



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

INTERIM FINANCIAL REPORT

FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2008

Pursuant to Paragraph 9.22 (Quarterly Report) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), Media Chinese International Limited (the "Company"), a public company listed on the main board of Bursa Securities, announced its unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the second quarter ended 30 September 2008 to Bursa Securities on 27 November 2008.

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 (the "HK Stock Exchange").

27 November 2008

As at the date of this announcement, the Board comprises Tan Sri Datuk Tiong Hiew King, Mr Tiong Kiu King, Dato' Seri 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)
Interim financial report for the second quarter ended 30 September 2008

Unaudited Condensed Consolidated Income Statement
For the second quarter ended 30 September 2008

	Three months ended 30 September		Three months ended 30 September	
	2008 US\$'000	2007 US\$'000	2008 RM'000 (note)	2007 RM'000 (note)
Turnover	110,652	87,769	380,366	301,706
Cost of goods sold	(73,685)	(58,646)	(253,292)	(201,596)
Gross profit	36,967	29,123	127,074	100,110
Other income	1,922	1,156	6,607	3,974
Other (losses)/gains, net	(562)	619	(1,931)	2,128
Selling and distribution expenses	(15,726)	(11,699)	(54,058)	(40,215)
Administrative expenses	(10,224)	(8,659)	(35,145)	(29,765)
Other operating expenses	(2,018)	(1,227)	(6,937)	(4,218)
Operating profit	10,359	9,313	35,610	32,014
Finance costs	(336)	(154)	(1,155)	(529)
Profit before income tax	10,023	9,159	34,455	31,485
Income tax expense	(3,887)	(2,498)	(13,362)	(8,587)
Profit for the quarter	6,136	6,661	21,093	22,898
Attributable to:				
Equity holders of the Company	6,215	3,874	21,365	13,318
Minority interests	(79)	2,787	(272)	9,580
	6,136	6,661	21,093	22,898
Earnings per share attributable to the equity holders of the Company				
Basic (US cents/sen)	0.37	0.42	1.27	1.44
Diluted (US cents/sen)	0.37	0.42	1.27	1.44
Dividends				
First interim dividend in respect of current year, proposed (2008: proposed and paid)	(7,578)	(1,037)	(26,049)	(3,565)
Second interim dividend in respect of prior year, proposed and paid (2008: proposed and paid)	(15,275)	-	(52,508)	-

Note: The presentation currency of this unaudited interim financial report is United States dollars ("US\$"). Supplementary information in Ringgit Malaysia ("RM") for the period ended 30 September 2008 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.4375 ruling at 30 September 2008. 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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Unaudited Condensed Consolidated Income Statement
For the period ended 30 September 2008

	Six months ended 30 September		Six months ended 30 September	
	2008 US\$'000	2007 US\$'000	2008 RM'000 (note)	2007 RM'000 (note)
Turnover	220,135	171,014	756,714	587,861
Cost of goods sold	<u>(143,622)</u>	<u>(114,384)</u>	<u>(493,701)</u>	<u>(393,195)</u>
Gross profit	76,513	56,630	263,013	194,666
Other income	3,638	2,289	12,506	7,868
Other (losses)/gains, net	(102)	951	(351)	3,269
Selling and distribution expenses	(31,743)	(23,415)	(109,117)	(80,489)
Administrative expenses	(20,817)	(15,625)	(71,558)	(53,711)
Other operating expenses	<u>(3,542)</u>	<u>(2,419)</u>	<u>(12,175)</u>	<u>(8,315)</u>
Operating profit	23,947	18,411	82,318	63,288
Finance costs	<u>(781)</u>	<u>(401)</u>	<u>(2,685)</u>	<u>(1,378)</u>
Profit before income tax	23,166	18,010	79,633	61,910
Income tax expense	<u>(7,921)</u>	<u>(5,120)</u>	<u>(27,228)</u>	<u>(17,600)</u>
Profit for the period	<u>15,245</u>	<u>12,890</u>	<u>52,405</u>	<u>44,310</u>
Attributable to:				
Equity holders of the Company	15,036	7,338	51,687	25,225
Minority interests	<u>209</u>	<u>5,552</u>	<u>718</u>	<u>19,085</u>
	<u>15,245</u>	<u>12,890</u>	<u>52,405</u>	<u>44,310</u>
Earnings per share attributable to the equity holders of the Company				
Basic (US cents/sen)	0.89	0.80	3.06	2.75
Diluted (US cents/sen)	0.89	0.80	3.06	2.75
Dividends				
First interim dividend in respect of current year, proposed (2008: proposed and paid)	(7,578)	(1,037)	(26,049)	(3,565)
Second interim dividend in respect of prior year, proposed and paid (2008: proposed and paid)	(15,275)	-	(52,508)	-

