

世界華文

媒體 MEDIA CHINESE

Interim Report 2016/17

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 STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2016

| | Note | (Unaudited) | |
|---|------|-------------------------------|-----------|
| | | Six months ended 30 September | |
| | | 2016 | 2015 |
| | | US\$'000 | US\$'000 |
| Turnover | 6 | 168,251 | 197,280 |
| Cost of goods sold | | (108,606) | (125,156) |
| Gross profit | | 59,645 | 72,124 |
| Other income | 8 | 4,434 | 4,173 |
| Other losses, net | 9 | (102) | (178) |
| Selling and distribution expenses | | (28,543) | (29,527) |
| Administrative expenses | | (15,763) | (17,123) |
| Other operating expenses | | (2,815) | (3,080) |
| Operating profit | | 16,856 | 26,389 |
| Finance costs | 10 | (2,624) | (2,823) |
| Share of profits of joint ventures and associates | | 311 | 5 |
| Profit before income tax | | 14,543 | 23,571 |
| Income tax expense | 11 | (4,674) | (7,199) |
| Profit for the period | | 9,869 | 16,372 |
| Profit/(loss) attributable to: | | | |
| Owners of the Company | | 10,169 | 16,453 |
| Non-controlling interests | | (300) | (81) |
| | | 9,869 | 16,372 |
| Earnings per share attributable to owners of the Company | | | |
| Basic (US cents) | 12 | 0.60 | 0.98 |
| Diluted (US cents) | 12 | 0.60 | 0.98 |

The notes on pages 8 to 26 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2016

| | (Unaudited) | |
|--|-------------------------------|-----------------|
| | Six months ended 30 September | |
| | 2016 | 2015 |
| | <i>US\$'000</i> | <i>US\$'000</i> |
| Profit for the period | 9,869 | 16,372 |
| Other comprehensive loss | | |
| Item that may be reclassified subsequently to profit or loss: | | |
| Currency translation differences | (9,052) | (24,907) |
| Other comprehensive loss for the period, net of tax | (9,052) | (24,907) |
| Total comprehensive income/(loss) for the period | 817 | (8,535) |
| Total comprehensive income/(loss) for the period attributable to: | | |
| Owners of the Company | 1,149 | (8,383) |
| Non-controlling interests | (332) | (152) |
| | 817 | (8,535) |

The notes on pages 8 to 26 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

| | | (Unaudited) As at 30 September 2016 US\$'000 | (Audited) As at 31 March 2016 US\$'000 |
|---|------|--|--|
| | Note | | |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 14 | 105,636 | 114,596 |
| Investment properties | | 14,769 | 15,451 |
| Intangible assets | | 50,384 | 53,516 |
| Deferred income tax assets | | 532 | 300 |
| Interests in joint ventures and associates | | 931 | 749 |
| | | 172,252 | 184,612 |
| Current assets | | | |
| Inventories | | 28,850 | 23,869 |
| Available-for-sale financial assets | | 97 | 97 |
| Financial assets at fair value through profit or loss | | 338 | 340 |
| Trade and other receivables | 15 | 47,883 | 51,669 |
| Income tax recoverable | | 1,313 | 1,403 |
| Cash and cash equivalents | | 135,708 | 140,950 |
| | | 214,189 | 218,328 |
| Current liabilities | | | |
| Trade and other payables | 16 | 53,282 | 53,131 |
| Income tax liabilities | | 4,247 | 3,871 |
| Bank and other borrowings | 17 | 54,743 | 58,453 |
| Current portion of other non-current liabilities | 18 | 79 | 83 |
| | | 112,351 | 115,538 |
| Net current assets | | 101,838 | 102,790 |
| Total assets less current liabilities | | 274,090 | 287,402 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

| | | (Unaudited) | (Audited) |
|---|-------------|---------------------|-----------------|
| | | As at | As at |
| | | 30 September | 31 March |
| | | 2016 | 2016 |
| | <i>Note</i> | US\$'000 | US\$'000 |
| EQUITY | | | |
| Equity attributable to owners of the Company | | | |
| Share capital | 19 | 21,715 | 21,715 |
| Share premium | 19 | 54,664 | 54,664 |
| Other reserves | | (116,735) | (107,715) |
| Retained earnings | | 244,406 | 244,360 |
| | | 204,050 | 213,024 |
| Non-controlling interests | | 5,364 | 5,703 |
| Total equity | | 209,414 | 218,727 |
| Non-current liabilities | | | |
| Bank and other borrowings | 17 | 54,407 | 57,663 |
| Deferred income tax liabilities | | 9,172 | 9,981 |
| Other non-current liabilities | 18 | 1,097 | 1,031 |
| | | 64,676 | 68,675 |
| | | 274,090 | 287,402 |

The notes on pages 8 to 26 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 2016

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2016

| | (Unaudited) | | | | | | |
|--|---------------------------------------|---------------|----------------|-------------------|----------|---------------------------|--------------|
| | Attributable to owners of the Company | | | | | Non-controlling interests | Total equity |
| | Share capital | Share premium | Other reserves | Retained earnings | Total | | |
| US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | |
| Balance at 1 April 2016 | 21,715 | 54,664 | (107,715) | 244,360 | 213,024 | 5,703 | 218,727 |
| Comprehensive income/(loss) | | | | | | | |
| Profit/(loss) for the period | - | - | - | 10,169 | 10,169 | (300) | 9,869 |
| Other comprehensive loss | | | | | | | |
| Item that may be reclassified subsequently to profit or loss: | | | | | | | |
| Currency translation differences | - | - | (9,020) | - | (9,020) | (32) | (9,052) |
| Other comprehensive loss, net of tax | - | - | (9,020) | - | (9,020) | (32) | (9,052) |
| Total comprehensive (loss)/ income for the six months ended 30 September 2016 | - | - | (9,020) | 10,169 | 1,149 | (332) | 817 |
| Total contributions by and distributions to owners of the Company recognised directly in equity | | | | | | | |
| 2015/2016 second interim dividend paid | - | - | - | (10,123) | (10,123) | - | (10,123) |
| Total contributions by and distributions to owners of the Company | - | - | - | (10,123) | (10,123) | - | (10,123) |
| 2015/2016 interim dividend paid by an unlisted subsidiary | - | - | - | - | - | (5) | (5) |
| 2016/2017 interim dividend paid by an unlisted subsidiary | - | - | - | - | - | (2) | (2) |
| Total transactions with owners | - | - | - | (10,123) | (10,123) | (7) | (10,130) |
| Balance at 30 September 2016 | 21,715 | 54,664 | (116,735) | 244,406 | 204,050 | 5,364 | 209,414 |

