



MEDIA CHINESE INTERNATIONAL LIMITED

(formerly known as Ming Pao Enterprise Corporation Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 685)

ANNOUNCEMENT

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2008

Pursuant to Paragraph 9.22 (Quarterly Report) of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), Media Chinese International Limited (the “Company”), a public company listed on the main board of Bursa Malaysia, announced its unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the fourth quarter ended 31 March 2008 to Bursa Malaysia on 29 May 2008.

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 (the “HK Stock Exchange”).

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

29 May 2008

Media Chinese International Limited
(Incorporated in Bermuda with limited liability) (Company No. 995098-A)
Interim financial report for the fourth quarter ended 31 March 2008

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the fourth quarter ended 31 March 2008

	Fourth quarter ended 31 March		Fourth quarter ended 31 March	
	2008	2007	2008	2007
	US\$'000	US\$'000	RM'000	RM'000
			<i>(note)</i>	<i>(note)</i>
Turnover	74,734	72,419	238,865	231,466
Cost of goods sold	(47,523)	(46,555)	(151,893)	(148,799)
Gross profit	27,211	25,864	86,972	82,667
Other income	1,332	1,111	4,257	3,551
Other (losses)/gains, net	(60)	615	(192)	1,966
Negative goodwill arising on the acquisition of Nanyang	13,094	–	41,851	–
Selling and distribution expenses	(14,230)	(13,427)	(45,482)	(42,915)
Administrative expenses	(7,738)	(8,204)	(24,732)	(26,222)
Other operating expenses	(6,334)	(1,079)	(20,245)	(3,449)
Operating profit	13,275	4,880	42,429	15,598
Finance costs	(139)	(62)	(444)	(198)
Profit before income tax	13,136	4,818	41,985	15,400
Income tax expense	(2,718)	(1,304)	(8,687)	(4,168)
Profit for the period	<u>10,418</u>	<u>3,514</u>	<u>33,298</u>	<u>11,232</u>
Attributable to:				
Equity holders of the Company	7,214	1,330	23,057	4,251
Minority interests	3,204	2,184	10,241	6,981
	<u>10,418</u>	<u>3,514</u>	<u>33,298</u>	<u>11,232</u>
Earnings per share attributable to the equity holders of the Company				
Basic (US cents/sen)	0.78	0.15	2.52	0.47
Diluted (US cents/sen)	0.78	0.15	2.52	0.46
Dividend per share (US cents/sen)				
by the Company				
Interim dividend per share (US cents/sen)	0.926	–	3.000	–
by Sin Chew				
First and final dividend (US cents/sen)	–	2.576*	–	8.650*

Note:

The presentation currency of this unaudited interim financial report is United States dollars (“US\$”). Supplementary information in Ringgit Malaysia (“RM”) for the fourth quarter ended 31 March 2008 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.1962 ruling at 31 March 2008. 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.

* *This dividend per share was originally proposed in RM and thus was shown as the original RM amount proposed instead of using the translation method stated in the note above.*

Media Chinese International Limited
(Incorporated in Bermuda with limited liability) (Company No. 995098-A)
Interim financial report for the fourth quarter ended 31 March 2008

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2008

	Year ended 31 March		Year ended 31 March	
	2008 US\$'000	2007 US\$'000	2008 RM'000 (note)	2007 RM'000 (note)
Turnover	328,260	304,563	1,049,184	973,444
Cost of goods sold	(212,144)	(204,519)	(678,054)	(653,684)
Gross profit	116,116	100,044	371,130	319,760
Other income	4,674	4,018	14,938	12,843
Other gains, net	1,401	1,641	4,478	5,245
Negative goodwill arising on the acquisition of Nanyang	13,094	–	41,851	–
Selling and distribution expenses	(50,289)	(44,666)	(160,734)	(142,760)
Administrative expenses	(30,570)	(28,671)	(97,707)	(91,644)
Other operating expenses	(9,951)	(4,445)	(31,806)	(14,206)
Operating profit	44,475	27,921	142,150	89,238
Finance costs	(710)	(1,155)	(2,270)	(3,691)
Profit before income tax	43,765	26,766	139,880	85,547
Income tax expense	(11,739)	(6,604)	(37,520)	(21,108)
Profit for the year	<u>32,026</u>	<u>20,162</u>	<u>102,360</u>	<u>64,439</u>
Attributable to:				
Equity holders of the Company	19,233	11,489	61,471	36,718
Minority interests	12,793	8,673	40,889	27,721
	<u>32,026</u>	<u>20,162</u>	<u>102,360</u>	<u>64,439</u>
Earnings per share attributable to the equity holders of the Company				
Basic (US cents/sen)	2.10	1.26	6.72	4.02
Diluted (US cents/sen)	2.10	1.26	6.71	4.02
Dividend per share (US cents/sen)				
by the Company				
First interim dividend proposed and paid (US cents/sen)	0.258	0.386	0.825	1.234
Second interim dividend proposed (US cents/sen)	0.926	–	3.000	–
by Sin Chew				
First and final dividend proposed (US cents/sen)	–	2.576*	–	8.650*

Note:

The presentation currency of this unaudited interim financial report is US\$. Supplementary information in RM for the year ended 31 March 2008 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.1962 ruling at 31 March 2008. 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.

* *This dividend per share was originally proposed in RM and thus was shown as the original RM amount proposed instead of using the translation method stated in the note above.*

Media Chinese International Limited
(Incorporated in Bermuda with limited liability) (Company No. 995098-A)
Interim financial report for the fourth quarter ended 31 March 2008