Note: The presentation currency of this unaudited interim financial report is US\$. Supplementary information in RM for the period ended 30 September 2008 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.4375 ruling at 30 September 2008. 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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Unaudited Condensed Consolidated Balance Sheet
As at 30 September 2008

	As at 30 September 2008 US\$'000	As at 31 March 2008 US\$'000	As at 30 September 2008 RM'000 (note)	As at 31 March 2008 RM'000 (note)
ASSETS				
Non-current assets				
Property, plant and equipment	104,044	112,603	357,651	387,073
Investment properties	6,543	7,056	22,492	24,255
Leasehold land and land use rights	23,101	24,262	79,410	83,401
Intangible assets	20,160	22,022	69,300	75,701
Goodwill	61,493	62,450	211,382	214,672
Financial assets at fair value through profit or loss	-	1,128	-	3,878
Defined benefit plan assets	615	579	2,114	1,990
Deferred income tax assets	2,825	3,630	9,711	12,478
	<u>218,781</u>	<u>233,730</u>	<u>752,060</u>	<u>803,448</u>
Current assets				
Inventories	41,571	50,531	142,900	173,700
Available-for-sale financial assets	644	644	2,215	2,213
Financial assets at fair value through profit or loss	203	276	697	949
Trade and other receivables	73,715	76,896	253,395	264,330
Income tax recoverable	2,105	2,760	7,236	9,488
Cash and cash equivalents	80,697	76,559	277,396	263,172
	<u>198,935</u>	<u>207,666</u>	<u>683,839</u>	<u>713,852</u>
Current liabilities				
Trade and other payables	62,747	58,982	215,692	202,751
Income tax liabilities	6,088	4,067	20,928	13,980
Short-term bank loans	16,110	24,414	55,378	83,923
Bank overdrafts, secured	3,892	2,962	13,379	10,182
Current portion of long-term liabilities	2,828	6,460	9,721	22,206
	<u>91,665</u>	<u>96,885</u>	<u>315,098</u>	<u>333,042</u>
Net current assets	<u>107,270</u>	<u>110,781</u>	<u>368,741</u>	<u>380,810</u>
Total assets less current liabilities	<u>326,051</u>	<u>344,511</u>	<u>1,120,801</u>	<u>1,184,258</u>
EQUITY				
Share capital	21,684	5,167	74,540	17,763
Share premium	280,341	12,809	963,672	44,032
Other reserves	(103,358)	196,554	(355,292)	675,654
Retained earnings				
- Proposed dividend	7,578	15,610	26,049	53,659
- Others	98,911	91,136	340,006	313,280
	<u>305,156</u>	<u>321,276</u>	<u>1,048,975</u>	<u>1,104,388</u>
Minority interests	8,012	7,952	27,541	27,335
Total equity	<u>313,168</u>	<u>329,228</u>	<u>1,076,516</u>	<u>1,131,723</u>
Non-current liabilities				
Long-term liabilities	3,433	6,453	11,801	22,182
Deferred income tax liabilities	9,450	8,830	32,484	30,353
	<u>326,051</u>	<u>344,511</u>	<u>1,120,801</u>	<u>1,184,258</u>
Net assets per share attributable to ordinary equity holders of the Company (US cents/sen)	<u>18.59</u>	<u>19.52</u>	<u>63.90</u>	<u>67.10</u>

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Unaudited Consolidated Statement of Recognised Income and Expense
For the period ended 30 September 2008

	Six months ended 30 September		Six months ended 30 September	
	2008 US\$'000	2007 US\$'000	2008 RM'000 <i>(note)</i>	2007 RM'000 <i>(note)</i>
Currency translation differences	(15,536)	2,067	(53,405)	7,105
Net (loss)/income recognised directly in equity	(15,536)	2,067	(53,405)	7,105
Profit for the period	15,245	12,890	52,405	44,310
Total recognised (loss)/ income for the period	(291)	14,957	(1,000)	51,415
Attributable to :				
Equity holders of the Company	(519)	9,352	(1,784)	32,148
Minority interests	228	5,605	784	19,267
	(291)	14,957	(1,000)	51,415

