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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 FIRST QUARTER ENDED 30 JUNE 2009**

Pursuant to Paragraph 9.22 (Quarterly Report) 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 for the first quarter ended 30 June 2009 to Bursa Securities on 26 August 2009.

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.

26 August 2009

*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, 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.*

**MEDIA CHINESE INTERNATIONAL LIMITED**  
**(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)**  
**Financial report for the first quarter ended 30 June 2009**

**Unaudited Condensed Consolidated Income Statement**  
**For the first quarter ended 30 June 2009**

	Three months ended 30 June		Three months ended 30 June	
	2009 US\$'000	2008 US\$'000	2009 RM'000 (Note)	2008 RM'000 (Note)
Turnover	86,557	109,483	304,550	385,216
Cost of goods sold	(58,210)	(69,937)	(204,812)	(246,073)
Gross profit	28,347	39,546	99,738	139,143
Other income	1,194	1,716	4,201	6,037
Other gains, net	460	460	1,618	1,618
Selling and distribution expenses	(12,909)	(16,017)	(45,420)	(56,356)
Administrative expenses	(8,345)	(10,593)	(29,362)	(37,271)
Other operating expenses	(1,424)	(1,524)	(5,010)	(5,362)
Operating profit	7,323	13,588	25,765	47,809
Finance costs	(190)	(445)	(668)	(1,565)
Profit before income tax	7,133	13,143	25,097	46,244
Income tax expense	(2,537)	(4,034)	(8,926)	(14,194)
Profit for the quarter	4,596	9,109	16,171	32,050
Attributable to:				
Equity holders of the Company	4,706	8,821	16,558	31,037
Minority interests	(110)	288	(387)	1,013
	4,596	9,109	16,171	32,050
Earnings per share attributable to the equity holders of the Company				
Basic (US cents/sen) #	0.28	0.52	0.99	1.83
Diluted (US cents/sen) #	0.28	0.52	0.99	1.83
Dividends	-	-	-	-

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

**Note:** The presentation currency of this unaudited financial report is United States dollars ("US\$"). Supplementary information in Ringgit Malaysia ("RM") for the quarter ended 30 June 2009 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.5185 ruling at 30 June 2009. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

**MEDIA CHINESE INTERNATIONAL LIMITED**  
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)  
Financial report for the first quarter ended 30 June 2009

**Unaudited Condensed Consolidated Statement of Comprehensive Income**  
For the first quarter ended 30 June 2009

	Three months ended 30 June		Three months ended 30 June	
	2009 US\$'000	2008 US\$'000	2009 RM'000 <i>(Note)</i>	2008 RM'000 <i>(Note)</i>
<b>Profit for the quarter</b>	4,596	9,109	16,171	32,050
<b>Other comprehensive income, net of tax</b>				
Currency translation differences	8,498	(4,642)	29,900	(16,333)
<b>Total comprehensive income for the quarter</b>	<u>13,094</u>	<u>4,467</u>	<u>46,071</u>	<u>15,717</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	13,220	4,143	46,514	14,577
Minority interests	(126)	324	(443)	1,140
	<u>13,094</u>	<u>4,467</u>	<u>46,071</u>	<u>15,717</u>

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**For the period ended 30 June 2009**

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**Unaudited Condensed Consolidated Statement of Comprehensive Income**  
**For the period ended 30 June 2009**

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**Financial report for the first quarter ended 30 June 2009**

