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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 FOURTH QUARTER ENDED 31 MARCH 2017

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”) for the quarter ended 31 March 2017 to Bursa Securities on 29 May 2017.

This announcement is also made pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HK Listing Rules”) and the Inside Information Provisions (as defined under the HK Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

29 May 2017

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

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)
Financial report for the fourth quarter ended 31 March 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Three months ended 31 March		Three months ended 31 March	
	2017 US\$'000 (Unaudited)	2016 US\$'000 (Unaudited)	2017 RM'000 (Unaudited) (Note)	2016 RM'000 (Unaudited) (Note)
Turnover	62,394	70,899	275,969	313,587
Cost of goods sold	(38,056)	(42,692)	(168,322)	(188,827)
Gross profit	24,338	28,207	107,647	124,760
Other income	2,078	2,583	9,191	11,425
Other gains, net	688	412	3,043	1,822
Selling and distribution expenses	(13,451)	(15,256)	(59,494)	(67,477)
Administrative expenses	(7,832)	(8,088)	(34,641)	(35,773)
Other operating expenses	(1,303)	(1,392)	(5,763)	(6,157)
Provision for impairment of goodwill	4,518	6,466	19,983	28,600
	(3,603)	(1,957)	(15,936)	(8,656)
Operating profit	915	4,509	4,047	19,944
Finance costs	(954)	(1,257)	(4,220)	(5,560)
Share of results of joint ventures and associates	3	59	13	261
(Loss) / profit before income tax	(36)	3,311	(160)	14,645
Income tax expense	(840)	(1,148)	(3,715)	(5,078)
(Loss) / profit for the quarter	(876)	2,163	(3,875)	9,567
Profit / (loss) attributable to:				
Owners of the Company	828	2,754	3,662	12,181
Non-controlling interests	(1,704)	(591)	(7,537)	(2,614)
	(876)	2,163	(3,875)	9,567
Earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	0.05	0.16	0.22	0.71
Diluted (US cents/sen) #	0.05	0.16	0.22	0.71
# Refer to B11 for calculations of basic and diluted earnings per share				

Note: The presentation currency of this unaudited financial information is United States Dollar ("US\$"). Supplementary information in Malaysian Ringgit ("RM") for the quarter ended 31 March 2017 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.4230 ruling at 31 March 2017. 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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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 March		Three months ended 31 March	
	2017 US\$'000 (Unaudited)	2016 US\$'000 (Unaudited)	2017 RM'000 (Unaudited) <i>(Note)</i>	2016 RM'000 (Unaudited) <i>(Note)</i>
(Loss) / profit for the quarter	(876)	2,163	(3,875)	9,567
Other comprehensive income / (loss)				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences	2,023	14,550	8,948	64,355
Item that will not be reclassified subsequently to profit or loss:				
Remeasurements of post-employment benefit obligations	(23)	29	(102)	128
Other comprehensive income for the quarter, net of tax	2,000	14,579	8,846	64,483
Total comprehensive income for the quarter	1,124	16,742	4,971	74,050
Total comprehensive income / (loss) for the quarter attributable to:				
Owners of the Company	2,824	17,308	12,490	76,553
Non-controlling interests	(1,700)	(566)	(7,519)	(2,503)
	1,124	16,742	4,971	74,050

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Year ended 31 March		Year ended 31 March	
	2017 US\$'000	2016 US\$'000	2017 RM'000 (Unaudited) (Note)	2016 RM'000 (Unaudited) (Note)
Turnover	302,586	349,126	1,338,338	1,544,184
Cost of goods sold	(189,764)	(215,589)	(839,326)	(953,550)
Gross profit	112,822	133,537	499,012	590,634
Other income	8,704	9,105	38,498	40,271
Other (losses) / gains, net	(336)	156	(1,486)	690
Selling and distribution expenses	(56,034)	(59,353)	(247,839)	(262,518)
Administrative expenses	(30,939)	(32,988)	(136,844)	(145,906)
Other operating expenses	(5,462)	(5,859)	(24,158)	(25,914)
	28,755	44,598	127,183	197,257
Provision for impairment of goodwill	(3,603)	(1,957)	(15,936)	(8,656)
Operating profit	25,152	42,641	111,247	188,601
Finance costs	(4,812)	(5,328)	(21,283)	(23,566)
Share of results of joint ventures and associates	435	82	1,924	363
Profit before income tax	20,775	37,395	91,888	165,398
Income tax expense	(7,584)	(11,273)	(33,544)	(49,860)
Profit for the year	13,191	26,122	58,344	115,538
Profit / (loss) attributable to:				
Owners of the Company	15,156	26,649	67,035	117,869
Non-controlling interests	(1,965)	(527)	(8,691)	(2,331)
	13,191	26,122	58,344	115,538
Earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	0.90	1.58	3.98	6.99
Diluted (US cents/sen) #	0.90	1.58	3.98	6.99

Refer to B11 for calculations of basic and diluted earnings per share

Note: The presentation currency of this financial information is US\$. Supplementary information in RM for the year ended 31 March 2017 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.4230 ruling at 31 March 2017. 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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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March		Year ended 31 March	
	2017 US\$'000	2016 US\$'000	2017 RM'000 (Unaudited) (Note)	2016 RM'000 (Unaudited) (Note)
Profit for the year	13,191	26,122	58,344	115,538
Other comprehensive (loss) / income				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences	(18,338)	(6,643)	(81,109)	(29,382)
Item that will not be reclassified subsequently to profit or loss:				
Remeasurements of post-employment benefit obligations	(23)	29	(102)	128
Other comprehensive loss for the year, net of tax	(18,361)	(6,614)	(81,211)	(29,254)
Total comprehensive (loss) / income for the year	(5,170)	19,508	(22,867)	86,284
Total comprehensive (loss) / income for the year attributable to:				
Owners of the Company	(3,133)	20,091	(13,857)	88,863
Non-controlling interests	(2,037)	(583)	(9,010)	(2,579)
	(5,170)	19,508	(22,867)	86,284