Note: The presentation currency of this unaudited interim financial report is US\$. Supplementary information in RM for the period ended 30 September 2008 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.4375 ruling at 30 September 2008. 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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Unaudited Condensed Consolidated Cash Flow Statement
For the period ended 30 September 2008

	Six months ended 30 September		Six months ended 30 September	
	2008 US\$'000	2007 US\$'000	2008 RM'000 <i>(note)</i>	2007 RM'000 <i>(note)</i>
Cash flows from operating activities				
Cash generated from operations	42,261	6,453	145,272	22,182
Interest on bank loans and overdrafts	(728)	(350)	(2,503)	(1,203)
Interest element of finance lease payments	(53)	(51)	(182)	(175)
Profits tax paid	(3,536)	(1,528)	(12,155)	(5,253)
Long service payments made	(40)	-	(138)	-
Net cash generated from operating activities	37,904	4,524	130,294	15,551
Cash flows from investing activities				
Purchase of property, plant and equipment	(3,309)	(2,643)	(11,375)	(9,085)
Purchase of intangible assets	(106)	-	(364)	-
Proceeds from disposals of property, plant and equipment	191	154	657	529
Proceeds from redemption of listed investment	-	1,004	-	3,451
Proceeds from sale of property	-	64	-	220
Interest received	1,007	1,179	3,462	4,053
Dividends received	7	7	24	24
Net cash used in investing activities	(2,210)	(235)	(7,596)	(808)
Cash flows from financing activities				
Repurchase of ordinary shares	(378)	(100)	(1,299)	(343)
Proceeds from exercise of share options	16	39	55	134
Dividends paid	(15,275)	-	(52,508)	-
Dividends paid by a listed subsidiary	(191)	(50)	(656)	(172)
Repayment of bank loans	(6,023)	(11,214)	(20,704)	(38,548)
Repayment of short-term bank loans	(6,966)	-	(23,946)	-
Proceeds from capital element of finance lease payments	441	801	1,516	2,753
Capital element of finance lease payments	(368)	(282)	(1,265)	(969)
Net cash used in financing activities	(28,744)	(10,806)	(98,807)	(37,145)
Net increase/(decrease) in cash and cash equivalents, and bank overdrafts	6,950	(6,517)	23,891	(22,402)
Cash and cash equivalents, and bank overdrafts as at 1 April	73,597	64,924	252,990	223,176
Exchange adjustments on cash and cash equivalents, and bank overdrafts	(3,742)	802	(12,864)	2,756
Cash and cash equivalents, and bank overdrafts as at 30 September	76,805	59,209	264,017	203,530

Note: The presentation currency of this unaudited interim financial report is US\$. Supplementary information in RM for the period ended 30 September 2008 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.4375 ruling at 30 September 2008. 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 unaudited interim financial report

A1. Basis of preparation and changes in accounting policies

a) Basis of preparation

This unaudited condensed consolidated interim financial report (“interim financial report”) of Media Chinese International Limited (the “Company”) for the second quarter ended 30 September 2008 has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This interim 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 2008 and the accompanying explanatory notes attached to this interim financial report.

b) Accounting policies

The preparation of this interim financial report in conformity with International Financial Reporting Standards (“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 accounting policies adopted are consistent with those used in the audited consolidated annual financial statements of the Group for the year ended 31 March 2008 with the addition of the following amendments and interpretation to existing standard which are relevant to the Group’s operations and are mandatory for the financial year ending 31 March 2009:

Amendments to IAS 39 and IFRS 7	Reclassification of financial assets
IFRIC-Int 14	IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

The adoption of the new IFRSs has no material effect on the financial position or performance of the Group.

The Group has not yet early adopted the following new and revised standards, amendments or interpretations that have been issued but are not yet effective for the financial year ending 31 March 2009. The Group is in the process of making an assessment of the impact of these new IFRSs in the period of the initial application.

