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**MEDIA CHINESE INTERNATIONAL LIMITED**  
**世界華文媒體有限公司**

*(Incorporated in Bermuda with limited liability)*

(Malaysia Company No. 995098-A)

(Hong Kong Stock Code: 685)

(Malaysia Stock Code: 5090)

**ANNOUNCEMENT**

**FINANCIAL REPORT**

**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2009**

Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), Media Chinese International Limited (the "Company"), a public company listed on the main market of Bursa Securities, announced the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") and the Group's interest in an associate for the third quarter ended 31 December 2009 to Bursa Securities on 25 February 2010.

This announcement is also made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

25 February 2010

*As at the date of this announcement, the Board comprises Tan Sri Datuk Sir Tiong Hiew King, Mr Tiong Kiu King, Dato' Sri Dr Tiong Ik King, Mr Tiong Kiew Chiong, Ms Siew Nyoke Chow and Ms Sim Sai Hoon, being executive directors; Mr Leong Chew Meng, being non-executive director; and Mr David Yu Hon To, Tan Sri Dato' Lau Yin Pin and Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh, being independent non-executive directors.*

**MEDIA CHINESE INTERNATIONAL LIMITED**  
**(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)**  
**Financial report for the third quarter ended 31 December 2009**

**Condensed Consolidated Income Statement**

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months ended</b>		<b>Three months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>RM'000</b>	<b>RM'000</b>
			<b>(Note)</b>	<b>(Note)</b>
Turnover	<b>100,737</b>	95,229	<b>345,175</b>	326,302
Cost of goods sold	<b>(56,477)</b>	(62,147)	<b>(193,519)</b>	(212,947)
Gross profit	<b>44,260</b>	33,082	<b>151,656</b>	113,355
Other income	<b>1,293</b>	1,658	<b>4,431</b>	5,681
Other gains, net	<b>722</b>	561	<b>2,474</b>	1,922
Selling and distribution expenses	<b>(14,365)</b>	(15,221)	<b>(49,222)</b>	(52,155)
Administrative expenses	<b>(9,114)</b>	(7,485)	<b>(31,229)</b>	(25,647)
Other operating expenses	<b>(1,379)</b>	(1,461)	<b>(4,725)</b>	(5,006)
Operating profit	<b>21,417</b>	11,134	<b>73,385</b>	38,150
Finance costs	<b>(177)</b>	(273)	<b>(606)</b>	(935)
Share of loss of an associate	<b>(3)</b>	-	<b>(10)</b>	-
Profit before income tax	<b>21,237</b>	10,861	<b>72,769</b>	37,215
Income tax expense	<b>(5,001)</b>	(3,913)	<b>(17,136)</b>	(13,408)
Profit for the quarter	<b>16,236</b>	6,948	<b>55,633</b>	23,807
<b>Attributable to:</b>				
Equity holders of the Company	<b>15,646</b>	6,451	<b>53,611</b>	22,104
Minority interests	<b>590</b>	497	<b>2,022</b>	1,703
	<b>16,236</b>	6,948	<b>55,633</b>	23,807
<b>Earnings per share attributable to the equity holders of the Company</b>				
Basic (US cents/sens) #	<b>0.93</b>	0.38	<b>3.19</b>	1.30
Diluted (US cents/sens) #	<b>0.93</b>	0.38	<b>3.19</b>	1.30

# Refer to B13 for calculations of basic and diluted earnings per share

**Note:** The presentation currency of this unaudited financial information is United States dollars ("US\$"). Supplementary information in Ringgit Malaysia ("RM") for the quarter ended 31 December 2009 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.4265 ruling at 31 December 2009. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

**MEDIA CHINESE INTERNATIONAL LIMITED**  
**(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)**  
**Financial report for the third quarter ended 31 December 2009**

**Condensed Consolidated Statement of Comprehensive Income**

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months ended</b>		<b>Three months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>RM'000</b>	<b>RM'000</b>
			<i>(Note)</i>	<i>(Note)</i>
<b>Profit for the quarter</b>	<b>16,236</b>	<b>6,948</b>	<b>55,633</b>	<b>23,807</b>
<b>Other comprehensive income/(expense)</b>				
Currency translation differences	2,567	(1,724)	8,796	(5,907)
Revaluation gain on property, plant and equipment	-	-	-	-
<b>Total comprehensive income for the quarter</b>	<b>18,803</b>	<b>5,224</b>	<b>64,429</b>	<b>17,900</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	18,216	4,734	62,417	16,221
Minority interests	587	490	2,012	1,679
	<b>18,803</b>	<b>5,224</b>	<b>64,429</b>	<b>17,900</b>

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**Financial report for the third quarter ended 31 December 2009**