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 March 2008

	As at 31 March		As at 31 March	
	2008	2007	2008	2007
	US\$'000	US\$'000	RM'000	RM'000
			(note)	(note)
ASSETS				
Non-current assets				
Property, plant and equipment	112,603	63,558	359,902	203,144
Investment properties	7,056	1,455	22,552	4,650
Leasehold land and land use rights	24,262	22,479	77,546	71,847
Intangible assets	22,022	6,000	70,386	19,177
Goodwill	62,450	15,782	199,603	50,442
Financial assets at fair value through profit or loss	1,128	972	3,605	3,107
Defined benefit plan assets	579	1,419	1,851	4,535
Deferred income tax assets	3,576	4,589	11,430	14,667
	<u>233,676</u>	<u>116,254</u>	<u>746,875</u>	<u>371,569</u>
Current assets				
Inventories	50,531	19,757	161,507	63,146
Available-for-sale financial assets	644	605	2,058	1,934
Financial assets at fair value through profit or loss	276	252	882	805
Trade and other receivables	76,896	56,534	245,776	180,694
Income tax recoverable	2,760	635	8,822	2,030
Cash and cash equivalents	76,559	67,459	244,697	215,613
	<u>207,666</u>	<u>145,242</u>	<u>663,742</u>	<u>464,222</u>
Current liabilities				
Trade and other payables	58,979	39,236	188,510	125,406
Income tax liabilities	3,935	2,162	12,577	6,910
Short-term bank loans	24,414	9,479	78,032	30,297
Bank overdrafts, secured	2,962	2,535	9,467	8,102
Current portion of long-term liabilities	6,460	3,602	20,647	11,513
	<u>96,750</u>	<u>57,014</u>	<u>309,233</u>	<u>182,228</u>
Net current assets	<u>110,916</u>	<u>88,228</u>	<u>354,509</u>	<u>281,994</u>
Total assets less current liabilities	<u><u>344,592</u></u>	<u><u>204,482</u></u>	<u><u>1,101,384</u></u>	<u><u>653,563</u></u>

Note:

The presentation currency of this unaudited interim financial report is US\$. Supplementary information in RM for the year ended 31 March 2008 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.1962 ruling at 31 March 2008. 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
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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

As at 31 March 2008

	As at 31 March		As at 31 March	
	2008	2007	2008	2007
	US\$'000	US\$'000	RM'000	RM'000
			(note)	(note)
EQUITY				
Share capital	5,167	5,205	16,515	16,636
Share premium	12,809	13,480	40,937	43,085
Other reserves	196,554	22,478	628,233	71,845
Retained earnings				
– Proposed final dividend	15,610	7,781	50,573	24,897
– Others	91,181	84,755	290,747	270,863
	<u>321,321</u>	<u>133,699</u>	<u>1,027,005</u>	<u>427,326</u>
Minority interests	<u>7,981</u>	<u>59,367</u>	<u>25,509</u>	<u>189,749</u>
Total equity	329,302	193,066	1,052,514	617,075
Non-current liabilities				
Long-term liabilities	6,453	5,366	20,625	17,151
Deferred income tax liabilities	8,837	6,050	28,245	19,337
	<u>344,592</u>	<u>204,482</u>	<u>1,101,384</u>	<u>653,563</u>
Net assets per share attributable to ordinary equity holders of the Company (US cents/sen)	<u>19.53</u>	<u>21.13</u>	<u>62.42</u>	<u>67.53</u>

Note:

The presentation currency of this unaudited interim financial report is US\$. Supplementary information in RM for the year ended 31 March 2008 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.1962 ruling at 31 March 2008. 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
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Interim financial report for the fourth quarter ended 31 March 2008

UNAUDITED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the year ended 31 March 2008

	Year ended 31 March		Year ended 31 March	
	2008	2007	2008	2007
	<i>US\$'000</i>	<i>US\$'000</i>	<i>RM'000</i>	<i>RM'000</i>
			<i>(note)</i>	<i>(note)</i>
Currency translation differences	10,461	7,366	33,443	23,543
Actuarial losses of defined benefit plans assets	(941)	(95)	(3,011)	(304)
Actuarial gains of long service payment obligations	39	208	125	665
Net income recognised directly in equity	9,559	7,479	30,557	23,904
Profit for the year	32,026	20,162	102,360	64,439
Total recognised income for the year	<u>41,585</u>	<u>27,641</u>	<u>132,917</u>	<u>88,343</u>
Attributable to:				
Equity holders of the Company	24,157	15,417	77,213	49,272
Minority interests	17,428	12,224	55,704	39,071
	<u>41,585</u>	<u>27,641</u>	<u>132,917</u>	<u>88,343</u>

Note:

The presentation currency of this unaudited interim financial report is US\$. Supplementary information in RM for the year ended 31 March 2008 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.1962 ruling at 31 March 2008. 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
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Interim financial report for the fourth quarter ended 31 March 2008

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2008

	Year ended 31 March		Year ended 31 March	
	2008	2007	2008	2007
	US\$'000	US\$'000	RM'000	RM'000
			(note)	(note)
Cash flows from operating activities				
Cash generated from operations	37,165	52,405	118,787	167,492
Interest on bank loans and overdrafts	(603)	(1,102)	(1,927)	(3,522)
Interest element of finance lease payments	(106)	(53)	(339)	(169)
Profits tax paid	(8,624)	(4,344)	(27,564)	(13,884)
Long service payments made	(9)	(18)	(29)	(58)
Contributions to the defined benefit plan	(70)	(123)	(224)	(393)
Net cash generated from operating activities	27,753	46,765	88,704	149,466
Cash flows from investing activities				
Purchase of property, plant and equipment	(5,718)	(5,984)	(18,276)	(19,126)
Purchase of intangible assets	(133)	(900)	(425)	(2,877)
Purchase of financial assets at fair value through profit or loss	(3,012)	(1,002)	(9,627)	(3,203)
Proceeds from redemption of financial assets at fair value through profit or loss	2,510	–	8,022	–
Prepayment of leasehold land and land use rights	–	(609)	–	(1,946)
Proceeds from disposals of available-for-sale financial assets	–	256	–	818
Net cash inflow in respect of the acquisition of Nanyang	3,884	–	12,414	–
Professional fees paid for the acquisition of equity interest from minority shareholders of Sin Chew	(675)	–	(2,157)	–
Proceeds from disposals of property, plant and equipment	802	116	2,563	371
Interest received	2,142	1,890	6,846	6,041
Dividends received	11	10	35	32
Net cash used in investing activities	(189)	(6,223)	(605)	(19,890)
Cash flows from financing activities				
Proceeds from exercise of share options	39	26	122	83
Repurchase of ordinary shares	(748)	(165)	(2,391)	(527)
Dividends paid	(1,037)	(3,644)	(3,314)	(11,647)
Dividends paid by Sin Chew	(7,781)	(7,118)	(24,867)	(22,751)
Dividends paid by a listed subsidiary	(50)	(50)	(160)	(160)
New bank loans	1,174	–	3,752	–
Repayment of bank loans	(12,023)	(7,370)	(38,428)	(23,556)
Repayment of short-term bank loans	(864)	(4,210)	(2,762)	(13,456)
Capital element of finance lease payments	(721)	(648)	(2,304)	(2,071)
Net cash used in financing activities	(22,011)	(23,179)	(70,352)	(74,085)
Net increase in cash and cash equivalents, and bank overdrafts	5,553	17,363	17,747	55,491
Cash and cash equivalents, and bank overdrafts as at 1 April	64,924	45,786	207,511	146,341
Exchange adjustments on cash and cash equivalents, and bank overdrafts	3,120	1,775	9,972	5,679
Cash and cash equivalents, and bank overdrafts as at 31 March	73,597	64,924	235,230	207,511

