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 OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2008

The directors of Media Chinese International Limited (formerly known as Ming Pao Enterprise Corporation Limited (the "Company") are pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2008, together with comparative figures for the corresponding period in 2007:

CONSOLIDATED INCOME STATEMENT
Year ended 31 March 2008

	Note	**2008** *US$'000*	2007 *US$'000*
Turnover	*3*	**328,260**	304,563
Cost of goods sold	*4*	**(212,171)**	(204,519)
Gross profit		**116,089**	100,044
Other income	*3*	**4,674**	4,018
Other gains, net	*5*	**1,401**	1,641
Negative goodwill arising on the acquisition of Nanyang		**13,094**	–
Selling and distribution expenses	*4*	**(50,289)**	(44,666)
Administrative expenses	*4*	**(30,547)**	(28,671)
Other operating expenses	*4*	**(9,951)**	(4,445)
Operating profit		**44,471**	27,921
Finance costs	*6*	**(710)**	(1,155)
Profit before income tax		**43,761**	26,766
Income tax expense	*7*	**(11,809)**	(6,604)
Profit for the year		**31,952**	20,162
Attributable to:			
Equity holders of the Company		**19,188**	11,489
Minority interests		**12,764**	8,673
		31,952	20,162
Earnings per share attributable to the equity holders of the Company			
Basic (US cents)	*9*	**2.10**	1.26
Diluted (US cents)	*9*	**2.10**	1.26
Gross dividends	*8*		
by the Company			
First interim dividend proposed and paid		**1,037**	1,561
Second interim dividend proposed		**15,610**	–
by Sin Chew			
First and final dividend proposed		**–**	7,781

CONSOLIDATED BALANCE SHEET

31 March 2008

	Note	**2008**	2007
		US$'000	*US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**112,603**	63,558
Investment properties		**7,056**	1,455
Leasehold land and land use rights		**24,262**	22,479
Intangible assets		**22,022**	6,000
Goodwill		**62,450**	15,782
Financial assets at fair value through profit or loss		**1,128**	972
Defined benefit plan assets		**579**	1,419
Deferred income tax assets		**3,630**	4,589
		233,730	116,254
Current assets			
Inventories		**50,531**	19,757
Available-for-sale financial assets		**644**	605
Financial assets at fair value through profit or loss		**276**	252
Trade and other receivables	*10*	**76,896**	56,534
Income tax recoverable		**2,760**	635
Cash and cash equivalents		**76,559**	67,459
		207,666	145,242
Current liabilities			
Trade and other payables	*11*	**58,982**	39,236
Income tax liabilities		**4,067**	2,162
Short-term bank loans		**24,414**	9,479
Bank overdrafts, secured		**2,962**	2,535
Current portion of long-term liabilities		**6,460**	3,602
		96,885	57,014
Net current assets		**110,781**	88,228
Total assets less current liabilities		**344,511**	204,482

CONSOLIDATED BALANCE SHEET (Continued)
31 March 2008

	2008	2007
	US$'000	*US$'000*
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	**5,167**	5,205
Share premium	**12,809**	13,480
Other reserves	**196,554**	22,478
Retained earnings		
– Proposed final dividend	**15,610**	7,781
– Others	**91,136**	84,755
	321,276	133,699
Minority interests	**7,952**	59,367
Total equity	**329,228**	193,066
Non-current liabilities		
Long-term liabilities	**6,453**	5,366
Deferred income tax liabilities	**8,830**	6,050
	344,511	204,482

1. BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS").

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

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

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

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

2. ACCOUNTING POLICIES

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

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

(b) The presentation currency was changed from Hong Kong dollars ("HK$") to United States dollars ("US$").

2. ACCOUNTING POLICIES (Continued)

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

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

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

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

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

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

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

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

2. ACCOUNTING POLICIES (Continued)

The following new standards, amendments to existing standards and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2008 or later period, the Group has not early adopted them:

(a) *IFRS 8, Operating Segments* – IFRS 8 requires disclosure of information about the Group's operating segments and replaced the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. The Group determined that the operating segments were the same as the business segments previously identified under IAS 14 Segment Reporting. This standard does not have any material impact on the classification and presentation of the Group's consolidated financial statements.

(b) *IAS 1, Presentation of Financial Statements – Revised* – IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. IAS 1 does not have a material impact on the Group's consolidated financial statements.

