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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 2011

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 quarter ended 30 June 2011 to Bursa Securities on 24 August 2011.

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.

24 August 2011

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 first quarter ended 30 June 2011

CONDENSED CONSOLIDATED INCOME STATEMENT

	(Unaudited)		(Unaudited)	
	Three months ended 30 June		Three months ended 30 June	
	2011	2010	2011	2010
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Turnover	117,991	105,935	356,333	319,924
Cost of goods sold	(72,432)	(63,631)	(218,745)	(192,166)
Gross profit	45,559	42,304	137,588	127,758
Other income	2,391	1,625	7,221	4,907
Other gains, net	464	432	1,401	1,305
Selling and distribution expenses	(17,001)	(14,595)	(51,343)	(44,077)
Administrative expenses	(10,443)	(9,083)	(31,538)	(27,431)
Other operating expenses	(1,693)	(1,593)	(5,113)	(4,811)
Operating profit	19,277	19,090	58,216	57,651
Finance costs	(142)	(220)	(429)	(664)
Share of loss of an associate	(81)	(76)	(244)	(229)
Profit before income tax	19,054	18,794	57,543	56,758
Income tax expense	(5,292)	(5,291)	(15,982)	(15,979)
Profit for the quarter	13,762	13,503	41,561	40,779
Attributable to:				
Equity holders of the Company	13,575	13,315	40,996	40,211
Non-controlling interests	187	188	565	568
	13,762	13,503	41,561	40,779
Earnings per share attributable to the equity holders of the Company				
Basic (US cents/sen) #	0.81	0.79	2.45	2.39
Diluted (US cents/sen) #	0.81	0.79	2.45	2.39

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 June 2011 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0200 ruling at 30 June 2011. 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 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited)		(Unaudited)	
	Three months ended		Three months ended	
	30 June		30 June	
	2011	2010	2011	2010
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Profit for the quarter	13,762	13,503	41,561	40,779
Other comprehensive income				
Currency translation differences	819	2,135	2,473	6,448
Other comprehensive income for the quarter, net of tax	819	2,135	2,473	6,448
Total comprehensive income for the quarter	14,581	15,638	44,034	47,227
Attributable to:				
Equity holders of the Company	14,375	15,514	43,412	46,852
Non-controlling interests	206	124	622	375
	14,581	15,638	44,034	47,227

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the quarter ended 30 June 2011 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0200 ruling at 30 June 2011. 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 first quarter ended 30 June 2011

CONDENSED CONSOLIDATED INCOME STATEMENT

	(Unaudited) Period ended 30 June		(Unaudited) Period ended 30 June	
	2011 US\$'000	2010 US\$'000	2011 RM'000 <i>(Note)</i>	2010 RM'000 <i>(Note)</i>
Turnover	117,991	105,935	356,333	319,924
Cost of goods sold	<u>(72,432)</u>	<u>(63,631)</u>	<u>(218,745)</u>	<u>(192,166)</u>
Gross profit	45,559	42,304	137,588	127,758
Other income	2,391	1,625	7,221	4,907
Other gains, net	464	432	1,401	1,305
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Administrative expenses	(10,443)	(9,083)	(31,538)	(27,431)
Other operating expenses	<u>(1,693)</u>	<u>(1,593)</u>	<u>(5,113)</u>	<u>(4,811)</u>
Operating profit	19,277	19,090	58,216	57,651
Finance costs	(142)	(220)	(429)	(664)
Share of loss of an associate	<u>(81)</u>	<u>(76)</u>	<u>(244)</u>	<u>(229)</u>
Profit before income tax	19,054	18,794	57,543	56,758
Income tax expense	<u>(5,292)</u>	<u>(5,291)</u>	<u>(15,982)</u>	<u>(15,979)</u>
Profit for the period	<u>13,762</u>	<u>13,503</u>	<u>41,561</u>	<u>40,779</u>
Attributable to:				
Equity holders of the Company	13,575	13,315	40,996	40,211
Non-controlling interests	<u>187</u>	<u>188</u>	<u>565</u>	<u>568</u>
	<u>13,762</u>	<u>13,503</u>	<u>41,561</u>	<u>40,779</u>
Earnings per share attributable to the equity holders of the Company				
Basic (US cents/sen) #	0.81	0.79	2.45	2.39
Diluted (US cents/sen) #	<u>0.81</u>	<u>0.79</u>	<u>2.45</u>	<u>2.39</u>