Note:

The presentation currency of this unaudited interim financial report is US\$. Supplementary information in RM for the year ended 31 March 2008 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.1962 ruling at 31 March 2008. 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) (Company No. 995098-A)
Interim financial report for the fourth quarter ended 31 March 2008

A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

A1. Basis of accounting and changes in accounting policies

a) Basis of accounting

This interim financial report of Media Chinese International Limited (formerly known as Ming Pao Enterprise Corporation Limited) (the “Company”) for the fourth quarter ended 31 March 2008 is unaudited and has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”, paragraph 9(1) of Chapter 13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HK Stock Exchange”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

This interim financial report should be read in conjunction with the annual financial statements of the Company for the year ended 31 March 2007 and the accompanying explanatory notes attached to this interim financial report.

b) Changes in accounting policies

The preparation of this interim financial report in conformity with International Financial Reporting Standards (“IFRS”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies of the Company and its subsidiaries (the “Group”).

The accounting policies adopted are consistent with those used in the annual financial statements of the Company for the year ended 31 March 2007 with the exception of the following:

There was a change of the basis for the determination of inventories from first-in, first-out method to weighted average method for the year ended 31 March 2008. This change in accounting policy did not have a material impact on the Group’s results of operations and financial position.

The presentation currency was changed from Hong Kong dollars (“HK\$”) to United States dollars (“US\$”), as detailed in note A1(d).

The Company adopted the merger accounting to account for the business combination under common control. For details, please refer to note A1(c).

The following new standards, amendments to existing standards and interpretations to existing standards are relevant to the Group’s operations and are mandatory for the financial year ended 31 March 2008:

IFRS 7, Financial instruments: Disclosures IFRS 7 introduces new disclosures relating to financial instruments. The adoption of this standard does not result in material changes to the Group’s results of operations and financial position.

IAS 1, Amendment – Presentation of Financial Statements – Capital disclosure The amendment requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group’s objectives, policies and processes for managing capital.

Media Chinese International Limited
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Interim financial report for the fourth quarter ended 31 March 2008

A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

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

b) Changes in accounting policies *(Continued)*

IFRIC-Int 8, Scope of IFRS 2 IFRIC-Int 8 requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of IFRS 2. This standard does not have any impact on the Group's results of operations and financial position.

IFRIC-Int 9, Reassessment of Embedded Derivatives IFRIC-Int 9 states that the date to assess the existence of an embedded derivative is the date that an entity first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group has no embedded derivative requiring separation from the host contract, the interpretation had no impact on the financial position or performance of the Group.

IFRIC-Int 10, Interim financial reporting and impairment IFRIC-Int 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The adoption of this interpretation does not result in material changes to the Group's results of operations and financial position.

IFRIC-Int 11, IFRS 2 – Group and Treasury Share Transactions IFRIC-Int 11 requires a share-based payment arrangement in which an entity receives goods or services as consideration for its own equity-instruments to be accounted for as an equity-settled share-based payment transaction, regardless of how the equity instruments needed are obtained. IFRIC-Int 11 also provides guidance on whether share-based payment arrangements, in which suppliers of goods or services of an entity are provided with equity instruments of the entity's parent, should be accounted for as cash-settled or equity-settled in the entity's financial statements. IFRIC-Int 11 is not expected to have a material impact on the Group's results of operations and financial position.

There are also a number of new standards, amendments to standards and interpretations issued that are not yet effective for the financial year ended 31 March 2008. The Group has carried out a preliminary assessment of these standards, amendments and interpretations and considered that IAS 32 and IAS 1 Amendments, IAS 1 (Revised), IFRS 2 (Amendment), IFRS 3 (Revised), IAS 23 (Amendment), IAS 27 (Revised) and IFRIC-Int 12 may not have any significant impact on the Group's results of operations and financial position but a detailed assessment is still being carried on. The Group is also in the process of assessing the impact of IFRS 8, IFRIC-Int 13 and IFRIC-Int 14.

c) Basis of consolidation

Pursuant to the proposed merger of the Company, Sin Chew Media Corporation Berhad ("Sin Chew") and Nanyang Press Holdings Berhad ("Nanyang") (the "Proposed Merger"), the Company would issue new shares to the existing shareholders of Sin Chew and Nanyang in exchange for 100% interest in Sin Chew and Nanyang after the Proposed Merger. As disclosed in the Company's announcement dated 1 April 2008, all parties to the Proposed Merger confirmed that all the applicable conditions precedent as set out in the merger agreement have been received, obtained, fulfilled or satisfied (as the case may be) as of 31 March 2008.

Media Chinese International Limited
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Interim financial report for the fourth quarter ended 31 March 2008

A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

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

c) Basis of consolidation *(Continued)*

As both the Company and Sin Chew have been under common control of the same controlling party before and after the Proposed Merger, the Group has applied the principles of merger accounting to account for the business combination with Sin Chew as if the combination had occurred from the date when the Company and Sin Chew first came under the common control of the controlling party. In applying merger accounting, 509,308,796 ordinary shares of the Company at HK\$0.1 each, representing 30.2% of the enlarged share capital of the Company, are deemed to have been issued to the controlling party for the acquisition of its controlling interest in Sin Chew throughout the period when both the Company and Sin Chew were under common control. Accordingly, the unaudited condensed consolidated income statement and unaudited condensed consolidated cash flow statement for the years ended 31 March 2007 and 2008 were prepared as if this structure of the Company and Sin Chew had been in existence throughout the periods. The unaudited condensed consolidated balance sheet as at 31 March 2007 and 31 March 2008 were prepared to present the assets and liabilities of the Group as at 31 March 2007 and 31 March 2008 as if the above structure had been in existence at those dates. A merger reserve of US\$92,647,000 has been recognised, representing the difference between the fair value of the 509,308,796 ordinary shares issued by the Company and the equity interest of the controlling party in the share capital and the share premium of Sin Chew.