(c) *IAS 23, Borrowing Costs – Revised* – A revised IAS 23 Borrowing Costs was issued in March 2007 and becomes effective for financial years beginning on or after 1 January 2009. The standard has been revised to require capitalisation of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In accordance with the transitional requirements in the Standard, the Group will adopt this as a prospective change. Accordingly, borrowing costs will be capitalised on qualifying assets with a commencement date after 1 January 2009. No changes will be made for borrowing costs incurred to this date that have been expensed.

(d) *IAS 27 (Revised) – Consolidated and Separate Financial Statements* – The amendment requires non-controlling interests (i.e. minority interests) to be presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Total comprehensive income must be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When control of a subsidiary is lost, the assets and liabilities and related equity components of the former subsidiary are derecognised. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost. The Group will apply IAS 27 (Revised) from 1 January 2010.

(e) *IAS 32 – Amendments to IAS 32 and IAS 1 Puttable Financial Instruments* – Amendments to IAS 32 and IAS 1 were issued in February 2008 and become effective for annual periods beginning on or after 1 January 2009. The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments that are classified as equity. The Group does not expect these amendments to impact the consolidated financial statements of the Group.

(f) *IFRS 2, Amendment – Share-based Payment Vesting Conditions and Cancellations* – The amendment clarifies the definition of "vesting conditions" and specifies the accounting treatment of "cancellations" by the counterparty to a share-based payment arrangement. Vesting conditions are service conditions (which require a counterparty to complete a specified period of service) and performance conditions (which require a specified period of service and specified performance targets to be met) only. All "non-vesting conditions" and vesting conditions that are market conditions shall be taken into account when estimating the fair value of the equity instruments granted. All cancellations are accounted for as an acceleration of vesting and the amount that would otherwise have been recognised over the remainder of the vesting period is recognised immediately. The Group will apply IFRS 2 Amendment from 1 January 2009, but it is not expected to have any impact on the Group's accounts.

2. ACCOUNTING POLICIES (Continued)

(g) *IFRS 3 (Revised), Business Combination* – The amendment may bring more transactions into acquisition accounting as combinations by contract alone and combinations of mutual entities are brought into the scope of the standard and the definition of a business has been amended slightly. It now states that the elements are 'capable of being conducted' rather than 'are conducted and managed'. It requires considerations (including contingent consideration), each identifiable asset and liability to be measured at its acquisition-date fair value, except leases and insurance contracts, reacquired right, indemnification assets as well as some assets and liabilities required to be measured in accordance with other IFRSs. They are income taxes, employee benefits, share-based payment and non-current assets held for sale and discontinued operations. Any non-controlling interest in an acquiree is measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The Group will apply IFRS 3 (Revised) from 1 January 2010.

(h) *IFRIC Int 12, Services Concession Arrangements* – IFRIC Int 12 was issued in November 2006 and becomes effective for annual periods beginning on or after 1 January 2008. This interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. No member of the Group is an operator and hence this interpretation will have no impact on the Group.

(i) *IFRIC Int 13, Customer Loyalty Programmes* – IFRIC Int 13 was issued in June 2007 and becomes effective for annual periods beginning on or after 1 July 2008. This interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. The Group expects that this interpretation will have no impact on the Group's consolidated financial statements as no such schemes currently exist.

(j) *IFRIC Int 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* – IFRIC Int 14 was issued in July 2007 and becomes effective for annual periods beginning on or after 1 January 2008. This interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 Employee Benefits. The Group expects that this interpretation will have no impact on the financial position or performance of the Group.

3. TURNOVER, OTHER INCOME AND SEGMENT INFORMATION

Turnover consists of income from the publishing, printing and distribution of Chinese-language newspapers, periodicals and books, and provision of travel and travel related services. Turnover and other income recognised during the year are as follows:

	2008	2007
	US$'000	*US$'000*
Turnover		
Advertising income, net of trade discounts	**188,736**	169,862
Sales of newspapers, periodicals and books, net of trade discounts and returns	**75,268**	70,540
Travel and travel related services income	**63,684**	63,675
Travel agency commission income	**572**	486
	328,260	304,563
Other income		
Interest income	**2,153**	1,890
Rental and management fee income	**297**	255
Dividend income	**11**	10
License fee and royalty income	**159**	156
Sales of newsprint waste	**2,054**	1,707
	4,674	4,018
Total revenue	**332,934**	308,581

