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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 SECOND QUARTER ENDED 30 SEPTEMBER 2010

Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), Media Chinese International Limited (the "Company"), a public company listed on the main market of Bursa Securities, announced the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") and the Group's interest in an associate for the second quarter ended 30 September 2010 to Bursa Securities on 25 November 2010.

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

25 November 2010

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

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)
Financial report for the second quarter ended 30 September 2010

CONDENSED CONSOLIDATED INCOME STATEMENT

	(Unaudited)		(Unaudited)	
	Three months ended		Three months ended	
	30 September		30 September	
	2010	2009	2010	2009
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Turnover	115,652	95,139	356,844	293,551
Cost of goods sold	(72,363)	(59,140)	(223,276)	(182,476)
Gross profit	43,289	35,999	133,568	111,075
Other income	1,911	1,080	5,896	3,332
Other gains, net	625	727	1,928	2,243
Selling and distribution expenses	(15,642)	(13,908)	(48,263)	(42,913)
Administrative expenses	(9,276)	(8,640)	(28,621)	(26,659)
Other operating expenses	(1,587)	(1,426)	(4,897)	(4,400)
Operating profit	19,320	13,832	59,611	42,678
Finance costs	(212)	(186)	(654)	(574)
Share of loss of an associate	(94)	-	(290)	-
Profit before income tax	19,014	13,646	58,667	42,104
Income tax expense	(4,932)	(3,816)	(15,217)	(11,774)
Profit for the quarter	14,082	9,830	43,450	30,330
Attributable to:				
Equity holders of the Company	14,013	9,946	43,237	30,688
Non-controlling interests	69	(116)	213	(358)
	14,082	9,830	43,450	30,330
Earnings per share attributable to the equity holders of the Company				
Basic (US cents/sens) #	0.83	0.59	2.56	1.82
Diluted (US cents/sens) #	0.83	0.59	2.56	1.82

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

Note: The presentation currency of this unaudited financial information is United States dollars ("US\$"). Supplementary information in Ringgit Malaysia ("RM") for the quarter ended 30 September 2010 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0855 ruling at 30 September 2010. 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 30 September		Three months ended 30 September	
	2010	2009	2010	2009
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Profit for the quarter	14,082	9,830	43,450	30,330
Other comprehensive income				
Currency translation differences	14,475	4,334	44,663	13,373
Revaluation gain recognised upon transfer from property held for own use to investment properties	-	409	-	1,262
Other comprehensive income for the quarter, net of tax	14,475	4,743	44,663	14,635
Total comprehensive income for the quarter	28,557	14,573	88,113	44,965
Attributable to:				
Equity holders of the Company	28,398	14,640	87,622	45,172
Non-controlling interests	159	(67)	491	(207)
	28,557	14,573	88,113	44,965

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the quarter ended 30 September 2010 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0855 ruling at 30 September 2010. 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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Financial report for the second quarter ended 30 September 2010

CONDENSED CONSOLIDATED INCOME STATEMENT

	(Unaudited) Six months ended 30 September		(Unaudited) Six months ended 30 September	
	2010 US\$'000	2009 US\$'000	2010 RM'000 <i>(Note)</i>	2009 RM'000 <i>(Note)</i>
Turnover	221,587	181,696	683,706	560,623
Cost of goods sold	<u>(135,994)</u>	<u>(117,350)</u>	<u>(419,609)</u>	<u>(362,083)</u>
Gross profit	85,593	64,346	264,097	198,540
Other income	3,536	2,274	10,910	7,016
Other gains, net	1,057	1,187	3,261	3,663
Selling and distribution expenses	(30,237)	(26,817)	(93,296)	(82,744)
Administrative expenses	(18,359)	(16,985)	(56,647)	(52,407)
Other operating expenses	<u>(3,180)</u>	<u>(2,850)</u>	<u>(9,811)</u>	<u>(8,794)</u>
Operating profit	38,410	21,155	118,514	65,274
Finance costs	(432)	(376)	(1,332)	(1,160)
Share of loss of an associate	<u>(170)</u>	<u>-</u>	<u>(525)</u>	<u>-</u>
Profit before income tax	37,808	20,779	116,657	64,114
Income tax expense	<u>(10,223)</u>	<u>(6,353)</u>	<u>(31,543)</u>	<u>(19,602)</u>
Profit for the period	<u>27,585</u>	<u>14,426</u>	<u>85,114</u>	<u>44,512</u>
Attributable to:				
Equity holders of the Company	27,328	14,652	84,321	45,209
Non-controlling interests	<u>257</u>	<u>(226)</u>	<u>793</u>	<u>(697)</u>
	<u>27,585</u>	<u>14,426</u>	<u>85,114</u>	<u>44,512</u>
Earnings per share attributable to the equity holders of the Company				
Basic (US cents/sens) #	1.62	0.87	5.00	2.68
Diluted (US cents/sens) #	1.62	0.87	5.00	2.68