Note: The presentation currency of this financial information is US\$. Supplementary information in RM for the year ended 31 March 2017 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.4230 ruling at 31 March 2017. 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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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March 2017 US\$'000	As at 31 March 2016 US\$'000	As at 31 March 2017 RM'000 (Unaudited) (Note)	As at 31 March 2016 RM'000 (Unaudited) (Note)
ASSETS				
Non-current assets				
Property, plant and equipment	96,266	114,596	425,785	506,858
Investment properties	14,587	15,451	64,518	68,340
Intangible assets	43,231	53,516	191,211	236,701
Deferred income tax assets	226	300	1,000	1,327
Investments accounted for using the equity method	731	749	3,233	3,313
	<u>155,041</u>	<u>184,612</u>	<u>685,747</u>	<u>816,539</u>
Current assets				
Inventories	19,918	23,869	88,098	105,573
Available-for-sale financial assets	97	97	429	429
Financial assets at fair value through profit or loss	346	340	1,531	1,504
Trade and other receivables	41,239	51,669	182,400	228,532
Income tax recoverable	2,133	1,403	9,434	6,205
Short-term bank deposits	10,086	-	44,610	-
Cash and cash equivalents	79,946	140,950	353,601	623,422
	<u>153,765</u>	<u>218,328</u>	<u>680,103</u>	<u>965,665</u>
Current liabilities				
Trade and other payables	46,634	53,131	206,262	234,998
Income tax liabilities	1,644	3,871	7,271	17,121
Bank and other borrowings	2,506	58,453	11,084	258,538
Current portion of other non-current liabilities	26	83	115	367
	<u>50,810</u>	<u>115,538</u>	<u>224,732</u>	<u>511,024</u>
Net current assets	<u>102,955</u>	<u>102,790</u>	<u>455,371</u>	<u>454,641</u>
Total assets less current liabilities	<u>257,996</u>	<u>287,402</u>	<u>1,141,118</u>	<u>1,271,180</u>
EQUITY				
Equity attributable to owners of the Company				
Share capital	21,715	21,715	96,045	96,045
Share premium	54,664	54,664	241,779	241,779
Other reserves	(126,266)	(107,715)	(558,474)	(476,423)
Retained earnings	243,581	244,360	1,077,360	1,080,805
	<u>193,694</u>	<u>213,024</u>	<u>856,710</u>	<u>942,206</u>
Non-controlling interests	<u>3,621</u>	<u>5,703</u>	<u>16,016</u>	<u>25,225</u>
Total equity	<u>197,315</u>	<u>218,727</u>	<u>872,726</u>	<u>967,431</u>
Non-current liabilities				
Bank and other borrowings	50,870	57,663	225,000	255,043
Deferred income tax liabilities	8,622	9,981	38,134	44,146
Other non-current liabilities	1,189	1,031	5,258	4,560
	<u>60,681</u>	<u>68,675</u>	<u>268,392</u>	<u>303,749</u>
	<u>257,996</u>	<u>287,402</u>	<u>1,141,118</u>	<u>1,271,180</u>
Net assets per share attributable to owners of the Company (US cents/sen)	<u>11.48</u>	<u>12.63</u>	<u>50.78</u>	<u>55.86</u>

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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		
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 year	-	-	-	26,649	26,649	(527)	26,122
Other comprehensive (loss) / income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(7,015)	426	(6,589)	(54)	(6,643)
Item that will not be reclassified subsequently to profit or loss:							
Remeasurements of post-employment benefit obligations	-	-	-	31	31	(2)	29
Other comprehensive (loss) / income, net of tax	-	-	(7,015)	457	(6,558)	(56)	(6,614)
Total comprehensive (loss) / income for the year ended 31 March 2016	-	-	(7,015)	27,106	20,091	(583)	19,508
Transactions with owners							
Total contributions by and distributions to owners of the Company recognised directly in equity							
Repurchase of ordinary shares	-*	-*	-*	-	-*	-	-*
2014/2015 second interim dividend paid	-	-	-	(8,436)	(8,436)	-	(8,436)
2015/2016 first interim dividend paid	-	-	-	(8,436)	(8,436)	-	(8,436)
Total contributions by and distributions to owners of the Company	-	-	-	(16,872)	(16,872)	-	(16,872)
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)
2015/2016 interim dividends paid by an unlisted subsidiary	-	-	-	-	-	(5)	(5)
2014/2015 final dividend paid by a listed subsidiary	-	-	-	-	-	(140)	(140)
Total transactions with owners	-	-	61	(16,872)	(16,811)	(75)	(16,886)
At 31 March 2016	21,715	54,664	(107,715)	244,360	213,024	5,703	218,727

* negligible

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	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		
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 year	-	-	-	15,156	15,156	(1,965)	13,191
Other comprehensive (loss)/ income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(18,551)	287	(18,264)	(74)	(18,338)
Item that will not be reclassified subsequently to profit or loss:							
Remeasurements of post-employment benefit obligations	-	-	-	(25)	(25)	2	(23)
Other comprehensive (loss)/ income, net of tax	-	-	(18,551)	262	(18,289)	(72)	(18,361)
Total comprehensive (loss) / income for the year ended 31 March 2017	-	-	(18,551)	15,418	(3,133)	(2,037)	(5,170)
Transactions with owners							
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)
2016/2017 first interim dividend paid	-	-	-	(6,074)	(6,074)	-	(6,074)
Total contributions by and distributions to owners of the Company	-	-	-	(16,197)	(16,197)	-	(16,197)
2015/2016 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(5)	(5)
2016/2017 interim dividends paid by an unlisted subsidiary	-	-	-	-	-	(40)	(40)
Total transactions with owners	-	-	-	(16,197)	(16,197)	(45)	(16,242)
At 31 March 2017	21,715	54,664	(126,266)	243,581	193,694	3,621	197,315