3. TURNOVER, OTHER INCOME AND SEGMENT INFORMATION (Continued)

The Group's turnover and results for the year, analysed by business segment and geographical segment, are as follows:

Primary reporting format – business segments

	Publishing and Printing 2008 *US$'000*	Travel 2008 *US$'000*	Elimination 2008 *US$'000*	Total 2008 *US$'000*
Turnover	**264,004**	**64,256**	**–**	**328,260**
Segment results	**35,092**	**99**	**–**	**35,191**
Negative goodwill arising on the acquisition of Nanyang	**13,094**	**–**	**–**	**13,094**
Provision for impairment of goodwill and intangible assets	**(5,393)**	**–**	**–**	**(5,393)**
	42,793	**99**	**–**	**42,892**
Interest income				**2,153**
Net unallocated expenses				**(574)**
Operating profit				**44,471**
Finance costs				**(710)**
Profit before income tax				**43,761**
Income tax expense				**(11,809)**
Profit for the year				**31,952**
Segment assets	**432,539**	**7,736**	**(4,744)**	**435,531**
Unallocated assets				**5,865**
Total assets				**441,396**
Segment liabilities	**(100,485)**	**(8,055)**	**4,744**	**(103,796)**
Unallocated liabilities				**(8,372)**
Total liabilities				**(112,168)**
Capital expenditure on property, plant and equipment	**5,711**	**86**	**–**	**5,797**
Depreciation	**7,500**	**114**	**–**	**7,614**
Amortisation of leasehold land and land use rights	**448**	**–**	**–**	**448**
Amortisation of intangible assets	**506**	**–**	**–**	**506**
Net other non-cash expenses	**2,338**	**7**	**–**	**2,345**

3. TURNOVER, OTHER INCOME AND SEGMENT INFORMATION (Continued)

Primary reporting format – business segments (Continued)

	Publishing and Printing 2007 *US$'000*	Travel 2007 *US$'000*	Elimination 2007 *US$'000*	Total 2007 *US$'000*
Turnover	240,402	64,161	–	304,563
Segment results	27,063	(38)	–	27,025
Interest income				1,890
Net unallocated expenses				(994)
Operating profit				27,921
Finance costs				(1,155)
Profit before income tax				26,766
Income tax expense				(6,604)
Profit for the year				20,162
Segment assets	244,247	7,827	(3,205)	248,869
Unallocated assets				12,627
Total assets				261,496
Segment liabilities	(59,739)	(7,381)	3,205	(63,915)
Unallocated liabilities				(4,515)
Total liabilities				(68,430)
Capital expenditure on property, plant and equipment	6,035	108	–	6,143
Depreciation	6,333	97	–	6,430
Amortisation of leasehold land and land use rights	506	–	–	506
Amortisation of intangible assets	373	–	–	373
Net other non-cash expenses	1,050	(19)	–	1,031

3. TURNOVER, OTHER INCOME AND SEGMENT INFORMATION (Continued)

Secondary reporting format – geographical segments

	Hong Kong 2008 *US$'000*	North America 2008 *US$'000*	Mainland China 2008 *US$'000*	Malaysia and Southeast Asia 2008 *US$'000*	Elimination 2008 *US$'000*	Total 2008 *US$'000*
Turnover	108,399	65,477	6,628	147,756	–	328,260
Segment results	8,760	(2,310)	(1,793)	32,132	–	36,789
Negative goodwill arising on the acquisition of Nanyang	–	–	–	13,094	–	13,094
Provision for impairment of goodwill and intangible assets	(5,393)	–	–	–	–	(5,393)
	3,367	(2,310)	(1,793)	45,226	–	44,490
Interest income						2,153
Net unallocated expenses						(2,172)
Operating profit						44,471
Finance costs						(710)
Profit before income tax						43,761
Income tax expense						(11,809)
Profit for the year						31,952
Segment assets	190,559	20,268	27,748	250,676	(53,720)	435,531
Unallocated assets						5,865
Total assets						441,396
Segment liabilities	(17,507)	(50,056)	(15,868)	(74,085)	53,720	(103,796)
Unallocated liabilities						(8,372)
Total liabilities						(112,168)
Capital expenditure on property, plant and equipment	1,199	1,721	172	2,705	–	5,797

3. TURNOVER, OTHER INCOME AND SEGMENT INFORMATION (Continued)

Secondary reporting format – geographical segments (Continued)

