It would be an increase of about 3.3% if currency impact was excluded.

The Group's publishing and printing segment has been adversely affected by the soft advertising market and weak consumer sentiment during the current period. The segment reported a turnover of US\$138,837,000, reflecting a decline of 22.3% or US\$ 39,890,000 from the same period last year. Profit before income tax decreased by 22.2% or US\$5,900,000 to US\$20,688,000. The results were affected by negative currency translation effects, the decreases in turnover and profit before income tax would have been about 10.8% and 6.6% respectively if currency impact was excluded.

Segment turnover of the Group's tour business amounted to US\$58,443,000, which was at the same level as last year's. However, if currency impact was excluded, segment turnover would have been about 2.9% higher than the prior year period. Segment profit before income tax surged 73.8% or US\$2,557,000 to US\$6,020,000. This notable profit growth was primarily attributable to improved profit margins and effective cost containment measures.

Both Malaysian Ringgit ("RM") and Canadian Dollar ("C\$") weakened against the US\$ during the first half-year of 2015/2016, which brought negative currency impact of approximately US\$22,291,000 and US\$4,298,000 on the Group's turnover and profit before income tax respectively.

Basic earnings per share for the six months ended 30 September 2015 was US0.98 cents, a decrease of US0.11 cents or 10.1% from US1.09 cents in the corresponding period last year.

As at 30 September 2015, the Group's cash and cash equivalents amounted to US\$125,565,000, an increase of 5.9% since 31 March 2015; and the Group's net gearing ratio dropped to Nil from 5.9% as at 31 March 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL REVIEW

Publishing and Printing

Malaysia and other Southeast Asian countries

The business conditions remain challenging for the media and advertising industry in Malaysia. The economic uncertainties, including the weakening RM, plunge in oil and commodity prices and the recently implemented Goods and Services Tax, have affected the persistent soft market sentiments in Malaysia.

Given the prolonged challenges, the Group's turnover in Malaysia declined by 25.9% or US\$34,228,000 to US\$97,969,000 as compared with the same period last year. The segment profit before income tax dropped 14.5% or US\$3,591,000 to US\$21,106,000 when compared with the corresponding period a year ago. However, if currency impact was excluded, the Malaysian segment achieved a growth in profit before income tax of 2.7% in local currency RM, and that the decrease in turnover would have been about 11.4% only.

As a leading Chinese media group in Malaysia, the Group publishes four market-leading Chinese newspapers of the respective segments, *Sin Chew Daily*, *China Press*, *Guang Ming Daily* and *Nanyang Siang Pau*, with a combined average daily readership of 2.8 million and together accounted for about 76% of all the Chinese newspapers sold in Malaysia during the period under review.

Sin Chew Daily remains the most widely read Chinese language newspaper across the country and achieved a daily circulation for print and digital of 373,537 copies for the period from July to December 2014 according to the Audit Bureau of Circulation report ("ABC report"). Providing the local Chinese communities with quality comprehensive news, the daily readership of *Sin Chew Daily* has recorded a 16% growth from July 2014 to June 2015 compared to a year ago.

China Press continues to be the most popular evening newspaper with the second-largest readership among all Chinese language newspapers in Malaysia. Based on the ABC report, *China Press* had a daily circulation for print and digital of 219,994 copies from July to December 2014.

At the same time, *Guang Ming Daily* enjoys the largest readership in the northern region of Peninsular Malaysia with 99,263 daily circulated copies for print and digital between July to December 2014 according to the ABC report.

Nanyang Siang Pau differentiates itself by providing sophisticated business news reporting and professional analysis to the highly educated Chinese business community, resulting in its daily readership recording a 9% growth from July 2014 to June 2015 compared to a year ago.

The Group's Life Magazines maintains its leading position as Malaysia's largest Chinese language magazine publisher with a combined portfolio of 16 magazines and one tabloid newspaper. Its publication covers a wide range of the hottest topics such as health, bridal, fashion and lifestyle. In addition, it also achieved great success in organising various trade fairs and events such as "Health Fair", "Romance in Fate Bridal Fair", and "Angling & Outdoor Recreational Fair".

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL REVIEW (Continued)

Publishing and Printing (Continued)

Hong Kong and Mainland China

For the six months ended 30 September 2015, turnover of the Group's Hong Kong and Mainland China publishing and printing operations amounted to US\$31,070,000, down by 10.4% or US\$3,614,000 from the prior year period. The segment's top line has been affected by the slow property market as well as the slumping luxury retail sales in Hong Kong which have led to advertisers cutting back on their promotional spending. The decline in turnover was partly mitigated by reduction in operating costs and the segment reported a profit before income tax of US\$336,000 for the current period as against last year's US\$2,084,000.