		Effective for accounting periods beginning on or after
IFRIC - Int 13	Customer loyalty programmes	1 July 2008
IFRIC - Int 16	Hedges of a net investment in a foreign operation	1 October 2008
IAS 1 (Revised)	Presentation of financial statements	1 January 2009
IAS 23 (Revised)	Borrowing costs	1 January 2009
IAS 32 and IAS 1 Amendment	Puttable financial instruments and obligations arising on liquidation	1 January 2009
IFRS 2 Amendment	Share-based payment vesting conditions and cancellations	1 January 2009
IFRS 8	Operating segments	1 January 2009
IFRIC - Int 15	Agreements for the construction of real estate	1 January 2009
IAS 27 (Revised)	Consolidated and separate financial statements	1 July 2009
IAS 39	Financial instruments: Recognition and measurement – Amendments for eligible hedged items	1 July 2009
IFRS 3 (Revised)	Business combination	1 July 2009
IFRS 3 - Appendix C	Impairment testing cash-generating units with goodwill and non-controlling interests	1 July 2009
IFRS 5	Non-current assets held for sale and discontinued operations	1 July 2009

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

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

c) Basis of consolidation

Both the Company and Sin Chew Media Corporation Berhad ("Sin Chew") have been under the common control of the same controlling party before and after the merger, details of which were disclosed in the Company's announcement dated 1 April 2008. As such, the Group has applied the principles of merger accounting to account for the business combination with Sin Chew and its subsidiaries (the "Sin Chew Group") 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.

As the Company and Nanyang Press Holdings Berhad ("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.

Accordingly, the Group's unaudited condensed consolidated income statement for the current quarter ended and six months ended 30 September 2008 included the results of both Sin Chew and Nanyang whereas for the comparative quarter ended and six months ended 30 September 2007, only Sin Chew's results were included.

d) Functional currency and translation to presentation currency

Items included in the financial statements of each of the Group's entity 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 may be the same or different from the entity's functional currency. For the entity of which functional currency is not the presentation currency, i.e. US\$, it has translated its results and financial position into US\$. Assets and liabilities on the balance sheet have been translated at the closing rate at the balance sheet date, i.e. 30 September 2008, and income and expenses on the income statement have been translated at exchange rates at the dates of the transactions. All resulting exchange differences have been recognised as exchange adjustments in the exchange fluctuation reserve.

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 2008 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.

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

A6. Changes in debt and equity securities

- a) During the six months period ended 30 September 2008, the Company repurchased a total of 1,430,000 of its listed shares on the HK Stock Exchange for the purpose of enhancing the net asset value per share of the Company. Details of the repurchases are summarised as follows:

Month/Year	Number of ordinary shares repurchased	Purchase price per share		Aggregate purchase consideration HK\$	Equivalents in US\$
		Highest HK\$	Lowest HK\$		
April 2008	600,000	2.20	1.85	1,285,000	164,908
May 2008	50,000	2.00	2.00	100,000	12,821
June 2008	780,000	2.05	1.99	1,565,830	200,565
	<u>1,430,000</u>			<u>2,950,830</u>	<u>378,294</u>

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

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

- b) Pursuant to a share option scheme approved at the Special General Meeting of the Company held on 21 August 2001 (the "Share Option Scheme") 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. Movements of share options during the six months ended 30 September 2008 were as follows:

Date of grant	Exercise price per share		Number of shares involved in share options				As at 30 September 2008
			As at 1 April 2008	Options granted	Options lapsed	Options exercised	
	HK\$	in US\$	Equivalents				
31 August 2001	1.592	0.205	2,551,000	-	-	(30,000)	2,521,000
29 August 2003	1.320	0.170	839,000	-	-	(60,000)	779,000
15 September 2003	1.800	0.232	1,200,000	-	-	-	1,200,000
			<u>4,590,000</u>	<u>-</u>	<u>-</u>	<u>(90,000)</u>	<u>4,500,000</u>

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

A6. Changes in debt and equity securities (continued)

- c) Details of the movements in the Company's shares during the six months ended 30 September 2008 were as follows:

	Number of shares
As at 1 April 2008	401,475,000
Shares issued as consideration for the exchange of all the ordinary shares of Sin Chew and Nanyang (<i>Note</i>)	1,284,815,241
Repurchase of ordinary shares	(1,430,000)
Exercise of share options	90,000
As at 30 September 2008	<u>1,684,950,241</u>

Note:

On 23 April 2008, 1,015,976,055 new ordinary shares of the Company of HK\$0.1 each were allotted to the shareholders of Sin Chew as consideration for the exchange of all the ordinary shares of RM0.5 each in the issued share capital of Sin Chew; and 268,839,186 new ordinary shares of the Company of HK\$0.1 each were allotted to the shareholders of Nanyang as consideration for the exchange of all the ordinary shares of RM1 each in the issued share capital of Nanyang.

