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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)

OVERSEAS REGULATORY ANNOUNCEMENT

FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2016

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 joint ventures and associates for the quarter ended 30 June 2016 to Bursa Securities on 23 August 2016.

This announcement is also made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

23 August 2016

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, Datuk CHONG Kee Yuon and Mr KHOO Kar Khoon, being independent non-executive directors.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)
Financial report for the first quarter ended 30 June 2016

CONDENSED CONSOLIDATED INCOME STATEMENT

	(Unaudited) Three months ended 30 June		(Unaudited) Three months ended 30 June	
	2016 US\$'000	2015 US\$'000	2016 RM'000 <i>(Note)</i>	2015 RM'000 <i>(Note)</i>
Turnover	82,786	99,974	333,752	403,046
Cost of goods sold	<u>(52,674)</u>	<u>(62,380)</u>	<u>(212,355)</u>	<u>(251,485)</u>
Gross profit	30,112	37,594	121,397	151,561
Other income	2,305	2,073	9,293	8,357
Other losses, net	(84)	(93)	(339)	(375)
Selling and distribution expenses	(14,122)	(15,295)	(56,934)	(61,662)
Administrative expenses	(8,204)	(8,576)	(33,074)	(34,574)
Other operating expenses	<u>(1,403)</u>	<u>(1,586)</u>	<u>(5,656)</u>	<u>(6,394)</u>
Operating profit	8,604	14,117	34,687	56,913
Finance costs	(1,318)	(1,488)	(5,314)	(5,999)
Share of profits / (losses) of joint ventures and associates	<u>153</u>	<u>(29)</u>	<u>617</u>	<u>(117)</u>
Profit before income tax	7,439	12,600	29,990	50,797
Income tax expense	<u>(2,572)</u>	<u>(3,706)</u>	<u>(10,369)</u>	<u>(14,941)</u>
Profit for the quarter	<u>4,867</u>	<u>8,894</u>	<u>19,621</u>	<u>35,856</u>
Profit / (loss) attributable to:				
Owners of the Company	5,024	8,840	20,254	35,638
Non-controlling interests	<u>(157)</u>	<u>54</u>	<u>(633)</u>	<u>218</u>
	<u>4,867</u>	<u>8,894</u>	<u>19,621</u>	<u>35,856</u>
Earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	0.30	0.52	1.21	2.10
Diluted (US cents/sen) #	<u>0.30</u>	<u>0.52</u>	<u>1.21</u>	<u>2.10</u>

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 30 June 2016 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.0315 ruling at 30 June 2016. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Three months ended 30 June		(Unaudited) Three months ended 30 June	
	2016 US\$'000	2015 US\$'000	2016 RM'000 <i>(Note)</i>	2015 RM'000 <i>(Note)</i>
Profit for the quarter	4,867	8,894	19,621	35,856
Other comprehensive loss				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences	<u>(5,151)</u>	<u>(2,944)</u>	<u>(20,766)</u>	<u>(11,869)</u>
Other comprehensive loss for the quarter, net of tax	<u>(5,151)</u>	<u>(2,944)</u>	<u>(20,766)</u>	<u>(11,869)</u>
Total comprehensive (loss) / income for the quarter	<u>(284)</u>	<u>5,950</u>	<u>(1,145)</u>	<u>23,987</u>
Total comprehensive (loss) / income for the quarter attributable to:				
Owners of the Company	<u>(101)</u>	<u>5,894</u>	<u>(407)</u>	<u>23,761</u>
Non-controlling interests	<u>(183)</u>	<u>56</u>	<u>(738)</u>	<u>226</u>
	<u>(284)</u>	<u>5,950</u>	<u>(1,145)</u>	<u>23,987</u>