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 June 2011 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0200 ruling at 30 June 2011. 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)	
	Period ended		Period ended	
	30 June		30 June	
	2011	2010	2011	2010
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Profit for the period	13,762	13,503	41,561	40,779
Other comprehensive income				
Currency translation differences	<u>819</u>	<u>2,135</u>	<u>2,473</u>	<u>6,448</u>
Other comprehensive income for the period, net of tax	<u>819</u>	<u>2,135</u>	<u>2,473</u>	<u>6,448</u>
Total comprehensive income for the period	<u>14,581</u>	<u>15,638</u>	<u>44,034</u>	<u>47,227</u>
Attributable to:				
Equity holders of the Company	<u>14,375</u>	15,514	<u>43,412</u>	46,852
Non-controlling interests	<u>206</u>	<u>124</u>	<u>622</u>	<u>375</u>
	<u>14,581</u>	<u>15,638</u>	<u>44,034</u>	<u>47,227</u>

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2011 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0200 ruling at 30 June 2011. 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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CONDENSED CONSOLIDATED BALANCE SHEET

	(Unaudited) As at 30 June 2011 US\$'000	As at 31 March 2011 US\$'000	(Unaudited) As at 30 June 2011 RM'000 (Note)	(Unaudited) As at 31 March 2011 RM'000 (Note)
ASSETS				
Non-current assets				
Property, plant and equipment	155,936	157,145	470,927	474,578
Investment properties	11,447	11,428	34,570	34,513
Leasehold land and land use rights	2,064	2,079	6,233	6,279
Intangible assets	79,587	79,300	240,353	239,486
Deferred income tax assets	959	972	2,896	2,935
Defined benefit plan assets	294	277	888	837
Interest in an associate	2,298	2,379	6,940	7,184
Investment in convertible notes – debt portion	545	537	1,645	1,621
	<u>253,130</u>	<u>254,117</u>	<u>764,452</u>	<u>767,433</u>
Current assets				
Inventories	65,000	69,153	196,300	208,842
Available-for-sale financial assets	97	97	293	293
Financial assets at fair value through profit or loss	215	213	649	643
Trade and other receivables	74,307	68,911	224,407	208,111
Income tax recoverable	1,423	1,471	4,298	4,443
Cash and cash equivalents	129,663	110,519	391,582	333,767
	<u>270,705</u>	<u>250,364</u>	<u>817,529</u>	<u>756,099</u>
Current liabilities				
Trade and other payables	79,982	68,816	241,546	207,824
Income tax liabilities	6,552	5,671	19,787	17,127
Dividend payable	19,437	-	58,700	-
Short-term bank loans	7,613	14,865	22,991	44,892
Current portion of long-term liabilities	134	451	404	1,362
	<u>113,718</u>	<u>89,803</u>	<u>343,428</u>	<u>271,205</u>
Net current assets	<u>156,987</u>	<u>160,561</u>	<u>474,101</u>	<u>484,894</u>
Total assets less current liabilities	<u>410,117</u>	<u>414,678</u>	<u>1,238,553</u>	<u>1,252,327</u>
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	21,697	21,681	65,525	65,477
Share premium	280,545	280,299	847,246	846,503
Other reserves	(66,957)	(67,757)	(202,210)	(204,626)
Retained earnings	154,323	160,185	466,055	483,759
	<u>389,608</u>	<u>394,408</u>	<u>1,176,616</u>	<u>1,191,113</u>
Non-controlling interests	<u>5,663</u>	<u>5,457</u>	<u>17,102</u>	<u>16,480</u>
Total equity	<u>395,271</u>	<u>399,865</u>	<u>1,193,718</u>	<u>1,207,593</u>
Non-current liabilities				
Other long-term liabilities	855	1,267	2,582	3,826
Deferred income tax liabilities	13,991	13,546	42,253	40,908
	<u>14,846</u>	<u>14,813</u>	<u>44,835</u>	<u>44,734</u>
	<u>410,117</u>	<u>414,678</u>	<u>1,238,553</u>	<u>1,252,327</u>
Net assets per share attributable to equity holders of the Company (US cents/sen)	<u>23.11</u>	<u>23.41</u>	<u>69.79</u>	<u>70.70</u>