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(Unaudited)						
	Attributable to owners of the Company					Non- controlling interests	Total equity
	Share capital RM'000 (Note)	Share premium RM'000 (Note)	Other reserves RM'000 (Note)	Retained earnings RM'000 (Note)	Total RM'000 (Note)		
At 1 April 2015	96,045	241,779	(445,666)	1,035,539	927,697	28,135	955,832
Comprehensive income / (loss)							
Profit / (loss) for the year	-	-	-	117,869	117,869	(2,331)	115,538
Other comprehensive (loss) / income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(31,027)	1,884	(29,143)	(239)	(29,382)
Item that will not be reclassified subsequently to profit or loss:							
Remeasurements of post-employment benefit obligations	-	-	-	137	137	(9)	128
Other comprehensive (loss) / income, net of tax	-	-	(31,027)	2,021	(29,006)	(248)	(29,254)
Total comprehensive (loss) / income for the year ended 31 March 2016	-	-	(31,027)	119,890	88,863	(2,579)	86,284
Transactions with owners							
Total contributions by and distributions to owners of the Company recognised directly in equity							
Repurchase of ordinary shares	-*	-*	-*	-	-*	-	-*
2014/2015 second interim dividend paid	-	-	-	(37,312)	(37,312)	-	(37,312)
2015/2016 first interim dividend paid	-	-	-	(37,312)	(37,312)	-	(37,312)
Total contributions by and distributions to owners of the Company	-	-	-	(74,624)	(74,624)	-	(74,624)
Issue of shares under the share option scheme of a listed subsidiary	-	-	270	-	270	345	615
2014/2015 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(35)	(35)
2015/2016 interim dividends paid by an unlisted subsidiary	-	-	-	-	-	(22)	(22)
2014/2015 final dividend paid by a listed subsidiary	-	-	-	-	-	(619)	(619)
Total transactions with owners	-	-	270	(74,624)	(74,354)	(331)	(74,685)
At 31 March 2016	96,045	241,779	(476,423)	1,080,805	942,206	25,225	967,431

* negligible

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(Unaudited)						
	Attributable to owners of the Company					Non- controlling interests	Total equity
	Share capital RM'000 (Note)	Share premium RM'000 (Note)	Other reserves RM'000 (Note)	Retained earnings RM'000 (Note)	Total RM'000 (Note)		
At 1 April 2016	96,045	241,779	(476,423)	1,080,805	942,206	25,225	967,431
Comprehensive income / (loss)							
Profit / (loss) for the year	-	-	-	67,035	67,035	(8,691)	58,344
Other comprehensive (loss) / income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(82,051)	1,269	(80,782)	(327)	(81,109)
Item that will not be reclassified subsequently to profit or loss:							
Remeasurements of post-employment benefit obligations	-	-	-	(110)	(110)	8	(102)
Other comprehensive (loss) / income, net of tax	-	-	(82,051)	1,159	(80,892)	(319)	(81,211)
Total comprehensive (loss) / income for the year ended 31 March 2017	-	-	(82,051)	68,194	(13,857)	(9,010)	(22,867)
Transactions with owners							
Total contributions by and distributions to owners of the Company recognised directly in equity							
2015/2016 second interim dividend paid	-	-	-	(44,774)	(44,774)	-	(44,774)
2016/2017 first interim dividend paid	-	-	-	(26,865)	(26,865)	-	(26,865)
Total contributions by and distributions to owners of the Company	-	-	-	(71,639)	(71,639)	-	(71,639)
2015/2016 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(22)	(22)
2016/2017 interim dividends paid by an unlisted subsidiary	-	-	-	-	-	(177)	(177)
Total transactions with owners	-	-	-	(71,639)	(71,639)	(199)	(71,838)
At 31 March 2017	96,045	241,779	(558,474)	1,077,360	856,710	16,016	872,726

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 March		Year ended 31 March	
	2017 US\$'000	2016 US\$'000	2017 RM'000 (Unaudited) (Note)	2016 RM'000 (Unaudited) (Note)
Cash flows from operating activities				
Cash generated from operations	40,160	67,463	177,628	298,388
Interest paid	(5,042)	(5,083)	(22,301)	(22,482)
Income tax paid	(10,758)	(12,091)	(47,583)	(53,478)
Net cash generated from operating activities	24,360	50,289	107,744	222,428
Cash flows from investing activities				
Purchases of property, plant and equipment	(1,334)	(2,812)	(5,900)	(12,437)
Purchases of intangible assets	(536)	(500)	(2,371)	(2,212)
Proceeds from disposal of property, plant and equipment	36	34	159	150
Increase in short-term bank deposits with original maturity over three months	(10,086)	-	(44,610)	-
Interest received	3,189	2,810	14,105	12,429
Dividends received	466	141	2,061	624
Net cash used in investing activities	(8,265)	(327)	(36,556)	(1,446)
Cash flows from financing activities				
Proceeds from issue of shares under the share option scheme of a listed subsidiary	-	139	-	615
Dividends paid	(16,197)	(16,872)	(71,639)	(74,624)
Dividends paid to non-controlling interests by an unlisted subsidiary	(45)	(13)	(199)	(57)
Dividend paid to non-controlling interests by a listed subsidiary	-	(140)	-	(619)
Proceeds from bank and other borrowings	5,688	2,353	25,158	10,407
Repayments of bank and other borrowings	(54,575)	(11,125)	(241,385)	(49,206)
Net cash used in financing activities	(65,129)	(25,658)	(288,065)	(113,484)
Net (decrease)/ increase in cash and cash equivalents	(49,034)	24,304	(216,877)	107,498
Cash and cash equivalents at beginning of year	140,950	118,620	623,422	524,655
Exchange adjustments on cash and cash equivalents	(11,970)	(1,974)	(52,944)	(8,731)
Cash and cash equivalents at end of year	79,946	140,950	353,601	623,422

Note: The presentation currency of this financial information is US\$. Supplementary information in RM for the year ended 31 March 2017 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.4230 ruling at 31 March 2017. 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

This condensed consolidated financial information of the Company and its subsidiaries (collectively the "Group") for the quarter and year ended 31 March 2017 has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standard Board, Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HK Listing Rules") and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Listing Requirements").