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the quarter ended 30 June 2016 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.0315 ruling at 30 June 2016. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June 2016 US\$'000 (Unaudited)	As at 31 March 2016 US\$'000 (Audited)	As at 30 June 2016 RM'000 (Unaudited) (Note)	As at 31 March 2016 RM'000 (Unaudited) (Note)
ASSETS				
Non-current assets				
Property, plant and equipment	109,782	114,596	442,586	461,994
Investment properties	15,063	15,451	60,726	62,291
Intangible assets	51,891	53,516	209,199	215,750
Deferred income tax assets	292	300	1,177	1,209
Interests in joint ventures and associates	773	749	3,116	3,020
	<u>177,801</u>	<u>184,612</u>	<u>716,804</u>	<u>744,264</u>
Current assets				
Inventories	26,799	23,869	108,040	96,227
Available-for-sale financial assets	97	97	391	391
Financial assets at fair value through profit or loss	350	340	1,411	1,371
Trade and other receivables	51,005	51,669	205,628	208,304
Income tax recoverable	1,556	1,403	6,273	5,656
Cash and cash equivalents	151,891	140,950	612,349	568,240
	<u>231,698</u>	<u>218,328</u>	<u>934,092</u>	<u>880,189</u>
Current liabilities				
Trade and other payables	62,606	53,131	252,396	214,198
Dividend payable	10,123	-	40,812	-
Income tax liabilities	4,017	3,871	16,195	15,606
Bank and other borrowings	57,688	58,453	232,569	235,653
Current portion of other non-current liabilities	70	83	282	335
	<u>134,504</u>	<u>115,538</u>	<u>542,254</u>	<u>465,792</u>
Net current assets	<u>97,194</u>	<u>102,790</u>	<u>391,838</u>	<u>414,397</u>
Total assets less current liabilities	<u>274,995</u>	<u>287,402</u>	<u>1,108,642</u>	<u>1,158,661</u>
EQUITY				
Equity attributable to owners of the Company				
Share capital	21,715	21,715	87,544	87,544
Share premium	54,664	54,664	220,378	220,378
Other reserves	(112,840)	(107,715)	(454,914)	(434,253)
Retained earnings				
- Proposed dividend	-	10,123	-	40,812
- Others	239,261	234,237	964,580	944,326
	<u>202,800</u>	<u>213,024</u>	<u>817,588</u>	<u>858,807</u>
Non-controlling interests	5,520	5,703	22,254	22,992
Total equity	<u>208,320</u>	<u>218,727</u>	<u>839,842</u>	<u>881,799</u>
Non-current liabilities				
Bank and other borrowings	55,810	57,663	225,000	232,468
Deferred income tax liabilities	9,794	9,981	39,483	40,238
Other non-current liabilities	1,071	1,031	4,317	4,156
	<u>66,675</u>	<u>68,675</u>	<u>268,800</u>	<u>276,862</u>
	<u>274,995</u>	<u>287,402</u>	<u>1,108,642</u>	<u>1,158,661</u>
Net assets per share attributable to owners of the Company (US cents/sen)	<u>12.02</u>	<u>12.63</u>	<u>48.46</u>	<u>50.92</u>

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM as at 30 June 2016 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.0315 ruling at 30 June 2016. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

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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 2015	21,715	54,664	(100,761)	234,126	209,744	6,361	216,105
Comprehensive income							
Profit for the period	-	-	-	8,840	8,840	54	8,894
Other comprehensive (loss) / income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(2,946)	-	(2,946)	2	(2,944)
Other comprehensive (loss) / income, net of tax	-	-	(2,946)	-	(2,946)	2	(2,944)
Total comprehensive (loss) / income for the period ended 30 June 2015	-	-	(2,946)	8,840	5,894	56	5,950
Total contributions by and distributions to owners of the Company recognised directly in equity							
2014/2015 second interim dividend proposed	-	-	-	(8,436)	(8,436)	-	(8,436)
Total contributions by and distributions to owners of the Company	-	-	-	(8,436)	(8,436)	-	(8,436)
Issue of shares under the share option scheme of a listed subsidiary	-	-	66	-	66	70	136
Total transactions with owners	-	-	66	(8,436)	(8,370)	70	(8,300)
At 30 June 2015	21,715	54,664	(103,641)	234,530	207,268	6,487	213,755
At 1 April 2016	21,715	54,664	(107,715)	244,360	213,024	5,703	218,727
Comprehensive income / (loss)							
Profit / (loss) for the period	-	-	-	5,024	5,024	(157)	4,867
Other comprehensive loss							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(5,125)	-	(5,125)	(26)	(5,151)
Other comprehensive loss, net of tax	-	-	(5,125)	-	(5,125)	(26)	(5,151)
Total comprehensive (loss) / income for the period ended 30 June 2016	-	-	(5,125)	5,024	(101)	(183)	(284)
Total contributions by and distributions to owners of the Company recognised directly in equity							
2015/2016 second interim dividend proposed	-	-	-	(10,123)	(10,123)	-	(10,123)
Total transactions with owners	-	-	-	(10,123)	(10,123)	-	(10,123)
At 30 June 2016	21,715	54,664	(112,840)	239,261	202,800	5,520	208,320