On 31 March 2008, the effective date of completion of the merger, the Company was deemed to have acquired the remaining equity interest in Sin Chew from the minority shareholders. Goodwill of US\$49,018,000 was recognised and represents the excess of the fair value of the 506,667,259 ordinary shares issued by the Company over the carrying value of the minority interest in Sin Chew.

As the Company and Nanyang were not under common control, the Group has applied the purchase method to account for the acquisition of equity interest in Nanyang as a wholly-owned subsidiary pursuant to the Proposed Merger on the effective completion date, i.e. 31 March 2008.

d) 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. The Group's results of operations and financial position were presented in HK\$ in prior years, but as the Group is now having operations worldwide, management considers that it is more appropriate to change the presentation currency to US\$, a globally recognised currency. For an entity of which the functional currency is not the presentation currency, i.e. US\$, it has translated its results and financial position into US\$. Assets and liabilities for the balance sheet have been translated at the closing rate at the balance sheet date, and income and expenses for the income statement have been translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of transactions). All resulting exchange differences have been recognised as a separate component of equity.

Media Chinese International Limited
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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

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

e) Convenience translation

In addition to presenting the interim financial report in US\$, supplementary information in RM for the year ended 31 March 2008 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.1962 ruling at 31 March 2008 (Source: Bloomberg). 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.

A2. Audit report of the Company's preceding annual financial statements

The Company's audited financial statements for the year ended 31 March 2007 were not subject to any audit 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

The following are the unusual items that occurred during the fourth quarter and financial year ended 31 March 2008 under review:

	Fourth quarter ended 31 March 2008 <i>US\$'000</i>	Current year to date 31 March 2008 <i>US\$'000</i>
Provision for impairment of goodwill and intangible assets <i>(note a)</i>	(5,393)	(5,393)
Negative goodwill arising on the acquisition of Nanyang <i>(note b)</i>	13,094	13,094
	<u>7,701</u>	<u>7,701</u>

Notes:

- (a) This represents a provision for impairment on the goodwill and intangible assets of a subsidiary. The Group has performed an assessment on the carrying value of all of its reporting units on an annual basis and it was determined that, for the subsidiary concerned, the recoverable amounts of the goodwill and intangible assets were significantly lower than their carrying value and hence provision for impairment was made.

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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

A4. Unusual items *(Continued)*

Notes: (Continued)

- (b) This represents the excess of the fair values of the net identifiable assets of Nanyang acquired by the Company over the Company's costs of acquisition and was recognised in the unaudited condensed consolidated income statement.

Pursuant to the Proposed Merger, the Company acquired 100% of the ordinary shares of Nanyang, excluding treasury shares, in exchange for 268,839,186 new ordinary shares of the Company. The purchase consideration of US\$62,505,000 includes the fair value of the ordinary shares of the Company of US\$59,511,000 and direct acquisition costs of US\$2,994,000. The fair values of the net identifiable assets at the date of acquisition amounted to US\$75,599,000. A negative goodwill, which represented the excess of the fair values of Nanyang's net identifiable assets at the date of acquisition over the purchase consideration, amounted to US\$13,094,000, was immediately taken to the unaudited condensed consolidated income statement.

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 share capital and debts

- (i) During the current year under review, the Company repurchased a total of 3,166,000 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 are 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 2007	416,000	1.95	1.81	780,660	100,471
October 2007	1,108,000	1.99	1.72	2,045,469	263,252
November 2007	309,000	2.00	1.85	587,931	75,668
December 2007	23,000	1.81	1.81	41,630	5,358
January 2008	1,101,000	1.90	1.70	1,983,597	255,289
March 2008	209,000	1.80	1.78	375,626	48,343
	<u>3,166,000</u>			<u>5,814,913</u>	<u>748,381</u>

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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

A6. Changes in share capital and debts (Continued)

All the repurchased shares were cancelled during the year under review. 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.

- (ii) Pursuant to a share option scheme (the "MP Scheme") approved at the Special General Meeting of the Company held on 21 August 2001 and for the primary purpose of providing incentive to full time employees, the directors of the Company may at their discretion invite full time employees including executive directors of the Company and its subsidiaries to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. During the year, the movements of options were as follows:

Date granted	Exercise price per share		As at 1 April 2007	Number of shares involved in share options			As at 31 March 2008
	<i>Equivalents</i>			Options granted during the year	Options lapsed during the year	Options exercised during the year	
	HK\$	in US\$					
31 August 2001	1.592	0.205	2,716,000	-	(47,000)	(118,000)	2,551,000
29 August 2003	1.320	0.170	927,000	-	-	(88,000)	839,000
15 September 2003	1.800	0.232	<u>1,200,000</u>	-	-	-	1,200,000
			<u>4,843,000</u>	<u>-</u>	<u>(47,000)</u>	<u>(206,000)</u>	<u>4,590,000</u>

- (iii) Details of the movements in the Company's shares during the year ended 31 March 2008 are as follows:

	Number of shares
As at 1 April 2007	404,435,000
Repurchase of ordinary shares	(3,166,000)
Exercise of share options	<u>206,000</u>
As at 31 March 2008	<u>401,475,000</u>

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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

A6. Changes in share capital and debts *(Continued)*

(iv) Details of the subsequent movements in the Company's shares

On 23 April 2008, 1,015,976,055 new ordinary shares of the Company of HK\$0.1 each were allotted to the shareholders of Sin Chew as consideration for the exchange of all the ordinary shares of RM0.5 each in the issued share capital of Sin Chew; and 268,839,186 new ordinary shares of the Company of HK\$0.1 each were allotted to the shareholders of Nanyang as consideration for the exchange of all the ordinary shares of RM1 each in the issued share capital of Nanyang.

Although the date of exchange of shares was 23 April 2008, the management considered that the effective date of completion of the merger was 31 March 2008 and that the allotment and issuance of new ordinary shares of the Company was regarded as an administrative procedure under the Company's control.