Also on 23 April 2008, the approval granted by the HK Stock Exchange for the listing of and permission to deal in up to a total of 1,294,408,797 new shares (assuming full exercise of the outstanding options issued under Nanyang's employee share option scheme before completion of the merger of the Company, Sin Chew and Nanyang) issued to the shareholders of Sin Chew and Nanyang in exchange for Sin Chew shares and Nanyang shares, respectively, has become unconditional.

The Company's admission to the Official List of Bursa Securities and the listing of and quotation for the new shares on the main board of Bursa Securities took effect from 30 April 2008.

As such, from 30 April 2008, shareholders are entitled to trade the shares of the Company on both the HK Stock Exchange and Bursa Securities subject to the procedures as set out in the Company's circular dated 9 January 2008.

A7. Sale of unquoted investments or properties

There were no sales of unquoted investments or properties during the quarter ended 30 September 2008.

A8. 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 financial period under review.

A9. Financial instruments with off-balance sheet risks

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

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

A10. Segment information

Business segments

	Three months ended 30 September					
	Publishing and printing		Travel and travel related services		Total	
	2008	2007	2008	2007	2008	2007
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Turnover	89,458	64,325	21,194	23,444	110,652	87,769
Segment results	9,437	7,685	761	1,038	10,198	8,723
Interest income					544	607
Net unallocated expenses					(383)	(17)
Operating profit					10,359	9,313
Finance costs					(336)	(154)
Profit before income tax					10,023	9,159
Income tax expense					(3,887)	(2,498)
Profit for the quarter					6,136	6,661

	Six months ended 30 September					
	Publishing and printing		Travel and travel related services		Total	
	2008	2007	2008	2007	2008	2007
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Turnover	182,566	127,736	37,569	43,278	220,135	171,014
Segment results	22,815	16,000	714	1,314	23,529	17,314
Interest income					1,007	1,179
Net unallocated expenses					(589)	(82)
Operating profit					23,947	18,411
Finance costs					(781)	(401)
Profit before income tax					23,166	18,010
Income tax expense					(7,921)	(5,120)
Profit for the period					15,245	12,890

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

A10. Segment information (Continued)

Geographical segments

	Turnover		Segment results	
	Three months ended		Three months ended	
	30 September		30 September	
	2008	2007	2008	2007
	US\$'000	US\$'000	US\$'000	US\$'000
Malaysia & Southeast Asia	62,302	36,148	12,030	7,776
Hong Kong	27,094	31,763	(129)	2,499
North America	19,843	18,418	(788)	(415)
Mainland China	1,413	1,440	(547)	(722)
	<u>110,652</u>	<u>87,769</u>	10,566	9,138
Interest income			544	607
Net unallocated expenses			(751)	(432)
Operating profit			10,359	9,313
Finance costs			(336)	(154)
Profit before income tax			10,023	9,159
Income tax expense			(3,887)	(2,498)
Profit for the quarter			<u>6,136</u>	<u>6,661</u>

	Turnover		Segment results	
	Six months ended		Six months ended	
	30 September		30 September	
	2008	2007	2008	2007
	US\$'000	US\$'000	US\$'000	US\$'000
Malaysia & Southeast Asia	126,437	70,895	23,902	15,067
Hong Kong	53,735	59,678	2,858	4,645
North America	37,845	37,300	(1,532)	(419)
Mainland China	2,118	3,141	(982)	(1,156)
	<u>220,135</u>	<u>171,014</u>	24,246	18,137
Interest income			1,007	1,179
Net unallocated expenses			(1,306)	(905)
Operating profit			23,947	18,411
Finance costs			(781)	(401)
Profit before income tax			23,166	18,010
Income tax expense			(7,921)	(5,120)
Profit for the period			<u>15,245</u>	<u>12,890</u>

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

A11. Property, plant and equipment

The valuations of property, plant and equipment of the Company have been brought forward without amendment from the audited consolidated annual financial statements for the year ended 31 March 2008.