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(Unaudited)						
	Attributable to owners of the Company						
	Share capital RM'000 (Note)	Share premium RM'000 (Note)	Other reserves RM'000 (Note)	Retained earnings RM'000 (Note)	Total RM'000 (Note)	Non- controlling interests RM'000 (Note)	Total equity RM'000 (Note)
At 1 April 2015	87,544	220,378	(406,218)	943,879	845,583	25,644	871,227
Comprehensive income							
Profit for the period	-	-	-	35,638	35,638	218	35,856
Other comprehensive (loss)/ income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(11,877)	-	(11,877)	8	(11,869)
Other comprehensive (loss)/ income, net of tax	-	-	(11,877)	-	(11,877)	8	(11,869)
Total comprehensive (loss)/ income for the period ended 30 June 2015	-	-	(11,877)	35,638	23,761	226	23,987
Total contributions by and distributions to owners of the Company recognised directly in equity							
2014/2015 second interim dividend proposed	-	-	-	(34,010)	(34,010)	-	(34,010)
Total contributions by and distributions to owners of the Company	-	-	-	(34,010)	(34,010)	-	(34,010)
Issue of shares under the share option scheme of a listed subsidiary	-	-	266	-	266	282	548
Total transactions with owners	-	-	266	(34,010)	(33,744)	282	(33,462)
At 30 June 2015	87,544	220,378	(417,829)	945,507	835,600	26,152	861,752
At 1 April 2016	87,544	220,378	(434,253)	985,138	858,807	22,992	881,799
Comprehensive income / (loss)							
Profit / (loss) for the period	-	-	-	20,254	20,254	(633)	19,621
Other comprehensive loss							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(20,661)	-	(20,661)	(105)	(20,766)
Other comprehensive loss, net of tax	-	-	(20,661)	-	(20,661)	(105)	(20,766)
Total comprehensive (loss)/ income for the period ended 30 June 2016	-	-	(20,661)	20,254	(407)	(738)	(1,145)
Total contributions by and distributions to owners of the Company recognised directly in equity							
2015/2016 second interim dividend proposed	-	-	-	(40,812)	(40,812)	-	(40,812)
Total transactions with owners	-	-	-	(40,812)	(40,812)	-	(40,812)
At 30 June 2016	87,544	220,378	(454,914)	964,580	817,588	22,254	839,842

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2016 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.0315 ruling at 30 June 2016. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)		(Unaudited)	
	Three months ended 30 June		Three months ended 30 June	
	2016	2015	2016	2015
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Cash flows from operating activities				
Cash generated from operations	15,324	30,426	61,778	122,663
Interest paid	(6)	(49)	(24)	(198)
Income tax paid	(2,463)	(3,302)	(9,930)	(13,312)
Net cash generated from operating activities	<u>12,855</u>	<u>27,075</u>	<u>51,824</u>	<u>109,153</u>
Cash flows from investing activities				
Purchases of property, plant and equipment	(478)	(1,076)	(1,927)	(4,338)
Purchases of intangible assets	(264)	(96)	(1,064)	(387)
Proceeds from disposal of property, plant and equipment	30	9	121	36
Interest received	880	600	3,548	2,419
Dividends received	137	6	552	24
Net cash generated from / (used in) investing activities	<u>305</u>	<u>(557)</u>	<u>1,230</u>	<u>(2,246)</u>
Cash flows from financing activities				
Proceeds from issue of shares under the share option scheme of a listed subsidiary	-	136	-	548
Proceeds from bank and other borrowings	2,160	1,010	8,708	4,072
Repayments of bank and other borrowings	(1,062)	(5,073)	(4,281)	(20,452)
Net cash generated from / (used in) financing activities	<u>1,098</u>	<u>(3,927)</u>	<u>4,427</u>	<u>(15,832)</u>
Net increase in cash and cash equivalents	14,258	22,591	57,481	91,075
Cash and cash equivalents at beginning of period	140,950	118,620	568,240	478,217
Exchange adjustments on cash and cash equivalents	(3,317)	(1,664)	(13,372)	(6,708)
Cash and cash equivalents at end of period	<u>151,891</u>	<u>139,547</u>	<u>612,349</u>	<u>562,584</u>

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2016 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.0315 ruling at 30 June 2016. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

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 ended 30 June 2016 has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standard Board 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 2016, which were prepared in accordance with International Financial Reporting Standards.

