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MEDIA CHINESE INTERNATIONAL LIMITED

世界華文媒體有限公司

(Incorporated in Bermuda with limited liability)

(Malaysia Company No. 995098-A)

(Hong Kong Stock Code: 685)

(Malaysia Stock Code: 5090)

ANNOUNCEMENT

FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2013

Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), Media Chinese International Limited (the “Company”), a public company listed on the main market of Bursa Securities, announced the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) and the Group’s interests in jointly controlled entities and associates for the quarter ended 31 December 2013 to Bursa Securities on 27 February 2014.

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 XIV A of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

27 February 2014

As at the date of this announcement, the Board comprises Tan Sri Datuk Sir TIONG Hiew King, Dato’ Sri Dr TIONG Ik King, Mr TIONG Kiew Chiong, Mr NG Chek Yong and Mr LEONG Chew Meng, being executive directors; Ms TIONG Choon, being non-executive director; and Mr David YU Hon To, Tan Sri Dato’ LAU Yin Pin and Temenggong Datuk Kenneth Kanyan ANAK TEMENGGONG KOH, being independent non-executive directors.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)
Financial report for the third quarter ended 31 December 2013

CONDENSED CONSOLIDATED INCOME STATEMENT

	(Unaudited)		(Unaudited)	
	Three months ended		Three months ended	
	31 December		31 December	
	2013	2012	2013	2012
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Turnover	117,332	123,058	384,321	403,076
Cost of goods sold	(68,082)	(70,911)	(223,003)	(232,269)
Gross profit	49,250	52,147	161,318	170,807
Other income	3,225	2,289	10,563	7,498
Other gains, net	403	627	1,320	2,054
Selling and distribution expenses	(18,926)	(18,824)	(61,992)	(61,658)
Administrative expenses	(10,088)	(11,997)	(33,043)	(39,296)
Other operating expenses	(1,817)	(1,684)	(5,951)	(5,516)
Operating profit	22,047	22,558	72,215	73,889
Finance costs	(2,057)	(636)	(6,738)	(2,083)
Share of losses of jointly controlled entities and associates	(70)	(45)	(229)	(148)
Profit before income tax	19,920	21,877	65,248	71,658
Income tax expense	(5,346)	(6,234)	(17,511)	(20,419)
Profit for the quarter	14,574	15,643	47,737	51,239
Profit attributable to:				
Owners of the Company	13,903	14,899	45,539	48,802
Non-controlling interests	671	744	2,198	2,437
	14,574	15,643	47,737	51,239
Earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	0.82	0.88	2.69	2.88
Diluted (US cents/sen) #	0.82	0.88	2.69	2.88

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 December 2013 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.2755 ruling at 31 December 2013. 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

	(Unaudited)		(Unaudited)	
	Three months ended		Three months ended	
	31 December		31 December	
	2013	2012	2013	2012
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Profit for the quarter	14,574	15,643	47,737	51,239
Other comprehensive losses				
Item that may be reclassified subsequently to profit or loss				
Currency translation differences	(1,189)	(5,600)	(3,894)	(18,343)
Other comprehensive losses for the quarter, net of tax	(1,189)	(5,600)	(3,894)	(18,343)
Total comprehensive income for the quarter	13,385	10,043	43,843	32,896
Total comprehensive income for the quarter attributable to:				
Owners of the Company	12,703	9,282	41,609	30,403
Non-controlling interests	682	761	2,234	2,493
	13,385	10,043	43,843	32,896

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CONDENSED CONSOLIDATED INCOME STATEMENT

	(Unaudited) Period ended 31 December		(Unaudited) Period ended 31 December	
	2013 US\$'000	2012 US\$'000 (Restated)	2013 RM'000 (Note)	2012 RM'000 (Note)
Turnover	369,119	367,760	1,209,049	1,204,598
Cost of goods sold	<u>(226,682)</u>	<u>(225,570)</u>	<u>(742,497)</u>	<u>(738,855)</u>
Gross profit	142,437	142,190	466,552	465,743
Other income	8,906	6,906	29,172	22,621
Other gains, net	1,003	3,762	3,285	12,322
Selling and distribution expenses	(54,818)	(54,523)	(179,556)	(178,590)
Administrative expenses	(30,088)	(33,642)	(98,553)	(110,194)
Other operating expenses	<u>(5,150)</u>	<u>(4,994)</u>	<u>(16,869)</u>	<u>(16,358)</u>
Operating profit	62,290	59,699	204,031	195,544
Finance costs	(6,447)	(718)	(21,117)	(2,352)
Share of losses of jointly controlled entities and associates	<u>(273)</u>	<u>(53)</u>	<u>(894)</u>	<u>(173)</u>
Profit before income tax	55,570	58,928	182,020	193,019
Income tax expense	<u>(15,231)</u>	<u>(14,531)</u>	<u>(49,889)</u>	<u>(47,596)</u>
Profit for the period	<u>40,339</u>	<u>44,397</u>	<u>132,131</u>	<u>145,423</u>
Profit attributable to:				
Owners of the Company	39,296	43,118	128,714	141,233
Non-controlling interests	<u>1,043</u>	<u>1,279</u>	<u>3,417</u>	<u>4,190</u>
	<u>40,339</u>	<u>44,397</u>	<u>132,131</u>	<u>145,423</u>
Earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	2.33	2.56	7.63	8.39
Diluted (US cents/sen) #	<u>2.33</u>	<u>2.56</u>	<u>7.63</u>	<u>8.39</u>