The Group's flagship newspaper title in Hong Kong, *Ming Pao Daily News*, continues its commitment to providing readers with professional journalism and comprehensive news coverage of economic, political and social issues both at home and abroad. *Ming Pao Daily News* has been widely recognised as one of the most influential and credible newspapers in Hong Kong over the years.

One Media Group publishes Chinese language lifestyle magazines and provides digital and outdoor media services in the Greater China region. For the six months ended 30 September 2015, One Media Group registered a turnover of HK\$68,731,000, a decrease of 21.6% compared with HK\$87,711,000 in the prior year period. The market's advertising spending on magazines has been on a declining trend amid a slowdown in the retail sector caused by weak consumer demand and reduced spending by Mainland tourists, especially for branded labels and luxury goods. As a result of the decline in revenue, One Media Group reported a loss of HK\$1,833,000 for the current period as against a profit of HK\$4,172,000 reported in the corresponding period last year.

Leveraging on its abundant resources and strong network with the local education community, the Group's new educational textbook business has achieved satisfactory growth in terms of both circulation and market share. With a view to fostering a stronger presence in the field, the Group will continue to extend efforts in the development of both print and digital educational products while at the same time expanding its distribution network to reach out to a wider target customer base.

North America

During the period under review, the impact of falling oil and commodity prices as well as a looming interest rate hike have affected the business and consumer sentiments and weakened the Canadian economy. The weak local economy has an adverse impact on the performance of the Group's publishing and printing operations in this segment. The situation was further exacerbated by the depreciation of the C\$ against the US\$, resulting in a decrease in segment turnover of 17.3% to US\$9,798,000 and a segment loss of US\$754,000 as against a loss of US\$193,000 reported in the prior year period.

Travel and Travel Related Services

During the first half-year of 2015/2016, turnover of the Group's travel segment was maintained at last year's level of US\$58,443,000, however, segment profit before income tax achieved a notable 73.8% or US\$2,557,000 increase to US\$6,020,000. If currency impact was excluded, the increases in the travel segment's turnover and profit before income tax would have been about 2.9% and 78.3% respectively. The improved profitability was mainly attributed to enhanced profit margins as well as disciplined cost-controls implemented during the period.

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL REVIEW (Continued)

Digital Business

Given its increasing importance, digital business has helped the Group further to diversify its audience base and revenue sources. During the period under review, e-versions of the Group's newspapers and magazines, together with their respective websites and mobile apps as well as the online video platform "Pocketimes", continued to provide readers with multimedia reading experience and advertisers with integrated marketing solutions. The Group's bilingual e-commerce marketplace, "Logon", facilitates an online business platform between SMEs/SMIs and e-shoppers with a vision to empower small and medium-sized merchants to reach targeted consumers, while at the same time enriching the online shopping experiences. As part of its digital business strategy, the Group has continued to expand its online community base and achieved a significant growth in terms of e-paper subscriptions, number of unique visitors, pageviews and video views for the Group's various web portals.

OUTLOOK

With the outlook for global economic activities remaining uncertain and the continued volatility in the currency market, we foresee another challenging half-year ahead for FY 2015/2016. The publishing and printing segment will continue to face revenue pressure from a cautious advertising spending environment as well as increased competitive pressures from other media.

Although newsprint prices are expected to remain stable in the second half of FY 2015/2016, we remain cautious as the ongoing appreciation of the US\$ could have negative impact on the Group's cost base and profitability.

On a positive note for the Group's operations in North America, it is expected that the operating environment may improve in the 2nd half-year of FY 2015/2016 in light of the recent improving US economy.

Notwithstanding the difficult business environment ahead, the Group will continue to reinforce sustainable cost reduction strategies while at the same time improve operating efficiencies as well as overall profitability.

PLEDGE OF ASSETS

As at 30 September 2015, general security agreements under which all the assets of certain subsidiaries with net book amount of nil (31 March 2015: US\$10,484,000) 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 2015, the Group's cash and cash equivalents were US\$125,565,000 (31 March 2015: US\$118,620,000) and total bank and other borrowings were US\$102,697,000 (31 March 2015: US\$131,091,000). The net cash position was US\$22,868,000 (31 March 2015: net debt US\$12,471,000). Owners' equity was US\$192,986,000 (31 March 2015: US\$209,744,000).