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

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 September 2010 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0855 ruling at 30 September 2010. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

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Financial report for the second quarter ended 30 September 2010

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited)		(Unaudited)	
	Six months ended		Six months ended	
	30 September		30 September	
	2010	2009	2010	2009
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Profit for the period	27,585	14,426	85,114	44,512
Other comprehensive income				
Currency translation differences	16,610	12,832	51,250	39,593
Revaluation gain recognised upon transfer from property held for own use to investment properties	-	409	-	1,262
Other comprehensive income for the period, net of tax	16,610	13,241	51,250	40,855
Total comprehensive income for the period	44,195	27,667	136,364	85,367
Attributable to:				
Equity holders of the Company	43,912	27,860	135,491	85,962
Non-controlling interests	283	(193)	873	(595)
	44,195	27,667	136,364	85,367

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 September 2010 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0855 ruling at 30 September 2010. 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 BALANCE SHEET

	(Unaudited) As at 30 September 2010 US\$'000	(Restated) As at 31 March 2010 US\$'000	(Unaudited) As at 30 September 2010 RM'000 (Note)	(Unaudited and restated) As at 31 March 2010 RM'000 (Note)
ASSETS				
Non-current assets				
Property, plant and equipment	154,857	139,962	477,811	431,853
Investment properties	9,127	8,686	28,161	26,801
Leasehold land and land use rights	2,115	2,144	6,526	6,615
Intangible assets	81,687	77,466	252,045	239,021
Deferred income tax assets	1,448	1,831	4,468	5,650
Defined benefit plan assets	278	258	858	796
Interest in an associate	2,571	2,739	7,933	8,451
Investment in convertible notes – debt portion	525	511	1,619	1,577
	252,608	233,597	779,421	720,764
Current assets				
Inventories	83,925	76,079	258,950	234,742
Available-for-sale financial assets	645	644	1,990	1,987
Financial assets at fair value through profit or loss	238	226	734	697
Trade and other receivables	69,825	67,608	215,445	208,604
Income tax recoverable	981	1,418	3,027	4,375
Cash and cash equivalents	87,027	77,635	268,522	239,543
	242,641	223,610	748,668	689,948
Current liabilities				
Trade and other payables	69,526	57,415	214,522	177,154
Income tax liabilities	8,052	4,240	24,844	13,083
Short-term bank loans	23,919	30,618	73,802	94,472
Bank overdrafts, secured	-	198	-	611
Current portion of long-term liabilities	701	1,230	2,163	3,795
	102,198	93,701	315,331	289,115
Net current assets	140,443	129,909	433,337	400,833
Total assets less current liabilities	393,051	363,506	1,212,758	1,121,597
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	21,672	21,672	66,869	66,869
Share premium	280,160	280,160	864,434	864,434
Other reserves	(75,021)	(92,337)	(231,477)	(284,906)
Retained earnings	146,159	131,814	450,974	406,712
	372,970	341,309	1,150,800	1,053,109
Non-controlling interests	4,708	8,263	14,525	25,495
Total equity	377,678	349,572	1,165,325	1,078,604
Non-current liabilities				
Other long-term liabilities	1,470	1,560	4,536	4,813
Deferred income tax liabilities	13,903	12,374	42,897	38,180
	15,373	13,934	47,433	42,993
	393,051	363,506	1,212,758	1,121,597
Net assets per share attributable to equity holders of the Company (US cents/sens)	22.15	20.27	68.34	62.54