**Unaudited Condensed Consolidated Balance Sheet**  
**As at 30 June 2009**

	As at 30 June 2009 US\$'000	As at 31 March 2009 US\$'000	As at 30 June 2009 RM'000 (Note)	As at 31 March 2009 RM'000 (Note)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	102,483	99,692	360,586	350,766
Investment properties	6,450	6,224	22,694	21,899
Leasehold land and land use rights	22,653	22,445	79,705	78,973
Intangible assets	15,258	14,861	53,685	52,288
Goodwill	56,598	54,620	199,140	192,180
Non-current assets held for sale	79	77	278	271
Deferred income tax assets	2,440	2,430	8,585	8,550
	<u>205,961</u>	<u>200,349</u>	<u>724,673</u>	<u>704,927</u>
<b>Current assets</b>				
Inventories	53,784	41,948	189,239	147,594
Available-for-sale financial assets	645	646	2,269	2,273
Financial assets at fair value through profit or loss	221	221	778	778
Trade and other receivables	61,311	58,980	215,723	207,521
Income tax recoverable	1,108	1,057	3,898	3,719
Cash and cash equivalents	71,922	70,205	253,058	247,016
	<u>188,991</u>	<u>173,057</u>	<u>664,965</u>	<u>608,901</u>
<b>Current liabilities</b>				
Trade and other payables	56,843	50,210	200,002	176,663
Income tax liabilities	3,218	2,787	11,322	9,806
Dividend payable	2,408	-	8,472	-
Short-term bank loans	16,502	14,579	58,062	51,296
Bank overdrafts, secured	1,571	2,428	5,528	8,543
Current portion of long-term liabilities	1,801	2,074	6,337	7,298
	<u>82,343</u>	<u>72,078</u>	<u>289,723</u>	<u>253,606</u>
<b>Net current assets</b>	<u>106,648</u>	<u>100,979</u>	<u>375,242</u>	<u>355,295</u>
<b>Total assets less current liabilities</b>	<u>312,609</u>	<u>301,328</u>	<u>1,099,915</u>	<u>1,060,222</u>
<b>EQUITY</b>				
Share capital	21,672	21,672	76,253	76,253
Share premium	280,160	280,160	985,743	985,743
Other reserves	(114,144)	(122,666)	(401,616)	(431,600)
Retained earnings				
- Proposed dividend	-	2,408	-	8,472
- Others	102,950	98,244	362,230	345,672
	<u>290,638</u>	<u>279,818</u>	<u>1,022,610</u>	<u>984,540</u>
<b>Minority interests</b>	8,069	8,189	28,391	28,813
<b>Total equity</b>	<u>298,707</u>	<u>288,007</u>	<u>1,051,001</u>	<u>1,013,353</u>
<b>Non-current liabilities</b>				
Long-term liabilities	2,888	3,072	10,161	10,808
Deferred income tax liabilities	11,014	10,249	38,753	36,061
	<u>13,902</u>	<u>13,321</u>	<u>48,914</u>	<u>46,869</u>
	<u>312,609</u>	<u>301,328</u>	<u>1,099,915</u>	<u>1,060,222</u>
Net assets per share attributable to equity holders of the Company (US cents/sen)	<u>17.26</u>	<u>16.62</u>	<u>60.73</u>	<u>58.48</u>

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**Financial report for the first quarter ended 30 June 2009**

**Unaudited Condensed Consolidated Statement of Changes in Equity**  
**For the period ended 30 June 2009**

	Attributable to equity holders of the Company					Minority 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		
	<b>At 1 April 2008</b>	5,167	12,809	196,554	106,746		
Profit for the period	-	-	-	8,821	8,821	288	9,109
Other comprehensive income:							
Currency translation differences	-	-	(4,678)	-	(4,678)	36	(4,642)
<b>Total comprehensive income for the period</b>	-	-	(4,678)	8,821	4,143	324	4,467
Repurchase of ordinary shares	(18)	(360)	18	(18)	(378)	-	(378)
Shares issued as consideration for the exchange of all the ordinary shares of Sin Chew and Nanyang	16,534	267,877	(284,411)	-	-	-	-
Exercise of share options	2	15	-	-	17	-	17
Share compensation costs on share options granted by a listed subsidiary	-	-	18	-	18	12	30
2007-2008 second interim dividend proposed	-	-	-	(15,513)	(15,513)	-	(15,513)
	<u>16,518</u>	<u>267,532</u>	<u>(284,375)</u>	<u>(15,531)</u>	<u>(15,856)</u>	<u>12</u>	<u>(15,844)</u>
<b>At 30 June 2008</b>	<u>21,685</u>	<u>280,341</u>	<u>(92,499)</u>	<u>100,036</u>	<u>309,563</u>	<u>8,288</u>	<u>317,851</u>
<b>At 1 April 2009</b>	21,672	280,160	(122,666)	100,652	279,818	8,189	288,007
Profit for the period	-	-	-	4,706	4,706	(110)	4,596
Other comprehensive income:							
Currency translation differences	-	-	8,514	-	8,514	(16)	8,498
<b>Total comprehensive income for the period</b>	-	-	8,514	4,706	13,220	(126)	13,094
Share compensation costs on share options granted by a listed subsidiary	-	-	8	-	8	6	14
2008-2009 second interim dividend proposed	-	-	-	(2,408)	(2,408)	-	(2,408)
	-	-	8	(2,408)	(2,400)	6	(2,394)
<b>At 30 June 2009</b>	<u>21,672</u>	<u>280,160</u>	<u>(114,144)</u>	<u>102,950</u>	<u>290,638</u>	<u>8,069</u>	<u>298,707</u>