	Hong Kong 2007 US$'000	North America 2007 US$'000	Mainland China 2007 US$'000	Malaysia and Southeast Asia 2007 US$'000	Elimination 2007 US$'000	Total 2007 US$'000
Turnover	109,527	60,652	7,294	127,090	–	304,563
Segment results	9,621	(2,825)	(2,081)	23,720	–	28,435
Interest income						1,890
Net unallocated expenses						(2,404)
Operating profit						27,921
Financial costs						(1,155)
Profit before income tax						26,766
Income tax expanse						(6,604)
Profit for the year						20,162
Segment assets	114,035	17,772	27,354	139,672	(49,964)	248,869
Unallocated assets						12,627
Total assets						261,496
Segment liabilities	(17,938)	(44,928)	(16,093)	(34,920)	49,964	(63,915)
Unallocated liabilities						(4,515)
Total liabilities						(68,430)
Capital expenditure on property, plant and equipment	1,885	472	211	3,575	–	6,143

4. EXPENSES BY NATURE

	2008	2007
	US$'000	*US$'000*
Auditor's remuneration		
Current year	**532**	591
Under provision in prior years	**12**	12
Raw materials and consumables used	**91,364**	87,231
Depreciation		
Owned property, plant and equipment	**7,270**	6,134
Leased property, plant and equipment	**344**	296
Amortisation of leasehold land and land use rights	**448**	506
Amortisation of intangible assets	**506**	373
Employee benefit expense (including directors' emoluments)	**78,610**	72,034
Operating lease expenses		
Land and buildings	**1,614**	1,693
Machineries	**19**	23
Provision for impairment and written off of receivables	**2,232**	945
Provision for inventory obsolescence	**113**	86
(Gain)/loss on disposals of property, plant and equipment, leasehold land and land use rights – net	**(308)**	74
Loss on disposal of other investment	**–**	14
Provision for impairment of goodwill and intangible assets	**5,393**	–
Other expenses	**114,809**	112,289
Total cost of goods sold, selling and distribution expenses, administrative expenses, and other operating expenses	**302,958**	282,301

5. OTHER GAINS, NET

	2008	2007
	US$'000	*US$'000*
Net exchange gain	**204**	4
Fair value losses on financial assets at fair value through profit or loss	**(322)**	(47)
Others	**1,519**	1,684
	1,401	1,641

6. FINANCE COSTS

	2008	2007
	US$'000	*US$'000*
Interest on bank loans and overdrafts wholly repayable within five years	**604**	1,077
Interest element of finance lease payments wholly repayable within five years	**106**	78
	710	1,155

7. INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 17.5% (2007: 17.5%) on the estimated assessable profit derived from Hong Kong for the year. Income tax for the Group's Malaysian operations is calculated at the statutory tax rate of 26% (2007: 27%) on the estimated assessable profit derived from Malaysia for the year. Taxation on other countries' profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of income tax expense charged to the consolidated income statement represents:

	2008	2007
	US$'000	*US$'000*
Hong Kong profits tax		
Current year	**1,217**	876
Under/(over) provision in prior years	**6**	(6)
Malaysian taxation		
Current year	**7,511**	4,870
Over provision in prior years	**(534)**	(287)
Other countries' taxation		
Current year	**1,049**	765
Under/(over) provision in prior years	**1,450**	(17)
Deferred income tax expense	**1,110**	403
	11,809	6,604

8. DIVIDENDS

	2008	2007
	US$'000	*US$'000*
by the Company		
First interim dividend proposed and paid		
(US0.258 cents per share (2007: US0.386 cents per share))	**1,037**	1,561
Second interim dividend proposed		
(US0.926 cents per share (2007: Nil))	**15,610**	–
by Sin Chew		
First and final dividend proposed		
(Nil (2007: US2.576 cents per share))	**–**	7,781
	16,647	9,342

Note:

(a) The Board of Directors has declared a second interim dividend of US0.926 cents per ordinary share in respect of the fourth quarter ended 31 March 2008 (2007: nil). The dividend will be payable to ordinary shareholders, whose names appear on the register of members of the Company on 16 July 2008, at the close of business on 15 August 2008 in cash in RM or in HK$ at exchange rates determined on 29 May 2008 by reference to the middle exchange rates at 12:00 noon applicable to US$ as quoted by Bank Negara Malaysia.

(b) The Board of Directors does not recommend the payment of any final dividend in respect of the current financial year (2007: a final dividend of US2.576 cents per share was paid by Sin Chew).