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

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 31 December 2013 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.2755 ruling at 31 December 2013. 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

	(Unaudited) Period ended 31 December		(Unaudited) Period ended 31 December	
	2013 US\$'000	2012 US\$'000 (Restated)	2013 RM'000 (Note)	2012 RM'000 (Note)
Profit for the period	40,339	44,397	132,131	145,423
Other comprehensive (losses) / income				
Item that may be reclassified subsequently to profit or loss				
Currency translation differences	(8,830)	(5,118)	(28,923)	(16,764)
Item that will not be reclassified subsequently to profit or loss				
Remeasurements of post employment benefit obligations	-	153	-	501
Other comprehensive losses for the period, net of tax	(8,830)	(4,965)	(28,923)	(16,263)
Total comprehensive income for the period	31,509	39,432	103,208	129,160
Total comprehensive income for the period attributable to:				
Owners of the Company	30,451	38,130	99,742	124,895
Non-controlling interests	1,058	1,302	3,466	4,265
	31,509	39,432	103,208	129,160

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at 31 December 2013 US\$'000	(Audited) As at 31 March 2013 US\$'000 (Restated)	(Unaudited) As at 31 December 2013 RM'000 (Note)	(Unaudited) As at 31 March 2013 RM'000 (Note)
ASSETS				
Non-current assets				
Property, plant and equipment	142,159	150,935	465,642	494,387
Investment properties	16,779	17,579	54,959	57,580
Intangible assets	72,885	77,908	238,735	255,188
Deferred income tax assets	1,576	1,674	5,162	5,483
Interests in jointly controlled entities and associates	3,068	3,142	10,049	10,292
	<u>236,467</u>	<u>251,238</u>	<u>774,547</u>	<u>822,930</u>
Current assets				
Inventories	54,957	50,128	180,012	164,194
Available-for-sale financial assets	97	97	318	318
Financial assets at fair value through profit or loss	223	230	730	753
Trade and other receivables	75,520	74,695	247,366	244,663
Income tax recoverable	573	870	1,877	2,850
Cash and cash equivalents	114,135	101,829	373,849	333,541
	<u>245,505</u>	<u>227,849</u>	<u>804,152</u>	<u>746,319</u>
Current liabilities				
Trade and other payables	75,257	72,898	246,504	238,777
Dividend payable	12,654	-	41,448	-
Income tax liabilities	7,834	7,147	25,660	23,410
Short-term bank borrowings	156,916	170,602	513,979	558,807
Current portion of long-term liabilities	54	58	177	190
	<u>252,715</u>	<u>250,705</u>	<u>827,768</u>	<u>821,184</u>
Net current liabilities	<u>(7,210)</u>	<u>(22,856)</u>	<u>(23,616)</u>	<u>(74,865)</u>
Total assets less current liabilities	<u>229,257</u>	<u>228,382</u>	<u>750,931</u>	<u>748,065</u>
EQUITY				
Equity attributable to owners of the Company				
Share capital	21,715	21,715	71,128	71,128
Share premium	54,664	54,664	179,052	179,052
Other reserves	(80,488)	(71,643)	(263,639)	(234,667)
Retained earnings				
- Proposed dividend	-	17,125	-	56,093
- Others	211,787	185,145	693,708	606,442
	<u>207,678</u>	<u>207,006</u>	<u>680,249</u>	<u>678,048</u>
Non-controlling interests	<u>7,295</u>	<u>6,939</u>	<u>23,895</u>	<u>22,729</u>
Total equity	<u>214,973</u>	<u>213,945</u>	<u>704,144</u>	<u>700,777</u>
Non-current liabilities				
Other long-term liabilities	1,470	1,332	4,815	4,363
Deferred income tax liabilities	12,814	13,105	41,972	42,925
	<u>14,284</u>	<u>14,437</u>	<u>46,787</u>	<u>47,288</u>
	<u>229,257</u>	<u>228,382</u>	<u>750,931</u>	<u>748,065</u>
Net assets per share attributable to owners of the Company (US cents/sen)	<u>12.31</u>	<u>12.27</u>	<u>40.32</u>	<u>40.19</u>