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 September 2010 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0855 ruling at 30 September 2010. 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 equity holders of the Company					Non- controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Total US\$'000		
At 1 April 2009	21,672	280,160	(122,666)	100,652	279,818	8,189	288,007
Profit/(loss) for the period	-	-	-	14,652	14,652	(226)	14,426
Other comprehensive income:							
Currency translation differences	-	-	12,799	-	12,799	33	12,832
Revaluation gain recognised upon transfer from property held for own use to investment properties	-	-	409	-	409	-	409
Other comprehensive income for the period, net of tax	-	-	13,208	-	13,208	33	13,241
Total comprehensive income/(loss) for the period	-	-	13,208	14,652	27,860	(193)	27,667
Transactions with owners:							
Share compensation costs on share options granted by a listed subsidiary	-	-	17	-	17	12	29
2008-2009 final dividend paid by a listed subsidiary	-	-	-	-	-	(221)	(221)
2008-2009 second interim dividend paid	-	-	-	(2,396)	(2,396)	-	(2,396)
Total transactions with owners	-	-	17	(2,396)	(2,379)	(209)	(2,588)
At 30 September 2009	21,672	280,160	(109,441)	112,908	305,299	7,787	313,086
At 1 April 2010	21,672	280,160	(92,337)	131,814	341,309	8,263	349,572
Profit for the period	-	-	-	27,328	27,328	257	27,585
Other comprehensive income:							
Currency translation differences	-	-	16,584	-	16,584	26	16,610
Other comprehensive income for the period, net of tax	-	-	16,584	-	16,584	26	16,610
Total comprehensive income for the period	-	-	16,584	27,328	43,912	283	44,195
Transactions with owners:							
Acquisition of additional interest in a subsidiary	-	-	722	-	722	(2,429)	(1,707)
Share compensation costs on share options granted by a listed subsidiary	-	-	10	-	10	4	14
2009-2010 final dividend paid by a listed subsidiary	-	-	-	-	-	(1,413)	(1,413)
2009-2010 second interim dividend paid	-	-	-	(12,983)	(12,983)	-	(12,983)
Total transactions with owners	-	-	732	(12,983)	(12,251)	(3,838)	(16,089)
At 30 September 2010	21,672	280,160	(75,021)	146,159	372,970	4,708	377,678

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(Unaudited)						
	Attributable to equity holders 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 2009	66,869	864,434	(378,486)	310,562	863,379	25,267	888,646
Profit/(loss) for the period	-	-	-	45,209	45,209	(697)	44,512
Other comprehensive income:							
Currency translation differences	-	-	39,491	-	39,491	102	39,593
Revaluation gain recognised upon transfer from property held for own use to investment properties	-	-	1,262	-	1,262	-	1,262
Other comprehensive income for the period, net of tax	-	-	40,753	-	40,753	102	40,855
Total comprehensive income/(loss) for the period	-	-	40,753	45,209	85,962	(595)	85,367
Transactions with owners:							
Share compensation costs on share options granted by a listed subsidiary	-	-	52	-	52	37	89
2008-2009 final dividend paid by a listed subsidiary	-	-	-	-	-	(682)	(682)
2008-2009 second interim dividend paid	-	-	-	(7,393)	(7,393)	-	(7,393)
Total transactions with owners	-	-	52	(7,393)	(7,341)	(645)	(7,986)
At 30 September 2009	66,869	864,434	(337,681)	348,378	942,000	24,027	966,027
At 1 April 2010	66,869	864,434	(284,906)	406,712	1,053,109	25,495	1,078,604
Profit for the period	-	-	-	84,321	84,321	793	85,114
Other comprehensive income:							
Currency translation differences	-	-	51,170	-	51,170	80	51,250
Other comprehensive income for the period, net of tax	-	-	51,170	-	51,170	80	51,250
Total comprehensive income for the period	-	-	51,170	84,321	135,491	873	136,364
Transactions with owners:							
Acquisition of additional interest in a subsidiary	-	-	2,228	-	2,228	(7,495)	(5,267)
Share compensation costs on share options granted by a listed subsidiary	-	-	31	-	31	12	43
2009-2010 final dividend paid by a listed subsidiary	-	-	-	-	-	(4,360)	(4,360)
2009-2010 second interim dividend paid	-	-	-	(40,059)	(40,059)	-	(40,059)
Total transactions with owners	-	-	2,259	(40,059)	(37,800)	(11,843)	(49,643)
At 30 September 2010	66,869	864,434	(231,477)	450,974	1,150,800	14,525	1,165,325