For the purpose of merger accounting, 509,308,796 shares were deemed to have been in issue for the controlling party's interest in Sin Chew throughout the accounting period presented. In addition, 506,667,259 shares and 268,839,186 shares were deemed to have been issued on 31 March 2008 for the acquisition of the remaining equity interest from the minority shareholders of Sin Chew and for the 100% equity interest in Nanyang respectively. All the deemed issues had been credited to the capital reserve at fair values at the balance sheet date and were transferred to share capital and share premium on 23 April 2008, the actual shares issuance date.

A7. Subsequent material events

Save as disclosed under note A6(iv) regarding the share exchanges, there are no other material events as at the date of this announcement that will affect the results in the financial period under review.

A8. Financial instruments with off-balance sheet risks

There are no financial instruments with off-balance sheet risks as at the date of this report.

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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

A9. Segment information

Business segments

	Fourth quarter ended 31 March 2008		
	Publishing & Printing US\$'000	Travel US\$'000	Total US\$'000
Turnover	<u>65,536</u>	<u>9,198</u>	<u>74,734</u>
Segment results	6,202	(646)	5,556
Negative goodwill arising on the acquisition of Nanyang	13,094	-	13,094
Provision for impairment of goodwill and intangible assets	<u>(5,393)</u>	<u>-</u>	<u>(5,393)</u>
	<u>13,903</u>	<u>(646)</u>	13,257
Interest income			461
Net unallocated expenses			<u>(443)</u>
Operating profit			13,275
Finance costs			<u>(139)</u>
Profit before income tax			13,136
Income tax expense			<u>(2,718)</u>
Profit for the quarter			<u>10,418</u>
	Fourth quarter ended 31 March 2007		
	Publishing & Printing US\$'000	Travel US\$'000	Total US\$'000
Turnover	<u>60,848</u>	<u>11,571</u>	<u>72,419</u>
Segment results	<u>5,748</u>	<u>(538)</u>	5,210
Interest income			493
Net unallocated expenses			<u>(823)</u>
Operating profit			4,880
Finance costs			<u>(62)</u>
Profit before income tax			4,818
Income tax expense			<u>(1,304)</u>
Profit for the quarter			<u>3,514</u>

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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

A9. Segment information *(Continued)*

Business segments *(Continued)*

	Year ended 31 March 2008		
	Publishing & Printing <i>US\$'000</i>	Travel <i>US\$'000</i>	Total <i>US\$'000</i>
Turnover	<u>264,004</u>	<u>64,256</u>	<u>328,260</u>
Segment results	35,095	99	35,194
Negative goodwill arising on the acquisition of Nanyang	13,094	-	13,094
Provision for impairment of goodwill and intangible assets	<u>(5,393)</u>	<u>-</u>	<u>(5,393)</u>
	<u>42,796</u>	<u>99</u>	42,895
Interest income			2,153
Net unallocated expenses			<u>(573)</u>
Operating profit			44,475
Finance costs			<u>(710)</u>
Profit before income tax			43,765
Income tax expense			<u>(11,739)</u>
Profit for the year			<u>32,026</u>

	Year ended 31 March 2007		
	Publishing & Printing <i>US\$'000</i>	Travel <i>US\$'000</i>	Total <i>US\$'000</i>
Turnover	<u>240,402</u>	<u>64,161</u>	<u>304,563</u>
Segment results	<u>27,063</u>	<u>(38)</u>	27,025
Interest income			1,890
Net unallocated expenses			<u>(994)</u>
Operating profit			27,921
Finance costs			<u>(1,155)</u>
Profit before income tax			26,766
Income tax expense			<u>(6,604)</u>
Profit for the year			<u>20,162</u>

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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

A10. Property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendment from the Company's financial statements for the year ended 31 March 2007.

A11. Status of corporate exercise

On 23 April 2007, the Company entered into a merger agreement in relation to the proposed merger of the Company, Sin Chew and Nanyang (the "Proposals").

On 27 November 2007, the Securities Commission of Malaysia had granted its approval to the Proposals subject to certain conditions.

On 30 November 2007, the Ministry of International Trade and Industry Malaysia had also granted its approval to the Proposals subject to certain conditions.

On 9 January 2008, the shareholders of Sin Chew and Nanyang approved the Proposals at the Court convened meetings and extraordinary general meetings of Sin Chew and Nanyang.

On 30 January 2008, the parties to the Proposals including the Company had agreed to extend the expiry date for the fulfillment of the conditions precedent to the Proposals from 31 January 2008 to 30 April 2008.

On 1 February 2008, the shareholders of the Company approved (i) the proposed change of name of the Company from "Ming Pao Enterprise Corporation Limited" to "Media Chinese International Limited" and adoption of the Chinese name of "世界華文媒體有限公司" as the secondary name of the Company; and (ii) the proposed amendments to the Bye-Laws of the Company.

In January 2008, the Company had submitted an application to the Securities Commission of Malaysia pursuant to Practice Note 2.9.7 of the Malaysian Code on Take-Overs and Mergers, 1998, to seek an exemption for the Company from the obligation to undertake a mandatory offer to acquire the remaining voting shares of a downstream entity of Nanyang, namely The China Press Berhad, which are not owned by the Company, Tan Sri Datuk Tiong Hiew King and/or parties acting in concert with him ("Proposed Exemption"). On 25 February 2008, the Securities Commission of Malaysia had granted its approval for the Proposed Exemption.

On 17 March 2008, the High Court of Malaya had granted orders pursuant to Section 176 of the Companies Act 1965 of Malaysia approving the respective schemes of arrangement of Sin Chew and Nanyang, satisfying another condition precedent to the Proposals as contained in the merger agreement.

As of 31 March 2008, all parties to the Proposals confirmed that all the applicable conditions precedent as set out in the merger agreement have been received, obtained, fulfilled or satisfied (as the case may be).

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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

A11. Status of corporate exercise *(Continued)*

On 23 April 2008:

1,015,976,055 new shares of the Company of HK\$0.1 each were allotted to the shareholders of Sin Chew as consideration for the exchange of the ordinary shares of RM0.5 each in the issued share capital of Sin Chew (“Sin Chew Shares”), at the Sin Chew swap ratio of approximately 3.36 new shares for every 1 Sin Chew Share; and

268,839,186 new shares of the Company of HK\$0.1 each were allotted to the shareholders of Nanyang as consideration for the exchange of the ordinary shares of RM1 each in the issued share capital of Nanyang (“Nanyang Shares”), at the Nanyang swap ratio of approximately 3.53 new shares for every 1 Nanyang Share.