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 30 September 2015 (31 March 2015: 5.9%).

OTHER INFORMATION

SHARE OPTION SCHEMES

The Company has no share option scheme. The Company's listed subsidiary, One Media Group Limited ("One Media") had 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 might, 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.

Both the Pre-IPO Scheme and the Post-IPO Scheme expired on 25 September 2015. No option had ever been granted or agreed to be granted by One Media under the Post-IPO Scheme. During the six months ended 30 September 2015, movements of the options granted under the Pre-IPO Scheme are as follows:

Grantee	Number of shares involved in share options				Percentage of issued ordinary shares of One Media	Exercise price per share HK\$	Date of grant	Exercisable period
	Balance at 1 April 2015	Exercised during the period (note 2)	Lapsed during the period (note 3)	Balance at 30 September 2015				
Directors:								
Tan Sri Datuk								
Sir TIONG Hiew King	1,250,000	-	(1,250,000)	-	-	1.200	27/09/2005	18/10/2005-25/09/2015
Dato' Sri Dr TIONG Ik King	1,000,000	-	(1,000,000)	-	-	1.200	27/09/2005	18/10/2005-25/09/2015
Mr TIONG Kiew Chiong	1,250,000	-	(1,250,000)	-	-	1.200	27/09/2005	18/10/2005-25/09/2015
Mr David YU Hon To	150,000	-	(150,000)	-	-	1.200	27/09/2005	18/10/2005-25/09/2015
	3,650,000	-	(3,650,000)	-	-			
Directors of One Media and full time employees of the Group	3,788,000	(900,000)	(2,888,000)	-	-	1.200	27/09/2005	18/10/2005-25/09/2015
Total	7,438,000	(900,000)	(6,538,000)	-	-			

OTHER INFORMATION

SHARE OPTION SCHEMES (Continued)

Notes:

- 1 No share option was granted or cancelled during the period.
- 2 During the period, 900,000 shares were issued at HK\$1.20 per share as a result of the exercise of the options under the Pre-IPO Scheme. The weighted average of the closing price of One Media's shares immediately before the dates on which the above share options were exercised was HK\$1.64 per share.
- 3 During the period, 638,000 share options lapsed by reason of the grantees ceased to be full time employees of One Media Group and 5,900,000 share options lapsed by reason of the expiration of the Pre-IPO Scheme on 25 September 2015.

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

As at 30 September 2015, 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				Percentage of issued ordinary shares
	Personal interests	Family interests	Corporate interests	Total interests in shares	
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	2,141,039	—	—	2,141,039	0.13%
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

OTHER INFORMATION

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

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

Notes:

1 The corporate interests of 796,734,373 shares of the Company held by 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% 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

INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS HELD BY 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 held			Percentage of issued ordinary shares of One Media
	Personal interests	Corporate interests (note 1)	Total interests in shares	
Tan Sri Datuk Sir TIONG Hiew King	–	292,700,000	292,700,000	73.01%
Dato' Sri Dr TIONG Ik King	–	292,700,000	292,700,000	73.01%
Ms TIONG Choon	26,000	–	26,000	0.01%

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

Note:

- 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 31.

Save as disclosed above and those disclosed under "Share Option Schemes", at 30 September 2015, 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 2015 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 2015, 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 32.

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 2015.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

In August 2015, 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\$1.15 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	Lowest		
		HK\$	HK\$		
August 2015	1,000	1.15	1.15	1,150	148

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES (Continued)

All the shares repurchased during the period ended 30 September 2015 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 ended 30 September 2015.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members in Hong Kong will be closed on Thursday, 10 December 2015 whereby no transfer of shares will be registered on that date. In order to qualify for the first interim dividend of US0.500 cents per ordinary share, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 9 December 2015. In respect of the shareholders in Malaysia, a depositor in Malaysia shall qualify for the entitlement to the dividend only in respect of: (i) shares transferred into the depositor's securities account before 4:00 p.m. on Thursday, 10 December 2015 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 shareholders on 23 December 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 4 December 2015 to 10 December 2015, both days inclusive.

EMPLOYEES AND EMOLUMENT POLICY

At 30 September 2015, the Group had 4,389 employees (31 March 2015: 4,554 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/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.