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)						
	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
At 1 April 2012 (Restated)	21,715	280,818	(70,106)	181,137	413,564	6,229	419,793
Comprehensive income							
Profit for the period	-	-	-	43,118	43,118	1,279	44,397
Other comprehensive (losses)/ income							
Item that may be reclassified subsequently to profit or loss							
Currency translation differences	-	-	(5,141)	-	(5,141)	23	(5,118)
Item that will not be reclassified subsequently to profit or loss							
Remeasurements of post employment benefit obligations	-	-	-	153	153	-	153
Other comprehensive (losses)/ income, net of tax	-	-	(5,141)	153	(4,988)	23	(4,965)
Total comprehensive (losses)/income for the period ended 31 December 2012	-	-	(5,141)	43,271	38,130	1,302	39,432
Total contributions by and distributions to owners of the Company recognised directly in equity							
2011/2012 second interim dividend paid	-	-	-	(24,431)	(24,431)	-	(24,431)
Transferred from share premium to contributed surplus	-	(219,780)	219,780	-	-	-	-
2012/2013 special dividend paid	-	-	(219,341)	-	(219,341)	-	(219,341)
2012/2013 first interim dividend proposed	-	-	-	(11,355)	(11,355)	-	(11,355)
Total contributions by and distributions to owners of the Company	-	(219,780)	439	(35,786)	(255,127)	-	(255,127)
Capital contribution from a non-controlling interest of a newly incorporated subsidiary	-	-	-	-	-	297	297
2012/2013 interim dividends paid by a subsidiary	-	-	-	-	-	(65)	(65)
2011/2012 final dividend paid by a listed subsidiary	-	-	-	-	-	(553)	(553)
2012/2013 interim dividend paid by a listed subsidiary	-	-	-	-	-	(277)	(277)
Total transactions with owners	-	(219,780)	439	(35,786)	(255,127)	(598)	(255,725)
At 31 December 2012	21,715	61,038	(74,808)	188,622	196,567	6,933	203,500
At 1 April 2013 (Restated)	21,715	54,664	(71,643)	202,270	207,006	6,939	213,945
Comprehensive income							
Profit for the period	-	-	-	39,296	39,296	1,043	40,339
Other comprehensive (losses)/income							
Item that may be reclassified subsequently to profit or loss							
Currency translation differences	-	-	(8,845)	-	(8,845)	15	(8,830)
Other comprehensive (losses)/ income, net of tax	-	-	(8,845)	-	(8,845)	15	(8,830)
Total comprehensive (losses)/income for the period ended 31 December 2013	-	-	(8,845)	39,296	30,451	1,058	31,509
Total contributions by and distributions to owners of the Company recognised directly in equity							
2012/2013 second interim dividend paid	-	-	-	(17,125)	(17,125)	-	(17,125)
2013/2014 first interim dividend proposed	-	-	-	(12,654)	(12,654)	-	(12,654)
Total contributions by and distributions to owners of the Company	-	-	-	(29,779)	(29,779)	-	(29,779)
2012/2013 interim dividend paid by a subsidiary	-	-	-	-	-	(10)	(10)
2012/2013 final dividend paid by a listed subsidiary	-	-	-	-	-	(484)	(484)
2013/2014 interim dividend paid by a listed subsidiary	-	-	-	-	-	(208)	(208)
Total transactions with owners	-	-	-	(29,779)	(29,779)	(702)	(30,481)
At 31 December 2013	21,715	54,664	(80,488)	211,787	207,678	7,295	214,973