The notes on pages 8 to 26 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2016

| | (Unaudited) | |
|--|-------------------------------|----------------|
| | Six months ended 30 September | |
| | 2016 | 2015 |
| | US\$'000 | US\$'000 |
| Cash flows from operating activities | | |
| Cash generated from operations | 17,738 | 47,442 |
| Interest paid | (2,630) | (2,553) |
| Income tax paid | (4,721) | (5,913) |
| Net cash generated from operating activities | 10,387 | 38,976 |
| Cash flows from investing activities | | |
| Purchases of property, plant and equipment | (844) | (1,811) |
| Purchases of intangible assets | (297) | (235) |
| Proceeds from disposal of property, plant and equipment | 31 | 11 |
| Interest received | 1,732 | 1,286 |
| Dividends received | 140 | 73 |
| Net cash generated from/(used in) investing activities | 762 | (676) |
| Cash flows from financing activities | | |
| Proceeds from issue of shares under the share option scheme of a listed subsidiary | - | 139 |
| Dividends paid | (10,123) | (8,436) |
| Dividends paid to non-controlling interests by an unlisted subsidiary | (7) | (8) |
| Dividend paid to non-controlling interests by a listed subsidiary | - | (140) |
| Proceeds from bank and other borrowings | 2,534 | 1,706 |
| Repayments of bank and other borrowings | (2,973) | (10,912) |
| Net cash used in financing activities | (10,569) | (17,651) |
| Net increase in cash and cash equivalents | 580 | 20,649 |
| Cash and cash equivalents at beginning of period | 140,950 | 118,620 |
| Exchange adjustments on cash and cash equivalents | (5,822) | (13,704) |
| Cash and cash equivalents at end of period | 135,708 | 125,565 |

The notes on pages 8 to 26 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 publication, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language, and the provision of travel and travel related services in Hong Kong, Taiwan, 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 30 November 2016.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

The condensed consolidated interim financial information of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2016 (“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 HK Stock Exchange (“HK Listing Rules”).

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

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 2016 as included in the Company’s annual report for the year ended 31 March 2016.

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

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

The Group has not early adopted other new or revised standards and amendments to standards that have been issued but are not yet effective for the accounting period beginning 1 April 2016. The Group is in the process of making an assessment of the impact of these new or revised standards and amendments to standards on the Group’s results and financial position in the period of initial application.

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 Group's consolidated financial statements for the year ended 31 March 2016.

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 2016.

There have been no significant changes in the risk management department or in any risk management policies since 31 March 2016.

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 2016:

| | 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 | 334 | - | - | 334 |
| Trading and hedging derivatives | - | 4 | - | 4 |
| Available-for-sale financial assets | | | | |
| Unlisted club debentures | - | - | 97 | 97 |
| | 334 | 4 | 97 | 435 |

The following table presents the Group's assets that are measured at fair value at 31 March 2016:

| | 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 | 340 | - | - | 340 |
| Available-for-sale financial assets | | | | |
| Unlisted club debentures | - | - | 97 | 97 |
| | 340 | - | 97 | 437 |

There was no transfers between levels 1, 2 and 3 during the period.

There was no significant changes in valuation techniques during the period.

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, Taiwan and Mainland China

Publishing and printing: North America

Travel and travel related services

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

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

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

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) | | | | | 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 | 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)

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

| | (Unaudited) | |
|--|-------------------------------|----------|
| | Six months ended 30 September | |
| | 2016 | 2015 |
| | US\$'000 | US\$'000 |
| Advertising income, net of trade discounts | 85,421 | 97,973 |
| Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns | 36,604 | 40,864 |
| Travel and travel related services income | 46,226 | 58,443 |
| | 168,251 | 197,280 |

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 TURNOVER AND SEGMENT INFORMATION (Continued)

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

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

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

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

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

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, Taiwan 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 2016 and 2015, analysed by operating countries, is as follows:

| | (Unaudited) | |
|--|-------------------------------|----------|
| | Six months ended 30 September | |
| | 2016 | 2015 |
| | US\$'000 | US\$'000 |
| Main operating countries | | |
| Malaysia and other Southeast Asian countries | 85,773 | 97,969 |
| Hong Kong, Taiwan and Mainland China | 27,415 | 31,070 |
| Other countries | 8,837 | 9,798 |
| | 122,025 | 138,837 |