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MEDIA CHINESE INTERNATIONAL LIMITED
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Financial report for the second quarter ended 30 September 2010

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	(Unaudited) Six months ended 30 September		(Unaudited) Six months ended 30 September	
	2010 US\$'000	2009 US\$'000	2010 RM'000	2009 RM'000
			<i>(Note)</i>	<i>(Note)</i>
Cash flows from operating activities				
Cash generated from operations	49,330	6,669	152,207	20,577
Interest on bank loans and overdrafts	(420)	(367)	(1,295)	(1,132)
Interest element of finance lease payments	(12)	(9)	(37)	(28)
Profits tax paid	(4,711)	(3,110)	(14,536)	(9,596)
Long service payments made	(39)	(48)	(120)	(148)
Net cash generated from operating activities	44,148	3,135	136,219	9,673
Cash flows from investing activities				
Acquisition of additional interest in a subsidiary	(1,707)	-	(5,267)	-
Purchase of property, plant and equipment	(12,903)	(3,683)	(39,812)	(11,364)
Purchase of intangible assets	(254)	(212)	(784)	(654)
Investment in convertible notes	-	(290)	-	(895)
Proceeds from disposal of property, plant and equipment	28	375	86	1,157
Proceeds from disposal of investment properties	47	-	145	-
Proceeds from disposal of intangible assets	-	63	-	194
Proceeds from disposal of non-current assets held for sale	-	77	-	238
Interest received	569	326	1,756	1,006
Dividends received	9	43	28	133
Net cash used in investing activities	(14,211)	(3,301)	(43,848)	(10,185)
Cash flows from financing activities				
Dividends paid	(12,983)	(2,396)	(40,059)	(7,393)
Dividends paid by a listed subsidiary to non-controlling interests	(1,413)	(221)	(4,360)	(682)
Repayment of bank loans	(527)	(1,033)	(1,626)	(3,187)
Proceeds from drawdown of short-term bank loans	19,817	17,899	61,145	55,227
Repayment of short-term bank loans	(27,870)	(14,724)	(85,992)	(45,430)
Capital element of finance lease payments	(172)	(265)	(531)	(818)
Net cash used in financing activities	(23,148)	(740)	(71,423)	(2,283)
Net increase/(decrease) in cash and cash equivalents, and bank overdrafts				
	6,789	(906)	20,948	(2,795)
Cash and cash equivalents, and bank overdrafts as at 1 April	77,437	67,777	238,932	209,126
Exchange adjustments on cash and cash equivalents, and bank overdrafts	2,801	2,108	8,642	6,504
Cash and cash equivalents, and bank overdrafts as at 30 September	87,027	68,979	268,522	212,835

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A. NOTES TO THE FINANCIAL INFORMATION

A1. Basis of preparation and changes in accounting policies

a) Basis of preparation

These financial information for the second quarter ended 30 September 2010 have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standard Board (“IASB”), Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HK Stock Exchange”) and with paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

These financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2010, which were prepared in accordance with International Financial Reporting Standards (“IFRSs”).

These financial information have 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 2010.

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

The Group has adopted the following new or revised standards and amendments to standard, which are mandatory for the financial year beginning 1 April 2010 and are relevant to its operations.

- IAS 17 (amendment), “Leases”. The amendment deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of IAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under “Leasehold land and land use rights”, and amortised over the lease term.

IAS 17 (amendment) has been applied retrospectively in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 April 2010 on the basis of information existing at the inception of those leases, and recognised all leasehold land, except for those in Mainland China, as finance lease retrospectively. As a result of the reassessment, the Group has reclassified certain leasehold land from operating lease to finance lease.