This 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 ("IFRS").

This financial information has not been audited.

b) Accounting policies

(i) New and amended standards and interpretations to existing standards adopted by the Group

The Group has adopted the following amendments to standards which became effective for the first time for the financial year beginning on or after 1 April 2016:

- a) Amendments to IAS 1, "Disclosure initiative";
- b) Amendments to IAS 16 and IAS 38, "Clarification of acceptable methods of depreciation and amortisation";
- c) Amendments to IAS 27, "Equity method in separate financial statements";
- d) Amendments to IFRS 10, IFRS 12 and IAS 28, "Investment entities: applying the consolidated exception";
- e) Amendments to IFRS 11, "Accounting for acquisitions of interests in joint operations"; and
- f) Annual improvements 2014, "Annual improvements to IFRSs 2012 - 2014 cycle".

The adoption of these amendments did not have any material impact on the current period or any prior period and is not likely to affect future periods.

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

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

b) Accounting policies (Continued)

(ii) New accounting standards and amendments to standards that are not yet effective and have not been early adopted by the Group

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2016, and have not been applied in preparing this consolidated financial information.

		Effective for annual periods beginning on or after
Amendments to IAS 7	Statement of cash flows	1 January 2017
Amendments to IAS 12	Income taxes	1 January 2017
Amendments to IFRS 2	Classification and measurement of share-based payment transactions	1 January 2018
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019
Amendments to IFRS 10 and IAS 28	Sale or distribution of assets between an investor and its associate or joint venture	To be determined

The Group will adopt the above new or revised standards, amendments and interpretations to existing standards as and when they become effective. Management is in the process of assessing the impact of these standards, amendments and interpretations to existing IFRS and set out below are the expected impact on the Group's financial performance and position:

IFRS 9, "Financial Instruments", introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model, which constitutes a change from the incurred loss model in IAS 39. IFRS 9 contains a "three stage" approach, which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. The new rules mean that on initial recognition of a non-credit impaired financial asset carried at amortised cost a day-1 loss equal to the 12-month ECL is recognised in profit or loss. In the case of accounts receivables this day-1 loss will be equal to their lifetime ECL. Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The Group has yet to undertake a detailed assessment of how its impairment provisions would be affected by the new model.

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

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

b) Accounting policies (Continued)

(ii) **New accounting standards and amendments to standards that are not yet effective and have not been early adopted by the Group (Continued)**

IFRS 9 “Financial instrument” addresses the classification, measurement and recognition of financial assets and liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value with the irrevocable option at inception to present changes in fair value in other comprehensive income as an item that will not be recycled subsequently, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities, there are two classification categories: amortised cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability’s own credit risk are recognised in the other comprehensive income, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognised in profit or loss. While the Group has yet to undertake a detailed assessment of the classification, measurement and recognition of financial assets and financial liabilities, the management does not expect adopting IFRS 9 will have a material impact to the Group’s consolidated financial statements. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.

The Group intends to quantify the potential impact of IFRS 9 once it is practicable to provide reliable estimates.

IFRS 15, “Revenue from contracts with customers”, deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 ‘Revenue’ and IAS 11 “Construction contracts” and related interpretations.

IFRS 16, “Leases” addresses the definition of a lease, recognition and measurement of leases. The standard replaces IAS 17 ‘Leases’ and related interpretations. The Group is a lessee of office premises, which are currently classified as operating leases.

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

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

b) Accounting policies (Continued)

(ii) **New accounting standards and amendments to standards that are not yet effective and have not been early adopted by the Group (Continued)**

IFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to amortise certain leases outside of the consolidated statements of financial position. Instead, all non-current leases must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Thus each lease will be mapped in the Group's consolidated statement of financial position. Short-term leases of less than twelve months and leases of low-value assets are exempt from the reporting obligation. The new standard will therefore result in an increase in right-of-use asset and an increase in financial liability in the consolidated statement of financial position. This will affect related ratios, such as the debt to capital ratio. In the consolidated statements of comprehensive income, leases will be recognised in the future as depreciation and amortisation and will no longer be recorded as property rental and related expenses. Interest expense on the lease liability will be presented separately from depreciation and amortisation under finance costs. As a result, the property rental and related expenses under otherwise identical circumstances will decrease, while depreciation and amortisation and the interest expense will increase. The combination of a straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to profit or loss in the initial year of the lease, and decreasing expenses during the latter part of the lease term. The new standard is not expected to apply until the financial year 2019/2020, including the adjustment of prior years.

The management of the Group anticipated that the application of the other new and revised standards, amendments or interpretations will have no material impact on the Group's consolidated financial statements.

(iii) **Change in the presentation of the consolidated statement of profit or loss**

In the current year, the provision for impairment of goodwill is presented as a separate line item instead of being included under "Other (losses)/gains, net" in the consolidated statement of profit or loss as in the previous years. The management believes that the current presentation will provide more relevant information to the users of the financial information for the evaluation of the Group's operating performance. The change in presentation has been adopted retrospectively, and the comparative figures have been reclassified, but there is no impact to the overall consolidated financial statement.