As at 30 September 2016, 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 |
| | 2016 | 2016 |
| | US\$'000 | US\$'000 |
| Main operating countries | | |
| Malaysia and other Southeast Asian countries | 147,058 | 159,413 |
| Hong Kong, Taiwan and Mainland China | 17,645 | 17,755 |
| Other countries | 7,017 | 7,144 |
| | 171,720 | 184,312 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 EXPENSES BY NATURE

| | (Unaudited) | |
|---|-------------------------------|----------|
| | Six months ended 30 September | |
| | 2016 | 2015 |
| | US\$'000 | US\$'000 |
| Employee benefit expense (including directors' emoluments) | 48,755 | 50,778 |
| Direct costs of travel and travel related services | 39,184 | 48,057 |
| Raw materials and consumables used | 28,055 | 33,296 |
| Depreciation of property, plant and equipment | 4,543 | 4,776 |
| Amortisation of intangible assets | 541 | 569 |
| Allowance for impairment and write-off of trade and other receivables | 191 | 276 |
| Allowance for impairment and write-off of/(reversal of allowance for) inventories | 81 | (53) |
| (Gains)/losses on disposal of property, plant and equipment — net | (23) | 42 |

8 OTHER INCOME

| | (Unaudited) | |
|---|-------------------------------|--------------|
| | Six months ended 30 September | |
| | 2016 | 2015 |
| | US\$'000 | US\$'000 |
| Interest income | 1,732 | 1,286 |
| Scrap sales of old newspapers and magazines | 1,280 | 1,516 |
| Other media-related income | 886 | 801 |
| Rental and management fee income | 394 | 417 |
| Licence fee and royalty income | 73 | 104 |
| Dividend income | 11 | 8 |
| Others | 58 | 41 |
| | 4,434 | 4,173 |

9 OTHER LOSSES, NET

| | (Unaudited) | |
|--|-------------------------------|--------------|
| | Six months ended 30 September | |
| | 2016 | 2015 |
| | US\$'000 | US\$'000 |
| Fair value (losses)/gains on financial assets at fair value through profit or loss — net | (2) | 11 |
| Net exchange losses | (100) | (189) |
| | (102) | (178) |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

10 FINANCE COSTS

| | (Unaudited) | |
|--|-------------------------------|----------|
| | Six months ended 30 September | |
| | 2016 | 2015 |
| | US\$'000 | US\$'000 |
| Interest on medium-term notes | 2,611 | 2,754 |
| Interest on short-term bank borrowings | 13 | 69 |
| | 2,624 | 2,823 |

11 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2015: 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 24% (2015: 25%) on the estimated assessable profit derived from Malaysia for the period. Taxation on other countries' profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

Income tax expense in the condensed consolidated statement of profit or loss represents:

| | (Unaudited) | |
|---------------------------------------|-------------------------------|----------|
| | Six months ended 30 September | |
| | 2016 | 2015 |
| | US\$'000 | US\$'000 |
| Hong Kong taxation | | |
| Current period | 567 | 936 |
| Malaysian taxation | | |
| Current period | 4,495 | 5,714 |
| Other countries' taxation | | |
| Current period | 244 | 797 |
| Under/(over) provision in prior years | 3 | (83) |
| Deferred income tax credit | (635) | (165) |
| | 4,674 | 7,199 |

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 | |
| | 2016 | 2015 |
| Profit attributable to owners of the Company (US\$'000) | 10,169 | 16,453 |
| Weighted average number of ordinary shares in issue | 1,687,236,241 | 1,687,237,050 |
| Basic earnings per share (US cents) | 0.60 | 0.98 |
| Diluted earnings per share (US cents) | 0.60 | 0.98 |

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

13 DIVIDENDS

| | (Unaudited) | |
|--|-------------------------------|----------|
| | Six months ended 30 September | |
| | 2016 | 2015 |
| | US\$'000 | US\$'000 |
| Dividend attributable to the period: | | |
| First interim, proposed, US0.360 cents (2015/2016: US0.500 cents) per ordinary share | 6,074 | 8,436 |
| Dividend paid during the period: | | |
| Second interim, 2015/2016, US0.600 cents (2014/2015: US0.500 cents) per ordinary share (note a) | 10,123 | 8,436 |

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

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

Note:

- (a) The second interim dividend represented a dividend of US0.600 cents per ordinary share in respect of the year ended 31 March 2016 and was paid to shareholders of the Company on 13 July 2016.

14 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2016, the Group acquired property, plant and equipment at a cost of US\$844,000 (six months ended 30 September 2015: US\$1,811,000) and disposed of property, plant and equipment with a carrying amount of US\$8,000 (six months ended 30 September 2015: US\$53,000).

15 TRADE AND OTHER RECEIVABLES

| | (Unaudited) As at 30 September 2016 US\$'000 | (Audited) As at 31 March 2016 US\$'000 |
|---|--|--|
| Trade receivables | 39,900 | 44,144 |
| Less: allowance for impairment of trade receivables | (2,085) | (2,132) |
| Trade receivables, net (<i>note</i>) | 37,815 | 42,012 |
| Deposits and prepayments | 7,166 | 6,274 |
| Other receivables | 2,902 | 3,383 |
| | 47,883 | 51,669 |

As at 30 September 2016, 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.

As at 30 September 2016, the ageing analysis of the net trade receivables based on invoice date is as follows:

| | (Unaudited) | (Audited) |
|-----------------|---------------------|-----------|
| | As at | As at |
| | 30 September | 31 March |
| | 2016 | 2016 |
| | US\$'000 | US\$'000 |
| 1 to 60 days | 27,589 | 29,113 |
| 61 to 120 days | 8,160 | 9,409 |
| 121 to 180 days | 1,223 | 2,140 |
| Over 180 days | 843 | 1,350 |
| | 37,815 | 42,012 |

16 TRADE AND OTHER PAYABLES

| | (Unaudited) | (Audited) |
|------------------------------------|---------------------|-----------|
| | As at | As at |
| | 30 September | 31 March |
| | 2016 | 2016 |
| | US\$'000 | US\$'000 |
| Trade payables (<i>note</i>) | 15,708 | 13,089 |
| Accrued charges and other payables | 24,305 | 26,011 |
| Receipts in advance | 12,112 | 13,711 |
| Amounts due to related parties | 1,157 | 320 |
| | 53,282 | 53,131 |