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MEDIA CHINESE INTERNATIONAL LIMITED
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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 2010	21,672	280,160	(92,337)	131,814	341,309	8,263	349,572
Profit for the period	-	-	-	13,315	13,315	188	13,503
Other comprehensive income/(losses):							
Currency translation differences	-	-	2,198	-	2,198	(63)	2,135
Actuarial gains/(losses) of long service payment obligations	-	-	1	-	1	(1)	-
Other comprehensive income for the period, net of tax	-	-	2,199	-	2,199	(64)	2,135
Total comprehensive income for the period	-	-	2,199	13,315	15,514	124	15,638
Transactions with owners:							
Acquisition of additional interest in a listed subsidiary	-	-	722	-	722	(2,429)	(1,707)
Share compensation costs on share options granted by a listed subsidiary	-	-	93	-	93	(87)	6
2009-2010 second interim dividend proposed	-	-	-	(12,983)	(12,983)	-	(12,983)
Total transactions with owners	-	-	815	(12,983)	(12,168)	(2,516)	(14,684)
At 30 June 2010	21,672	280,160	(89,323)	132,146	344,655	5,871	350,526
At 1 April 2011	21,681	280,299	(67,757)	160,185	394,408	5,457	399,865
Profit for the period	-	-	-	13,575	13,575	187	13,762
Other comprehensive income:							
Currency translation differences	-	-	800	-	800	19	819
Other comprehensive income for the period, net of tax	-	-	800	-	800	19	819
Total comprehensive income for the period	-	-	800	13,575	14,375	206	14,581
Transactions with owners:							
Exercise of share options	16	246	-	-	262	-	262
2010-2011 second interim dividend proposed	-	-	-	(19,437)	(19,437)	-	(19,437)
Total transactions with owners	16	246	-	(19,437)	(19,175)	-	(19,175)
At 30 June 2011	21,697	280,545	(66,957)	154,323	389,608	5,663	395,271

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(Unaudited)						
	Attributable to equity holders of the Company					Non- controlling 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)		
At 1 April 2010	65,449	846,083	(278,858)	398,078	1,030,752	24,954	1,055,706
Profit for the period	-	-	-	40,211	40,211	568	40,779
Other comprehensive income/ (losses):							
Currency translation differences	-	-	6,638	-	6,638	(190)	6,448
Actuarial gains/ (losses) of long service payment obligations	-	-	3	-	3	(3)	-
Other comprehensive income for the period, net of tax	-	-	6,641	-	6,641	(193)	6,448
Total comprehensive income for the period	-	-	6,641	40,211	46,852	375	47,227
Transactions with owners:							
Acquisition of additional interest in a listed subsidiary	-	-	2,180	-	2,180	(7,335)	(5,155)
Share compensation costs on share options granted by a listed subsidiary	-	-	281	-	281	(263)	18
2009-2010 second interim dividend proposed	-	-	-	(39,208)	(39,208)	-	(39,208)
Total transactions with owners	-	-	2,461	(39,208)	(36,747)	(7,598)	(44,345)
At 30 June 2010	65,449	846,083	(269,756)	399,081	1,040,857	17,731	1,058,588
At 1 April 2011	65,477	846,503	(204,626)	483,759	1,191,113	16,480	1,207,593
Profit for the period	-	-	-	40,996	40,996	565	41,561
Other comprehensive income:							
Currency translation differences	-	-	2,416	-	2,416	57	2,473
Other comprehensive income for the period, net of tax	-	-	2,416	-	2,416	57	2,473
Total comprehensive income for the period	-	-	2,416	40,996	43,412	622	44,034
Transactions with owners:							
Exercise of share options	48	743	-	-	791	-	791
2010-2011 second interim dividend proposed	-	-	-	(58,700)	(58,700)	-	(58,700)
Total transactions with owners	48	743	-	(58,700)	(57,909)	-	(57,909)
At 30 June 2011	65,525	847,246	(202,210)	466,055	1,176,616	17,102	1,193,718