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. The functional currency of the Company is RM. However, each entity within the Group can present its financial statements in any currency, which can be the same or different from the entity's functional currency. As the Group operates internationally, 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 US\$, its results and financial position have been translated into US\$.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A2. Auditor's report on preceding annual financial statements

The auditor's report of the Group's annual financial statements for the year ended 31 March 2016 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 revenue and the travel business revenue.

A4. Unusual items

The following are the unusual items that occurred during the quarter and financial year ended 31 March 2017:

	Three months ended		Year ended	
	31 March		31 March	
	2017	2016	2017	2016
	US\$'000	US\$'000	US\$'000	US\$'000
	(Unaudited)	(Unaudited)		
Provision for impairment of goodwill	3,603	1,957	3,603	1,957

The above are non-cash items and do not have a direct impact on the cash flows of the Group.

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

On 24 February 2017, the Company redeemed the first tranche medium-term notes of US\$50,630,000 (equivalent to RM225,000,000).

Save as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review.

A7. Dividends paid

The second interim dividend of US0.600 cents per ordinary share totalling US\$10,123,000 in respect of the year ended 31 March 2016 was paid on 13 July 2016.

The first interim dividend of US0.360 cents per ordinary share totalling US\$6,074,000 in respect of the year ended 31 March 2017 was paid on 30 December 2016.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. 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 provision for advertising services 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.

The Group's turnover and results for the quarter ended 31 March 2017, analysed by operating segment, are as follows:

	(Unaudited)					
	Three months ended 31 March 2017					
	Publishing and printing					
	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	Total US\$'000
Turnover	36,086	11,491	4,392	51,969	10,425	62,394
Segment profit / (loss) before income tax	3,978	(2,961)	(19)	998	(138)	860
Unallocated finance costs						(948)
Other net unallocated income						49
Share of results of joint ventures and associates						3
Loss before income tax						(36)
Income tax expense						(840)
Loss for the quarter						(876)
Other information:						
Interest income	620	20	-	640	4	644
Finance costs	(4)	(2)	-	(6)	-	(6)
Depreciation of property, plant and equipment	(1,586)	(339)	(79)	(2,004)	(32)	(2,036)
Amortisation of intangible assets	(179)	(53)	(4)	(236)	(9)	(245)
Provision for impairment of property, plant and equipment	-	(35)	-	(35)	-	(35)
Provision for impairment of goodwill	(3,603)	-	-	(3,603)	-	(3,603)
Income tax (expense) / credit	(1,993)	(200)	1,181	(1,012)	172	(840)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

	(Unaudited)					
	Three months ended 31 March 2016					
	Publishing and printing					
	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	Total US\$'000
Turnover	43,705	12,758	4,593	61,056	9,843	70,899
Segment profit / (loss) before income tax	7,642	(3,236)	(19)	4,387	65	4,452
Unallocated finance costs						(1,254)
Other net unallocated income						54
Share of results of joint ventures and associates						59
Profit before income tax						3,311
Income tax expense						(1,148)
Profit for the quarter						2,163
Other information:						
Interest income	738	19	-	757	2	759
Finance costs	(2)	(1)	-	(3)	-	(3)
Depreciation of property, plant and equipment	(1,725)	(382)	(87)	(2,194)	(32)	(2,226)
Amortisation of intangible assets	(206)	(43)	(3)	(252)	(11)	(263)
Provision for impairment of goodwill	(1,957)	-	-	(1,957)	-	(1,957)
Income tax (expense) / credit	(2,360)	(52)	938	(1,474)	326	(1,148)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

The Group's turnover and results for the year ended 31 March 2017, analysed by operating segment, are as follows:

	Year ended 31 March 2017					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	
Turnover	162,080	53,498	17,599	233,177	69,409	302,586
Segment profit / (loss) before income tax	28,301	(3,798)	(1,057)	23,446	2,464	25,910
Unallocated finance costs						(4,790)
Other net unallocated expenses						(780)
Share of results of joint ventures and associates						435
Profit before income tax						20,775
Income tax expense						(7,584)
Profit for the year						13,191
Other information:						
Interest income	3,064	95	11	3,170	19	3,189
Finance costs	(13)	(9)	-	(22)	-	(22)
Depreciation of property, plant and equipment	(6,781)	(1,435)	(337)	(8,553)	(128)	(8,681)
Amortisation of intangible assets	(769)	(218)	(15)	(1,002)	(38)	(1,040)
Provision for impairment of property, plant and equipment	-	(35)	-	(35)	-	(35)
Provision for impairment of goodwill	(3,603)	-	-	(3,603)	-	(3,603)
Income tax (expense) / credit	(8,072)	(473)	1,415	(7,130)	(454)	(7,584)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

	Year ended 31 March 2016					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	186,387	60,848	19,186	266,421	82,705	349,126
Segment profit / (loss) before income tax	39,619	(1,821)	(996)	36,802	6,250	43,052
Unallocated finance costs						(5,250)
Other net unallocated expenses						(489)
Share of results of joint ventures and associates						82
Profit before income tax						37,395
Income tax expense						(11,273)
Profit for the year						26,122
Other information:						
Interest income	2,640	153	-	2,793	17	2,810
Finance costs	(51)	(27)	-	(78)	-	(78)
Depreciation of property, plant and equipment	(7,196)	(1,532)	(370)	(9,098)	(125)	(9,223)
Amortisation of intangible assets	(862)	(166)	(19)	(1,047)	(45)	(1,092)
Provision for impairment of goodwill	(1,957)	-	-	(1,957)	-	(1,957)
Income tax (expense)/credit	(10,603)	(719)	1,190	(10,132)	(1,141)	(11,273)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