As at 30 September 2016, the fair values of trade and other payables approximated the carrying amounts.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

16 TRADE AND OTHER PAYABLES (Continued)

Note: As at 30 September 2016, the ageing analysis of the trade payables based on invoice date is as follows:

| | (Unaudited) | (Audited) |
|-----------------|---------------------|-----------|
| | As at | As at |
| | 30 September | 31 March |
| | 2016 | 2016 |
| | US\$'000 | US\$'000 |
| 1 to 60 days | 9,958 | 11,076 |
| 61 to 120 days | 5,413 | 1,796 |
| 121 to 180 days | 168 | 84 |
| Over 180 days | 169 | 133 |
| | 15,708 | 13,089 |

17 BANK AND OTHER BORROWINGS

| | (Unaudited) | (Audited) |
|--|---------------------|-----------|
| | As at | As at |
| | 30 September | 31 March |
| | 2016 | 2016 |
| | US\$'000 | US\$'000 |
| Current | | |
| Short-term bank borrowings (secured) | 130 | 361 |
| Short-term bank borrowings (unsecured) | 206 | 429 |
| Medium-term notes (unsecured) | 54,407 | 57,663 |
| | 54,743 | 58,453 |
| Non-current | | |
| Medium-term notes (unsecured) | 54,407 | 57,663 |
| Total bank and other borrowings | 109,150 | 116,116 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

17 BANK AND OTHER BORROWINGS (Continued)

Movements in bank and other borrowings are analysed as follows:

| | (Unaudited) | |
|---|-------------------------------|-----------------|
| | Six months ended 30 September | |
| | 2016 | 2015 |
| | <i>US\$'000</i> | <i>US\$'000</i> |
| At 1 April | 116,116 | 131,091 |
| New bank and other borrowings raised | 2,534 | 1,706 |
| Repayments of bank and other borrowings | (2,973) | (10,912) |
| Currency translation differences | (6,527) | (19,188) |
| | 109,150 | 102,697 |

18 OTHER NON-CURRENT LIABILITIES

| | (Unaudited) | (Audited) |
|--|-----------------|-----------------|
| | As at | As at |
| | 30 September | 31 March |
| | 2016 | 2016 |
| | <i>US\$'000</i> | <i>US\$'000</i> |
| Retirement benefit obligations | 804 | 841 |
| Defined benefit plan liabilities | 372 | 273 |
| | 1,176 | 1,114 |
| Current portion of other non-current liabilities | (79) | (83) |
| | 1,097 | 1,031 |

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 2016: 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 2016 and 30 September 2016 | 1,687,236,241 | 21,715 | 54,664 | 76,379 |

20 CAPITAL COMMITMENTS

| | (Unaudited) As at 30 September 2016 <i>US\$'000</i> | (Audited) As at 31 March 2016 <i>US\$'000</i> |
|-----------------------------------|---|---|
| Property, plant and equipment | | |
| Authorised and contracted for | 187 | 280 |
| Authorised but not contracted for | 791 | 938 |
| | 978 | 1,218 |

21 CONTINGENT LIABILITIES

As at 30 September 2016, there were several libel suits which involved claims against some companies in the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings is still uncertain as of the date this 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

22 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

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

Notes:

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

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 for employee services is shown below:

| | (Unaudited) | |
|---|-------------------------------|------------|
| | Six months ended 30 September | |
| | 2016 | 2015 |
| | US\$'000 | US\$'000 |
| | | (Restated) |
| Fees | 16 | 16 |
| Salaries | 1,115 | 1,130 |
| Bonuses | 60 | 49 |
| Other benefits in kind (note 1) | 52 | 56 |
| Employer's contributions to pension schemes | 64 | 65 |
| | 1,307 | 1,316 |

Note:

- (1) Other benefits in kind included housing, use of company cars, air tickets for home trips, insurance coverage and club membership.

(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 2016. 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 32.

23 PROPOSED DISPOSAL

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

| (US\$'000) | (Unaudited) | | |
|-------------------------------------|---------------------------------------|---------|--------|
| | For the six months ended 30 September | | |
| | 2016 | 2015 | Change |
| Turnover | 168,251 | 197,280 | -14.7% |
| Profit before income tax | 14,543 | 23,571 | -38.3% |
| EBITDA | 20,519 | 30,453 | -32.6% |
| Basic earnings per share (US cents) | 0.60 | 0.98 | -38.8% |

OVERALL REVIEW OF OPERATIONS

During the first half of 2016/2017, the Group continued to face challenges arising from the weak consumer sentiments and shrinking advertising markets. The Group's turnover for the six months ended 30 September 2016 declined 14.7% or US\$29,029,000 to US\$168,251,000 year-on-year, while profit before income tax decreased by 38.3% or US\$9,028,000 to US\$14,543,000 from US\$23,571,000 in the same period last year.

The Group's EBITDA for the first half of 2016/2017 was down by 32.6% or US\$9,934,000 from the prior year period to US\$20,519,000.

The Group's publishing and printing segment has been adversely affected by the weak consumer and business spending environment. Compared with the same period of last year, the segment's turnover dropped 12.1% or US\$16,812,000 to US\$122,025,000 from US\$138,837,000 while profit before income tax fell 30.3% or US\$6,272,000 to US\$14,416,000 from US\$20,688,000 in the corresponding period last year.

The Group's tour segment reported a turnover of US\$46,226,000, reflecting a decline of 20.9% or US\$12,217,000 from the same period last year. Segment profit before income tax fell 53.8% or US\$3,240,000 year-on-year to US\$2,780,000 from US\$6,020,000.