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	(Unaudited) Period ended 30 June		(Unaudited) Period ended 30 June	
	2011 US\$'000	2010 US\$'000	2011 RM'000 <i>(Note)</i>	2010 RM'000 <i>(Note)</i>
Cash flows from operating activities				
Cash generated from operations	31,710	35,103	95,764	106,011
Interest on bank loans and overdrafts	(98)	(214)	(296)	(646)
Interest element of finance lease payments	(44)	(6)	(133)	(18)
Income tax paid	(3,957)	(2,522)	(11,950)	(7,617)
Long service payments made	(41)	(12)	(124)	(36)
Net cash generated from operating activities	<u>27,570</u>	<u>32,349</u>	<u>83,261</u>	<u>97,694</u>
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,474)	(5,881)	(4,451)	(17,761)
Purchase of intangible assets	(116)	(124)	(350)	(374)
Proceeds from disposal of property, plant and equipment	23	14	69	42
Proceeds from disposal of investment properties	-	47	-	142
Interest received	557	244	1,682	737
Dividends received	5	6	15	18
Net cash used in investing activities	<u>(1,005)</u>	<u>(5,694)</u>	<u>(3,035)</u>	<u>(17,196)</u>
Cash flows from financing activities				
Proceeds from exercise of share options	262	-	791	-
Acquisition of additional interest in a listed subsidiary	-	(1,707)	-	(5,155)
Repayment of bank loans	-	(260)	-	(785)
Proceeds from drawdown of short-term bank loans	2,211	11,538	6,677	34,844
Repayment of short-term bank loans	(9,493)	(15,270)	(28,669)	(46,115)
Capital element of finance lease payments	(722)	(91)	(2,180)	(275)
Net cash used in financing activities	<u>(7,742)</u>	<u>(5,790)</u>	<u>(23,381)</u>	<u>(17,486)</u>
Net increase in cash and cash equivalents, and bank overdrafts	18,823	20,865	56,845	63,012
Cash and cash equivalents, and bank overdrafts as at 1 April	110,519	77,437	333,767	233,860
Exchange adjustments on cash and cash equivalents, and bank overdrafts	321	231	970	698
Cash and cash equivalents, and bank overdrafts as at 30 June	<u>129,663</u>	<u>98,533</u>	<u>391,582</u>	<u>297,570</u>

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2011 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0200 ruling at 30 June 2011. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

A. NOTES TO THE FINANCIAL INFORMATION

A1. Basis of preparation and changes in accounting policies

a) Basis of preparation

This financial information for the quarter ended 30 June 2011 has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standard Board ("IASB"), Rule 13.09(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").

This financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2011, which were prepared in accordance with International Financial Reporting Standards ("IFRSs").

This financial information has not been audited.

b) Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2011.

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 revised standard and amendment to standard, which are mandatory for the financial year beginning 1 April 2011 and are relevant to its operations:

- IAS 24 (Revised), "Related Party Disclosures" is effective for annual period beginning on or after January 2011. It introduces an exemption from all of the disclosure requirements of IAS 24 for transactions among government related entities and the government. It also clarifies and simplifies the definition of a related party. The amendment does not have a material impact on this unaudited financial information.
- Amendment to IAS 34, "Interim Financial Reporting" is effective for annual periods beginning on or after 1 January 2011. It emphasises the existing disclosure principles in IAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The amendment does not have a material impact on this unaudited financial information.

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 2011. The Group is in the process of making an assessment of the impact of those new or revised standards and amendments to standards on the Group's results and financial position in the period of initial application.

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

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

c) Functional currency and translation to presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. The functional currency of the Company is RM. However, each entity 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 2011 was not subject to any qualification.

A3. Seasonal or cyclical factors

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

A4. Unusual item

There were no unusual items 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) Pursuant to a share option scheme approved at the Special General Meeting of the Company held on 21 August 2001 and for the primary purpose of providing incentive to full-time employees, the directors of the Company may at their discretion invite full-time employees including executive directors of the Company and its subsidiaries to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. Options granted are exercisable at any time within ten years after the date of grant or ten years after the adoption date of the scheme (i.e. 20 August 2011), whichever is earlier. The share option scheme expired on 20 August 2011 and no new share option scheme has been adopted by the Company. Movements of share options during the period ended 30 June 2011 were as follows:

Date of grant	Exercise price per share Equivalents HK\$ in US\$		(Unaudited) Number of shares involved in share options			
			As at 1 April 2011	Options lapsed during the period	Options exercised during the period	As at 30 June 2011
31 August 2001	1.592	0.205	1,815,000	-	(600,000)	1,215,000
29 August 2003	1.320	0.170	573,000	-	-	573,000
15 September 2003	1.800	0.232	900,000	-	(600,000)	300,000
			<u>3,288,000</u>	-	<u>(1,200,000)</u>	<u>2,088,000</u>

- b) Details of the movements in the Company's shares during the period ended 30 June 2011 were as follows:

	(Unaudited) Number of shares
As at 1 April 2011	1,684,586,241
Exercise of share options	<u>1,200,000</u>
As at 30 June 2011	<u><u>1,685,786,241</u></u>

A7. Dividend paid

There was no dividend paid during the current quarter.