**Condensed Consolidated Income Statement**

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Nine months ended</b>		<b>Nine months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>RM'000</b>	<b>RM'000</b>
			<b>(Note)</b>	<b>(Note)</b>
Turnover	282,433	315,364	967,756	1,080,595
Cost of goods sold	<u>(173,827)</u>	<u>(205,769)</u>	<u>(595,618)</u>	<u>(705,067)</u>
Gross profit	108,606	109,595	372,138	375,528
Other income	3,567	5,296	12,222	18,146
Other gains, net	1,909	459	6,541	1,573
Selling and distribution expenses	(41,182)	(46,964)	(141,110)	(160,922)
Administrative expenses	(26,099)	(28,302)	(89,428)	(96,977)
Other operating expenses	<u>(4,229)</u>	<u>(5,003)</u>	<u>(14,491)</u>	<u>(17,143)</u>
Operating profit	42,572	35,081	145,872	120,205
Finance costs	(553)	(1,054)	(1,895)	(3,612)
Share of loss of an associate	<u>(3)</u>	<u>-</u>	<u>(10)</u>	<u>-</u>
Profit before income tax	42,016	34,027	143,967	116,593
Income tax expense	<u>(11,354)</u>	<u>(11,834)</u>	<u>(38,904)</u>	<u>(40,549)</u>
Profit for the period	<u>30,662</u>	<u>22,193</u>	<u>105,063</u>	<u>76,044</u>
<b>Attributable to:</b>				
Equity holders of the Company	30,298	21,487	103,816	73,625
Minority interests	<u>364</u>	<u>706</u>	<u>1,247</u>	<u>2,419</u>
	<u>30,662</u>	<u>22,193</u>	<u>105,063</u>	<u>76,044</u>
<b>Earnings per share attributable to the equity holders of the Company</b>				
Basic (US cents/sens) #	1.80	1.28	6.17	4.39
Diluted (US cents/sens) #	<u>1.80</u>	<u>1.28</u>	<u>6.17</u>	<u>4.39</u>

# Refer to B13 for calculations of basic and diluted earnings per share

*Note:* The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 31 December 2009 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.4265 ruling at 31 December 2009. 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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**Financial report for the third quarter ended 31 December 2009**

**Condensed Consolidated Statement of Comprehensive Income**

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Nine months ended 31 December</b>		<b>Nine months ended 31 December</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>RM'000</b>	<b>RM'000</b>
			<i>(Note)</i>	<i>(Note)</i>
<b>Profit for the period</b>	<b>30,662</b>	<b>22,193</b>	<b>105,063</b>	<b>76,044</b>
<b>Other comprehensive income/(expense)</b>				
Currency translation differences	<b>15,399</b>	<b>(17,260)</b>	<b>52,765</b>	<b>(59,141)</b>
Revaluation gain on property, plant and equipment	<b>409</b>	<b>-</b>	<b>1,401</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>46,470</b>	<b>4,933</b>	<b>159,229</b>	<b>16,903</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<b>46,076</b>	<b>4,215</b>	<b>157,879</b>	<b>14,443</b>
Minority interests	<b>394</b>	<b>718</b>	<b>1,350</b>	<b>2,460</b>
	<b>46,470</b>	<b>4,933</b>	<b>159,229</b>	<b>16,903</b>

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**Financial report for the third quarter ended 31 December 2009**