Both Malaysian Ringgit ("RM") and the Canadian dollar weakened against the US dollar during the first half of 2016/2017, which brought negative currency impact of approximately US\$4,493,000 and US\$799,000 to the Group's revenue and profit before income tax respectively.

Basic earnings per share for the six months ended 30 September 2016 was US0.60 cents, a decrease of US0.38 cents or 38.8% from US0.98 cents in the corresponding period last year.

As at 30 September 2016, the Group's cash and cash equivalents amounted to US\$135,708,000, a decrease of 3.7% since 31 March 2016; and the Group's net gearing ratio was nil, same as at 31 March 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL REVIEW

Publishing and printing

Malaysia and other Southeast Asian countries

The Group's operations in Malaysia have been adversely affected by the soft advertising market and subdued consumer sentiments, the weakening RM as well as the persistently low oil and gas prices.

For the first six months ended 30 September 2016, the Malaysian segment reported a turnover of US\$85,773,000, reflecting a decrease of 12.4% or US\$12,196,000 from the same period last year. The segment profit before income tax declined by 23.2% or US\$4,897,000 to US\$16,209,000 on the back of contracting revenue which was partially cushioned by the effective implementation of cost containment strategies. The strengthening of the US dollar against RM resulted in an adverse currency impact on the segment's results. If the currency impact was excluded, the decline in segment profit before income tax would have been about 19.4%.

Despite the tough business environment, the Group continues to be the most influential Chinese media corporation in Malaysia. The Group reached a combined average daily readership of 2.6 million in Peninsular Malaysia, and accounted for about 79% of all the Chinese newspapers sold in print and digital replica during the period under review in Malaysia.

Sin Chew Daily continues to lead with dominant share in the Chinese market across the nation. According to the Audit Bureau of Circulation report ("ABC report"), *Sin Chew Daily* achieved a combined print and digital daily circulation of 407,977 copies for the period of July to December 2015.

China Press remains the most popular evening newspaper with the second-largest readership among all Chinese language newspapers in Malaysia. Based on the ABC report, *China Press* commanded an average daily circulation for print and digital versions of 212,431 copies during the period from July to December 2015.

Guang Ming Daily holds its position as the leading Chinese language community newspaper in the northern region of Peninsular Malaysia. It achieved an average daily circulation for print and digital versions of 96,913 copies during the period from July to December 2015 (source: ABC report).

Nanyang Siang Pau continues to lead the way in business and economic reporting for a premium audience of highly educated Chinese business professionals, executives and managerial readers. It will continue its journalistic mission in producing quality news content to better meet the needs of its discerning readers.

In tandem with the global circulation trends, the Group has implemented a number of strategic initiatives to grow its audience base as well as to maintain its leading market position and achieve long-term sustainable growth. Whilst managing the decline in print audiences, the Group has been successfully enlarging its e-papers audience base particularly for *Sin Chew Daily* and offset the print decline with an overall net audience growth during the current period.

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL REVIEW (Continued)

Publishing and printing (Continued)

Hong Kong, Taiwan and Mainland China

For the first half of 2016/2017, total turnover of the Group's publishing and printing operations in Hong Kong, Taiwan and Mainland China amounted to US\$27,415,000, down by 11.8% or US\$3,655,000 from the prior year period. The weak domestic consumer sentiments as well as continued decreasing number of Mainland visitors and decline in tourist spending has a significant adverse effect on the segment's retail sales and economy. The Group's performance was in turn affected as many businesses slashed their advertising expenditures in view of the slack demand. Driven by the decline in turnover, the segment reported a loss before income tax of US\$1,027,000 as against a profit before income tax of US\$336,000 in the prior year period.

The Group's educational products business, in both print and digital markets, maintained healthy growth in terms of both circulation and market share during the period under review. The Group will continue to leverage on its resources and distribution network in order to grow this business further.

North America

The region's slow economy continued to weigh on the performance of the Group's operations. Turnover of the Group's publishing and printing operations in North America registered a decline of 9.8% to US\$8,837,000 from US\$9,798,000 in the prior year period. Despite the decline in turnover, the segment maintained its loss at US\$766,000, about the same level as last year's.

Travel and travel related services

The weak global economic conditions and safety concerns have to a certain extent deterred people from travelling, especially for long-haul trips. In addition, increased flight capacity and intensified competition in the market have put pressure on the tour prices and affected the performance of the Group's travel segment, which registered a turnover of US\$46,226,000 for the current period, down by 20.9% or US\$12,217,000 from the corresponding period last year. The segment's profit before income tax amounted to US\$2,780,000, reflecting a year-on-year decrease of 53.8% or US\$3,240,000, attributed mainly to the decline in revenue and profit margins.

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL REVIEW (Continued)

Digital business

The Group has been continuing to strengthen its footprint in the digital market to mark its importance and increase users. The Group's digital business is also engaged in providing various platforms which generate integrated marketing solutions for its advertisers.

The Group's main website for *Ming Pao Daily News*, mingpao.com, has been consistently ranked in the top five in terms of the number of unique visitors among the digital extension of traditional printed newspapers in Hong Kong. Furthermore, according to the latest statistics, the facebook page of mingpao.com ranked 2nd place among the Chinese language newspapers. Given the rising trend of digital advertising and with the offer of effective cross-platform marketing solutions to advertisers, mingpao.com reported a double-digit growth in revenue during the six months ended 30 September 2016.

"Pocketimes", an online mobile video portal in Malaysia, focuses on the most popular topics of entertainment, sports, lifestyle and business. The Group's e-commerce marketplace, "Logon", will continue its development in the e-marketplace as a bridge between targeted consumers and SMEs/SMIs. In this respect, the Group expects to generate additional revenue sources through diversified digital business strategies.