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company for the year of US$19,188,000 (2007: US$11,489,000) by the weighted average number of 914,936,623 (2007: 913,974,911) ordinary shares in issue during the year. For the purpose of calculating the weighted average number of ordinary shares, ordinary shares in issue and all the shares that were deemed to have been issued during the year were taken into account.

Diluted earnings per share is calculated based on 915,677,867 (2007: 914,074,894) ordinary shares which is the weighted average number of ordinary shares in issue during the year plus the weighted average number of 741,244 (2007: 99,983) ordinary shares deemed to have been issued at no consideration after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme.

10. TRADE RECEIVABLES

At 31 March 2008, the ageing analysis of the Group's net trade receivables is as follows:

	2008	2007
	US$'000	*US$'000*
0 to 60 days	**46,826**	30,991
61 to 120 days	**13,964**	11,836
121 to 180 days	**4,136**	2,513
Over 180 days	**1,564**	2,950
	66,490	48,290

The Group allows in general a credit period ranging from 7 days to 120 days to its trade customers.

11. TRADE PAYABLES

At 31 March 2008, the ageing analysis of the Group's trade payables is as follows:

	2008	2007
	US$'000	*US$'000*
0 to 60 days	**16,494**	11,937
61 to 120 days	**1,769**	1,481
121 to 180 days	**764**	117
Over 180 days	**1,240**	270
	20,267	13,805

MANAGEMENT DISCUSSION AND ANALYSIS

Media Chinese International Limited (formerly known as Ming Pao Enterprise Corporation Limited (the "Company") is formed by the successful merger of Ming Pao Enterprise Corporation Limited ("Ming Pao"), Sin Chew Media Corporation Berhad ("Sin Chew") and Nanyang Press Holdings Berhad ("Nanyang").

The principal activities of the Group are the publication, printing and distribution of Chinese-language newspapers, magazines, books, the provision of electronic contents and the provision of travel and travel related services in Hong Kong, Mainland China, Southeast Asia and North America. Currently, it is publishing 5 daily newspapers in 15 editions with over 1 million copies a day, 2 free daily newspapers in the United States, over 30 magazines and around 470 million pageviews per month for its various on-line portals across key cities in Southeast Asia, North America, Hong Kong and Mainland China. The flagship title *Sin Chew Daily*, which is the largest Chinese-language newspaper in Southeast Asia, has a circulation of around 357,000 copies a day.

For the financial year ended 31 March 2008, the Group has applied the principles of merger accounting to account for the business combination with Sin Chew as if the combination had occurred from the date when Ming Pao and Sin Chew first came under common control.

As Nanyang was invited to join the Group pursuant to an acquisition offer extended to it following the announcement of the merger, the Group has applied the purchase method to account for the acquisition of equity interest in Nanyang as a wholly-owned subsidiary pursuant to the merger's effective completion date on 31 March 2008. Nanyang's results have therefore not been included in the consolidated income statement for this financial year nor in the comparative figures.

FINANCIAL HIGHLIGHTS

(in US$'000)	**2008**	**2007**	**Change**
Turnover	328,260	304,563	+8%
Gross profit	116,089	100,044	+16%
Negative goodwill arising from the acquisition of Nanyang	13,094	–	
Operating profit	44,471	27,921	+59%
Profit before income tax	43,761	26,766	+63%
Profit for the year	31,952	20,162	+58%
Minority interests	(12,764)	(8,673)	+47%
Profit attributable to equity holders of the Company	19,188	11,489	+67%
Basic earnings per share (US cents)	2.10	1.26	+67%
Total assets	441,396	261,496	+69%
Net assets per share (US cents)	19.52	21.13	-8%

FINANCIAL HIGHLIGHTS (Continued)

The Group's turnover for the year grew by 8% or US$23,697,000 as compared to the previous financial year. The increase was mainly driven by the growth in revenues from the Group's business in Southeast Asia and North America.

Consolidated profit before tax for the year amounted to US$43,761,000, which represented a year-on-year increase of US$16,995,000 or 63%. Consolidated profit before tax included the one-time negative goodwill of US$13,094,000 which was recognised upon the acquisition of Nanyang and a provision for impairment of goodwill and intangible assets of US$5,393,000.

Excluding these items, the Group's consolidated profit before tax for the year would have amounted to US$36,060,000, representing an increase of US$9,294,000 or 35% over last year. The better performance was primarily due to synergies derived from the merger and the growth in turnover.