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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	Share premium	Other reserves	Retained earnings	Total		
RM'000 (Note)	RM'000 (Note)	RM'000 (Note)	RM'000 (Note)	RM'000 (Note)	RM'000 (Note)	RM'000 (Note)	
At 1 April 2012	71,128	919,819	(229,632)	593,314	1,354,629	20,403	1,375,032
Comprehensive income							
Profit for the period	-	-	-	141,233	141,233	4,190	145,423
Other comprehensive (losses)/income							
Item that may be reclassified subsequently to profit or loss							
Currency translation differences	-	-	(16,839)	-	(16,839)	75	(16,764)
Item that will not be reclassified subsequently to profit or loss							
Remeasurements of post employment benefit obligations	-	-	-	501	501	-	501
Other comprehensive (losses)/income, net of tax	-	-	(16,839)	501	(16,338)	75	(16,263)
Total comprehensive (losses)/income for the period ended 31 December 2012	-	-	(16,839)	141,734	124,895	4,265	129,160
Total contributions by and distributions to owners of the Company recognised directly in equity							
2011/2012 second interim dividend paid	-	-	-	(80,024)	(80,024)	-	(80,024)
Transferred from share premium to contributed surplus	-	(719,889)	719,889	-	-	-	-
2012/2013 special dividend paid	-	-	(718,452)	-	(718,452)	-	(718,452)
2012/2013 first interim dividend proposed	-	-	-	(37,193)	(37,193)	-	(37,193)
Total contributions by and distributions to owners of the Company	-	(719,889)	1,437	(117,217)	(835,669)	-	(835,669)
Capital contribution from a non-controlling interest of a newly incorporated subsidiary	-	-	-	-	-	973	973
2012/2013 interim dividends paid by a subsidiary	-	-	-	-	-	(213)	(213)
2011/2012 final dividend paid by a listed subsidiary	-	-	-	-	-	(1,811)	(1,811)
2012/2013 interim dividend paid by a listed subsidiary	-	-	-	-	-	(907)	(907)
Total transactions with owners	-	(719,889)	1,437	(117,217)	(835,669)	(1,958)	(837,627)
At 31 December 2012	71,128	199,930	(245,034)	617,831	643,855	22,710	666,565
At 1 April 2013	71,128	179,052	(234,667)	662,535	678,048	22,729	700,777
Comprehensive income							
Profit for the period	-	-	-	128,714	128,714	3,417	132,131
Other comprehensive (losses) / income							
Item that may be reclassified subsequently to profit or loss							
Currency translation differences	-	-	(28,972)	-	(28,972)	49	(28,923)
Other comprehensive (losses) / income, net of tax	-	-	(28,972)	-	(28,972)	49	(28,923)
Total comprehensive (losses) / income for the period ended 31 December 2013	-	-	(28,972)	128,714	99,742	3,466	103,208
Total contributions by and distributions to owners of the Company recognised directly in equity							
2012/2013 second interim dividend paid	-	-	-	(56,093)	(56,093)	-	(56,093)
2013/2014 first interim dividend proposed	-	-	-	(41,448)	(41,448)	-	(41,448)
Total contributions by and distributions to owners of the Company	-	-	-	(97,541)	(97,541)	-	(97,541)
2012/2013 interim dividend paid by a subsidiary	-	-	-	-	-	(33)	(33)
2012/2013 final dividend paid by a listed subsidiary	-	-	-	-	-	(1,585)	(1,585)
2013/2014 interim dividend paid by a listed subsidiary	-	-	-	-	-	(682)	(682)
Total transactions with owners	-	-	-	(97,541)	(97,541)	(2,300)	(99,841)
At 31 December 2013	71,128	179,052	(263,639)	693,708	680,249	23,895	704,144

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) Period ended 31 December		(Unaudited) Period ended 31 December	
	2013 US\$'000	2012 US\$'000	2013 RM'000 <i>(Note)</i>	2012 RM'000 <i>(Note)</i>
Cash flows from operating activities				
Cash generated from operations	63,778	80,110	208,905	262,400
Interest paid	(5,363)	(718)	(17,566)	(2,352)
Income tax paid	(13,538)	(12,639)	(44,344)	(41,399)
Net cash generated from operating activities	44,877	66,753	146,995	218,649
Cash flows from investing activities				
Formation of jointly controlled entities	-	(1,032)	-	(3,380)
Acquisition of a subsidiary, net of cash acquired	-	(75)	-	(246)
Acquisition of an exchangeable bond - equity derivatives	-	(1,145)	-	(3,751)
Acquisition of an associate	(115)	-	(377)	-
Purchases of property, plant and equipment	(6,317)	(14,662)	(20,691)	(48,025)
Purchases of intangible assets	(275)	(1,476)	(901)	(4,835)
Purchase of an investment property	-	(3,402)	-	(11,143)
Proceeds from disposal of property, plant and equipment	11	195	36	639
Proceeds from disposal of convertible notes	-	1,694	-	5,549
Net cash inflow from disposal of subsidiaries	-	4,480	-	14,674
Interest received	1,277	2,005	4,183	6,567
Dividends received	15	10	49	33
Net cash used in investing activities	(5,404)	(13,408)	(17,701)	(43,918)
Cash flows from financing activities				
Dividends paid	(17,125)	(243,772)	(56,093)	(798,476)
Dividends paid to non-controlling interests by a subsidiary	(10)	(65)	(33)	(213)
Dividends paid to non-controlling interests by a listed subsidiary	(692)	(830)	(2,267)	(2,718)
Capital contribution from a non-controlling interest of a newly incorporated subsidiary	-	297	-	973
Proceeds from bank borrowings	9,014	179,824	29,525	589,014
Repayments of bank borrowings	(14,690)	(13,108)	(48,117)	(42,935)
Net cash used in financing activities	(23,503)	(77,654)	(76,985)	(254,355)
Net increase/(decrease) in cash and cash equivalents				
	15,970	(24,309)	52,309	(79,624)
Cash and cash equivalents at beginning of period	101,829	134,657	333,541	441,069
Exchange adjustments on cash and cash equivalents	(3,664)	(5,716)	(12,001)	(18,723)
Cash and cash equivalents at end of period	114,135	104,632	373,849	342,722

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 31 December 2013 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.2755 ruling at 31 December 2013. 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 financial information for the quarter and period ended 31 December 2013 has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standard Board (“IASB”), 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 Securities”).

This financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2013, which were prepared in accordance with International Financial Reporting Standards (“IFRSs”).

This financial information has not been audited.

b) Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2013 as described in those annual financial statements.