**Condensed Consolidated Balance Sheet**

	(Unaudited) As at 31 December 2009 US\$'000	(Audited) As at 31 March 2009 US\$'000	(Unaudited) As at 31 December 2009 RM'000 <i>(Note)</i>	(Unaudited) As at 31 March 2009 RM'000 <i>(Note)</i>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	103,756	99,692	355,520	341,595
Investment properties	7,884	6,224	27,014	21,327
Leasehold land and land use rights	22,629	22,445	77,538	76,908
Intangible assets	15,477	14,861	53,032	50,921
Goodwill	58,110	54,620	199,114	187,155
Non-current assets held for sale	-	77	-	264
Deferred income tax assets	2,015	2,430	6,904	8,326
Interest in an associate	2,796	-	9,581	-
Investment in convertible notes – debt portion	375	-	1,285	-
	<u>213,042</u>	<u>200,349</u>	<u>729,988</u>	<u>686,496</u>
<b>Current assets</b>				
Inventories	70,548	41,948	241,733	143,735
Available-for-sale financial assets	645	646	2,210	2,214
Financial assets at fair value through profit or loss	187	221	641	757
Trade and other receivables	69,667	58,980	238,714	202,095
Income tax recoverable	1,069	1,057	3,663	3,622
Cash and cash equivalents	78,775	70,205	269,923	240,557
	<u>220,891</u>	<u>173,057</u>	<u>756,884</u>	<u>592,980</u>
<b>Current liabilities</b>				
Trade and other payables	56,093	50,210	192,203	172,044
Income tax liabilities	5,660	2,787	19,394	9,550
Dividend payable	7,578	-	25,966	-
Short-term bank loans	23,928	14,579	81,989	49,955
Bank overdrafts, secured	346	2,428	1,186	8,320
Current portion of long-term liabilities	1,435	2,074	4,917	7,107
	<u>95,040</u>	<u>72,078</u>	<u>325,655</u>	<u>246,976</u>
<b>Net current assets</b>	<u>125,851</u>	<u>100,979</u>	<u>431,229</u>	<u>346,004</u>
<b>Total assets less current liabilities</b>	<u>338,893</u>	<u>301,328</u>	<u>1,161,217</u>	<u>1,032,500</u>
<b>EQUITY</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	21,672	21,672	74,260	74,260
Share premium	280,160	280,160	959,968	959,968
Other reserves	(106,868)	(122,666)	(366,183)	(420,315)
Retained earnings	120,976	100,652	414,524	344,884
	<u>315,940</u>	<u>279,818</u>	<u>1,082,569</u>	<u>958,797</u>
<b>Minority interests</b>	<u>8,377</u>	<u>8,189</u>	<u>28,703</u>	<u>28,060</u>
<b>Total equity</b>	<u>324,317</u>	<u>288,007</u>	<u>1,111,272</u>	<u>986,857</u>
<b>Non-current liabilities</b>				
Long-term liabilities	2,367	3,072	8,111	10,525
Deferred income tax liabilities	12,209	10,249	41,834	35,118
	<u>14,576</u>	<u>13,321</u>	<u>49,945</u>	<u>45,643</u>
	<u>338,893</u>	<u>301,328</u>	<u>1,161,217</u>	<u>1,032,500</u>
Net assets per share attributable to equity holders of the Company (US cents/sens)	<u>18.76</u>	<u>16.62</u>	<u>64.28</u>	<u>56.95</u>

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**Financial report for the third quarter ended 31 December 2009**

**Condensed Consolidated Statement of Changes in Equity**

	(Unaudited)						
	Attributable to equity holders of the Company					Minority interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
At 1 April 2008	5,167	12,809	196,554	106,746	321,276	7,952	329,228
Profit for the period	-	-	-	21,487	21,487	706	22,193
Other comprehensive (expense)/income:							
Currency translation differences	-	-	(17,272)	-	(17,272)	12	(17,260)
Total comprehensive (expense)/income for the period	-	-	(17,272)	21,487	4,215	718	4,933
Repurchase of ordinary shares	(31)	(541)	31	(31)	(572)	-	(572)
Shares issued as consideration for the exchange of all the ordinary shares of Sin Chew and Nanyang	16,534	267,877	(284,411)	-	-	-	-
Exercise of share options	2	15	-	-	17	-	17
Distribution of assets by a subsidiary	-	-	-	-	-	(47)	(47)
Share compensation costs on share options granted by a listed subsidiary	-	-	46	-	46	29	75
2007-2008 final dividend paid by a listed subsidiary	-	-	-	-	-	(191)	(191)
2007-2008 second interim dividend paid	-	-	-	(15,275)	(15,275)	-	(15,275)
2008-2009 first interim dividend proposed	-	-	-	(7,578)	(7,578)	-	(7,578)
At 31 December 2008	21,672	280,160	(105,052)	105,349	302,129	8,461	310,590
At 1 April 2009	21,672	280,160	(122,666)	100,652	279,818	8,189	288,007
Profit for the period	-	-	-	30,298	30,298	364	30,662
Other comprehensive income:							
Currency translation differences	-	-	15,369	-	15,369	30	15,399
Revaluation gain on property, plant & equipment	-	-	409	-	409	-	409
Total comprehensive income for the period	-	-	15,778	30,298	46,076	394	46,470
Share compensation costs on share options granted by a listed subsidiary	-	-	20	-	20	15	35
2008-2009 final dividend paid by a listed subsidiary	-	-	-	-	-	(221)	(221)
2008-2009 second interim dividend paid	-	-	-	(2,396)	(2,396)	-	(2,396)
2009-2010 first interim dividend proposed	-	-	-	(7,578)	(7,578)	-	(7,578)
At 31 December 2009	21,672	280,160	(106,868)	120,976	315,940	8,377	324,317

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**Financial report for the third quarter ended 31 December 2009**