Basic earnings per share were US2.10 cents, up from US1.26 cents or 67% in the last corresponding year.

At 31 March 2008, the Group had US$76,559,000 of cash and cash equivalents and the Group's net assets per share was US19.52 cents.

DIVIDENDS

An interim dividend of US0.258 cents (2007: US0.386 cents) per share on 402,808,000 ordinary shares of the Company amounting to US$1,037,000 was paid on 15 January 2008. The Board of Directors has declared a second interim dividend of US0.926 cents per ordinary share in respect of the fourth quarter ended 31 March 2008 (2007: nil).

The Board of Directors does not recommend the payment of any final dividend in respect of the current financial year (2007: US2.576 cents per ordinary share was paid by Sin Chew).

SEGMENTAL REVIEW

Southeast Asia

The Group's operations in Southeast Asia include those under Sin Chew and Nanyang. But for the financial year ended 31 March 2008, the Group's operating performance only included Sin Chew in accordance to the standards of merger accounting.

Sin Chew saw its profit before tax rose by 42% to US$32,274,000 from US$22,761,000 in the financial year ended 31 March 2008, primarily attributable to the growth in advertising income driven by increased circulations of the Group's publications in Malaysia during the General Election and the overall marked improvement in advertising expenditure for the media in the region.

SEGMENTAL REVIEW (Continued)

Southeast Asia (Continued)

Revenue rose by US$20,667,000 or 16% to US$147,756,000 during the year under review. Operating expenses, meanwhile, edged up only 11% to US$118,373,000 during the last financial year.

The flagship title *Sin Chew Daily*, the largest Chinese-language newspaper in Malaysia, saw circulation grow by 3% year-on-year to around 357,000 copies a day on average. Its gross advertising income, meanwhile, achieved an impressive 8% growth from the previous financial year due to increased spending during the General Election. In addition, *Sin Chew Daily* has been admitted as a member to the International Newspaper Color Quality Club for years 2008 to 2010.

Guang Ming Daily's circulation is around 127,000 copies a day and it is the third largest Chinese-language newspaper in Malaysia. It is also the largest newspaper in the northern region of Malaysia. Its gross advertising revenue experienced a strong 32% increase due to increased advertising spending by telecom companies, entertainment providers, banks and the General Election. In addition, *Guang Ming Daily* also has been admitted as a member to the International Newspaper Color Quality Club for years 2008 to 2010 and was awarded the Gold Medal by Asian Newspaper Color Quality Award 2008 for two years consecutively.

While not being included in the Group's consolidated income statement this year due to the application of purchase method for the acquisition of Nanyang on 31 March 2008, Nanyang experienced a strong turnaround during the year. It returned to the back with a profit before tax for the nine months ended 31 March 2008 of US$6,644,000, compared to the previous corresponding period's loss of US$3.7 million.

Nanyang Siang Pau distinguishes itself as the premium newspaper in which its high quality content attracts educated, affluent and influenced audiences, a positioning highly valued by advertisers. *Nanyang Siang Pau's* ability to achieve consistently high standards was reflected in the honors and awards it received. It was awarded 4 Malaysia Press Institute Awards for the Chinese medium, namely, Best Feature News Award, Best News Award, Best Sport News Award and Best Group Photograph Award.

Nanyang Siang Pau turned 85 years old and we celebrated this remarkable milestone with a series of celebration events and dinner throughout the country for our readers, customers and business associates for whom the paper has become a part of their lives.

China Press retained its position as the second most popular Chinese daily in the Klang Valley with its daily circulation increasing to around 240,000 copies. The successful mix of hard-hitting local news and strong feature-based journalism differentiates *China Press* from the others. *China Press* identifies the local community's top issues and covers them thoroughly. This is essential as localism and relevance are critical factors in attracting readers.

Life Publishers, the largest Chinese-language magazine publisher in Malaysia, has always been well supported by readers and advertisers. Through the concerted efforts of the editorial team which continually enhanced the magazines' content and the dedicated sales team, Life Publishers has performed well with most titles achieving improved circulation and readership. As it stands now, Life Publishers has one tabloid newspaper and 18 magazines under its portfolio.

SEGMENTAL REVIEW (Continued)

Southeast Asia (Continued)

Citta Bella is aimed at urban female readers and continues to be profitable. *Mommy Baby*, launched in October 2003, is now the highest-selling monthly parenting magazine in the country.