The effect of the adoption of this amendment is as follows:

	As at 30 September 2010	As at 31 March 2010
	US\$'000	US\$'000
Increase/(decrease) in:		
Property, plant and equipment	28,290	28,339
Leasehold land and land use rights	(28,290)	(28,339)

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

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

b) Accounting policies (Continued)

- IAS 27 (revised), "Consolidated and Separate Financial Statements". The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains or losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group has applied IAS 27 (revised) prospectively to transactions with non-controlling interests from 1 April 2010.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but are not yet effective for the accounting period beginning 1 April 2010. 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 condensed 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 2010 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 items

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

A5. Changes in estimates

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

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A6. Changes in debt and equity securities

- a) During the period ended 30 September 2010, the Company repurchased a total of 1,000 of its listed shares on the HK Stock Exchange for the purpose of enhancing the net asset value per share of the Company. Details of the repurchases were summarised as follows:

Month/Year	(Unaudited)				
	Number of ordinary shares repurchased	Purchase price per share		Aggregate purchase consideration HK\$	Equivalents in US\$
		Highest HK\$	Lowest HK\$		
August 2010	1,000	2.00	2.00	2,000	257

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

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

- b) Details of the movements in the Company's shares during the period ended 30 September 2010 were as follows:

	(Unaudited) Number of shares
As at 1 April 2010	1,683,897,241
Repurchase of ordinary shares	(1,000)
As at 30 September 2010	1,683,896,241

A7. Dividend paid

The second tax exempt interim dividend of US0.771 cents per ordinary share totaling US\$12,983,000 in respect of the year ended 31 March 2010 was paid on 6 August 2010.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information

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

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

Publishing and printing: Malaysia and other Southeast Asian countries

Publishing and printing: Hong Kong and Mainland China

Publishing and printing: North America

Travel and travel related services

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

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.

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

	(Unaudited)					
	Three months ended 30 September 2010					
	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	66,864	17,902	7,109	91,875	23,777	115,652
Segment profit before income tax	15,785	1,221	654	17,660	1,345	19,005
Net unallocated income						103
Share of loss of an associate						(94)
Profit before income tax						19,014
Income tax expense						(4,932)
Profit for the quarter						14,082
Other information:						
Interest income	301	30	-	331	1	332
Interest expense	(199)	(7)	(6)	(212)	-	(212)
Depreciation	(1,811)	(415)	(136)	(2,362)	(21)	(2,383)
Amortisation of leasehold land and land use rights	-	(15)	-	(15)	-	(15)
Amortisation of intangible assets	(191)	(10)	(10)	(211)	(1)	(212)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

	(Unaudited and restated)					
	Three months ended 30 September 2009					
	<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	56,740	16,982	5,944	79,666	15,473	95,139
Segment profit/(loss) before income tax	12,668	1,010	(238)	13,440	378	13,818
Net unallocated expenses						(172)
Profit before income tax						13,646
Income tax expense						(3,816)
Profit for the quarter						9,830
Other information:						
Interest income	136	17	-	153	1	154
Interest expense	(162)	(11)	(13)	(186)	-	(186)
Depreciation	(1,436)	(500)	(176)	(2,112)	(25)	(2,137)
Amortisation of leasehold land and land use rights	-	(14)	-	(14)	-	(14)
Amortisation of intangible assets	(167)	(8)	(2)	(177)	-	(177)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

	(Unaudited)					
	Six months ended 30 September 2010					
	<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	<u>131,887</u>	<u>35,549</u>	<u>14,540</u>	<u>181,976</u>	<u>39,611</u>	<u>221,587</u>
Segment profit before income tax	<u>32,479</u>	<u>1,898</u>	<u>1,726</u>	<u>36,103</u>	<u>1,920</u>	<u>38,023</u>
Net unallocated expenses						(45)
Share of loss of an associate						(170)
Profit before income tax						<u>37,808</u>
Income tax expense						<u>(10,223)</u>
Profit for the period						<u>27,585</u>
Other information:						
Interest income	527	55	-	582	1	583
Interest expense	(401)	(19)	(12)	(432)	-	(432)
Depreciation	(3,576)	(854)	(275)	(4,705)	(46)	(4,751)
Amortisation of leasehold land and land use rights	-	(30)	-	(30)	-	(30)
Amortisation of intangible assets	(378)	(19)	(21)	(418)	(2)	(420)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