Also on 23 April 2008, the approval granted by the HK Stock Exchange for the listing of and permission to deal in up to a total of 1,294,408,797 new shares (assuming full exercise of the outstanding options issued under Nanyang’s employee share option scheme before completion of the merger of the Company, Sin Chew and Nanyang) issued to the shareholders of Sin Chew and Nanyang in exchange for Sin Chew Shares and Nanyang Shares, respectively, has become unconditional.

The Company’s admission to the Official List of Bursa Malaysia and the listing of and quotation for the new shares of the Company on the main board of Bursa Malaysia took effect from 9:00 a.m. on 30 April 2008.

As such, from 30 April 2008, shareholders are entitled to trade the shares of the Company on both the HK Stock Exchange and Bursa Malaysia subject to the procedures as set out in the Company’s circular dated 9 January 2008.

A12. Contingent liabilities

As at 31 March 2008, the Company issued financial guarantees in favour of certain of its subsidiaries totaling US\$23,439,000 in connection with general banking facilities granted to those subsidiaries. As at 31 March 2008, total facilities utilised amounted to US\$5,015,000.

A13. Capital commitments

Authorised capital expenditure not provided for in the financial statements
as at 31 March 2008 are as follows:

	<i>US\$’000</i>
– contracted	734
– not contracted	4,913
	<hr/>
	5,647
	<hr/> <hr/>

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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

A14. Changes in the composition of the Group

Media Chinese International Limited (formerly known as Ming Pao Enterprise Corporation Limited) (the “Company”) is a limited liability company incorporated in Bermuda. The Company is an investment holding company. The principal activities of its subsidiaries are the publication of Chinese newspapers, periodicals and books, and the provision of travel and travel related services in Hong Kong, the United States of America, Canada and the Mainland China. The shares of the Company have been listed on the main board of the HK Stock Exchange since 22 March 1991.

On 23 April 2007, the Company entered into a merger agreement in relation to the Proposed Merger of the Company, Sin Chew and Nanyang. As of 31 March 2008, all parties to the Proposed Merger confirmed that all the applicable conditions precedent as set out in the merger agreement have been received, obtained, fulfilled or satisfied. On 30 April 2008, the Company’s admission to the Official List of Bursa Malaysia and the listing of and quotation for the new shares on the main board of Bursa Malaysia took effect. As such, from 30 April 2008, shareholders of the Company are entitled to trade the shares on both the HK Stock Exchange and Bursa Malaysia.

Sin Chew is an investment holding company and its subsidiaries are principally engaged in publishing, printing and distribution of newspapers and magazines which includes Sin Chew Daily and Guang Ming Daily. Sin Chew Daily is the largest Chinese-language daily newspaper in Malaysia while Guang Ming Daily is the third-largest Chinese-language Malaysian daily newspaper.

The principal activities of Nanyang are investment holding, letting of properties and provision of management services. The principal activities of its subsidiaries are the publication of newspapers and magazines, provision of printing services and provision of internet related service and electronic commerce. Currently, Nanyang publishes two main Chinese newspapers, namely Nanyang Siang Pau and China Press. Nanyang through Life Publishers Berhad, is Malaysia’s largest Chinese language magazine publisher, with one tabloid and 19 magazines under its portfolio.

As mentioned in note A1(c), this interim financial report was prepared as if the combination of the Company and Sin Chew had occurred from the date when the Company and Sin Chew came under common control, and Nanyang was acquired on 31 March 2008.

The consideration was satisfied by issuance of 1,284,815,241 new ordinary shares of the Company of HK\$0.1 each.

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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

A14. Changes in the composition of the Group *(Continued)*

The Group's results before and after 31 March 2008 were as follows:

Fourth quarter ended 31 March 2008

Results	Pre-merger and acquisition US\$'000	Merger with Sin Chew US\$'000	Acquisition of Nanyang US\$'000	Total US\$'000
Turnover	36,030	38,704	–	74,734
(Loss)/profit attributable to equity holders of the Company	(9,241)	3,361	13,094	7,214
(Loss)/earnings per share - basic (US cents)	(1.01)	0.37	1.42	0.78
- diluted (US cents)	(1.01)	0.37	1.42	0.78

Year ended 31 March 2008

Results	Pre-merger and acquisition US\$'000	Merger with Sin Chew US\$'000	Acquisition of Nanyang US\$'000	Total US\$'000
Turnover	180,504	147,756	–	328,260
(Loss)/profit attributable to equity holders of the Company	(6,207)	12,346	13,094	19,233
(Loss)/earnings per share - basic (US cents)	(0.67)	1.35	1.42	2.10
- diluted (US cents)	(0.67)	1.35	1.42	2.10

Details of net assets acquired and goodwill generated from the acquisition of 100% issued share capital of Nanyang is as follows:

	<i>US\$'000</i>
Purchase consideration	
Fair value of ordinary shares issued	59,511
Direct costs paid and accrued for the acquisition	2,994
Less: fair values of net assets acquired	<u>(75,599)</u>
Negative goodwill	<u><u>(13,094)</u></u>

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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

A14. Changes in the composition of the Group *(Continued)*

The assets and liabilities arising from the acquisition of Nanyang are as follows:

	Fair value <i>US\$'000</i>	Acquiree's carrying amount <i>US\$'000</i>
Property, plant and equipment	46,977	39,460
Investment properties	5,487	5,487
Leasehold land and land use rights	1,830	361
Intangible assets	21,119	603
Deferred income tax assets	84	84
	<u>75,497</u>	<u>45,995</u>
Current assets	48,286	48,286
Current liabilities	(42,130)	(42,130)
Long-term liabilities	(3,391)	(3,391)
Deferred income tax liabilities	(2,590)	(255)
	<u>75,672</u>	<u><u>48,505</u></u>
Minority interests	<u>(73)</u>	
Net assets acquired	<u><u>75,599</u></u>	
Cash and cash equivalents in subsidiaries acquired		5,194
Direct cost paid for the acquisition		<u>(1,718)</u>
		<u><u>3,476</u></u>