PROPOSED DISPOSAL

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

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

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

PLEDGE OF ASSETS

As at 30 September 2016 and 31 March 2016, none of the Group's assets were pledged to secure any banking facilities.

LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING RATIO

As at 30 September 2016, the Group's cash and cash equivalents were US\$135,708,000 (31 March 2016: US\$140,950,000) and total bank and other borrowings were US\$109,150,000 (31 March 2016: US\$116,116,000). The net cash position was US\$26,558,000 (31 March 2016: US\$24,834,000). Owners' equity was US\$204,050,000 (31 March 2016: US\$213,024,000).

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

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

As at 30 September 2016, 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 | | |
| Tan Sri Datuk Sir TIONG Hiew King | 87,109,058 | 234,566 | 796,734,373 <i>(note 1)</i> | 884,077,997 | 52.40% |
| Dato' Sri Dr TIONG Ik King | 11,144,189 | – | 252,487,700 <i>(note 2)</i> | 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% |

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

* *negligible*

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% interest in Madigreen. Tan Sri Datuk Sir TIONG Hiew King also directly and indirectly holds 45% interest in Progresif and 70% interest in Ezywood. The details of shares held by Conch are set out in note 2 below.

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

OTHER INFORMATION

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 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 32.

Reference is made to the announcement of the Company dated 1 August 2016, the Board of Directors announced that on 22 July 2016, Comwell (as vendor), the Company (as guarantor) and Qingdao West Coast (as purchaser) entered into a share transfer agreement, pursuant to which Comwell conditionally agreed to sell and Qingdao West Coast conditionally agreed to purchase 292,700,000 shares in One Media, representing approximately 73.01% of the entire issued share capital of One Media. Qingdao West Coast is a company incorporated in the British Virgin Islands with limited liability, whose ultimate controlling shareholder is Qingdao West Coast Development (Group) Limited, which is a PRC state-owned enterprise. As at 30 September 2016, the completion of the share transfer agreement had yet to take place.

Save as disclosed above, at 30 September 2016, none of the directors, chief executives and their associates had any interests and short positions 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.

At no time during the six months ended 30 September 2016 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 2016, 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 2016.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

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 2016.

OTHER INFORMATION

CLOSURE OF THE REGISTER OF MEMBERS

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

Shareholders who wish to request for transmission of their shares between the Malaysia Register and Hong Kong Register are advised to take note that request for transmission will be suspended from Friday, 9 December 2016 to Thursday, 15 December 2016, both days inclusive.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 September 2016, the Group had 4,253 employees (31 March 2016: 4,368 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.

CORPORATE GOVERNANCE

The Board of Directors (the "Board") 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 2012 (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.

Save as disclosed below, during the period under review, the Company has met the code provisions as set out in the Hong Kong Code.

Following the passing away of Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH ("Temenggong Datuk Kenneth") on 1 March 2016 and until 22 June 2016, the Board comprised eight members, including five executive directors, one non-executive director and two independent non-executive directors ("INEDs"), with the number of INEDs falling below the minimum number required under Rule 3.10(1) of the HK Listing Rules and falling below one-third of the Board as required under Rule 3.10A of the HK Listing Rules and Paragraph 15.02 under the Main Market Listing Requirements of Bursa Securities (the "Listing Requirements").

OTHER INFORMATION

CORPORATE GOVERNANCE (Continued)

Temenggong Datuk Kenneth also served as the Chairman of the nomination committee (“Nomination Committee”), a member of the audit committee (“Audit Committee”) and a member of the remuneration committee (“Remuneration Committee”) of the Company. Following Temenggong Datuk Kenneth’s passing away, the number of Audit Committee members was reduced from three to two, below the minimum number required under Rule 3.21 of the HK Listing Rules and Paragraph 15.09 under the Listing Requirements; the number of Remuneration Committee members decreased from five to four, comprising two INEDs, which failed to fulfil the requirement that a remuneration committee must comprise a majority of INEDs under Rule 3.25 of the HK Listing Rules; and the chair position of the Nomination Committee became vacant which did not fulfil the requirement under Code Provision A.5.1 of Appendix 14 of the HK Listing Rules.

On 23 June 2016, Mr KHOO Kar Khoon was appointed as an INED, the Chairman of the Nomination Committee, a member of the Audit Committee and a member of the Remuneration Committee of the Company. Following the appointment of Mr KHOO, the number of INEDs and Audit Committee members of the Company fulfils the minimum number as required under Rule 3.10(1), Rule 3.10A and Rule 3.21 of the HK Listing Rules and Paragraph 15.02 and Paragraph 15.09 under the Listing Requirements, the number of INEDs in the Remuneration Committee represents a majority as required under Rule 3.25 of the HK Listing Rules; and the appointment of the Chairman of the Nomination Committee fulfils the requirement under Code Provision A.5.1 of Appendix 14 of the HK Listing Rules.

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 INED; 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 Listing Requirements (“Chapter 14 of the Listing Requirements of Bursa Securities”) and (ii) the HK Model Code contained in Appendix 10 of the HK Listing Rules. 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), Datuk CHONG Kee Yuon and Mr KHOO Kar Khoon, all of them are INEDs. The Audit Committee meets regularly with the management and the external auditor to discuss the audit process and accounting issues, and reviews the effectiveness of internal controls.

The Audit Committee has reviewed with the management this interim financial information, including accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

OTHER INFORMATION

REMUNERATION COMMITTEE

The Remuneration Committee was established on 25 May 2005 with specific terms of reference that specify its authorities and duties. It currently has five members, namely, Datuk CHONG Kee Yuon (Chairman), Mr David YU Hon To, Mr KHOO Kar Khoon, 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 its members are all INEDs. 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.

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, Mr KHOO Kar Khoon (Chairman), Mr David YU Hon To and Datuk CHONG Kee Yuon, all of them are INEDs. The Nomination Committee's responsibilities include reviewing the structure, size and composition of the Board 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.