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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 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's 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 June 2011					
	Publishing and printing				Travel and travel related services	Total
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	US\$'000	US\$'000
Turnover	72,400	18,605	8,050	99,055	18,936	117,991
Segment profit before income tax	16,234	1,637	972	18,843	493	19,336
Net unallocated expenses						(201)
Share of loss of an associate						(81)
Profit before income tax						19,054
Income tax expense						(5,292)
Profit for the quarter						13,762
Other information:						
Interest income	513	50	-	563	1	564
Interest expense	(97)	(1)	(44)	(142)	-	(142)
Depreciation	(2,102)	(385)	(136)	(2,623)	(19)	(2,642)
Amortisation of leasehold land and land use rights	-	(15)	-	(15)	-	(15)
Amortisation of intangible assets	(224)	(19)	(20)	(263)	(2)	(265)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

	(Unaudited)						
	Three months ended 30 June 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	65,023	17,647	7,431	90,101	15,834	105,935	
Segment profit before income tax	16,694	677	1,072	18,443	575	19,018	
Net unallocated expenses						(148)	
Share of loss of an associate						(76)	
Profit before income tax						18,794	
Income tax expense						(5,291)	
Profit for the quarter						<u>13,503</u>	
Other information:							
Interest income	226	25	-	251	-	251	
Interest expense	(202)	(12)	(6)	(220)	-	(220)	
Depreciation	(1,765)	(439)	(139)	(2,343)	(25)	(2,368)	
Amortisation of leasehold land and land use rights	-	(15)	-	(15)	-	(15)	
Amortisation of intangible assets	(187)	(9)	(11)	(207)	(1)	(208)	

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

The segment assets as at 30 June 2011 were as follows:

	(Unaudited)						Total US\$'000
	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	Elimination US\$'000	
Segment assets	<u>413,436</u>	<u>80,950</u>	<u>14,443</u>	<u>508,829</u>	<u>18,655</u>	<u>(6,741)</u>	<u>520,743</u>
Unallocated assets							<u>3,092</u>
Total assets							<u><u>523,835</u></u>
Total assets include:							
Interest in an associate	-	2,298	-	2,298	-	-	2,298
Additions to non-current assets (other than interest in an associate, defined benefit plan assets, financial assets, and deferred income tax assets)	1,418	62	64	1,544	46	-	1,590

The segment assets as at 31 March 2011 were as follows:

	Publishing and printing						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	Travel and travel related services US\$'000	Elimination US\$'000	
Segment assets	<u>406,079</u>	<u>74,122</u>	<u>14,680</u>	<u>494,881</u>	<u>9,233</u>	<u>(2,775)</u>	<u>501,339</u>
Unallocated assets							<u>3,142</u>
Total assets							<u><u>504,481</u></u>
Total assets include:							
Interest in an associate	-	2,379	-	2,379	-	-	2,379
Additions to non-current assets (other than interest in an associate, defined benefit plan assets, financial assets, and deferred income tax assets)	18,906	725	223	19,854	72	-	19,926

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

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

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 current quarter was as follows:

	(Unaudited)	
	Three months ended 30 June	
	2011	2010
	US\$'000	US\$'000
Advertising income, net of trade discounts	69,267	61,806
Sales of newspapers, magazines and books, net of trade discounts and returns	29,788	28,295
Travel and travel related services income	18,936	15,834
	<u>117,991</u>	<u>105,935</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 2011.

Additions and disposals of property, plant and equipment at net book value during the current quarter were as follows:

	(Unaudited)
	Three months ended
	30 June 2011
	US\$'000
Additions	1,474
Disposals	(53)

A10. Subsequent material events

There have been no material events subsequent to the end of the current quarter.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A11. Changes in the composition of the Group

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

During the quarter under review, One Media Group Limited (“OMG”), through its wholly-owned subsidiary, One Media Holdings Limited, acquired a shelf company, namely Sky Success Enterprises Limited (“Sky Success”) for a consideration of US\$1.00 for investment holding purpose. OMG is a non wholly-owned subsidiary of the Company with an indirect shareholding of 73.18%. Sky Success was incorporated in the British Virgin Islands on 17 March 2011 with an issued and paid-up capital of US\$1.00 comprising one share at no par value.