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**Financial report for the first quarter ended 30 June 2009**

**Unaudited Condensed Consolidated Statement of Changes in Equity**  
**For the period ended 30 June 2009**

	Attributable to equity holders of the Company					Minority interests RM'000 (Note)	Total equity RM'000 (Note)
	Share capital RM'000 (Note)	Share premium RM'000 (Note)	Other reserves RM'000 (Note)	Retained earnings RM'000 (Note)	Total RM'000 (Note)		
<b>At 1 April 2008</b>	18,180	45,069	691,575	375,586	1,130,410	27,979	1,158,389
Profit for the period	-	-	-	31,037	31,037	1,013	32,050
Other comprehensive income:							
Currency translation differences	-	-	(16,460)	-	(16,460)	127	(16,333)
<b>Total comprehensive income for the period</b>	-	-	(16,460)	31,037	14,577	1,140	15,717
Repurchase of ordinary shares	(64)	(1,266)	63	(63)	(1,330)	-	(1,330)
Shares issued as consideration for the exchange of all the ordinary shares of Sin Chew and Nanyang	58,175	942,525	(1,000,700)	-	-	-	-
Exercise of share options	7	52	-	-	59	-	59
Share compensation costs on share options granted by a listed subsidiary	-	-	64	-	64	42	106
2007-2008 second interim dividend proposed	-	-	-	(54,583)	(54,583)	-	(54,583)
	58,118	941,311	(1,000,573)	(54,646)	(55,790)	42	(55,748)
<b>At 30 June 2008</b>	76,298	986,380	(325,458)	351,977	1,089,197	29,161	1,118,358
<b>At 1 April 2009</b>	76,253	985,743	(431,600)	354,144	984,540	28,813	1,013,353
Profit for the period	-	-	-	16,558	16,558	(387)	16,171
Other comprehensive income:							
Currency translation differences	-	-	29,956	-	29,956	(56)	29,900
<b>Total comprehensive income for the period</b>	-	-	29,956	16,558	46,514	(443)	46,071
Share compensation costs on share options granted by a listed subsidiary	-	-	28	-	28	21	49
2008-2009 second interim dividend proposed	-	-	-	(8,472)	(8,472)	-	(8,472)
	-	-	28	(8,472)	(8,444)	21	(8,423)
<b>At 30 June 2009</b>	76,253	985,743	(401,616)	362,230	1,022,610	28,391	1,051,001

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**Financial report for the first quarter ended 30 June 2009**

**Unaudited Condensed Consolidated Cash Flow Statement**  
**For the period ended 30 June 2009**

	Three months ended 30 June		Three months ended 30 June	
	2009 US\$'000	2008 US\$'000	2009 RM'000 <i>(Note)</i>	2008 RM'000 <i>(Note)</i>
<b>Cash flows from operating activities</b>				
Cash generated from operations	3,565	33,710	12,543	118,608
Interest on bank loans and overdrafts	(186)	(404)	(654)	(1,421)
Interest element of finance lease payments	(4)	(41)	(14)	(144)
Profits tax paid	(1,727)	(1,921)	(6,076)	(6,759)
Long service payments made	(25)	-	(88)	-
<b>Net cash generated from operating activities</b>	<b>1,623</b>	<b>31,344</b>	<b>5,711</b>	<b>110,284</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(1,433)	(1,075)	(5,042)	(3,782)
Purchase of intangible assets	(34)	(40)	(120)	(141)
Proceeds from disposals of property, plant and equipment, leasehold land and land use rights	104	141	366	496
Interest received	175	463	616	1,629
Dividends received	43	8	151	28
<b>Net cash used in investing activities</b>	<b>(1,145)</b>	<b>(503)</b>	<b>(4,029)</b>	<b>(1,770)</b>
<b>Cash flows from financing activities</b>				
Repurchase of ordinary shares	-	(378)	-	(1,330)
Proceeds from exercise of share options	-	17	-	59
Repayment of bank loans	(514)	(1,504)	(1,809)	(5,292)
Proceeds from short-term bank loans	9,393	-	33,049	-
Repayment of short-term bank loans	(7,978)	(4,851)	(28,071)	(17,068)
Capital element of finance lease payments	(171)	(169)	(601)	(594)
<b>Net cash from/(used in) financing activities</b>	<b>730</b>	<b>(6,885)</b>	<b>2,568</b>	<b>(24,225)</b>
Net increase in cash and cash equivalents, and bank overdrafts	1,208	23,956	4,250	84,289
Cash and cash equivalents, and bank overdrafts as at 1 April	67,777	73,597	238,473	258,951
Exchange adjustments on cash and cash equivalents, and bank overdrafts	1,366	(2,541)	4,807	(8,940)
<b>Cash and cash equivalents, and bank overdrafts as at 30 June</b>	<b>70,351</b>	<b>95,012</b>	<b>247,530</b>	<b>334,300</b>