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 2015/16 Annual Report:

With effect from 13 July 2016 and 1 November 2016, Mr David YU Hon To, an INED, the Chairman of the Audit Committee and a member of each of the Remuneration Committee and Nomination Committee of the Company, resigned as an INED of Great China Holdings Limited (HK stock code: 141) and Bracell Limited (HK stock code: 1768) respectively. Bracell Limited was privatised and the shares of which were withdrawn from the HK Stock Exchange on 24 October 2016.

By order of the Board

MEDIA CHINESE INTERNATIONAL LIMITED

TIONG Kiew Chiong

Director

30 November 2016

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

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2016

| | (Unaudited) | |
|---|-------------------------------|---------------|
| | Six months ended 30 September | |
| | 2016 | 2015 |
| | <i>RM'000</i> | <i>RM'000</i> |
| | <i>(note)</i> | <i>(note)</i> |
| Turnover | 695,802 | 815,851 |
| Cost of goods sold | (449,140) | (517,583) |
| Gross profit | 246,662 | 298,268 |
| Other income | 18,337 | 17,257 |
| Other losses, net | (422) | (736) |
| Selling and distribution expenses | (118,040) | (122,109) |
| Administrative expenses | (65,188) | (70,812) |
| Other operating expenses | (11,641) | (12,737) |
| Operating profit | 69,708 | 109,131 |
| Finance costs | (10,852) | (11,675) |
| Share of profits of joint ventures and associates | 1,286 | 21 |
| Profit before income tax | 60,142 | 97,477 |
| Income tax expense | (19,329) | (29,771) |
| Profit for the period | 40,813 | 67,706 |
| Profit/(loss) attributable to: | | |
| Owners of the Company | 42,054 | 68,041 |
| Non-controlling interests | (1,241) | (335) |
| | 40,813 | 67,706 |
| Earnings per share attributable to owners of the Company | | |
| Basic (sen) | 2.48 | 4.05 |
| Diluted (sen) | 2.48 | 4.05 |

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

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2016

| | (Unaudited) | |
|--|-------------------------------|---------------|
| | Six months ended 30 September | |
| | 2016 | 2015 |
| | <i>RM'000</i> | <i>RM'000</i> |
| | <i>(note)</i> | <i>(note)</i> |
| Profit for the period | 40,813 | 67,706 |
| Other comprehensive loss | | |
| Item that may be reclassified subsequently to profit or loss: | | |
| Currency translation differences | (37,434) | (103,003) |
| Other comprehensive loss for the period, net of tax | (37,434) | (103,003) |
| Total comprehensive income/(loss) for the period | 3,379 | (35,297) |
| Total comprehensive income/(loss) for the period attributable to: | | |
| Owners of the Company | 4,752 | (34,668) |
| Non-controlling interests | (1,373) | (629) |
| | 3,379 | (35,297) |

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

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

| | (Unaudited) As at 30 September 2016 RM'000 (note) | (Unaudited) As at 31 March 2016 RM'000 (note) |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 436,858 | 473,912 |
| Investment properties | 61,077 | 63,898 |
| Intangible assets | 208,363 | 221,315 |
| Deferred income tax assets | 2,200 | 1,241 |
| Interests in joint ventures and associates | 3,850 | 3,097 |
| | 712,348 | 763,463 |
| Current assets | | |
| Inventories | 119,310 | 98,710 |
| Available-for-sale financial assets | 401 | 401 |
| Financial assets at fair value through profit or loss | 1,398 | 1,406 |
| Trade and other receivables | 198,020 | 213,677 |
| Income tax recoverable | 5,430 | 5,802 |
| Cash and cash equivalents | 561,220 | 582,899 |
| | 885,779 | 902,895 |
| Current liabilities | | |
| Trade and other payables | 220,348 | 219,723 |
| Income tax liabilities | 17,563 | 16,009 |
| Bank and other borrowings | 226,390 | 241,732 |
| Current portion of other non-current liabilities | 327 | 343 |
| | 464,628 | 477,807 |
| Net current assets | 421,151 | 425,088 |
| Total assets less current liabilities | 1,133,499 | 1,188,551 |

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

| | (Unaudited) | (Unaudited) |
|---|---------------------|-------------|
| | As at | As at |
| | 30 September | 31 March |
| | 2016 | 2016 |
| | RM'000 | RM'000 |
| | (note) | (note) |
| EQUITY | | |
| Equity attributable to owners of the Company | | |
| Share capital | 89,802 | 89,802 |
| Share premium | 226,063 | 226,063 |
| Other reserves | (482,757) | (445,455) |
| Retained earnings | 1,010,741 | 1,010,551 |
| | 843,849 | 880,961 |
| Non-controlling interests | 22,183 | 23,585 |
| Total equity | 866,032 | 904,546 |
| Non-current liabilities | | |
| Bank and other borrowings | 225,000 | 238,465 |
| Deferred income tax liabilities | 37,931 | 41,276 |
| Other non-current liabilities | 4,536 | 4,264 |
| | 267,467 | 284,005 |
| | 1,133,499 | 1,188,551 |