- i) Amendments to IAS 1 “Presentation of financial statements” require grouping of items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. The Group’s presentation of other comprehensive income in the consolidated financial statements has been modified accordingly with comparative information re-presented.
- ii) IAS 19 (revised) “Employee benefits” amends the accounting for employment benefits. The Group has applied the standard retrospectively in accordance with the transition provisions of the standard. The impact on the Group has been in the following areas:

The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year. There is no change to determining the discount rate; this continues to reflect the yield on high-quality corporate bonds. This has increased the income statement charge as the discount rate applied to assets is lower than the expected return on assets. This has no effect on total comprehensive income as the increased charge in profit or loss is offset by a credit in other comprehensive income. The change has resulted in increases in the income statement charge for the nine months ended 31 December 2012 and the year ended 31 March 2013 of US\$153,000 and US\$307,000 respectively.

There is a new term “remeasurements”. This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost.

The standard requires remeasurements to be recognised in retained earnings or a separate reserve. The Group has elected to recognise the remeasurements in retained earnings, this resulted in increases of US\$2,573,000 and US\$2,639,000 in other reserves with corresponding decreases in the retained earnings as at 1 April 2012 and 1 April 2013 respectively.

- iii) Taxes on income in the interim periods are accrued using the tax rates that would be applicable to expected total annual earnings.

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

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

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 the presentation currency, i.e. US\$, its results and financial position have been translated into US\$.

A2. Auditor's report on preceding annual financial statements

The auditor's report of the Group's annual financial statements for the year ended 31 March 2013 was not subject to any qualification.

A3. Seasonal or cyclical factors

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

A4. Unusual item

There were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the quarter under review.

A5. Changes in estimates

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

A6. Changes in debt and equity securities

- a) In August 2013, the Company repurchased a total of 1,000 of its listed shares on The Stock Exchange of Hong Kong Limited from the open market at the price of HK\$2.90 per share for the purpose of validating the declaration of solvency in relation to the share buyback mandate in accordance with the provision of the Malaysian Companies Act. The repurchase was financed by internally generated funds. Details of the repurchase are summarised as follows:

(Unaudited)

Month/Year	Number of ordinary shares repurchased	Purchase price per share		Aggregate purchase consideration HK\$	Equivalents in US\$
		Highest HK\$	Lowest HK\$		
August 2013	1,000	2.90	2.90	2,900	374

All the shares repurchased during the period ended 31 December 2013 were cancelled. Accordingly, the issued share capital of the Company was reduced by the par value of the repurchased shares and the premiums paid on these shares were charged against the share premium account. An amount equivalent to the par value of the shares cancelled was transferred from the Company's retained earnings to the capital redemption reserve.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A6. Changes in debt and equity securities (Continued)

- a) Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or the Company had redeemed any of the Company's listed securities during the period ended 31 December 2013.
- b) Details of the movements in the Company's shares during the period ended 31 December 2013 are as follows:

	(Unaudited) Number of shares
As at 1 April 2013	1,687,240,241
Repurchase of ordinary shares	<u>(1,000)</u>
As at 31 December 2013	<u>1,687,239,241</u>

A7. Dividends paid

The tax-exempt second interim dividend of US1.015 cents per ordinary share totaling US\$17,125,000 in respect of the year ended 31 March 2013 was paid on 31 July 2013.

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 and Mainland China
Publishing and printing: North America
Travel and travel related services

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

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

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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 quarter ended 31 December 2013, analysed by operating segments, are as follows:

	(Unaudited)					Total US\$'000
	Three months ended 31 December 2013					
	Publishing and printing					
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	
Turnover	<u>71,370</u>	<u>21,914</u>	<u>6,825</u>	<u>100,109</u>	<u>17,223</u>	<u>117,332</u>
Segment profit before income tax	<u>17,298</u>	<u>4,572</u>	<u>386</u>	<u>22,256</u>	<u>53</u>	<u>22,309</u>
Unallocated interest expense						(2,006)
Other net unallocated expenses						(313)
Share of losses of jointly controlled entities and associates						(70)
Profit before income tax						<u>19,920</u>
Income tax expense						<u>(5,346)</u>
Profit for the quarter						<u>14,574</u>
Other information:						
Interest income	398	54	-	452	2	454
Interest expense	(49)	(2)	-	(51)	-	(51)
Depreciation of property, plant and equipment	(2,070)	(382)	(105)	(2,557)	(11)	(2,568)
Amortisation of intangible assets	(219)	(32)	(22)	(273)	(5)	(278)
Share of losses of jointly controlled entities and associates	-	(70)	-	(70)	-	(70)
Income tax (expense) / credit	(4,317)	(773)	(391)	(5,481)	135	(5,346)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