**Condensed Consolidated Statement of Changes in Equity**

	(Unaudited)						
	Attributable to equity holders of the Company					Minority 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)	
At 1 April 2008	17,705	43,890	673,491	365,765	1,100,851	27,248	1,128,099
Profit for the period	-	-	-	73,625	73,625	2,419	76,044
Other comprehensive (expense)/income:							
Currency translation differences	-	-	(59,182)	-	(59,182)	41	(59,141)
Total comprehensive (expense)/income for the period	-	-	(59,182)	73,625	14,443	2,460	16,903
Repurchase of ordinary shares	(106)	(1,854)	106	(106)	(1,960)	-	(1,960)
Shares issued as consideration for the exchange of all the ordinary shares of Sin Chew and Nanyang	56,654	917,881	(974,535)	-	-	-	-
Exercise of share options	7	51	-	-	58	-	58
Distribution of assets by a subsidiary	-	-	-	-	-	(161)	(161)
Share compensation costs on share options granted by a listed subsidiary	-	-	158	-	158	99	257
2007-2008 final dividend paid by a listed subsidiary	-	-	-	-	-	(654)	(654)
2007-2008 second interim dividend paid	-	-	-	(52,340)	(52,340)	-	(52,340)
2008-2009 first interim dividend proposed	-	-	-	(25,966)	(25,966)	-	(25,966)
At 31 December 2008	74,260	959,968	(359,962)	360,978	1,035,244	28,992	1,064,236
At 1 April 2009	74,260	959,968	(420,315)	344,884	958,797	28,060	986,857
Profit for the period	-	-	-	103,816	103,816	1,247	105,063
Other comprehensive income:							
Currency translation differences	-	-	52,662	-	52,662	103	52,765
Revaluation gain on property, plant & equipment	-	-	1,401	-	1,401	-	1,401
Total comprehensive income for the period	-	-	54,063	103,816	157,879	1,350	159,229
Share compensation costs on share options granted by a listed subsidiary	-	-	69	-	69	51	120
2008-2009 final dividend paid by a listed subsidiary	-	-	-	-	-	(758)	(758)
2008-2009 second interim dividend paid	-	-	-	(8,210)	(8,210)	-	(8,210)
2009-2010 first interim dividend proposed	-	-	-	(25,966)	(25,966)	-	(25,966)
At 31 December 2009	74,260	959,968	(366,183)	414,524	1,082,569	28,703	1,111,272

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**Financial report for the third quarter ended 31 December 2009**

**Condensed Consolidated Cash Flow Statement**

	(Unaudited)		(Unaudited)	
	Nine months ended		Nine months ended	
	31 December		31 December	
	2009	2008	2009	2008
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
<b>Cash flows from operating activities</b>				
Cash generated from operations	18,997	50,373	65,093	172,603
Interest on bank loans and overdrafts	(537)	(983)	(1,840)	(3,369)
Interest element of finance lease payments	(16)	(71)	(55)	(243)
Profits tax paid	(6,788)	(5,960)	(23,259)	(20,422)
Long service payments made	(64)	(29)	(219)	(98)
<b>Net cash generated from operating activities</b>	<b>11,592</b>	<b>43,330</b>	<b>39,720</b>	<b>148,471</b>
<b>Cash flows from investing activities</b>				
Acquisition of an associate	(2,800)	-	(9,594)	-
Purchase of property, plant and equipment	(5,263)	(5,089)	(18,034)	(17,437)
Purchase of investment properties	-	(32)	-	(109)
Purchase of intangible assets	(271)	(117)	(928)	(401)
Investment in convertible notes	(435)	-	(1,491)	-
Proceeds from disposal of property, plant and equipment	560	233	1,919	798
Proceeds from disposal of intangible assets	63	-	216	-
Proceeds from disposal of non-current assets held for sale	77	-	264	-
Interest received	503	1,454	1,724	4,982
Dividends received	44	10	151	34
<b>Net cash used in investing activities</b>	<b>(7,522)</b>	<b>(3,541)</b>	<b>(25,773)</b>	<b>(12,133)</b>
<b>Cash flows from financing activities</b>				
Repurchase of ordinary shares	-	(572)	-	(1,960)
Proceeds from exercise of share options	-	16	-	55
Dividends paid	(2,396)	(15,275)	(8,210)	(52,340)
Dividends paid by a listed subsidiary	(221)	(191)	(757)	(654)
Repayment of bank loans	(1,399)	(6,698)	(4,794)	(22,951)
Proceeds from drawdown of short-term bank loans	32,250	20,315	110,504	69,609
Repayment of short-term bank loans	(23,834)	(29,791)	(81,667)	(102,079)
Proceeds from capital element of finance lease payments	-	441	-	1,511
Capital element of finance lease payments	(362)	(448)	(1,240)	(1,535)
<b>Net cash generated from/(used in) financing activities</b>	<b>4,038</b>	<b>(32,203)</b>	<b>13,836</b>	<b>(110,344)</b>
Net increase in cash and cash equivalents, and bank overdrafts	8,108	7,586	27,783	25,994
Cash and cash equivalents, and bank overdrafts as at 1 April	67,777	73,597	232,237	252,180
Exchange adjustments on cash and cash equivalents, and bank overdrafts	2,544	(4,581)	8,717	(15,697)
<b>Cash and cash equivalents, and bank overdrafts as at 31 December</b>	<b>78,429</b>	<b>76,602</b>	<b>268,737</b>	<b>262,477</b>

*Note:* The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 31 December 2009 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.4265 ruling at 31 December 2009. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

**A. Notes to the financial information**

**A1. Basis of preparation and changes in accounting policies**

**a) Basis of preparation**

The financial information for the third quarter ended 31 December 2009 has been prepared in accordance with the International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standard Board (“IASB”), Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HK Stock Exchange”) and with paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2009, which were prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The financial information has not been audited.