OTHER INFORMATION

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 (the “Hong Kong Code”) contained in Appendix 14 of the HK Listing Rules. 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.

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) 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.

OTHER INFORMATION

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.

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.

By Order of the Board
MEDIA CHINESE INTERNATIONAL LIMITED
TIONG Kiew Chiong
Director

25 November 2015

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 2015

	(Unaudited)	
	Six months ended 30 September	
	2015	2014
	RM'000	RM'000
	(note)	(note)
Turnover	867,144	1,042,331
Cost of goods sold	(550,123)	(675,856)
Gross profit	317,021	366,475
Other income	18,342	23,599
Other (losses)/gains, net	(782)	813
Selling and distribution expenses	(129,786)	(154,730)
Administrative expenses	(75,264)	(91,097)
Other operating expenses	(13,538)	(13,745)
Operating profit	115,993	131,315
Finance costs	(12,408)	(15,173)
Share of profits/(losses) of joint ventures and associates	22	(602)
Profit before income tax	103,607	115,540
Income tax expense	(31,644)	(34,254)
Profit for the period	71,963	81,286
Profit/(loss) attributable to:		
Owners of the Company	72,319	80,543
Non-controlling interests	(356)	743
	71,963	81,286
Earnings per share attributable to owners of the Company		
Basic (sen)	4.31	4.79
Diluted (sen)	4.31	4.79

Note: The presentation currency of this condensed consolidated interim financial information is US\$. Additional information in RM for the six months ended 30 September 2015 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.3955 ruling at 30 September 2015. 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 2015

	(Unaudited)	
	Six months ended 30 September	
	2015	2014
	RM'000	RM'000
	(note)	(note)
Profit for the period	71,963	81,286
Other comprehensive loss		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	(109,479)	(4,532)
Other comprehensive loss for the period, net of tax	(109,479)	(4,532)
Total comprehensive (loss)/income for the period	(37,516)	76,754
Total comprehensive (loss)/income for the period attributable to:		
Owners of the Company	(36,848)	75,994
Non-controlling interests	(668)	760
	(37,516)	76,754

Note: The presentation currency of this condensed consolidated interim financial information is US\$. Additional information in RM for the six months ended 30 September 2015 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.3955 ruling at 30 September 2015. 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 2015

	(Unaudited) As at 30 September 2015 RM'000 (note)	(Unaudited) As at 31 March 2015 RM'000 (note)
ASSETS		
Non-current assets		
Property, plant and equipment	471,769	557,829
Investment properties	61,348	70,077
Intangible assets	218,092	259,352
Deferred income tax assets	2,589	3,178
Interests in joint ventures and associates	3,239	3,499
	757,037	893,935
Current assets		
Inventories	100,850	179,724
Available-for-sale financial assets	426	426
Financial assets at fair value through profit or loss	1,341	1,292
Trade and other receivables	224,245	258,943
Income tax recoverable	2,585	2,774
Cash and cash equivalents	551,921	521,394
	881,368	964,553
Current liabilities		
Trade and other payables	244,684	263,361
Income tax liabilities	21,081	16,074
Bank and other borrowings	1,403	42,131
Current portion of other non-current liabilities	215	255
	267,383	321,821
Net current assets	613,985	642,732
Total assets less current liabilities	1,371,022	1,536,667

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	(Unaudited) As at 30 September 2015 RM'000 (note)	(Unaudited) As at 31 March 2015 RM'000 (note)
EQUITY		
Equity attributable to owners of the Company		
Share capital	95,448	95,448
Share premium	240,276	240,276
Other reserves	(551,794)	(442,895)
Retained earnings		
— Proposed dividend	37,080	37,081
— Others	1,027,260	992,020
	1,064,340	1,029,101
Non-controlling interests	848,270	921,930
	26,984	27,960
Total equity	875,254	949,890
Non-current liabilities		
Bank and other borrowings	450,000	534,079
Deferred income tax liabilities	41,811	48,957
Other non-current liabilities	3,957	3,741
	495,768	586,777
	1,371,022	1,536,667

Note: The presentation currency of this condensed consolidated interim financial information is US\$. Additional information in RM as at 30 September 2015 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.3955 ruling at 30 September 2015. 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 2015