The segment assets and liabilities as at 31 March 2017 are as follows:

	<u>Publishing and printing</u>				Travel and travel related services US\$'000	Elimination US\$'000	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			
Segment assets	231,116	44,068	13,256	288,440	17,586	(150)	305,876
Unallocated assets							<u>2,930</u>
Total assets							<u>308,806</u>
Total assets include:							
Investments accounted for using the equity method	-	731	-	731	-	-	731
Additions to non-current assets (other than deferred income tax assets)	825	901	92	1,818	52	-	1,870
Segment liabilities	(16,363)	(14,480)	(6,678)	(37,521)	(11,054)	150	(48,425)
Unallocated liabilities							<u>(63,066)</u>
Total liabilities							<u>(111,491)</u>

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

	<u>Publishing and printing</u>				Travel and travel related services US\$'000	Elimination US\$'000	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			
Segment assets	309,346	60,419	14,197	383,962	16,877	(167)	400,672
Unallocated assets							<u>2,268</u>
Total assets							<u>402,940</u>
Total assets include:							
Investments accounted for using the equity method	-	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							<u>(131,566)</u>
Total liabilities							<u>(184,213)</u>

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

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

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, investments accounted for using the equity method, inventories, trade and other receivables, short-term bank deposits, 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 after elimination of the interests in subsidiaries.

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 after elimination of the amounts due to the subsidiaries.

A9. Valuation of property, plant and equipment

There was no revaluation of the Group's property, plant and equipment during the quarter ended 31 March 2017.

A10. Subsequent material events

There were no subsequent material events of the Group.

A11. Changes in the composition of the Group

There were no material changes in the composition of the Group during the quarter under review, except for the following:

Reference is made to the announcement of the Company dated 3 February 2017, Maribo Brief Limited, a dormant and indirect subsidiary of the Company, had been deregistered on 20 January 2017 pursuant to section 751 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

A12. Capital commitments

Capital commitments outstanding as at 31 March 2017 are as follows:

	US\$'000
Property, plant and equipment :	
Authorised and contracted for	192
Authorised but not contracted for	390
	<hr/>
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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A13. Related party transactions

	Three months ended		Year ended	
	31 March		31 March	
	2017	2016	2017	2016
	US\$'000	US\$'000	US\$'000	US\$'000
	(Unaudited)	(Unaudited)		
Newsprint purchases from a related company (<i>note 1</i>)	4,528	1,678	11,984	12,925
Purchases of air tickets from a related company (<i>note 1</i>)	25	12	50	34
Purchases of honey from a related company (<i>note 1</i>)	23	-	63	-
Rental expenses paid to related companies (<i>note 1</i>)	21	18	86	77
Purchase of a motor vehicle from a related company (<i>note 1</i>)	-	-	25	-
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>)	(330)	(330)	(1,382)	(1,517)
Provision of accounting service to an associate	(24)	(18)	(112)	(78)
Provision of air tickets and accommodation arrangement services to related companies (<i>note 1</i>)	(11)	(1)	(42)	(36)
Provision of accounting and administrative services to related companies (<i>note 1</i>)	(4)	(4)	(16)	(12)
Advertising income received from related companies (<i>note 1</i>)	(1)	-	(4)	(21)
Rental income received from a related company (<i>note 1</i>)	(1)	-	(4)	-
Content providing income received from a joint venture	-	(3)	(1)	(66)

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.

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'
MAIN MARKET LISTING REQUIREMENTS**

B1. Analysis of performance

	Three months ended 31 March		Year ended 31 March	
	2017 US\$'000 (Unaudited)	2016 US\$'000 (Unaudited)	2017 US\$'000	2016 US\$'000
Turnover	62,394	70,899	302,586	349,126
Operating profit before provision for impairment of goodwill	4,518	6,466	28,755	44,598
Provision for impairment of goodwill	(3,603)	(1,957)	(3,603)	(1,957)
(Loss) / profit before income tax	(36)	3,311	20,775	37,395
EBITDA	2,590	6,298	32,154	50,228

For the three months ended 31 March 2017, the Group's turnover was US\$62,394,000, which indicated a year-on-year decrease of 12.0% or US\$8,505,000 from US\$70,899,000 in the corresponding quarter last year. Revenue from the publishing and printing segment fell by 14.9%, whereas the travel segment reported an increase in revenue of 5.9%.

The Group reported a loss before income tax of US\$36,000 compared to a profit before income tax of US\$3,311,000 in the year-ago quarter. The Group recognised provisions for impairment of goodwill of US\$3,603,000 and US\$1,957,000 in the current and the prior-year quarters respectively. Excluding these provisions, the current quarter's profit before income tax would have been 32.3% below that of the same quarter last year. This was mainly attributed to the decline in revenue which impact was partly cushioned by savings resulted from the Group's strict adherence to cost control strategies as well as increased contribution from the Group's expanding digital business.

While the Canadian dollar ("CAD") strengthened slightly during the quarter under review, the Malaysian Ringgit ("RM") continued to weaken against the US dollar which resulted in a net negative currency impact on the Group's results for the quarter. If currency impact was excluded, the decrease in the Group's turnover and profit before income tax and provisions for impairment of goodwill would have been about 9.3% and 24.6% respectively.

EBITDA for the quarter was down by 58.9% to US\$2,590,000 compared with US\$6,298,000 in the corresponding quarter last year. It would have been a decrease of about 55.9% if currency impact was excluded.

Turnover of the Group's publishing and printing segment amounted to US\$51,969,000 for the fourth quarter of 2016/2017, reflecting a decrease of 14.9% or US\$9,087,000 from US\$61,056,000 in the same quarter a year ago. The segment registered a profit before income tax of US\$998,000, a decrease of 77.3% from US\$4,387,000 in the corresponding quarter last year. However, it would have been a decrease of 27.5% or US\$1,743,000 if the provisions for impairment of goodwill were excluded.