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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

A15. Reserves

	Attributable to equity holders of the Company					Minority interests US\$'000	Total equity US\$'000
	Share premium US\$'000	Merger reserve US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Sub-total US\$'000		
At 1 April 2007	13,480	(92,647)	115,125	92,536	128,494	59,367	187,861
Exchange adjustments	-	-	5,824	-	5,824	4,637	10,461
Actuarial losses of defined benefit plan assets	-	-	(941)	-	(941)	-	(941)
Actuarial gains of long service payment obligations	-	-	41	-	41	(2)	39
Net income recognised directly in equity	-	-	4,924	-	4,924	4,635	9,559
Profit for the year	-	-	-	19,233	19,233	12,793	32,026
Total recognised income for the year	-	-	4,924	19,233	24,157	17,428	41,585
Acquisition of equity interest from minority shareholders of Sin Chew	-	-	112,157	-	112,157	(65,041)	47,116
Repurchase of ordinary shares	(707)	-	41	(41)	(707)	-	(707)
Exercise of share options	36	-	-	-	36	-	36
Write-off of asset revaluation surplus	-	-	(2,701)	-	(2,701)	-	(2,701)
Acquisition of Nanyang	-	-	59,511	-	59,511	73	59,584
Share compensation costs on share options granted by a listed subsidiary	-	-	144	-	144	85	229
2007 final dividend paid by Sin Chew	-	-	-	(3,900)	(3,900)	(3,881)	(7,781)
2007 final dividend paid by a listed subsidiary	-	-	-	-	-	(50)	(50)
2008 interim dividend paid	-	-	-	(1,037)	(1,037)	-	(1,037)
At 31 March 2008	12,809	(92,647)	289,201	106,791	316,154	7,981	324,135
Representing:							
2008 second interim dividend in lieu of a final dividend				15,610			
Others				91,181			
Retained earnings as at 31 March 2008				106,791			

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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

A15. Reserves (Continued)

	Attributable to equity holders of the Company					Minority interests US\$'000	Total equity US\$'000
	Share premium US\$'000	Merger reserve US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Sub-total US\$'000		
At 1 April 2006	77,959	(92,647)	111,014	23,921	120,247	54,168	174,415
Exchange adjustments	–	–	3,819	–	3,819	3,547	7,366
Actuarial losses of defined benefit plan assets	–	–	(95)	–	(95)	–	(95)
Actuarial gains of long service payment obligations	–	–	204	–	204	4	208
Net income recognised directly in equity	–	–	3,928	–	3,928	3,551	7,479
Profit for the year	–	–	–	11,489	11,489	8,673	20,162
Total recognised income for the year	–	–	3,928	11,489	15,417	12,224	27,641
Transfer from share premium	(64,350)	–	–	64,350	–	–	–
Repurchase of ordinary shares	(153)	–	12	(12)	(153)	–	(153)
Exercise of share options	24	–	–	–	24	–	24
Share compensation costs on share options granted by a listed subsidiary	–	–	171	–	171	162	333
Disposal of a subsidiary	–	–	–	–	–	(2)	(2)
Gain on disposal of partial interests in subsidiaries	–	–	–	–	–	(3,585)	(3,585)
2006 final dividend paid by Sin Chew	–	–	–	(3,568)	(3,568)	(3,550)	(7,118)
2006 final dividend paid by a listed subsidiary	–	–	–	–	–	(50)	(50)
2006 final dividend paid	–	–	–	(2,083)	(2,083)	–	(2,083)
2007 interim dividend paid	–	–	–	(1,561)	(1,561)	–	(1,561)
At 31 March 2007	13,480	(92,647)	115,125	92,536	128,494	59,367	187,861
Representing:							
2007 final dividend proposed				7,781			
Others				84,755			
Retained earnings as at 31 March 2007				92,536			

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1. Review of performance

	Fourth quarter ended		Current	Preceding
	31 March		year to date	year to date
	2008	2007	31 March	31 March
	US\$'000	US\$'000	US\$'000	US\$'000
Turnover	74,734	72,419	328,260	304,563
Profit before income tax	13,136	4,818	43,765	26,766

For the quarter under review, the Group recorded a consolidated turnover of US\$74,734,000 and a consolidated profit before income tax of US\$13,136,000, which represented improvements of 3.2% and 172.6% respectively as compared to those in the corresponding period in 2007.

The improvement in turnover was mainly due to the increase in revenues from the Group's publishing businesses in Malaysia, driven by the high circulations of Sin Chew Daily and Guang Ming Daily during the 12th General Election period in Malaysia. The increase was partly offset by the decrease in tour revenue after the closure of a Shenzhen sales office in January 2008.

Included in the Group's consolidated profit before income tax was a negative goodwill of US\$13,094,000 which was recognised upon the acquisition of Nanyang and a provision for impairment of goodwill and intangible assets of US\$5,393,000 (see note A4). Excluding these items, the Group's consolidated profit before income tax would have amounted to US\$5,435,000, representing an increase of US\$617,000 or 12.8% over the same period last year.

The Group's turnover for the year grew by 7.8% or US\$23,697,000 as compared to the last financial year. The increase was mainly driven by the growth in revenues from the Group's business in Malaysia and North America.

The Group's consolidated profit before income tax for the year amounted to US\$43,765,000, which represented a year-on-year increase of US\$16,999,000 or 63.5%. Same as above, the Group's consolidated profit before income tax included the negative goodwill of US\$13,094,000 and provision for impairment of goodwill and intangible assets of US\$5,393,000. Excluding these items, the Group's consolidated profit before income tax for the year would have amounted to US\$36,064,000, representing an increase of US\$9,298,000 or 34.7% over last year. The better performance was primarily due to the growth in turnover, especially the increase in advertising income which has a relatively higher gross profit margin compared to the Group's other sources of revenues.

The increase in selling and distribution expenses as well as administrative expenses was mainly due to the increase in labour costs and sales commissions.