	(Unaudited and restated)					
	Six months ended 30 September 2009					
	<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	111,124	33,007	11,615	155,746	25,950	181,696
Segment profit/(loss) before income tax	21,043	449	(682)	20,810	277	21,087
Net unallocated expenses						(308)
Profit before income tax						20,779
Income tax expense						(6,353)
Profit for the period						<u>14,426</u>
Other information:						
Interest income	285	42	-	327	2	329
Interest expense	(328)	(22)	(26)	(376)	-	(376)
Depreciation	(2,856)	(1,014)	(355)	(4,225)	(50)	(4,275)
Amortisation of leasehold land and land use rights	-	(29)	-	(29)	-	(29)
Amortisation of intangible assets	(335)	(15)	(4)	(354)	-	(354)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

The segment assets as at 30 September 2010 were as follows:

	(Unaudited)						Total US\$'000
	<u>Publishing and printing</u>				Travel and travel related services US\$'000	Elimination US\$'000	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000			
Segment assets	394,173	75,673	12,920	482,766	13,070	(4,035)	491,801
Unallocated assets							3,448
Total assets							495,249
Total assets include:							
Interest in an associate	-	2,571	-	2,571	-	-	2,571
Additions to non-current assets (other than interest in an associate, financial assets, defined benefit plan assets, and deferred income tax assets)	12,825	231	55	13,111	46	-	13,157

The segment assets as at 31 March 2010 were as follows:

	(Unaudited)						Total US\$'000
	<u>Publishing and printing</u>				Travel and travel related services US\$'000	Elimination US\$'000	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000			
Segment assets	360,702	75,603	12,786	449,091	7,881	(4,019)	452,953
Unallocated assets							4,254
Total assets							457,207
Total assets include:							
Interest in an associate	-	2,739	-	2,739	-	-	2,739
Additions to non-current assets (other than interest in an associate, financial assets, defined benefit plan assets, and deferred income tax assets)	17,866	391	352	18,609	21	-	18,630

The elimination between segments is intercompany receivables and payables between the segments.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

Segment assets consist primarily of property, plant and equipment, investment properties, leasehold land and land use rights, intangible assets, interest in an associate, investment in convertible notes, inventories, trade and other receivables, and cash and cash equivalents. They exclude defined benefit plan assets, deferred income tax assets, available-for-sale financial assets, financial assets at fair value through profit or loss – listed equity securities, and income tax recoverable.

Turnover is derived from publishing, printing and distribution of Chinese language newspapers, magazines and books, and provision of travel and travel related services. Turnover recognised during the period was as follows:

	(Unaudited)	
	Three months ended 30 September	
	2010	2009
	US\$'000	US\$'000
Advertising income, net of trade discounts	62,347	52,401
Sales of newspapers, magazines and books, net of trade discounts and returns	29,528	27,265
Travel and travel related services income	23,678	15,390
Travel agency commission income	99	83
	<u>115,652</u>	<u>95,139</u>

	(Unaudited)	
	Six months ended 30 September	
	2010	2009
	US\$'000	US\$'000
Advertising income, net of trade discounts	124,153	102,003
Sales of newspapers, magazines and books, net of trade discounts and returns	57,823	53,743
Travel and travel related services income	39,398	25,780
Travel agency commission income	213	170
	<u>221,587</u>	<u>181,696</u>

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 2010.

Additions and disposals of property, plant and equipment during the current quarter and six months ended 30 September 2010 were as follows:

	(Unaudited)	
	Three months ended	Six months ended
	30 September 2010	30 September 2010
	US\$'000	US\$'000
Additions	7,022	12,903
Disposals	(14)	(34)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Subsequent material events

There have been no material events subsequent to the end of the financial period.

A11. Changes in the composition of the Group

There were no material changes in the composition of the Group during the quarter ended 30 September 2010.

A12. Contingent liabilities

As at 30 September 2010, the Company issued financial guarantees in favour of certain of its subsidiaries totaling US\$22,119,000 in connection with general banking facilities granted to those subsidiaries. As at 30 September 2010, total facilities utilised amounted to US\$4,650,000. The directors of the Company do not consider that it is probable that a claim will be made against the Company under the financial guarantees. The maximum liability of the Company as at 30 September 2010 under the financial guarantees was the facility drawn down by its subsidiaries. No provision was therefore made in this respect as at 30 September 2010.