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**A. Notes to the unaudited financial report**

**A1. Basis of preparation and changes in accounting policies**

**a) Basis of preparation**

This unaudited condensed consolidated financial report (“unaudited financial report”) of Media Chinese International Limited (the “Company”) for the first quarter ended 30 June 2009 has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”, paragraph 9(1) of Chapter 13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HK Stock Exchange”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This unaudited financial report should be read in conjunction with the audited consolidated annual financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2009 and the accompanying explanatory notes attached to this unaudited financial report.

**b) Accounting policies**

The preparation of this unaudited financial report in conformity with International Financial Reporting Standards (“IFRSs”) 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 accounting policies adopted are consistent with those used in the audited consolidated annual financial statements of the Group for the year ended 31 March 2009 with the addition of the following standards which are relevant to the Group’s operations and are mandatory for the financial year ending 31 March 2010:

IFRS 8 Operating Segments (effective for annual periods beginning on or after 1 January 2009) - IFRS 8 replaces IAS 14 Segment Reporting. It requires a management approach under which segment information is presented on the same basis as that used for internal reporting purpose and in a consistent manner with the internal reporting provided to the chief operating decision maker. This has resulted in a redesignation of the Group’s reportable segments, but has had no impact on the reported results or financial position of the Group. Comparatives of segment information have been restated.

IAS 1 (revised 2007) Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009) - The revised standard prohibits the presentation of items of income and expenses (that is “non-owner changes in equity”) in the statement of changes in equity, and requires “non-owner changes in equity” to be presented separately from owner changes in equity. All “non-owner changes in equity” are required to be shown in a performance statement. The Group has elected to present both the condensed consolidated income statement and condensed consolidated statement of comprehensive income. This unaudited financial report has been prepared under the revised disclosure requirement. However, the revised standard has had no impact on the reported results or financial position of the Group.

**A. Notes to the unaudited financial report (Continued)**

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

**b) Accounting policies (Continued)**

The following amendments and interpretations are or have become effective for the year ending 31 March 2010, but do not have any material impact on the accounting policies of the Group.

IFRSs (Amendments)	Improvements to IFRSs
IAS 23 (Revised)	Borrowing Costs
IAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
IAS 39 (Amendment)	Financial instruments: Recognition and Measurement
IFRS 1 and IAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
IFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations
Amendment to IFRS 7	Financial Instruments: Disclosures
IFRIC – Int 13	Customer Loyalty Programmes
IFRIC – Int 15	Agreements for the Construction of Real Estate
IFRIC – Int 16	Hedges of a Net Investment in a Foreign Operation

**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. However, each entity can present its financial statements in any currency, which can be the same or different from the entity's functional currency. As the Group is having operations worldwide, management considers that it is more appropriate to use US\$, a globally recognised currency, as the presentation currency for the Group's consolidated financial statements. For the entity whose functional currency is not the presentation currency, i.e. US\$, its results and financial position have been translated into US\$.

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

The Company's audited consolidated annual financial statements for the year ended 31 March 2009 were not subject to any audit qualification.

**A3. Seasonal or cyclical factors**

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

**A4. Unusual items**

There were no unusual items during the quarter affecting 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 years that have a material effect on the results of the current quarter under review.

**A6. Changes in debt and equity securities**

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

**A7. Sale of unquoted investments or properties**

There were no sales of unquoted investments or properties during the quarter ended 30 June 2009.

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**A. Notes to the unaudited financial report (Continued)**

**A8. Segment information**

Management considers the business from both a business and geographical perspective. From a business perspective, management assesses the performance based on two major business segments: publishing and printing, and travel and travel related services. Publishing and printing is further evaluated on a geographical basis. This is the main measure reported to management for the purposes of resources allocation and assessment of segment performance.