Sin Chew's flagship newspaper portal, sinchew-i, experienced a strong 65% growth in advertising revenue during the year under review, on the back of a 47% increase in monthly visitors to 2.2 million, indicating a gradual acceptance of the portal by advertisers as one of the major channels through which they can reach their targeted readers.

Nanyang.com is still the only website in Malaysia providing news videos. It will continue to look for ways to expand content in the year ahead.

Mainland China, Hong Kong and Taiwan

The Group has operations in both Hong Kong and Mainland China. Starting from June 2008, the Group has started its business in Taiwan.

The operations in Hong Kong had been able to maintain its turnover at US$108,399,000, compared to US$109,527,000 in the last corresponding year despite the intense competition in the newspaper publication industry in the city. Advertising income demonstrated signs of topping out from the peak experienced in the second half of last year, mirroring the broader trend of moderating economic growth in the region.

Ming Pao Daily News achieved a 3% increase in advertising revenue, thanks to increased display advertisements on banking, financial services and branded fashion sectors. About half of this increase came from online advertising, as we have strengthened promotion of our print and online advertising packages. *Ming Pao Daily News* has continued to enrich its content as it moves towards its 50th anniversary. The Group sees this as a good opportunity to entice our advertising clients to place more advertisements. The unrelenting efforts in strengthening the paper's content by the editorial team to offer more value to readers helped *Ming Pao Daily News* to maintain its success in this market.

The results, meanwhile, softened modestly to US$6,967,000 from US$7,540,000 in the last corresponding year, mainly due to the one-off professional fees of the merger with Sin Chew and Nanyang and the increasing pressure from rising operating costs.

The Group's lifestyle magazine publication unit in the Greater China region, One Media Group ("OMG"), experienced significant improvement in its attributable profit to US$1,547,000 during the period under review (2007: US$396,000) as the ground work spent in the previous years to strengthen its operation started to yield harvest.

Ming Pao Weekly, OMG's flagship title in Hong Kong, reported an encouraging 9% increase in its advertising revenue, reaching another record level as it is about to celebrate its 40th anniversary. The hybrid offering of the Compact and the Classic editions is being increasingly well-received by both advertisers and readers. For the sixth consecutive year, *Ming Pao Weekly* garnered a number of awards from the Society of Publishers in Asia, reinforcing recognition by the industry in its outstanding quality.

SEGMENTAL REVIEW (Continued)

Mainland China, Hong Kong and Taiwan (Continued)

The Group's operations in Mainland China, which involve the publication of lifestyle magazines operated by OMG and a printing operation, saw a slight decline in turnover to US$6,628,000 from US$7,294,000 in the last corresponding year primarily due to a decision to terminate publication of two magazines which did not perform up to expectations. Operating loss declined accordingly to US$1,793,000 from the previous US$2,081,000.

North America

Publication operations relating to overseas editions in major cities in North America and the free daily newspapers started to show signs of turning around as advertisers started to see the Group's competitive edge in leveraging its high quality editorial contents from its already-successful paid print products to the free-of-charge delivery space.

The two Canadian editions in Vancouver and Toronto, continued to out-perform its peers with an impressive growth in pre-tax profit. The two free newspapers in San Francisco and New York, gradually gained acceptance from advertisers. It is expected that this free paper division is set to start contributing profit later with the current pace growth in monthly advertising revenue. They have been renamed as *New York Free Daily News (紐約免費報)* and *San Francisco Free Daily News (三藩市免費報)* to reflect the positioning of the product in each market.

Others

Revenue from the Group's travel operation, via Charming Holidays and Delta Group, remained steady at US$64,256,000 despite intense competition in the industry, dampened demand resulting from surging fuel surcharges for air travel and continuing depreciation of the US dollar which jacked up package prices. The Group will review this operation from time to time and take appropriate measures when necessary.

OUTLOOK

Following the successful completion of the merger in April 2008, the Group is operating one of the largest Chinese-language media content platform in the world. We are prepared to leverage strengths of this platform and its constituent media content assets to bring our businesses "from local to global" and "from print to non-print" in the advent of advances in communication technology.

The Group is making inroads into cross-selling its media contents into different markets. The launch of *Ming Pao Weekly* in Taiwan in June 2008 is a good example of this strategy. Through a licensing model, *Ming Pao Weekly's* Taiwan edition will be cross-promoted with its electronic edition and also a TV program, namely 明周報報, operated by our partner in Taiwan. Further moves of this kind, involving both print and non-print contents, across different markets where we operate, are set to materialise in the coming years.