A13. Capital commitments

Capital commitments outstanding as at 30 September 2010 were as follows:

	(Unaudited) US\$'000
Property, plant and equipment :	
Authorised and contracted for	2,876
Authorised but not contracted for	4,306
	<u>7,182</u>
Authorised capital injection for a subsidiary contracted but not provided for	<u>438</u>

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

B1. Review of performance

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000
Turnover	115,652	95,139	221,587	181,696
Profit before income tax	19,014	13,646	37,808	20,779

The Group delivered a solid performance for the current quarter, achieving a 39% or US\$5,368,000 improvement in profit before income tax. Much of this was attributable to the strong growth in publishing and tour revenue, which rose 15% and 54% respectively.

The Group's revenue in the current quarter grew by a notable 22% from US\$95,139,000 a year ago to US\$115,652,000.

The publishing and printing segment experienced significantly better revenue trends across all titles as the economies improved leading to an increase in consumer confidence which helped boost the growth in advertising spending. The increase in advertising revenue appeared in most of the product categories.

The travel segment recorded a remarkable performance which was fuelled by continuing consumption growth as the economy recovered strongly, prompting a rebound in consumer confidence.

Adding to this, the continuing appreciation of the RM against the US dollar also positively impacted the Group's turnover and profit before income tax by about US\$6,900,000 and US\$1,600,000 respectively.

The Group achieved a record profit before income tax of US\$37,808,000 for the first six months of 2010-2011, an increase of US\$17,029,000 or 82% as compared to US\$20,779,000 in the corresponding period last year. This was attributable to the strong growth in revenue and turnaround of the North American operations.

The travel segment recorded a remarkable performance in the first half year of 2010-2011 as compared to last year's corresponding period, achieving a 53% or US\$13,661,000 growth in revenue.

The Group's newspaper operations in North America also benefited from the improving economies and the steady growth in the housing and retail markets in Canada during the period. The operations in the USA continued to show improvement in results with the increasing popularity of the free daily and the new Sunday magazine that was launched in April 2010.

The first six months' result also included positive currency impact of about US\$12,500,000 and US\$3,100,000 on the Group's turnover and profit before income tax respectively, caused by the appreciation of RM against the US dollar during the period.

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

B2. Variation of results against immediate preceding quarter

	(Unaudited) Three months ended 30 September 2010 US\$'000	(Unaudited) Three months ended 30 June 2010 US\$'000	% change
Turnover	115,652	105,935	9%
Profit before income tax	19,014	18,794	1%

For the current quarter under review, the Group's profit before income tax grew marginally by 1% or US\$220,000 to reach US\$19,014,000 as compared with US\$18,794,000 reported in the immediate preceding quarter.

The increase in profit was attributable to the increase in revenue which was partly offset by higher operating costs incurred during the quarter.

B3. Current year's prospects

There is evidence of improved trading conditions in most of the markets in which the Group operates, however, we remain cautious regarding the pace and sustainability of the economic recovery.

While we will remain diligent in managing our operating expenses, we expect costs to be a challenge in the remaining of this financial year due to the rising newsprint prices, renegotiations of some collective agreements in the Group and increase in promotional spending for the Group's titles.

Nevertheless, we expect continued improvement in revenue in the second half year, albeit at a slower rate and barring any unforeseen circumstances, we expect the Group to deliver satisfactory results for this financial year.

B4. Profit forecast and profit guarantee

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

B5. Taxation

Taxation comprises the following:

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000
Current income tax expense	4,202	3,139	8,791	5,138
Under/(over) provision in prior years	-	(184)	1	(224)
Deferred income tax expense	730	861	1,431	1,439
	<u>4,932</u>	<u>3,816</u>	<u>10,223</u>	<u>6,353</u>

The effective tax rate of the Group for the quarter was higher than the applicable Malaysian statutory tax rate due partly to the non-deductibility of certain expenses for income tax purposes and partly to the higher tax rates applicable to certain subsidiaries operating in foreign jurisdictions.

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

B6. Unquoted investments and properties

There was no disposal of unquoted investments and properties during the quarter under review.

B7. Quoted investments

- a) There were no purchases or disposals of quoted investments during the quarter under review.
- b) Details of investments in quoted and marketable securities held by the Group as at 30 September 2010 were as follows:

	(Unaudited) US\$'000
Total investment at cost	603
Total investment at carrying value (after provision for diminution in value)	197
Total investment at market value	<u>197</u>

B8. Status of corporate proposals

There have been no corporate proposals announced but not completed as at the date of this announcement.