**b) Accounting policies**

The preparation of the financial information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2009 with the adoption of the following standards which are relevant to the Group’s operations and are mandatory for the financial year ending 31 March 2010:

IFRS 8 “Operating Segments”. IFRS 8 replaces IAS 14 “Segment Reporting”. It requires a management approach under which segment information is presented on the same basis as that used for internal reporting purpose and in a manner consistent with the internal reporting provided to the chief operating decision maker. This has resulted in a redesignation of the Group’s reportable segments, but does not have any effect on the reported results or financial position of the Group. Comparatives of segment information have been restated.

IAS 1 (revised) “Presentation of Financial Statements”. The revised standard prohibits the presentation of items of income and expenses (that is “non-owner changes in equity”) in the statement of changes in equity, and requires “non-owner changes in equity” to be presented separately from owner changes in equity. All “non-owner changes in equity” are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements: an income statement and a statement of comprehensive income. This financial information has been prepared under the revised disclosure requirements.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 April 2009, but are not currently relevant for the Group.

IAS 23 (revised)	“Borrowing costs”
IAS 32 (amendment)	“Financial instruments: presentation”
IFRS 2 (amendment)	“Share-based payment”
IFRS 7 (amendment)	“Financial instruments: disclosures”
Amendments to IFRS 1 and IAS 27	“Cost of an investment in a subsidiary, jointly controlled entity and associate”
IFRIC – Int 9 (amendment) and IAS 39 (amendment)	“Reassessment of embedded derivatives” and “Financial instruments: recognition and measurement”
IFRIC – Int 13	“Customer loyalty programmes”
IFRIC – Int 15	“Agreements for the construction of real estate”
IFRIC – Int 16	“Hedges of a net investment in a foreign operation”

**A. Notes to the financial information (Continued)**

**A1. Basis of preparation and changes in accounting policies (Continued)**

**b) Accounting policies (Continued)**

Apart from the above, a number of improvements and minor amendments to IFRSs have also been issued and effective for the accounting period ended 31 December 2009 but have no significant impact on these financial information.

**c) Functional currency and translation to presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. However, each entity can present its financial statements in any currency, which can be the same or different from the entity's functional currency. As the Group is having operations worldwide, management considers that it is more appropriate to use US\$, a globally recognised currency, as the presentation currency for the Group's consolidated financial statements. For the entity whose functional currency is not the presentation currency, i.e. US\$, its results and financial position have been translated into US\$.

**A2. Auditor's report on preceding annual financial statements**

The auditor's report on the Company's consolidated annual financial statements for the year ended 31 March 2009 was not subject to any qualification.

**A3. Seasonal or cyclical factors**

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

**A4. Unusual items**

There were no unusual items during the quarter affecting assets, liabilities, equity, net income or cash flows.

**A5. Changes in estimates**

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

**A6. Changes in debt and equity securities**

- a) During the period ended 31 December 2009, the Company repurchased a total of 1,000 of its listed shares on the HK Stock Exchange for the purpose of enhancing the net asset value per share of the Company. Details of the repurchases were summarised as follows:

Month/Year	Number of ordinary shares repurchased	Purchase price per share		Aggregate purchase consideration HK\$	Equivalents in US\$
		Highest HK\$	Lowest HK\$		
September 2009	<u>1,000</u>	1.18	1.18	<u>1,180</u>	<u>153</u>

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

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period.

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**A. Notes to the financial information (Continued)**

**A6. Changes in debt and equity securities (Continued)**

- b) Details of the movements in the Company's shares during the period ended 31 December 2009 were as follows:

	<b>(Unaudited)</b> <b>Number of shares</b>
As at 1 April 2009	1,683,898,241
Repurchase of ordinary shares	<u>(1,000)</u>
As at 31 December 2009	<u><u>1,683,897,241</u></u>

**A7. Dividend paid**

No dividend was paid during the current quarter under review.

**A8. Segment information**

The Group has adopted IFRS 8 Operating Segments with effect from 1 April 2009. IFRS 8 requires operating segments to be identified based on internal reporting that is regularly reviewed by the chief operating decision maker. The Group has regarded the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their respective performance.