Meanwhile, the Group remains vigilant on the mounting challenges in its operating environments.

OUTLOOK (Continued)

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

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

In the advent of increasing popularity of content usage via non-print channels, the Group's highly efficient Chinese content production capability is ready to accommodate this change in usage behavior, which will in due course bring about an evolution in the market landscape. This will ultimately shed lights as to how media and content provision establishments reorganise their business models to exploit opportunities evolved from this evolution. The Group believes it has put in place the necessary competences to benefit from this process.

Financial Guarantees

At 31 March 2008, the Company issued financial guarantees in favour of certain of its subsidiaries totalling US$23,439,000 (2007: US$22,911,000) in connection with general banking facilities granted to those subsidiaries. At 31 March 2008, total facilities utilised amounted to US$5,015,000 (2007: US$5,111,000).

Liquidity, Financial Resources and Gearing Ratio

At 31 March 2008, the Group's net current assets amounted to US$110,781,000 (2007: US$88,228,000) and the shareholders' funds were US$329,228,000 (2007: US$193,066,000). Total bank borrowings and finance lease obligations were US$39,287,000 (2007: US$20,794,000) and the gearing ratio, which is defined as the ratio of total borrowings to shareholders' funds, was 0.119 (2007: 0.108). As at 31 March 2008, total cash and cash equivalents was US$76,559,000 (2007: US$67,459,000) and net cash position was US$37,272,000 (2007: US$46,665,000) after deducting the total borrowings.

EMPLOYEES

At 31 March 2008, the Group has approximately 5,047 employees (2007: approximately 3,429 employees), the majority of whom are employed in Malaysia and Hong Kong. The Group remunerates its employees based on industry practice and performance of individual employees. The Group also adopts share option schemes for its staff of senior grade.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Ringgit Malaysia ("RM"), Renminbi ("RMB"), HK$ and US$. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Currency exposure arising from the net assets of the Group's operations, such as those in the Mainland China, Hong Kong, Malaysia and Southeast Asia and North America are managed primarily through operating liabilities denominated in the relevant foreign currencies.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year, the Company repurchased a total of 3,166,000 of its listed shares on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange") for the purpose of enhancing the net asset value per share of the Company. Details of the repurchases are summarised as follows:

Month/Year	Number of shares repurchased	Purchase price per share Highest	Purchase price per share Lowest	Aggregate purchase consideration	Equivalents in
		HK$	*HK$*	*HK$*	*US$*
September 2007	416,000	1.95	1.81	780,660	100,471
October 2007	1,108,000	1.99	1.72	2,045,469	263,252
November 2007	309,000	2.00	1.85	587,931	75,668
December 2007	23,000	1.81	1.81	41,630	5,358
January 2008	1,101,000	1.90	1.70	1,983,597	255,289
March 2008	209,000	1.80	1.78	375,626	48,343
	3,166,000			5,814,913	748,381

All the repurchased shares were cancelled during the year. 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.

CORPORATE GOVERNANCE

The Board of Directors is committed to practising the highest standards of corporate governance and operating within a governance framework that was formulated based on the recommendations of the Malaysian Code on Corporate Governance ("the Malaysian Code") and the Code on Corporate Governance Practices ("the Hong Kong Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the HK Stock Exchange (the "HK Listing Rules"). The observance of such standards by the Company and its subsidiaries will not only improve the financial performance of the Group but also safeguard and enhance shareholders' investment and protect the interest of other stakeholders. The Company has adopted all the code provisions in the Hong Kong Code as its own code on corporate governance practices. During the year, the Company has met the code provisions as set out in the Hong Kong Code and the Malaysian Code.

COMPLIANCE OF THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the HK Listing Rules as the code for securities transactions by directors of the Company. All directors of the Company have confirmed, following specific enquiry by the Company, their compliance with the required standard as set out in the Model Code during the year.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed with management the consolidated financial statements for the year ended 31 March 2008, including accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

By Order of the Board
TIONG Kiew Chiong
Director

16 July 2008

At the date of this announcement, the Board comprises Tan Sri Datuk Tiong Hiew King, Mr Tiong Kiu King, Dr Tiong Ik King, Dato' Leong Khee Seong, 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, Mr Victor Yang, Tan Sri Dato' Lau Yin Pin and Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh, being independent non-executive directors.