	(Unaudited)						
	Attributable to owners 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)
Balance at 1 April 2014	95,448	240,276	(351,403)	973,072	957,393	31,810	989,203
Comprehensive income							
Profit for the period	–	–	–	80,543	80,543	743	81,286
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	–	–	(4,549)	–	(4,549)	17	(4,532)
Other comprehensive (loss)/income, net of tax	–	–	(4,549)	–	(4,549)	17	(4,532)
Total comprehensive (loss)/income for the six months ended 30 September 2014	–	–	(4,549)	80,543	75,994	760	76,754
Total contributions by and distributions to owners of the Company recognised directly in equity							
2013/2014 second interim dividend paid	–	–	–	(50,430)	(50,430)	–	(50,430)
Total contributions by and distributions to owners of the Company	–	–	–	(50,430)	(50,430)	–	(50,430)
2014/2015 interim dividend paid by a subsidiary	–	–	–	–	–	(26)	(26)
2013/2014 final dividend paid by a listed subsidiary	–	–	–	–	–	(1,824)	(1,824)
Total transactions with owners	–	–	–	(50,430)	(50,430)	(1,850)	(52,280)
Balance at 30 September 2014	95,448	240,276	(355,952)	1,003,185	982,957	30,720	1,013,677

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2015

	(Unaudited)						
	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital RM'000 (note)	Share premium RM'000 (note)	Other reserves RM'000 (note)	Retained earnings RM'000 (note)	Total RM'000 (note)	RM'000 (note)	RM'000 (note)
Balance at 1 April 2015	95,448	240,276	(442,895)	1,029,101	921,930	27,960	949,890
Comprehensive income/(loss)							
Profit/(loss) for the period	-	-	-	72,319	72,319	(356)	71,963
Other comprehensive loss							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(109,167)	-	(109,167)	(312)	(109,479)
Other comprehensive loss, net of tax	-	-	(109,167)	-	(109,167)	(312)	(109,479)
Total comprehensive (loss)/income for the six months ended 30 September 2015	-	-	(109,167)	72,319	(36,848)	(668)	(37,516)
Total contributions by and distributions to owners of the Company recognised directly in equity							
2014/2015 second interim dividend paid	-	-	-	(37,080)	(37,080)	-	(37,080)
Total contributions by and distributions to owners of the Company	-	-	-	(37,080)	(37,080)	-	(37,080)
Issue of shares under share option scheme of a listed subsidiary	-	-	268	-	268	343	611
2014/2015 interim dividend paid by a subsidiary	-	-	-	-	-	(35)	(35)
2014/2015 final dividend paid by a listed subsidiary	-	-	-	-	-	(616)	(616)
Total transactions with owners	-	-	268	(37,080)	(36,812)	(308)	(37,120)
Balance at 30 September 2015	95,448	240,276	(551,794)	1,064,340	848,270	26,984	875,254

Note: The presentation currency of this condensed consolidated interim financial information is US\$. Additional information in RM for the six months ended 30 September 2015 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.3955 ruling at 30 September 2015. 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 2015

	(Unaudited)	
	Six months ended 30 September	
	2015	2014
	RM'000	RM'000
	(note)	(note)
Cash flows from operating activities		
Cash generated from operations	208,531	151,526
Interest paid	(11,222)	(15,195)
Income tax paid	(25,990)	(35,854)
Net cash generated from operating activities	171,319	100,477
Cash flows from investing activities		
Additional investment in an associate	–	(431)
Purchases of property, plant and equipment	(7,960)	(13,143)
Purchases of intangible assets	(1,033)	(919)
Proceeds from disposal of property, plant and equipment	48	2,941
Interest received	5,653	4,092
Dividends received	321	62
Net cash used in investing activities	(2,971)	(7,398)
Cash flows from financing activities		
Proceeds from issue of shares under the share option scheme of a listed subsidiary	611	–
Dividends paid	(37,080)	(50,430)
Dividends paid to non-controlling interests by a subsidiary	(35)	(26)
Dividends paid to non-controlling interests by a listed subsidiary	(616)	(1,824)
Proceeds from bank and other borrowings	7,499	41,032
Repayments of bank and other borrowings	(47,964)	(53,959)
Net cash used in financing activities	(77,585)	(65,207)
Net increase in cash and cash equivalents	90,763	27,872
Cash and cash equivalents at beginning of period	521,394	452,085
Exchange adjustments on cash and cash equivalents	(60,236)	(1,604)
Cash and cash equivalents at end of period	551,921	478,353

Note: The presentation currency of this condensed consolidated interim financial information is US\$. Additional information in RM for the six months ended 30 September 2015 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.3955 ruling at 30 September 2015. 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