B9. Group borrowings

The Group's borrowings as at 30 September 2010 were as follows:

	(Unaudited) As at 30 September 2010		
	Secured US\$'000	Unsecured US\$'000	Total US\$'000
Non-current			
Obligations under finance leases	529	-	<u>529</u>
Current			
Short-term bank loans	2,291	21,628	23,919
Portion of long-term bank loans, due within 1 year	274	-	274
Portion of obligations under finance leases, due within 1 year	322	-	322
	<u>2,887</u>	<u>21,628</u>	<u>24,515</u>

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

	(Unaudited) As at 30 September 2010	
	Long-term borrowings US\$'000	Short-term borrowings US\$'000
Ringgit Malaysia	9	21,920
United States dollars	-	2,291
Canadian dollars	520	304
Total borrowings	<u>529</u>	<u>24,515</u>

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

B10. Off balance sheet financial instruments

The Group did not have any financial instrument with off balance sheet risk as at 30 September 2010.

B11. Material litigation

There are several libel suits which involve claims against some companies in the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings is still uncertain as of the date of this financial information, the Directors are of the opinion that the respective ultimate liability, if any, will not have a material adverse impact upon the Group's financial position.

B12. Dividend payable

The directors have declared a first interim dividend of US0.800 cents (2009: US0.450 cents) per ordinary share payable on 30 December 2010 to shareholders whose names appear on the register of members of the Company at the close of the business on 16 December 2010 in cash in RM or in HK\$ at exchange rates determined on 25 November 2010 by reference to the middle exchange rates applicable to US\$ at 12:00 noon as quoted by Bank Negara Malaysia.

The middle exchange rates at 12:00 noon on 25 November 2010 as quoted by Bank Negara Malaysia of US\$ to RM and US\$ to HK\$, and the amount of first interim dividend payable were as follows:

	Exchange rates	Dividend per ordinary share
US\$ to RM	3.1315	2.505 sens
US\$ to HK\$	7.7592	HK6.207 cents

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 register of members in Hong Kong will be closed on Thursday, 16 December 2010 whereby no transfer of shares will be registered on that date. In order to qualify for the first interim dividend of US0.800 cents per ordinary share, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 15 December 2010. In respect of shareholders in Malaysia, a depositor in Malaysia shall qualify for the entitlement to the dividend only in respect of: i) shares transferred into the Depositor's Securities Account before 4:00 p.m. on Thursday, 16 December 2010 in respect of transfers; and ii) shares bought on Bursa Securities on a cum entitlement basis according to the rules of Bursa Securities.

Shareholders who wish to request for transmission of their shares between the Malaysia Register and Hong Kong Register are advised to take note that request for transmission will be suspended from 10 December 2010 to 16 December 2010, both days inclusive.

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

B13. Earnings per share attributable to the equity holders of the Company

a) Basic

	(Unaudited)		(Unaudited)	
	Three months ended		Six months ended	
	30 September		30 September	
	2010	2009	2010	2009
Profit attributable to equity holders of the Company (US\$'000)	14,013	9,946	27,328	14,652
Weighted average number of ordinary shares in issue	1,683,896,850	1,683,897,937	1,683,897,044	1,683,898,088
Basic earnings per share (US cent)	0.83	0.59	1.62	0.87

b) Diluted

	(Unaudited)		(Unaudited)	
	Three months ended		Six months ended	
	30 September		30 September	
	2010	2009	2010	2009
Profit attributable to equity holders of the Company (US\$'000)	14,013	9,946	27,328	14,652
Weighted average number of ordinary shares in issue	1,683,896,850	1,683,897,937	1,683,897,044	1,683,898,088
Adjustment for share options	655,191	-	462,586	-
Weighted average number of ordinary shares used to compute diluted earnings per share	1,684,552,041	1,683,897,937	1,684,359,630	1,683,898,088
Diluted earnings per share (US cent)	0.83	0.59	1.62	0.87

On behalf of the Board
Media Chinese International Limited

Law Yuk Kuen
Secretary
25 November 2010