This financial information has not been audited.

b) Accounting policies

The accounting policies adopted for preparing this financial information are consistent with those set out in the consolidated financial statements of the Company for the year ended 31 March 2016 as included in the Company’s annual report for the year ended 31 March 2016.

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

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

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

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 2016 was not subject to any qualification.

A3. Seasonal or cyclical factors

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

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A4. Unusual items

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

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review.

A7. Dividends paid

There was no dividend paid during the current quarter.

A8. Turnover and segment information

The Group has determined the operating segments based on the reports that are reviewed and used by the Group Executive Committee for making strategic decisions.

The Group is organised operationally on a worldwide basis in four major operating segments:

Publishing and printing: Malaysia and other Southeast Asian countries
Publishing and printing: Hong Kong, Taiwan and Mainland China
Publishing and printing: North America
Travel and travel related services

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

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

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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 30 June 2016, analysed by operating segment, are as follows:

	(Unaudited)					
	Three months ended 30 June 2016					
	Publishing and printing					
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong, Taiwan and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
Turnover	44,126	13,558	4,465	62,149	20,637	82,786
Segment profit / (loss) before income tax	9,010	(1,240)	(290)	7,480	1,278	8,758
Unallocated interest expense						(1,312)
Other net unallocated expenses						(160)
Share of profits of joint ventures and associates						153
Profit before income tax						7,439
Income tax expense						(2,572)
Profit for the quarter						4,867
Other information:						
Interest income	845	25	7	877	3	880
Interest expense	(3)	(3)	-	(6)	-	(6)
Depreciation of property, plant and equipment	(1,793)	(378)	(90)	(2,261)	(31)	(2,292)
Amortisation of intangible assets	(204)	(56)	(3)	(263)	(10)	(273)
Income tax (expense) / credit	(2,299)	18	76	(2,205)	(367)	(2,572)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

	(Unaudited)					
	Three months ended 30 June 2015					
	<u>Publishing and printing</u>					
	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	52,496	15,579	5,273	73,348	26,626	99,974
Segment profit / (loss) before income tax	11,721	313	(128)	11,906	2,395	14,301
Unallocated interest expense						(1,439)
Other net unallocated expenses						(233)
Share of losses of joint ventures and associates						(29)
Profit before income tax						12,600
Income tax expense						(3,706)
Profit for the quarter						<u>8,894</u>
Other information:						
Interest income	542	56	-	598	2	600
Interest expense	(32)	(17)	-	(49)	-	(49)
Depreciation of property, plant and equipment	(1,956)	(382)	(99)	(2,437)	(31)	(2,468)
Amortisation of intangible assets	(233)	(40)	(5)	(278)	(12)	(290)
Income tax (expense) / credit	(3,021)	(185)	96	(3,110)	(596)	(3,706)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

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

	(Unaudited)						Total US\$'000
	Publishing and printing						
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong, Taiwan and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Elimination US\$'000	
Segment assets	306,344	61,676	13,688	381,708	25,528	(143)	407,093
Unallocated assets							2,406
Total assets							409,499
Total assets include:							
Interests in joint ventures and associates	-	773	-	773	-	-	773
Additions to non-current assets (other than deferred income tax assets)	369	442	26	837	2	-	839
Segment liabilities	(20,493)	(16,664)	(6,716)	(43,873)	(18,241)	143	(61,971)
Unallocated liabilities							(139,208)
Total liabilities							(201,179)

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

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

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

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

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

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

A9. Valuation of property, plant and equipment

There was no revaluation of the Group's property, plant and equipment during the quarter ended 30 June 2016.

A10. Subsequent material events

There were no subsequent material events of the Group.

A11. Changes in the composition of the Group

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

Reference is made to the announcement of the Company dated 9 May 2016 that Beijing Media Advertising Company Limited, a dormant and indirect subsidiary of the Company, had completed its liquidation on 5 May 2016.