	(Unaudited)					
	Three months ended 31 December 2012					
	Publishing and printing					
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
Turnover	77,245	22,117	6,971	106,333	16,725	123,058
Segment profit before income tax	20,103	4,185	167	24,455	107	24,562
Unallocated interest expense						(585)
Other net unallocated expenses						(2,055)
Share of losses of jointly controlled entities and associates						(45)
Profit before income tax						21,877
Income tax expense						(6,234)
Profit for the quarter						15,643
Other information:						
Interest income	544	52	-	596	2	598
Interest expense	(51)	-	-	(51)	-	(51)
Depreciation of property, plant and equipment	(2,161)	(351)	(123)	(2,635)	(10)	(2,645)
Amortisation of land use rights	-	(5)	-	(5)	-	(5)
Amortisation of intangible assets	(223)	(30)	(21)	(274)	(5)	(279)
Share of losses of jointly controlled entities and associates	-	(45)	-	(45)	-	(45)
Income tax expense	(5,465)	(654)	(42)	(6,161)	(73)	(6,234)

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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 period ended 31 December 2013, analysed by operating segments, are as follows:

	(Unaudited)					
	Period ended 31 December 2013					
	Publishing and printing					
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
Turnover	<u>216,528</u>	<u>56,071</u>	<u>19,884</u>	<u>292,483</u>	<u>76,636</u>	<u>369,119</u>
Segment profit before income tax	<u>51,338</u>	<u>6,336</u>	<u>541</u>	<u>58,215</u>	<u>4,757</u>	<u>62,972</u>
Unallocated interest expense						(6,254)
Other net unallocated expenses						(875)
Share of losses of jointly controlled entities and associates						<u>(273)</u>
Profit before income tax						55,570
Income tax expense						<u>(15,231)</u>
Profit for the period						<u>40,339</u>
Other information:						
Interest income	1,125	146	-	1,271	6	1,277
Interest expense	(191)	(2)	-	(193)	-	(193)
Depreciation of property, plant and equipment	(6,283)	(1,070)	(299)	(7,652)	(33)	(7,685)
Amortisation of intangible assets	(674)	(97)	(66)	(837)	(15)	(852)
Share of losses of jointly controlled entities and associates	-	(273)	-	(273)	-	(273)
Income tax expense	(12,940)	(1,283)	(602)	(14,825)	(406)	(15,231)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

	(Unaudited and restated) Period ended 31 December 2012					
	Publishing and printing					
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
Turnover	221,567	60,414	20,892	302,873	64,887	367,760
Segment profit / (loss) before income tax	51,272	8,590	(60)	59,802	2,020	61,822
Unallocated interest expense						(585)
Other net unallocated expenses						(2,256)
Share of losses of jointly controlled entities and associates						(53)
Profit before income tax						58,928
Income tax expense						(14,531)
Profit for the period						44,397
Other information:						
Interest income	1,790	210	-	2,000	5	2,005
Interest expense	(133)	-	-	(133)	-	(133)
Depreciation of property, plant and equipment	(6,372)	(1,147)	(367)	(7,886)	(32)	(7,918)
Amortisation of land use rights	-	(35)	-	(35)	-	(35)
Amortisation of intangible assets	(708)	(86)	(62)	(856)	(13)	(869)
Share of losses of jointly controlled entities and associates	-	(53)	-	(53)	-	(53)
Income tax expense	(12,265)	(1,624)	(178)	(14,067)	(464)	(14,531)

Turnover is derived from publishing, printing and distribution of newspapers, magazines, digital contents and books in primarily Chinese language, and provision of travel and travel related services.

Turnover recognised during the current quarter and period is as follows:

	(Unaudited) Three months ended 31 December		(Unaudited) Period ended 31 December	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Advertising income, net of trade discounts	73,838	78,010	210,433	217,589
Sales of newspapers, magazines, digital contents and books, net of trade discounts and returns	26,271	28,323	82,050	85,284
Travel and travel related services income	17,223	16,725	76,636	64,887
	<u>117,332</u>	<u>123,058</u>	<u>369,119</u>	<u>367,760</u>

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

The segment assets as at 31 December 2013 are as follows:

	(Unaudited)						Total US\$'000
	Publishing and printing				Travel and travel related services	Elimination	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000			US\$'000
Segment assets	371,314	77,566	17,103	465,983	13,610	(247)	479,346
Unallocated assets							2,626
Total assets							481,972
Total assets include:							
Interests in jointly controlled entities and associates	-	3,068	-	3,068	-	-	3,068
Additions to non-current assets (other than deferred income tax assets)	5,839	583	154	6,576	16	-	6,592

The segment assets as at 31 March 2013 are as follows:

	(Audited)						Total US\$'000
	Publishing and printing				Travel and travel related services	Elimination	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000			US\$'000
Segment assets	373,398	73,512	18,043	464,953	13,786	(2,674)	476,065
Unallocated assets							3,022
Total assets							479,087
Total assets include:							
Interests in jointly controlled entities and associates	-	3,142	-	3,142	-	-	3,142
Additions to non-current assets (other than investment in an exchangeable bond - equity derivatives and deferred income tax assets)	15,855	2,750	3,554	22,159	67	-	22,226

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

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, interests in jointly controlled entities and associates, inventories, trade and other receivables, and cash and cash equivalents. They exclude deferred income tax assets, available-for-sale financial assets, financial assets at fair value through profit or loss - listed equity securities, income tax recoverable and assets held by the Company.