In addition, Centricon Enterprises Limited, a dormant and wholly-owned subsidiary of the Company has been deregistered from the Register of Companies of the Hong Kong Companies Registry pursuant to Section 291AA of the Companies Ordinance.

A12. Contingent liabilities

As at 30 June 2011, the Company issued financial guarantees in favour of certain of its subsidiaries totaling US\$28,061,000 (31 March 2011: US\$27,799,000) in connection with general banking facilities granted to those subsidiaries. As at 30 June 2011, total facilities utilised amounted to US\$1,805,000 (31 March 2011: US\$2,318,000). 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 June 2011 under the financial guarantees was the facility drawn down by its subsidiaries. No provision was therefore made in this respect as at 30 June 2011 (31 March 2011: Nil).

A13. Capital commitments

Capital commitments outstanding as at 30 June 2011 were as follows:

	(Unaudited) US\$'000
Property, plant and equipment :	
Authorised and contracted for	1,533
Authorised but not contracted for	4,527
	<hr/>
	6,060

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

B1. Review of performance

	(Unaudited) Three months ended 30 June	
	2011 US\$'000	2010 US\$'000
Turnover	117,991	105,935
Profit before income tax	19,054	18,794

The Group reported a revenue growth of 11.4% to reach a total of US\$117,991,000 in the first quarter of 2011/12 when compared to the corresponding quarter last year. However, the increase in revenue was offset by the rise in operating expenses, resulting in marginal growth in profit.

Profit before income tax for the current quarter was US\$19,054,000 which was US\$260,000 or 1.4% higher than the same quarter last year.

The Group's turnover and profit before income tax benefited from the translation gains arising from the appreciation of the Ringgit Malaysia and the Canadian dollar against the US dollar of about US\$5,645,000 and US\$2,531,000 respectively.

During the quarter, the Group has come under increasing pressure from rising inflation in all its major markets. Newsprint cost climbed by 13% from the year-ago quarter. Together with the increasing labour costs and other operating expenses, total expenses for the quarter were 14.2% higher than those of the corresponding period last year.

The publishing and printing segment reported a 9.9% increase in revenue over that of the last corresponding quarter, driven mainly by higher advertising revenues. However, the growth in revenue was mitigated by the increase in operating costs, resulting in a marginal growth of 2.2% in the segment's pre-tax profit.

The travel segment continued to deliver a solid performance during the quarter with a revenue growth of 19.6% to US\$18,936,000, fuelled by the improving economy and consumer confidence. Demand was strong for the segment's expertly planned tours to China as well as long-haul destinations, particularly Europe.

B2. Variation of results against immediate preceding quarter

	(Unaudited) Three months ended 30 June 2011 US\$'000	(Unaudited) Three months ended 31 March 2011 US\$'000	% change
Turnover	117,991	107,410	9.9%
Profit before income tax	19,054	12,446	53.1%

Turnover for the first quarter of US\$117,991,000 was 9.9% higher than the immediate preceding quarter's US\$107,410,000, driven by the increase in advertising and tour revenue. Profit before income tax was up 53.1% from US\$12,446,000 to US\$19,054,000 primarily due to an impairment charge of US\$4,132,000 recognised in the immediate preceding quarter.

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

B3. Current year's prospects

The Board is cautious on the outlook for the remaining quarters, given the volatile and uncertain market conditions faced by our core business.

Revenue growth is expected to moderate while the operations of the Group will continue to face the challenges of rising costs arising from higher newsprint prices and staff cost.

Nevertheless, the management will continue to adopt an optimistic yet prudent approach in managing our business and to ensure sustainable cost efficiency and profitability in all the operations.

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 June	
	2011	2010
	US\$'000	US\$'000
Current income tax expense	4,832	4,589
Under provision in prior years	21	1
Deferred income tax expense	439	701
	5,292	5,291

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.