The Group is organised operationally on a worldwide basis in two major business segments: publishing and printing, and travel and travel related services. Publishing and printing is further evaluated on a geographical basis. This is the main measure reported to the Group Executive Committee for the purposes of resources allocation and assessment of segment performance.

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

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

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**A. Notes to the financial information (Continued)**

**A8. Segment information (Continued)**

The Group's turnover and results for the period, analysed by operating segment, were as follows:

	(Unaudited)					
	Three months ended 31 December 2009					
	Publishing and printing				Travel	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	and travel related services US\$'000	Total US\$'000
Turnover	62,906	20,638	6,815	90,359	10,378	100,737
Segment profit/(loss) before income tax	17,472	3,443	683	21,598	(221)	21,377
Net unallocated expenses						(137)
Share of loss of an associate						(3)
Profit before income tax						21,237
Income tax expense						(5,001)
Profit for the quarter						16,236
Other information:						
Depreciation						2,050
Amortisation of leasehold land and land use rights						140
Amortisation of intangible assets						184

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**A. Notes to the financial information (Continued)**

**A8. Segment information (Continued)**

	(Unaudited)					
	Three months ended 31 December 2008					
	Publishing and printing					
	Malaysia and other Hong Kong Southeast Asian countries US\$'000	Mainland and China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
Turnover	57,006	20,934	7,104	85,044	10,185	95,229
Segment profit/(loss) before income tax	11,568	980	(1,125)	11,423	(257)	11,166
Net unallocated expenses						(305)
Profit before income tax						10,861
Income tax expense						(3,913)
Profit for the quarter						6,948
<b>Other information:</b>						
Depreciation						2,179
Amortisation of leasehold land and land use rights						137
Amortisation of intangible assets						195

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A. Notes to the financial information (Continued)

A8. Segment information (Continued)

	(Unaudited)					
	Nine months ended 31 December 2009					
	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	174,030	53,645	18,430	246,105	36,328	282,433
Segment profit before income tax	38,515	3,892	1	42,408	56	42,464
Net unallocated expenses						(445)
Share of loss of an associate						(3)
Profit before income tax						42,016
Income tax expense						(11,354)
Profit for the period						30,662
Other information:						
Depreciation						6,085
Amortisation of leasehold land and land use rights						409
Amortisation of intangible assets						538

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**A. Notes to the financial information (Continued)**

**A8. Segment information (Continued)**

	(Unaudited)					
	Nine months ended 31 December 2008					
	Publishing and printing				Travel and travel related services	Total
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000		
Turnover	183,443	60,466	23,701	267,610	47,754	315,364
Segment profit/(loss) before income tax	35,491	1,911	(3,013)	34,389	476	34,865
Net unallocated expenses						(838)
Profit before income tax						34,027
Income tax expense						(11,834)
Profit for the period						22,193
<b>Other information:</b>						
Depreciation						7,010
Amortisation of leasehold land and land use rights						512
Amortisation of intangible assets						608

The Group's assets by operating segment were as follows:

	(Unaudited)						
	Publishing and printing				Travel and travel related services	Elimination	Total
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000			
<b>As at 31 December 2009</b>							
Segment assets	337,608	77,596	12,227	427,431	7,071	(4,376)	430,126
Unallocated assets							3,807
<b>Total assets</b>							<b>433,933</b>
<b>As at 31 March 2009</b>							
Segment assets	279,014	76,478	11,896	367,388	5,567	(3,817)	369,138
Unallocated assets							4,268
<b>Total assets</b>							<b>373,406</b>



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**A. Notes to the financial information (Continued)**

**A9. Property, plant and equipment**

The valuations of property, plant and equipment of the Group have been brought forward without amendment from the audited consolidated annual financial statements for the year ended 31 March 2009.

Additions and disposals of property, plant and equipment during the current quarter and the nine months ended 31 December 2009 were as follows:

	<b>Three months ended 31 December 2009 US\$'000</b>	<b>Nine months ended 31 December 2009 US\$'000</b>
Additions	1,580	5,263
Disposals	(118)	(471)

**A10. Subsequent material events**

Save as disclosed in note B8, there are no other material events as at the date of this announcement that will affect the financial results of the period under review.

**A11. Changes in the composition of the Group**

There were no material changes in the composition of the Group during the quarter ended 31 December 2009, except for the following:

Reference is made to the announcement dated 30 November 2009, Media Connect Investment Limited ("Media Connect"), a wholly-owned subsidiary of the Group, entered into a subscription agreement with ByRead Inc. ("ByRead"), whereby Media Connect conditionally agreed to subscribe for 3,608 series A preference shares of US\$0.01 each to be allotted and issued by ByRead at a total subscription price of US\$2,800,000 (equivalent to approximately HK\$21,700,000 or RM9,486,400). The subscription was completed on 18 December 2009. Subject to the exercise in full of certain options granted to the founders of ByRead in pursuant to a share subscription and option agreement dated 26 July 2005, Media Connect's interest in ByRead would be approximately 25.44%.