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS *(Continued)*

B2. Variation of results against immediate preceding quarter

	Fourth quarter ended 31 March 2008 US\$'000	Immediate preceding quarter ended 31 December 2007 US\$'000
Turnover	74,734	82,258
Profit before income tax	13,136	12,517

For the quarter under review, the Group recorded a turnover of US\$74,734,000, representing a decrease of US\$7,524,000 or 9.1% as compared with the turnover of US\$82,258,000 in the immediate preceding quarter. The decrease was partly due to the drop in tour revenues after the closure of a Shenzhen sales office in January 2008. The quarter-over-quarter decrease in advertising income due to seasonal impact also accounted for the decrease in turnover, as the third quarter is a traditional peak season for advertising.

The Group's consolidated profit before tax for the quarter under review of US\$13,136,000 was US\$619,000 or approximately 4.9% higher than the profit of US\$12,517,000 as recorded in the immediate preceding quarter ended 31 December 2007. However, if the two items as disclosed in note A4 are excluded, the Group's consolidated profit before tax for the current quarter would have been US\$5,435,000 which is US\$7,082,000 or 56.6% less than that of the immediate preceding quarter. The lower profit in the fourth quarter was largely attributable to the decrease in turnover.

B3. Prospects for FY 2008/2009

The upward trend of newsprint price is expected to continue and this would affect the Group's performance. Barring unforeseen circumstances and taking into account of the increase in costs due to rising oil prices, the Board anticipates that the operating environment for the Group's core business in the coming year will be very competitive and challenging.

Nevertheless, the Group will strive towards achieving satisfactory results through effectively utilising resources and maximising the operational synergies of the merged entity. At the same time, having established a global Chinese language media platform, the Company will continue to explore business opportunities for expansion.

B4. Profit forecast and profit guarantee

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

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS *(Continued)*

B5. Taxation

Taxation comprises the following:

	Fourth quarter ended		Year ended	
	31 March 2008 US\$'000	31 March 2007 US\$'000	31 March 2008 US\$'000	31 March 2007 US\$'000
Current quarter/year tax expense	1,518	326	9,057	6,512
Under/(over) provision in prior years	2,044	(5)	1,510	(310)
Deferred tax (credit)/expense	<u>(844)</u>	<u>983</u>	<u>1,172</u>	<u>402</u>
	<u>2,718</u>	<u>1,304</u>	<u>11,739</u>	<u>6,604</u>

The effective tax rate of the Group for the current quarter was 20.7% as compared to 27.1% for the same period in 2007. The lower effective tax rate was caused by the inclusion in consolidated profit before income tax the non-taxable items disclosed under note A4 and the recognition of a deferred tax credit amounted to US\$844,000.

The effective tax rate of the Group for the year ended 31 March 2008 was 26.8%.

B6. Quoted investments

- There was no purchase or disposal of quoted investments during the fourth quarter under review.
- Details of investments in quoted and marketable securities held by the Group were as follows:

Quoted investments as at 31 March 2008	<i>US\$'000</i>
Total investments at cost	603
Total investments at carrying value/book value (after provision for diminution in value)	276
Total investments at market value	<u>276</u>

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Continued)

B7. Group borrowings

The Group's borrowings as at 31 March 2008 were as follows:

	As at 31 March 2008		
	Secured	Unsecured	Total
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Loans and financing - Non-current			
Bank loans, secured	4,404	–	4,404
Obligations and finance leases	1,126	–	1,126
	<u>5,530</u>	<u>–</u>	<u>5,530</u>
Short term borrowings - Current			
Bank overdrafts	2,962	–	2,962
Short term bank loans	–	24,414	24,414
Portion of bank loans, secured, due within 1 year	5,784	–	5,784
Portion of obligations under finance leases due within 1 year	597	–	597
	<u>9,343</u>	<u>24,414</u>	<u>33,757</u>

The Group borrowings analysed by currencies in which the borrowings are denominated were as follows:–

	Long term financing	Short term borrowings
	<i>US\$'000</i>	<i>US\$'000</i>
Ringgit Malaysia	4,550	30,042
United States dollars	–	2,613
Canadian dollars	980	1,102
	<u>5,530</u>	<u>33,757</u>
Total borrowings	<u>5,530</u>	<u>33,757</u>

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS *(Continued)*

B8. Changes in material litigation

There are several libel suits which involve claims against some companies in the Group. The outcome and compensation of these suits, if any, are currently indeterminable. Provision for libel suits has been recorded in the Group's unaudited condensed consolidated income statement.

B9. Sale of unquoted investments or properties

- a) There was no sale of unquoted investments during the fourth quarter and the year ended 31 March 2008.
- b) Gain/(loss) on disposal of properties during the quarter under review are as follows:

	Fourth quarter ended 31 March 2008	Year ended 31 March 2008
	<i>US\$'000</i>	<i>US\$'000</i>
Total proceeds	477	477
Total gain on disposals of properties	108	108

B10. Dividend

An interim dividend paid by the Company of US0.258 cents per share on 402,808,000 ordinary shares of the Company amounting to US\$1,037,000 was paid on 15 January 2008.

The Board of Directors has declared a second interim dividend of US0.926 cents per ordinary share in respect of the fourth quarter ended 31 March 2008 (2007: nil). The dividend will be payable to ordinary shareholders, whose names appear on the register of members of the Company on 16 July 2008, at the close of business on 15 August 2008 in cash in RM or in HK\$ at exchange rates to be determined on 29 May 2008 by reference to the closing middle exchange rates applicable to US\$ as quoted by Bank Negara Malaysia.

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

The directors do not recommend the payment of any final dividend in respect of the current financial year (2007: US2.576 cents per ordinary share).

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 10 July 2008 to 16 July 2008.

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES
BERHAD'S LISTING REQUIREMENTS** *(Continued)*

B11. Earnings per share

Basic earnings per share is calculated by dividing the Group's unaudited profit attributable to equity holders of the Company for the fourth quarter of US\$7,214,000 (2007: US\$1,330,000) by the weighted average number of 919,800,603 (2007: 913,696,952) ordinary shares in issue during the quarter. For the purpose of calculating the weighted average number of ordinary shares, ordinary shares in issue and all the deemed issues credited to the capital reserve as detailed in note A6(iv) during the quarter were taken into account.

Diluted earnings per share is calculated based on 920,396,776 (2007: 914,211,656) ordinary shares which is the weighted average number of ordinary shares in issue during the fourth quarter plus the weighted average number of 596,173 (2007: 514,704) ordinary shares deemed to have been issued at no consideration after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme.

By Order of the Board

Law Yuk Kuen
Secretary

29 May 2008