Three months ended 30 June 2009

	Publishing and printing				Travel and travel related services US\$'000	Total 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		
Turnover	54,384	16,025	5,671	76,080	10,477	86,557
Segment results	8,392	(628)	(431)	7,333	(92)	7,241
Interest income						175
Net unallocated expenses						(93)
Operating profit						7,323
Finance costs						(190)
Profit before income tax						7,133
Income tax expense						(2,537)
Profit for the quarter						4,596

Three months ended 30 June 2008

	Publishing and printing				Travel and travel related services US\$'000	Total 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		
Turnover	64,135	20,560	8,413	93,108	16,375	109,483
Segment results	11,872	2,302	(796)	13,378	(47)	13,331
Interest income						463
Net unallocated expenses						(206)
Operating profit						13,588
Finance costs						(445)
Profit before income tax						13,143
Income tax expense						(4,034)
Profit for the quarter						9,109

The segment results reported above represent profit/(loss) for each segment without allocation of interest income, net unallocated expenses, finance costs and income tax expense.

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**A. Notes to the unaudited financial report (Continued)**

**A8. Segment Information (Continued)**

	<u>Publishing and printing</u>				Travel and travel related services	Elimination	Total
	Malaysia and other Southeast Asian countries	Hong Kong and Mainland China	North America	Sub-total			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>As at 30 June 2009</b>							
Segment assets	301,216	75,737	11,575	388,528	6,502	(2,171)	392,859
Unallocated assets							2,093
<b>Total assets</b>							<u>394,952</u>
<b>As at 31 March 2009</b>							
Segment assets	279,014	76,478	11,896	367,388	5,567	(3,817)	369,138
Unallocated assets							4,268
<b>Total assets</b>							<u>373,406</u>

**A9. Subsequent material events**

Save as disclosed in note B9, there are no other material events as at the date of this announcement that will affect the financial results of the period under review.

**A10. Financial instruments with off-balance sheet risks**

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

**A11. Property, plant and equipment**

The valuations of property, plant and equipment of the Group have been brought forward without amendment from the audited consolidated annual financial statements for the year ended 31 March 2009.

Additions and disposals of property, plant and equipment during the quarter were as follows:

	Current Quarter	Current Year to Date
	US\$'000	US\$'000
Additions	1,433	1,433
Disposals	(81)	(81)

**A12. Contingent liabilities**

As at 30 June 2009, the Company issued financial guarantees in favour of certain of its subsidiaries totaling US\$20,622,000 in connection with general banking facilities granted to those subsidiaries. As at 30 June 2009, total facilities utilised amounted to US\$4,351,000.

**A13. Capital commitments**

	US\$'000
Authorised capital expenditure for property, plant and equipment, leasehold land and land use rights not provided for in the unaudited financial report were as follows:	
- contracted	13,527
- not contracted	1,332
	<u>14,859</u>

**A14. Changes in the composition of the Group**

There were no changes in the composition of the Group during the quarter ended 30 June 2009.

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**B. Additional information required by Bursa Malaysia Securities Berhad's Main Market Listing Requirements**

**B1. Review of performance**

	Three months ended 30 June 2009 US\$'000	Three months ended 30 June 2008 US\$'000
Turnover	86,557	109,483
Profit before income tax	7,133	13,143

The Group's turnover for the three months ended 30 June 2009 was US\$86,557,000, down by US\$22,926,000 or 20.9% when compared with the corresponding period last year.

The decrease was mainly attributed to the prolonged weakening of the global economy and the unfavourable business climate in most of the Group's core markets that dampened the demand for advertising in all key categories, notably real estate, finance, auto and high-end products. This difficult advertising market affected most of the Group titles, resulting in a decline in the turnover for the Group's publishing segment of US\$17,028,000 or 18.3% from US\$93,108,000 to US\$76,080,000 when compared to the same period last year.

The Group's tour business also recorded a significant 36% drop in revenue when compared to the same quarter a year ago due to the economic turmoil and fierce competitions from rivals in this business sector. The outbreak of the H1N1 flu pandemic in May 2009 further weakened the Group's business in the travel sector.

The Group's profit before income tax in the first quarter amounted to US\$7,133,000, down US\$6,010,000 or 45.7% when compared to the same period last year. The decline in profit was largely due to the significant drop in advertising revenue. However, tight cost controls and careful yield management mitigated this adverse advertising revenue impact.