B6. Unquoted investments and properties

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

B7. Quoted investments

- a) There were no purchases or disposals of quoted investments during the current quarter.
- b) Details of investments in quoted and marketable securities held by the Group as at 30 June 2011 were as follows:

	(Unaudited) US\$'000
Total investment at cost	601
Total investment at carrying value (after provision for diminution in value)	215
Total investment at market value	215

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

B8. Status of corporate proposals

On 5 August 2011, MediaNet Resources Limited ("MediaNet Resources"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the "Sale and Purchase Agreement") with Sky Success Enterprises Limited ("Sky Success"), a wholly-owned subsidiary of One Media Group Limited ("OMG"), whereby MediaNet Resources as legal and beneficial owner shall sell, and Sky Success shall purchase one ordinary share with no par value (being the entire issued share capital) of Media Connect Investment Limited ("Media Connect"), a wholly-owned subsidiary of the Company, for a consideration of HK\$25,800,000 (equivalent to US\$3,307,000) (the "Disposal"). Subject to the fulfillment of all the conditions of the Sale and Purchase Agreement, upon completion of the Disposal, Media Connect will cease to be an indirect wholly-owned subsidiary of the Company and MediaNet Resources shall cease its interest in Media Connect including its investment in ByRead Inc.

OMG is a non wholly-owned subsidiary of the Company with an indirect shareholding of 73.18%.

The Disposal is expected to complete by the second quarter of the financial year ending 31 March 2012.

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

B9. Group borrowings

The Group's borrowings as at 30 June 2011 were as follows:

	(Unaudited)		
	As at 30 June 2011		
	Secured	Unsecured	Total
	US\$'000	US\$'000	US\$'000
Current			
Short-term bank loans	155	7,458	7,613
Obligations under finance leases	11	-	11
	166	7,458	7,624

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

	(Unaudited)
	As at 30 June 2011
	US\$'000
Short-term borrowings	
Ringgit Malaysia	7,469
United States dollars	155
Total borrowings	7,624

B10. Off balance sheet financial instruments

The Group did not have any financial instrument with off balance sheet risk as at 30 June 2011.

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

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 special dividend of US0.400 cents (2010: Nil) per ordinary share payable on 6 October 2011 to shareholders whose names appear on the register of members of the Company at the close of the business on 15 September 2011 in cash in RM or in HK\$ at exchange rates determined on 24 August 2011 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 24 August 2011 as quoted by Bank Negara Malaysia of US\$ to RM and US\$ to HK\$, and the amount of special dividend payable were as follows:

	Exchange rates	Dividend per ordinary share
US\$ to RM	2.9725	1.189 sen
US\$ to HK\$	7.7970	HK3.119 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, 15 September 2011 whereby no transfer of shares will be registered on that date. In order to qualify for the special dividend of US0.400 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, 14 September 2011. 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, 15 September 2011 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 9 September 2011 to 15 September 2011, 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)	
	Three months ended 30 June	
	2011	2010
Profit attributable to equity holders of the Company (US\$'000)	<u>13,575</u>	<u>13,315</u>
Weighted average number of ordinary shares in issue	<u>1,685,173,054</u>	<u>1,683,897,241</u>
Basic earnings per share (US cents)	<u>0.81</u>	<u>0.79</u>

b) Diluted

	(Unaudited)	
	Three months ended 30 June	
	2011	2010
Profit attributable to equity holders of the Company (US\$'000)	<u>13,575</u>	<u>13,315</u>
Weighted average number of ordinary shares in issue	<u>1,685,173,054</u>	<u>1,683,897,241</u>
Adjustment for share options	<u>993,496</u>	<u>309,070</u>
Weighted average number of ordinary shares used to compute diluted earnings per share	<u>1,686,166,550</u>	<u>1,684,206,311</u>
Diluted earnings per share (US cents)	<u>0.81</u>	<u>0.79</u>

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

B14. Disclosure of realised and unrealised retained profits/(accumulated losses)

The following analysis of realised and unrealised retained profits was prepared in accordance with the Guidance on Special Matter No.1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants and based on the prescribed format by Bursa Securities.

	(Unaudited) As at 30 June 2011 US\$'000	As at 31 March 2011 US\$'000
Total retained profits of the Company and its subsidiaries:		
- Realised	182,434	187,692
- Unrealised	(12,147)	(11,756)
	170,287	175,936
Total share of accumulated losses from an associate:		
- Realised	(519)	(438)
- Unrealised	-	-
	(519)	(438)
Less : consolidation adjustments	(15,445)	(15,313)
Total Group retained profits as per consolidated balance sheet	154,323	160,185

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

On behalf of the Board
Media Chinese International Limited

Law Yuk Kuen
Secretary
24 August 2011