The Malaysian operations recorded a pre-tax profit margin of 21.6% in the current quarter. Turnover decreased by 17.4% while profit before income tax fell by 47.9% to US\$3,978,000, mainly driven by lower advertising revenue, sluggish economic environment as well as weak consumer sentiment. Excluding currency impact, the decline in turnover and profit before income tax and provisions for impairment of goodwill would have been about 12.6% and 16.6% respectively.

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' MAIN MARKET LISTING REQUIREMENTS (Continued)

B1. Analysis of performance (Continued)

The Group's turnover in Hong Kong, Taiwan and Mainland China also retreated by 9.9% to US\$11,491,000 when compared with US\$12,758,000 in the corresponding quarter a year ago. The lower segment performance was mainly attributed to the prolonged weak retail environment which adversely influenced advertisers' expenditure on the media market. The continued shift of advertisements from traditional to digital media further aggravated the challenges faced by the operations. However, the segment loss before income tax for the quarter narrowed to US\$2,961,000 from US\$3,236,000 a year earlier. This was mainly attributed to cost savings as well as higher contributions from the segment's digital and education business.

Against a background of slowing economic growth, turnover of the Group's North America segment dropped by 4.4% to US\$4,392,000. Segment loss before income tax maintained at last year's level of US\$19,000 attributed mainly to cost savings.

Turnover of the Group's travel business registered an increase of 5.9% or US\$582,000 in the quarter under review to US\$10,425,000 from US\$9,843,000 in the corresponding quarter last year. The slight improvement was attributable to the segment's success in offering tours to new destinations in Scandinavia, South Africa and America which compensated for the decline in tours to Europe where the travel sentiment remained relatively weak. The segment reported a loss before income tax of US\$138,000 compared to a profit before income tax of US\$65,000 in the year-ago quarter.

For the year ended 31 March 2017, the Group's turnover decreased by 13.3% to US\$302,586,000 when compared with US\$349,126,000 in the previous financial year. Profit before income tax for the year fell 44.4% to US\$20,775,000 from last year's US\$37,395,000. The decreases in turnover and profit before income tax and provisions for impairment of goodwill would have been about 11.4% and 34.7% respectively if currency impact was excluded.

Both RM and CAD weakened against the US dollar during the year ended 31 March 2017, resulting in negative currency impact on the Group's turnover and profit before income tax of approximately US\$6,816,000 and US\$980,000 respectively for the year.

B2. Variation of results against immediate preceding quarter

	Three months ended 31 March 2017 (Unaudited) US\$'000	Three months ended 31 December 2016 (Unaudited) US\$'000	% change
Turnover	62,394	71,941	-13.3%
(Loss) / profit before income tax	(36)	6,268	-100.6%

The fourth quarter was a traditional low season for both the publishing and the travel segments and therefore the Group's results were lower when compared with the immediate preceding quarter. In addition, the current quarter's result was further impacted by the recognition of a provision for impairment of goodwill of US\$3,603,000. The Group's turnover and profit before income tax for the fourth quarter were 13.3% and 100.6% lower than those reported in the third quarter respectively.

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' MAIN MARKET LISTING REQUIREMENTS (Continued)

B3. Prospects for 2017/2018

The Group remains cautious about the business conditions for the year ahead. China is tightening its capital outflows policies which may have adverse influence on the advertising and promotion budgets from advertisers especially for the property and luxury industries in the Greater China region. The US new administration's policies may also trigger some negative influence on the trade and business conditions that affect the Group's North America operations. Furthermore, the potential for further substantial cost savings is likely to be limited, particularly after several rounds of cost-cutting exercises throughout the Group.

However, the probable 14th Malaysian General Election is expected to present favorable opportunities for advertising spending in 2017. The media market in Hong Kong is also expected to show some improvement driven by the 20th anniversary of the establishment of the HKSAR. In addition, the recent growth in the number of Mainland visitors to Hong Kong and the uptake in retail sales in March 2017 may also provide some boost to the advertising market.

Furthermore, the Group will continue to explore opportunities to broaden its revenue stream and to expand its presence in the digital market.

B4. Profit forecast and profit guarantee

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

B5. Profit before income tax

Profit before income tax has been arrived at after (charging) / crediting:

	Three months ended		Year ended	
	31 March		31 March	
	2017	2016	2017	2016
	US\$'000	US\$'000	US\$'000	US\$'000
	(Unaudited)	(Unaudited)		
Provision for impairment and write-off of trade and other receivables	(227)	(239)	(800)	(605)
Provision for impairment and write-off of inventories	(50)	(132)	(162)	(119)
Exchange gains / (losses) - net	212	219	(211)	(68)
Realised losses on derivatives	(101)	-	(690)	-

Save as disclosed above and in A8, the other items as required under Part A(16) of Appendix 9B of the Bursa Listing Requirements are not applicable.

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'
MAIN MARKET LISTING REQUIREMENTS (Continued)**

B6. Income tax expense

Income tax expense comprises the following:

	Three months ended 31 March		Year ended 31 March	
	2017 US\$'000 (Unaudited)	2016 US\$'000 (Unaudited)	2017 US\$'000	2016 US\$'000
Current period income tax expense	2,182	2,429	9,500	12,725
Over provision of income tax expense in prior years	(1,507)	(1,035)	(1,457)	(1,180)
Deferred income tax expense / (credit)	165	(246)	(459)	(272)
	<u>840</u>	<u>1,148</u>	<u>7,584</u>	<u>11,273</u>

The effective tax rates of the Group for the current quarter and year under review were higher than the Malaysian statutory tax rate of 24% mainly due to the non-deductibility of certain expenses for income tax purposes.