Compared to the first quarter of last year, Ringgit Malaysia and Canadian dollar depreciated against US dollar by 10.5% and 14.2% respectively. This caused negative currency impacts of about US\$6,700,000 and US\$800,000 on the Group's turnover and profit before income tax respectively.

**B2. Variation of results against immediate preceding quarter**

	Three months ended 30 June 2009 US\$'000	Three months ended 31 March 2009 US\$'000	% change
Turnover	86,557	78,939	9.7%
Profit/(loss) before income tax	7,133	(2,992)	338.4%

The Group recorded an increase in turnover of 9.7% as compared to the immediate preceding quarter and registered a profit before income tax of US\$7,133,000, up US\$10,125,000 from a loss of US\$2,992,000 recorded in the preceding quarter. The higher profit was mainly due to the increase in revenue and an impairment charge amounted to US\$3,895,000 in the immediate preceding quarter.

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**B. Additional information required by Bursa Malaysia Securities Berhad's Main Market Listing Requirements (Continued)**

**B3. Current year's prospects**

The next quarter will be another challenging quarter for the Group as the world economy has not shown any significant recovery since the downturn last year, and that consumers are still very cautious on their spending. The economic stimulus packages implemented by the governments in most of the Group's core markets to encourage economic consumption have yet to show positive impact on the domestic economies in the second half of the year.

In addition, the H1N1 flu pandemic is expected to affect the Group's travel business in the next quarter which is the traditional peak summer season for the tourism industry.

Given the difficult trading environment, the Group will remain focused on realigning our cost structure while at the same time explore new revenue streams. Adding to this, the recent fall in newsprint price will help drive down the costs and benefit the Group's publishing business.

**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:

	Three months ended 30 June	
	2009	2008
	US\$'000	US\$'000
Current period income tax expense	1,999	3,190
Over provision in prior years	(40)	-
Deferred income tax expense	578	844
	2,537	4,034

The effective tax rate of the Group for the current quarter was higher than the applicable Malaysian statutory tax rate mainly due to the higher tax rates applicable to certain subsidiaries operating in foreign jurisdictions and losses incurred by some of the operating subsidiaries.

**B6. 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 were as follows:

	US\$'000
Quoted investments as at 30 June 2009	
Total investment at cost	602
Total investment at carrying value (after provision for diminution in value)	221
Total investment at market value	221

**B. Additional information required by Bursa Malaysia Securities Berhad's Main Market Listing Requirements (Continued)**

**B7. Dividend**

The second interim dividend of US 0.143 cents per ordinary share amounting to US\$2,408,000 for the financial year ended 31 March 2009, which was declared on 26 May 2009, was paid to shareholders on 13 August 2009.

The Board of Directors does not recommend any payment of dividend for the quarter under review.

**B8. 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 unaudited financial report, 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.

**B9. Status of corporate proposals**

**a) Acquisition of land and construction of the new office building**

On 14 July 2008, Sin Chew Media Corporation Berhad ("Sin Chew"), a wholly-owned subsidiary of the Company, entered into a land acquisition agreement ("Land Acquisition Agreement") with Rimbunan Hijau Estate Sdn Bhd ("RHE") to acquire a piece of land known as PN 3694, Lot No. 50 Seksyen 13, Bandar Petaling Jaya, Daerah Petaling State of Selangor Darul Ehsan, Malaysia (the "Land") together with the buildings thereon for cash consideration of RM46,000,000 (equivalent to US\$13,073,753).

Subsequently, on 4 August 2008, the Company announced that both RHE and Sin Chew mutually agreed to re-negotiate the terms of the Land Acquisition Agreement due to the change in commercial circumstances.

On 11 September 2008, the Company announced that on even date Sin Chew and RHE had entered into a supplemental land acquisition agreement which would supersede the Land Acquisition Agreement, pursuant to which Sin Chew conditionally agreed to acquire from RHE a portion of the Land together with buildings thereon (the "Sale Property") at a price of RM37,000,000 (equivalent to US\$10,515,845) and pay the additional building cost to RHE for the construction of a new office building estimated at RM5,000,000 (equivalent to US\$1,421,060) in cash.

Pursuant to an ordinary resolution passed at a special general meeting of the Company on 13 November 2008, subject to approvals of the relevant authorities, the proposed acquisition of the Sale Property and the reimbursement of the cost of constructing the new office building to RHE were approved and confirmed.

The above proposal is still pending approval from the relevant authorities.