There has been no material change in total liabilities from the amount disclosed in the last annual financial statements.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A9. Property, plant and equipment

The valuations of property, plant and equipment of the Group have been brought forward without amendment from the audited annual financial statements for the year ended 31 March 2013.

Additions and disposals of property, plant and equipment at net book amount during the current quarter and period are as follows:

	(Unaudited)	
	Three months ended 31 December 2013 US\$'000	Period ended 31 December 2013 US\$'000
Additions	1,463	6,317
Disposals	(164)	(219)

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.

A12. Capital commitments

Capital commitments outstanding as at 31 December 2013 are as follows:

	(Unaudited) US\$'000
Property, plant and equipment :	
Authorised and contracted for	2,844
Authorised but not contracted for	2,655
	<u>5,499</u>

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A13. Related party transactions

	(Unaudited)			
	Three months ended 31 December		Period ended 31 December	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
1) Newsprint purchases from a related company (<i>note 1</i>)	15,271	11,163	37,599	31,938
2) Purchases of air tickets from a related company (<i>note 1</i>)	8	19	31	39
3) Rental expenses paid to related companies (<i>note 1</i>)	5	6	15	18
4) Motor vehicle insurance premium paid to a related company (<i>note 1</i>)	1	-	1	-
5) Advertising expenses paid to a related company (<i>note 1</i>)	1	-	1	-
6) Consultancy fee paid to a non-executive director	-	24	-	80
7) Script fees paid to a related party	-	1	-	1
8) Scrap sales of old newspapers and magazines to a related company (<i>note 1</i>)	(828)	(693)	(2,337)	(2,103)
9) Provision of services such as air tickets and accommodation arrangement services to related companies (<i>note 1</i>)	(1)	(2)	(74)	(11)
10) Provision of accounting service to a related company (<i>note 1</i>)	(2)	-	(2)	-
11) Rental income received from a related company (<i>note 1</i>)	(28)	(27)	(74)	(72)
12) Agency fee income received from an associate	(85)	-	(216)	-
13) Content providing and video production income received from a jointly controlled entity	(47)	-	(267)	-
14) Software development income from a jointly controlled entity	-	-	(10)	-

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.

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

B1. Analysis of performance

	(Unaudited) Three months ended 31 December		(Unaudited) Period ended 31 December	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
				(Restated)
Turnover	117,332	123,058	369,119	367,760
Profit before income tax	19,920	21,877	55,570	58,928
EBITDA	24,369	24,844	69,277	66,463

The Group's turnover for the current quarter was US\$117,332,000, representing a 4.7% decrease from US\$123,058,000 in the same quarter last year. The publishing and printing segment's turnover was down by 5.9% to US\$100,109,000, while the tour segment's turnover grew 3.0% to US\$17,223,000.

Profit before income tax for the quarter was US\$19,920,000, a decrease of 8.9% from US\$21,877,000 in the same quarter last year due mainly to the decline in turnover and higher finance costs incurred during the quarter.

During the quarter, the ongoing weakening of Malaysian Ringgit and Canadian Dollar against US dollar resulted in negative currency impact on the Group's turnover and profit before income tax of about US\$4,000,000 and US\$900,000 respectively.

EBITDA for the current quarter was US\$24,369,000, a 1.9% decline from US\$24,844,000 in the year-ago quarter.

The Group's publishing and printing segment reported a profit before income tax of US\$22,256,000, 9.0% or US\$2,199,000 below that of the prior-year quarter.

During the quarter, the Malaysian operations were adversely impacted by cautious sentiments arising from the government's subsidies rationalisation plan which led to advertisers reducing their spending. Profit before income tax from this segment decreased by 14.0% to US\$17,298,000 from US\$20,103,000 a year earlier.

On the other hand, the Group's operations in Hong Kong and Mainland China recorded a 9.2% or US\$387,000 increase in profit before income tax to US\$4,572,000, mainly driven by the growth in advertising revenue from the local property market.

The operations in North America also achieved a notable growth of 131.1% in profit before income tax to US\$386,000 in the current quarter on the back of lower operating costs.

Turnover for the Group's travel segment grew 3.0% to US\$17,223,000 from US\$16,725,000 in the year-ago quarter. The increase in revenue was supported by the continuous popularity of the travel segment's flagship European tours as well as strong demand for its newly introduced tour products. However, segment profit before income tax decreased from last year's US\$107,000 to US\$53,000 due to higher operating costs incurred during the quarter.

The Group's turnover for the nine months ended 31 December 2013 increased marginally by 0.4% to US\$369,119,000 from US\$367,760,000 a year ago. The growth in revenue, however, was offset by higher finance costs incurred during the period, resulting in a 5.7% decline in profit before income tax to US\$55,570,000 from US\$58,928,000 for the same period in the prior year.

Both Malaysian Ringgit and Canadian dollar weakened against US dollar during the financial period under review, resulting in negative currency impact on the Group's revenue and profit before income tax of about US\$6,200,000 and US\$1,300,000 respectively.