B7. Status of corporate proposals

There were no corporate proposals announced but not completed at the latest practicable date, which is not earlier than seven days from the date of issue of this unaudited financial information, except for the following:

Reference is made to the announcements of the Company dated 1 August 2016 (the "First Announcement") and 1 March 2017 (the "Subsequent Announcement"), 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 (the "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 (the "Proposed Disposal"). Qingdao West Coast is a company incorporated in the British Virgin Islands, whose ultimate controlling shareholder is Qingdao West Coast Development (Group) Limited, which is a PRC state-owned enterprise. Completion of the Share Transfer Agreement is conditional upon the fulfilment (or, as appropriate, waiver by the Qingdao West Coast) of the conditions precedent stipulated in the Share Transfer Agreement, which amongst others, include certain agreements ("CP Agreements") becoming executed and unconditional. As stated in the Subsequent Announcement, the Company announced that on 28th February 2017, all the terms of the CP Agreements have been finalised.

Reference is also made to the announcement of the Company dated 28 March 2017 (the "Extension Announcement"), the Board of Directors announced that on 28 March 2017, Comwell and Qingdao West Coast entered into a fourth supplemental agreement which further extended the long stop date of the Share Transfer Agreement to 30 June 2017. For details, please refer to the First Announcement, the Subsequent Announcement and the Extension Announcement.

The Proposed Disposal has no material impact on the Group's consolidated financial information for the year ended 31 March 2017.

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' MAIN MARKET LISTING REQUIREMENTS (Continued)

B8. Group borrowings

The Group's borrowings as at 31 March 2017 are as follows:

	Secured US\$'000	Unsecured US\$'000	Total US\$'000
Current			
Short-term bank borrowings	1,636	870	2,506
Non-current			
Medium-term notes	-	50,870	50,870
	<u>1,636</u>	<u>51,740</u>	<u>53,376</u>

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

	US\$'000
Malaysian Ringgit	51,740
United States dollars	349
Hong Kong dollars	1,287
	<u>53,376</u>

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 31 March 2017 and 31 March 2016.

On 24 February 2017, the Company redeemed the first tranche medium-term notes of US\$50,630,000 (equivalent to RM225,000,000).

B9. Material litigation

As at 31 March 2017, 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 unaudited 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.

B10. Dividend payable

The Board of Directors has declared a second interim dividend of US0.360 cents (2015/2016: US0.600 cents) per ordinary share in lieu of a final dividend for the year ended 31 March 2017. The dividend will be payable on Monday, 10 July 2017 to shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 20 June 2017 in cash in RM or in Hong Kong dollars ("HK\$") at the average exchange rates used during the year ended 31 March 2017 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 unaudited financial information.

The average exchange rates used during the year ended 31 March 2017 of US\$ to RM and US\$ to HK\$, and the amount of the second interim dividend payable is as follows:

	Exchange rates	Dividend per ordinary share
US\$ to RM	4.4542	1.604 sen
US\$ to HK\$	7.8129	HK2.813 cents

No tax is payable on the dividend declared by the Company to be received by shareholders in Malaysia as it is income from foreign source in accordance to paragraph 28 of Schedule 6 of Malaysian Income Tax Act 1967.

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'
MAIN MARKET LISTING REQUIREMENTS (Continued)

B10. Dividend payable (Continued)

The register of members in Hong Kong will be closed on Tuesday, 20 June 2017 whereby no transfer of shares will be registered on that date. In order to qualify for the second 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 Monday, 19 June 2017. 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 Tuesday, 20 June 2017 in respect of transfers; and ii) shares bought on Bursa Securities on a cum entitlement basis according to the rules of Bursa Securities.

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 Wednesday, 14 June 2017 to Tuesday, 20 June 2017, both days inclusive.

B11. Earnings per share attributable to owners of the Company

	Three months ended		Year ended	
	31 March	2016	31 March	2016
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)		
Profit attributable to owners of the Company (US\$'000)	<u>828</u>	<u>2,754</u>	<u>15,156</u>	<u>26,649</u>
Weighted average number of ordinary shares in issue	<u>1,687,236,241</u>	<u>1,687,236,241</u>	<u>1,687,236,241</u>	<u>1,687,236,645</u>
Basic earnings per share (US cents)	<u>0.05</u>	<u>0.16</u>	<u>0.90</u>	<u>1.58</u>
Diluted earnings per share (US cents)	<u>0.05</u>	<u>0.16</u>	<u>0.90</u>	<u>1.58</u>

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 quarters and years ended 31 March 2017 and 2016.

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES/
MAIN MARKET LISTING REQUIREMENTS (Continued)**

B12. Disclosure of realised and unrealised retained profits

The following analysis of realised and unrealised retained profits is prepared in accordance with the Guidance on Special Matter No.1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements", as issued by the Malaysian Institute of Accountants and based on the prescribed format by Bursa Securities.

	As at 31 March 2017 US\$'000	As at 31 March 2016 US\$'000
Total retained profits of the Company and its subsidiaries:		
- Realised	272,018	271,806
- Unrealised	<u>(6,258)</u>	<u>(8,903)</u>
	265,760	262,903
Total share of accumulated losses of joint ventures and associates:		
- Realised	(868)	(1,303)
Less : consolidation adjustments	<u>(21,311)</u>	<u>(17,240)</u>
Group's retained profits as per condensed consolidated statement of financial position	<u>243,581</u>	<u>244,360</u>

The disclosure of realised and unrealised retained profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

On behalf of the Board
Media Chinese International Limited

Law Yuk Kuen
Tong Siew Kheng
Joint Company Secretaries
29 May 2017