**A12. Contingent liabilities**

As at 31 December 2009, the Company issued financial guarantees in favour of certain of its subsidiaries totaling US\$15,709,000 in connection with general banking facilities granted to those subsidiaries. As at 31 December 2009, total facilities utilised amounted to US\$4,223,000.

**A13. Capital commitments**

	<b>US\$'000</b>
Plant and equipment, leasehold land and land use rights:	
Authorised and contracted for	11,801
Authorised but not contracted for	1,301
	<u>13,102</u>

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**B. Additional information required by Bursa Securities' Main Market Listing Requirements**

**B1. Review of performance**

	<b>(Unaudited) Three months ended 31 December</b>		<b>(Unaudited) Nine months ended 31 December</b>	
	<b>2009 US\$'000</b>	<b>2008 US\$'000</b>	<b>2009 US\$'000</b>	<b>2008 US\$'000</b>
Turnover	<b>100,737</b>	95,229	<b>282,433</b>	315,364
Profit before income tax	<b>21,237</b>	10,861	<b>42,016</b>	34,027

During the quarter under review, the Malaysian and Hong Kong economies held steady and showed signs of recovery after the financial crisis that swept across the world economies in the past year. Consumer confidence in these market segments in which the Group operates has gradually risen resulting in growth in advertising revenue for most of the Group's publications.

For the current quarter under review, the Group's revenue grew 6% to US\$100,737,000 (2008: US\$95,229,000) and profit before income tax improved significantly by 96% to US\$21,237,000 (2008: US\$10,861,000). The combination of increase in advertising revenue and lower newsprint cost have delivered encouraging operating profits for the Group.

Much of the improvement in results has come from the publishing and printing segment which achieved a growth of US\$5,315,000 or 6% in revenue and an impressive US\$10,175,000 or 89% increment in profit before income tax. The Malaysian operations reported an encouraging 51% increase in segment profit whereas the segment profit from the Hong Kong and Mainland China operations increased more than twofold. The North American operations, meanwhile, returned to profit as benefits from the restructuring in the US operations kicked in.

The travel segment was still under pressure from the weak business conditions as well as keen price competition especially in the North American market. When compared with the same quarter last year, revenue from this segment improved marginally and its loss narrowed accordingly.

For the nine months ended 31 December 2009, the Group has performed relatively well, considering the difficult operating environment, with 23% or US\$7,989,000 growth in profit before income tax fuelled primarily by lower newsprint cost and operating expenses incurred in the period under review.

The uncertainty and volatility of market conditions were noted in the first half of the financial year, nevertheless, further improvement in the market sentiment in the third quarter has reduced the decline in publishing and printing revenue to 8%.

**B2. Variation of results against immediate preceding quarter**

	<b>(Unaudited) Three months ended 31 December 2009 US\$'000</b>	<b>(Unaudited) Three months ended 30 September 2009 US\$'000</b>	<b>% change</b>
Turnover	<b>100,737</b>	95,139	6%
Profit before income tax	<b>21,237</b>	13,646	56%

**B. Additional information required by Bursa Securities' Main Market Listing Requirements (Continued)**

**B2. Variation of results against immediate preceding quarter (Continued)**

For the current quarter under review, the Group delivered a strong performance with profit before income tax up 56% or US\$7,591,000 from the immediate preceding quarter to US\$21,237,000. The improved result was driven by a 6% growth in revenue as well as benefits from the ongoing vigilant cost-containment measures. The increase in revenue was primarily the result of the revival of spending by major advertisers in most of the Group's markets as the economies gradually recovered.

**B3. Current year's prospects**

Although the fourth quarter is typically a weaker quarter, the management is expecting advertising spending to be prolonged given that Chinese New Year festival fell in mid-February 2010. Moreover, there is an improving trend in the display advertisements, and in this connection, there is strong possibility that the fourth quarter would perform better than the same quarter last year. However, the management will continue to remain prudent and manage the Group's operations cautiously.

**B4. Profit forecast and profit guarantee**

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

**B5. Taxation**

Taxation comprises the following:

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Current income tax expense	<b>4,688</b>	3,198	<b>9,826</b>	9,299
(Over)/under provision in prior years	<b>(291)</b>	(3)	<b>(515)</b>	165
Deferred income tax expense	<b>604</b>	718	<b>2,043</b>	2,370
	<b>5,001</b>	<b>3,913</b>	<b>11,354</b>	<b>11,834</b>

The effective tax rate of the Group for the quarter was lower than the applicable Malaysian statutory tax rate mainly due to the lower tax rates applicable to certain subsidiaries operating in foreign jurisdictions.