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

B2. Variation of results against immediate preceding quarter

	(Unaudited) Three months ended 31 December 2013 US\$'000	(Unaudited) Three months ended 30 September 2013 US\$'000	% change
Turnover	117,332	125,485	-6.5%
Profit before income tax	19,920	16,773	+18.8%

For the current quarter, the Group reported total revenue of US\$117,332,000, which represents a decline of 6.5% or US\$8,153,000 as compared to the immediate preceding quarter. Profit before income tax was US\$19,920,000, up 18.8% or US\$3,147,000 from US\$16,773,000 in the preceding quarter, driven by higher revenue from the publishing and printing segment.

B3. Current year prospects

The Group is expecting another challenging period in the last quarter of the current financial year, given the market uncertainty faced by the Group's regional operations.

Apart from the fourth quarter being traditionally a quiet one because of softer advertising market conditions after the festive seasons, the higher base of last year's performance and the weakening of Malaysian Ringgit may also impact the Group's results in the coming quarter.

Nevertheless, the Group will continue to refine its marketing and sales efforts to generate more revenue while at the same time focus on managing operational efficiencies and cost containment.

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 crediting / (charging):

	(Unaudited) Three months ended 31 December		(Unaudited) Period ended 31 December	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Reversal of allowance for / (allowance for and write-off of) trade and other receivables	4	(199)	(211)	(263)
(Allowance for and write-off of) / reversal of allowance for inventories	(41)	156	(114)	(121)
Exchange gains / (losses) - net	93	(200)	467	112
Gain on disposal of convertible notes	-	-	-	1,126

Save as disclosed above and in A8, the other items as required under Part A(16) of Appendix 9B of the Bursa Securities' 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:

	(Unaudited)		(Unaudited)	
	Three months ended		Period ended	
	31 December		31 December	
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Current period income tax expense	4,976	5,503	14,607	14,562
Under provision of income tax expense in prior years	234	361	240	507
Deferred income tax expense/(credit)	136	370	384	(538)
	5,346	6,234	15,231	14,531

The effective tax rates of the Group for the current quarter and period under review were higher than the Malaysian statutory tax rate of 25% 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 announcement of the Company dated 6 February 2014 in relation to the proposed spin-off and separate listing of the Group's travel and travel related business on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited ("HKEx") (the "Proposed Spin-off"). The Company announced that the listing application under the Proposed Spin-off had lapsed under the relevant Rules Governing the Listing of Securities on the GEM of HKEx, and the Proposed Spin-off would not be pursued until further decision is to be made by the Company.

B8. Group borrowings

The Group's borrowings as at 31 December 2013 are as follows:

	Secured	(Unaudited)	Total
		Unsecured	
	US\$'000	US\$'000	US\$'000
Current			
Short-term bank borrowings	1,826	155,090	156,916

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

	(Unaudited)
	US\$'000
Malaysian Ringgit	155,090
United States Dollars	1,826
	156,916

The net gearing ratio of the Group, calculated as net debt over owners' equity, was 20.6% as at 31 December 2013 (31 March 2013: 33.2%).

A short-term bank borrowing of RM500 million (equivalent to US\$152,648,000) matured on 26 February 2014.

On 25 February 2014, the Company made the first issuance of medium term notes with a nominal value of RM450 million under its Medium Term Notes Programme (as defined in the Company's announcement on 25 February 2014). The proceeds from the issuance was utilised for refinancing of existing borrowings of the Group.

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

B9. Material litigation

As at 31 December 2013, there were several libel suits which involve claims against some companies in the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings is still uncertain as of the date 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 tax-exempt first interim dividend of US0.750 cents per ordinary share totaling US\$12,654,000 in respect of the year ending 31 March 2014 was paid on 15 January 2014.

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

B11. Earnings per share attributable to owners of the Company

	(Unaudited)		(Unaudited)	
	Three months ended		Period ended	
	31 December		31 December	
	2013	2012	2013	2012
				(Restated)
Profit attributable to owners of the Company (US\$'000)	13,903	14,899	39,296	43,118
Weighted average number of ordinary shares in issue	1,687,239,241	1,687,240,241	1,687,239,725	1,687,240,790
Basic earnings per share (US cents)	0.82	0.88	2.33	2.56
Diluted earnings per share (US cents)	0.82	0.88	2.33	2.56

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 quarter and period ended 31 December 2013.

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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.

	(Unaudited)	(Audited)
	As at	As at
	31 December	31 March
	2013	2013
	US\$'000	US\$'000
		(Restated)
Total retained profits of the Company and its subsidiaries:		
- Realised	251,333	227,950
- Unrealised	(10,580)	(10,543)
	240,753	217,407
Total share of accumulated losses of jointly controlled entities and associates:		
- Realised	(1,147)	(874)
- Unrealised	33	33
	(1,114)	(841)
Less : consolidation adjustments	(27,852)	(14,296)
Group's retained profits as per condensed consolidated statement of financial position	211,787	202,270

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
27 February 2014