A12. Capital commitments

Capital commitments outstanding at 30 June 2016 are as follows:

	(Unaudited) US\$'000
Property, plant and equipment :	
Authorised and contracted for	250
Authorised but not contracted for	831
	<u>1,081</u>

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A13. Related party transactions

	(Unaudited)	
	Three months ended	
	30 June	
	2016	2015
	US\$'000	US\$'000
Newsprint purchases from a related company (<i>note 1</i>)	1,350	4,153
Rental expenses paid to related companies (<i>note 1</i>)	21	22
Purchases of air tickets from a related company (<i>note 1</i>)	7	8
Scrap sales of old newspapers and magazines to a related company (<i>note 1</i>)	(370)	(432)
Provision of accounting service to an associate	(38)	(20)
Provision of air tickets and accommodation arrangement services to related companies (<i>note 1</i>)	(11)	(9)
Provision of accounting and administrative services to related companies (<i>note 1</i>)	(4)	(2)
Content providing income received from a joint venture	(1)	(30)
Rental income received from a related company (<i>note 1</i>)	(1)	-

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 30 June	
	2016 US\$'000	2015 US\$'000
Turnover	82,786	99,974
Profit before income tax	7,439	12,600
EBITDA	10,442	16,246

For the first quarter of the financial year 2016/2017, the Group registered a turnover of US\$82,786,000, 17.2% or US\$17,188,000 less than the US\$99,974,000 reported in the same quarter last year. The Group's publishing and printing segment and the tour segment reported declines in turnover of 15.3% and 22.5% respectively. If currency impact was excluded, the decrease in the Group's turnover would have been about 12.6%.

Profit before income tax amounted to US\$7,439,000 for the current quarter, reflecting a decrease of 41.0% from US\$12,600,000 in the prior year quarter. The decline in operating result was due primarily to lower revenue which was mitigated in part by falling newsprint costs as well as savings from rigid cost controls and improved operating efficiencies. The decline would be about 34.1% if currency impact was excluded.

EBITDA for the quarter was US\$10,442,000, representing a 35.7% or US\$5,804,000 decrease when compared with US\$16,246,000 in the year-ago quarter. The decline would be about 29% if currency impact was excluded.

For the three months ended 30 June 2016, turnover and profit before income tax from the Group's publishing and printing segment amounted to US\$62,149,000 and US\$7,480,000, representing decreases of 15.3% and 37.2% from the corresponding quarter of last year respectively. If currency impact was excluded, the respective decreases would be 9.2% and 30%.

The Group's publishing and printing operations in Malaysia were adversely impacted by persistent weak consumer and business sentiment, low oil prices and the depreciation of Malaysian Ringgit ("RM"). The operations reported a turnover of US\$44,126,000, 15.9% lower than the year-ago quarter, while segment profit before income tax decreased by 23.1% to US\$9,010,000. The declines would have been 7.9% and 15.7% respectively if currency impact was excluded.

The declining retail environment, in particular for luxury high-end products, continued to affect the performance of the Group's publishing and printing operations in Hong Kong, Taiwan and Mainland China. Adding to this, the segment's revenue was impacted by the decline in advertising expenditures on properties as the Hong Kong property market has become less active amid concerns about an uncertain economic outlook. Segment turnover dropped 13% year-on-year to US\$13,558,000 while segment loss amounted to US\$1,240,000 as against a profit before income tax of US\$313,000 reported in the earlier year quarter.

Due to the ongoing local economic slowdown as well as the impact of a weakening Canadian dollar ("CAD") against the US dollar, the Group's operations in North America reported a 15.3% decline in turnover, which amounted to US\$4,465,000 as against US\$5,273,000 in the corresponding quarter last year. The segment recorded a loss of US\$290,000 as against a loss of US\$128,000 reported in the prior year quarter.

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

B1. Analysis of performance (Continued)

During the first quarter of 2016/2017, the Group's travel business registered a segment turnover of US\$20,637,000, a decrease of 22.5% from US\$26,626,000 in the prior year quarter. Segment profit before income tax dropped 46.6% or US\$1,117,000 to US\$1,278,000 when compared with US\$2,395,000 in the same quarter a year ago. The decrease in segment performance was mainly due to a sharp decline in people travelling to Europe after a string of terrorist attacks in the region. The incidents seriously hit the tourism industry in Europe which was one of the main tour destinations of the Group's travel business.

The depreciation of both RM and CAD against the US dollar during the current quarter brought negative currency impact on the Group's revenue and profit before income tax of approximately US\$4,593,000 and US\$867,000 respectively.