**b) Subscription of convertible notes issued by Iatopia.com**

On 17 August 2009, MediaNet Investment Limited ("MediaNet Investment"), a wholly-owned subsidiary of the Company, entered into a convertible note subscription agreement (the "Convertible Note Subscription Agreement") with IATOPIA.COM LIMITED ("Iatopia.com") and Dr. Lee Shu Tak, Raymond whereby MediaNet Investment agreed to subscribe for convertible notes of an aggregate principal amount of up to HK\$4,500,000 (equivalent to US\$580,638) to be issued by Iatopia.com in three stages which will allow MediaNet Investment to convert the principal amount of the convertible notes into, in aggregate, no more than 21.7% of the issued ordinary shares of Iatopia.com over a three-year period.

Iatopia.com is principally engaged in the creation and maintenance of a global online platform and web channels that assist publishers in increasing their global readership as well as developing advertising and marketing opportunities through the Internet.



**B. Additional information required by Bursa Malaysia Securities Berhad's Main Market Listing Requirements (Continued)**

**B9. Status of corporate proposals (Continued)**

**b) Subscription of convertible notes issued by Iatopia.com (Continued)**

Upon completion of the issue and subscription of the convertible notes in accordance with the terms of the Convertible Note Subscription Agreement, Iatopia.com will grant to MediaNet Investment a non-exclusive perpetual worldwide royalty-free right and licence to use and exploit Iatopia.com's web channel technologies to develop, create and maintain new web channels which will display and contain the contents and materials of the Group and to form part of a portal developed and maintained by Iatopia.com (the "Iatopia.com Web Channels"). It is proposed that the business and revenues generated from the Iatopia.com Web Channels will be co-owned and shared by MediaNet Investment and Iatopia.com on a 50:50 basis. Further, Iatopia.com will grant to the Company a non-exclusive perpetual worldwide royalty-free right and licence (with a right to sub-license to its subsidiaries) to install and utilise the content management system for the Group's own businesses.

The subscription of the said convertible notes and the possible conversion of the convertible notes into ordinary shares of Iatopia.com allow the Group to gain access to the web channel technologies of Iatopia.com, which, the Directors believe, will enhance the Group's e-publication capabilities.

Save as aforesaid, there are no other corporate proposals announced but not completed as at the date of this announcement.

**B10. Group borrowings**

The Group's borrowings as at 30 June 2009 were as follows:

	As at 30 June 2009		Total US\$'000
	Secured US\$'000	Unsecured US\$'000	
<b>Loans and financing - non-current</b>			
Bank loans	480	-	480
Obligations under finance leases	825	-	825
	<u>1,305</u>	<u>-</u>	<u>1,305</u>

	As at 30 June 2009		Total US\$'000
	Secured US\$'000	Unsecured US\$'000	
<b>Short-term borrowings - current</b>			
Bank overdrafts	1,571	-	1,571
Short-term bank loans	1,108	15,394	16,502
Portion of bank loans, due within 1 year	1,381	-	1,381
Portion of obligations under finance leases, due within 1 year	331	-	331
	<u>4,391</u>	<u>15,394</u>	<u>19,785</u>

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

	Long-term loans and financing US\$'000	Short-term borrowings US\$'000
Ringgit Malaysia	509	16,856
United States dollars	-	1,924
Canadian dollars	796	1,005
Total borrowings	<u>1,305</u>	<u>19,785</u>

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**B. Additional information required by Bursa Malaysia Securities Berhad's Main Market Listing Requirements (Continued)**

**B11. Earnings per share**

**a) Basic**

	Three months ended 30 June 2009	Three months ended 30 June 2008
Profit attributable to equity holders of the Company (US\$'000)	4,706	8,821
Weighted average number of ordinary shares in issue	1,683,898,241	1,685,635,296
Basic earnings per share (US cent)	0.28	0.52

**b) Diluted**

	Three months ended 30 June 2009	Three months ended 30 June 2008
Profit attributable to equity holders of the Company (US\$'000)	4,706	8,821
Weighted average number of ordinary shares in issue	1,683,898,241	1,685,635,296
Adjustment for share options	-	1,126,833
Weighted average number of ordinary shares used to compute diluted earnings per share	1,683,898,241	1,686,762,129
Diluted earnings per share (US cent)	0.28	0.52

By Order of the Board  
Media Chinese International Limited

Law Yuk Kuen  
Secretary  
26 August 2009