**B6. Unquoted investments and properties**

There were no sales of unquoted investments and properties during the quarter under review.

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**B. Additional information required by Bursa Securities' Main Market Listing Requirements (Continued)**

**B7. Quoted investments**

- a) There were no purchases or disposals of quoted investments during the quarter under review.
- b) Details of investments in quoted and marketable securities held by the Group were as follows:

	US\$'000
Quoted investments as at 31 December 2009	
Total investment at cost	605
Total investment at carrying value (after provision for diminution in value)	180
Total investment at market value	<u>180</u>

**B8. Status of corporate proposals**

**Acquisition of land and construction of the new office building**

Reference is made to the announcements dated 14 July 2008, 4 August 2008, 11 September 2008 and pursuant to an ordinary resolution passed at a special general meeting of the Company on 13 November 2008, Sin Chew Media Corporation Berhad, a wholly-owned subsidiary of the Company, proposed to acquire from Rimbunan Hijau Estate Sdn Bhd ("RHE") a portion of the land known as PN 3694, Lot No. 50 Seksyen 13, Bandar Petaling Jaya, Daerah Petaling State of Selangor Darul Ehsan, Malaysia together with buildings thereon at a price of RM37,000,000 (equivalent to US\$10,798,191) and pay the additional building cost to RHE for the construction of a new office building estimated at RM5,000,000 (equivalent to US\$1,459,215) in cash, the approval for the sub-division of master title for the land has been obtained on 25 January 2010 and is now pending issuance of the individual subdivided titles of the land.

Save as aforesaid, there are no other corporate proposals announced but not completed as at the date of this announcement.

**B9. Group borrowings**

The Group's borrowings as at 31 December 2009 were as follows:

	(Unaudited)		
	As at 31 December 2009		
	Secured	Unsecured	Total
	US\$'000	US\$'000	US\$'000
<b>Long-term borrowings - non-current</b>			
Obligations under finance leases	747	-	<u>747</u>
	(Unaudited)		
	As at 31 December 2009		
	Secured	Unsecured	Total
	US\$'000	US\$'000	US\$'000
<b>Short-term borrowings - current</b>			
Bank overdrafts	346	-	346
Short-term bank loans	1,542	22,386	23,928
Portion of bank loans, due within 1 year	1,014	-	1,014
Portion of obligations under finance leases, due within 1 year	334	-	334
	<u>3,236</u>	<u>22,386</u>	<u>25,622</u>

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**B. Additional information required by Bursa Securities' Main Market Listing Requirements (Continued)**

**B9. Group borrowings (Continued)**

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

	<b>(Unaudited) Long-term borrowings US\$'000</b>	<b>(Unaudited) Short-term borrowings US\$'000</b>
Ringgit Malaysia	19	23,452
United States dollars	728	1,879
Canadian dollars	-	291
Total borrowings	<u>747</u>	<u>25,622</u>

**B10. Off balance sheet financial instruments**

The Group did not have any financial instrument with off balance sheet risk as at 31 December 2009.

**B11. Material litigation**

There are several libel suits which involve 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 of this financial report, the directors are of the opinion that the respective ultimate liability, if any, will not have a material adverse impact upon the Group's financial position.

**B12. Dividend payable**

The first interim dividend of US0.450 cents per ordinary share amounting to US\$7,578,000 in respect of the second quarter ended 30 September 2009 was paid to the shareholders of the Company on 21 January 2010.

The board of directors does not recommend any distribution of dividend for the current quarter under review.

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**B. Additional information required by Bursa Securities' Main Market Listing Requirements (Continued)**

**B13. Earnings per share**

**a) Basic**

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2009	2008	2009	2008
Profit attributable to equity holders of the Company (US\$'000)	<u>15,646</u>	6,451	<u>30,298</u>	21,487
Weighted average number of ordinary shares in issue	<u>1,683,897,241</u>	1,683,985,437	<u>1,683,897,805</u>	1,684,854,161
Basic earnings per share (US cents)	<u>0.93</u>	0.38	<u>1.80</u>	1.28

**b) Diluted**

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2009	2008	2009	2008
Profit attributable to equity holders of the Company (US\$'000)	<u>15,646</u>	6,451	<u>30,298</u>	21,487
Weighted average number of ordinary shares in issue	<u>1,683,897,241</u>	1,683,985,437	<u>1,683,897,805</u>	1,684,854,161
Adjustment for share options	-	-	-	385,716
Weighted average number of ordinary shares used to compute diluted earnings per share	<u>1,683,897,241</u>	1,683,985,437	<u>1,683,897,805</u>	1,685,239,877
Diluted earnings per share (US cents)	<u>0.93</u>	0.38	<u>1.80</u>	1.28

By Order of the Board  
Media Chinese International Limited

Law Yuk Kuen  
Secretary  
25 February 2010