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

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2016

| | (Unaudited) | | | | | | |
|--|---------------------------------------|------------------|------------------|-------------------|------------------|---------------------------|--------------|
| | Attributable to owners of the Company | | | | | Non-controlling interests | Total equity |
| | Share capital | Share premium | Other reserves | Retained earnings | Total | | |
| RM'000 (note) | RM'000 (note) | RM'000 (note) | RM'000 (note) | RM'000 (note) | RM'000 (note) | RM'000 (note) | |
| Balance at 1 April 2015 | 89,802 | 226,063 | (416,697) | 968,228 | 867,396 | 26,306 | 893,702 |
| Comprehensive income/(loss) | | | | | | | |
| Profit/(loss) for the period | - | - | - | 68,041 | 68,041 | (335) | 67,706 |
| Other comprehensive loss | | | | | | | |
| Item that may be reclassified subsequently to profit or loss: | | | | | | | |
| Currency translation differences | - | - | (102,709) | - | (102,709) | (294) | (103,003) |
| Other comprehensive loss, net of tax | - | - | (102,709) | - | (102,709) | (294) | (103,003) |
| Total comprehensive (loss)/ income for the six months ended 30 September 2015 | - | - | (102,709) | 68,041 | (34,668) | (629) | (35,297) |
| Total contributions by and distributions to owners of the Company recognised directly in equity | | | | | | | |
| 2014/2015 second interim dividend paid | - | - | - | (34,887) | (34,887) | - | (34,887) |
| Total contributions by and distributions to owners of the Company | - | - | - | (34,887) | (34,887) | - | (34,887) |
| Issue of shares under the share option scheme of a listed subsidiary | - | - | 252 | - | 252 | 323 | 575 |
| 2014/2015 interim dividend paid by an unlisted subsidiary | - | - | - | - | - | (33) | (33) |
| 2014/2015 final dividend paid by a listed subsidiary | - | - | - | - | - | (579) | (579) |
| Total transactions with owners | - | - | 252 | (34,887) | (34,635) | (289) | (34,924) |
| Balance at 30 September 2015 | 89,802 | 226,063 | (519,154) | 1,001,382 | 798,093 | 25,388 | 823,481 |

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2016

| | (Unaudited) | | | | | | |
|--|---------------------------------------|------------------|------------------|-------------------|------------------|---------------------------|-----------------|
| | Attributable to owners of the Company | | | | | Non-controlling interests | Total equity |
| | Share capital | Share premium | Other reserves | Retained earnings | Total | | |
| RM'000 (note) | RM'000 (note) | RM'000 (note) | RM'000 (note) | RM'000 (note) | RM'000 (note) | RM'000 (note) | |
| Balance at 1 April 2016 | 89,802 | 226,063 | (445,455) | 1,010,551 | 880,961 | 23,585 | 904,546 |
| Comprehensive income/(loss) | | | | | | | |
| Profit/(loss) for the period | - | - | - | 42,054 | 42,054 | (1,241) | 40,813 |
| Other comprehensive loss | | | | | | | |
| Item that may be reclassified subsequently to profit or loss: | | | | | | | |
| Currency translation differences | - | - | (37,302) | - | (37,302) | (132) | (37,434) |
| Other comprehensive loss, net of tax | - | - | (37,302) | - | (37,302) | (132) | (37,434) |
| Total comprehensive (loss)/ income for the six months ended 30 September 2016 | - | - | (37,302) | 42,054 | 4,752 | (1,373) | 3,379 |
| Total contributions by and distributions to owners of the Company recognised directly in equity | | | | | | | |
| 2015/2016 second interim dividend paid | - | - | - | (41,864) | (41,864) | - | (41,864) |
| Total contributions by and distributions to owners of the Company | - | - | - | (41,864) | (41,864) | - | (41,864) |
| 2015/2016 interim dividend paid by an unlisted subsidiary | - | - | - | - | - | (21) | (21) |
| 2016/2017 interim dividend paid by an unlisted subsidiary | - | - | - | - | - | (8) | (8) |
| Total transactions with owners | - | - | - | (41,864) | (41,864) | (29) | (41,893) |
| Balance at 30 September 2016 | 89,802 | 226,063 | (482,757) | 1,010,741 | 843,849 | 22,183 | 866,032 |

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

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2016

| | (Unaudited) | |
|--|-------------------------------|---------------|
| | Six months ended 30 September | |
| | 2016 | 2015 |
| | <i>RM'000</i> | <i>RM'000</i> |
| | <i>(note)</i> | <i>(note)</i> |
| Cash flows from operating activities | | |
| Cash generated from operations | 73,355 | 196,197 |
| Interest paid | (10,876) | (10,558) |
| Income tax paid | (19,524) | (24,453) |
| | <hr/> | <hr/> |
| Net cash generated from operating activities | 42,955 | 161,186 |
| | <hr/> | <hr/> |
| Cash flows from investing activities | | |
| Purchases of property, plant and equipment | (3,490) | (7,489) |
| Purchases of intangible assets | (1,228) | (972) |
| Proceeds from disposal of property, plant and equipment | 128 | 45 |
| Interest received | 7,163 | 5,318 |
| Dividends received | 579 | 302 |
| | <hr/> | <hr/> |
| Net cash generated from/(used in) investing activities | 3,152 | (2,796) |
| | <hr/> | <hr/> |
| Cash flows from financing activities | | |
| Proceeds from issue of shares under the share option scheme of a listed subsidiary | - | 575 |
| Dividends paid | (41,864) | (34,887) |
| Dividends paid to non-controlling interests by an unlisted subsidiary | (29) | (33) |
| Dividend paid to non-controlling interests by a listed subsidiary | - | (579) |
| Proceeds from bank and other borrowings | 10,479 | 7,055 |
| Repayments of bank and other borrowings | (12,295) | (45,127) |
| | <hr/> | <hr/> |
| Net cash used in financing activities | (43,709) | (72,996) |
| | <hr/> | <hr/> |
| Net increase in cash and cash equivalents | 2,398 | 85,394 |
| Cash and cash equivalents at beginning of period | 582,899 | 490,553 |
| Exchange adjustments on cash and cash equivalents | (24,077) | (56,673) |
| | <hr/> | <hr/> |
| Cash and cash equivalents at end of period | 561,220 | 519,274 |

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

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