B2. Variation of results against immediate preceding quarter

	(Unaudited) Three months ended 30 June 2016 US\$'000	(Unaudited) Three months ended 31 March 2016 US\$'000	% change
Turnover	82,786	70,899	+16.8%
Profit before income tax	7,439	3,311	+124.7%

The Group's turnover grew 16.8% or US\$11,887,000 to US\$82,786,000 while profit before income tax surged 124.7% to US\$7,439,000 from US\$3,311,000 in the immediate preceding quarter. The increases were attributable to the improved performance of the tour segment in the current quarter and the recognition of an impairment loss on goodwill of US\$1,957,000 in the immediate preceding quarter.

B3. Current year prospects

The Board expects the difficult advertising business environment to continue in the remaining quarters of 2016/2017 in light of the persistent weak consumer and business sentiment in the Group's major markets. Moreover, the increasing safety and security concerns across the globe will continue to weigh on the Group's travel business.

Although newsprint prices are expected to remain stable, we will stay cautious as the Group's overall performance could be adversely impacted by any further depreciation of RM and CAD against the US dollar.

Despite the challenging market conditions, the Group will strive to reinforce its cost-control efforts to achieve operational efficiencies and to diversify its revenue stream to achieve synergistic benefits through business expansion into multiple platforms.

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 SECURITIES' MAIN MARKET LISTING REQUIREMENTS (Continued)

B5. Profit before income tax

Profit before income tax has been arrived at after charging:

	(Unaudited)	
	Three months ended	
	30 June	
	2016	2015
	US\$'000	US\$'000
Allowance for impairment and write-off of trade and other receivables	(31)	(160)
Allowance for impairment and write-off of inventories	(41)	(43)
Exchange losses – net	(95)	(120)

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.

B6. Income tax expense

Income tax expense comprises the following:

	(Unaudited)	
	Three months ended	
	30 June	
	2016	2015
	US\$'000	US\$'000
Current period income tax expense	2,520	3,632
Over provision of income tax expense in prior years	-	(83)
Deferred income tax expense	52	157
	<u>2,572</u>	<u>3,706</u>

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

B7. Status of corporate proposals

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

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

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

B8. Group borrowings

The Group's borrowings as at 30 June 2016 are as follows:

	Secured US\$'000	(Unaudited) Unsecured US\$'000	Total US\$'000
Current			
Medium-term notes	-	55,810	55,810
Short-term bank borrowings	176	1,702	1,878
Non-current			
Medium-term notes	-	55,810	55,810
	<u>176</u>	<u>113,322</u>	<u>113,498</u>

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

	(Unaudited) US\$'000
Malaysian Ringgit	111,856
Hong Kong dollars	1,289
United States dollars	353
	<u>113,498</u>

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 30 June 2016 (31 March 2016: Nil).

B9. Material litigation

As at 30 June 2016, there were several libel suits which involved claims against some companies in the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings is still uncertain as of the date this 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 second interim dividend of US0.600 cents per ordinary share totalling US\$10,123,000 in respect of the year ended 31 March 2016 was paid on 13 July 2016.

The 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) Three months ended 30 June	
	2016	2015
Profit attributable to owners of the Company (US\$'000)	<u>5,024</u>	8,840
Weighted average number of ordinary shares in issue	<u>1,687,236,241</u>	1,687,237,241
Basic earnings per share (US cents)	<u>0.30</u>	0.52
Diluted earnings per share (US cents)	<u>0.30</u>	0.52

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

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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
	30 June	31 March
	2016	2016
	US\$'000	US\$'000
Total retained profits of the Company and its subsidiaries:		
- Realised	276,596	271,806
- Unrealised	<u>(8,617)</u>	<u>(8,903)</u>
	<u>267,979</u>	<u>262,903</u>
Total share of accumulated losses of joint ventures and associates:		
- Realised	(1,150)	(1,303)
- Unrealised	<u>-</u>	<u>-</u>
	<u>(1,150)</u>	<u>(1,303)</u>
Less : consolidation adjustments	<u>(27,568)</u>	<u>(17,240)</u>
Group's retained profits as per condensed consolidated statement of financial position	<u><u>239,261</u></u>	<u><u>244,360</u></u>

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

On behalf of the Board
Media Chinese International Limited

Law Yuk Kuen
Tong Siew Kheng
Joint Company Secretaries
23 August 2016