A12. Contingent liabilities

As at 30 September 2008, the Company issued financial guarantees in favour of certain of its subsidiaries totaling US\$23,160,000 in connection with general banking facilities granted to those subsidiaries. As at 30 September 2008, total facilities utilised amounted to US\$7,284,000.

A13. Capital commitments

Authorised capital expenditure for property, plant and equipment not provided for in the interim financial report were as follows:	US\$'000
- contracted	13,075
- not contracted	1,390
	<u>14,465</u>

A14. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter ended 30 September 2008.

A15. Reserves

	Attributable to equity holders of the Company					Minority interests US\$'000	Total US\$'000
	Share premium US\$'000	Merger reserve US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Sub-total US\$'000		
At 1 April 2008	12,809	(92,647)	289,201	106,746	316,109	7,952	324,061
Exchange adjustments	-	-	(15,555)	-	(15,555)	19	(15,536)
Net (loss)/income recognised directly in equity	-	-	(15,555)	-	(15,555)	19	(15,536)
Profit for the period	-	-	-	15,036	15,036	209	15,245
Total recognised (loss)/ income for the period	-	-	(15,555)	15,036	(519)	228	(291)
Repurchase of ordinary shares	(360)	-	18	(18)	(360)	-	(360)
Shares issued as consideration for the exchange of all the ordinary shares of Sin Chew and Nanyang	267,876	-	(284,411)	-	(16,535)	-	(16,535)
Exercise of share options	16	-	-	-	16	-	16
Share compensation costs on share options granted by a listed subsidiary	-	-	36	-	36	23	59
2007-2008 final dividend paid by a listed subsidiary	-	-	-	-	-	(191)	(191)
2007-2008 second interim dividend paid	-	-	-	(15,275)	(15,275)	-	(15,275)
At 30 September 2008	280,341	(92,647)	(10,711)	106,489	283,472	8,012	291,484

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

A15. Reserves (Continued)

	Attributable to equity holders of the Company						Total US\$'000
	Share premium US\$'000	Merger reserve US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Sub-total US\$'000	Minority interests US\$'000	
	At 1 April 2007	13,480	(92,647)	115,125	92,536	128,494	
Exchange adjustments	-	-	2,014	-	2,014	53	2,067
Net income recognised directly in equity	-	-	2,014	-	2,014	53	2,067
Profit for the period	-	-	-	7,338	7,338	5,552	12,890
Total recognised income for the period	-	-	2,014	7,338	9,352	5,605	14,957
Repurchase of ordinary shares	(95)	-	5	(5)	(95)	-	(95)
Exercise of share options	36	-	-	-	36	-	36
Share compensation costs on share options granted by a listed subsidiary	-	-	107	-	107	63	170
2006-2007 final dividend paid by a listed subsidiary	-	-	-	-	-	(50)	(50)
At 30 September 2007	13,421	(92,647)	117,251	99,869	137,894	64,985	202,879

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

B1. Review of performance

	Three months ended 30 September 2008 US\$'000	Three months ended 30 September 2007 US\$'000	Six months ended 30 September 2008 US\$'000	Six months ended 30 September 2007 US\$'000
Turnover	110,652	87,769	220,135	171,014
Profit before income tax	10,023	9,159	23,166	18,010

For the quarter under review, the Group recorded a consolidated turnover of US\$110,652,000 and a consolidated profit before income tax of US\$10,023,000, which represented increases of 26.1% and 9.4% respectively when compared to those in the corresponding period in 2007.

The improvement was attributable to the strong growth in revenue from the Group's publishing business in Malaysia, which was partly offset by the decline in the Group's tour income. The improvement in profit was due to the growth in revenue as well as contributions from Nanyang.

The Group achieved a total revenue of US\$220,135,000 for the first half year ended 30 September 2008, an improvement of 28.7% from US\$171,014,000 recorded in the corresponding period last year. The higher revenue achieved was mainly contributed by the strong revenue growth of the Group's publishing business in Malaysia.

For the six months ended 30 September, the Group registered a higher profit before tax of US\$23,166,000 as compared to US\$18,010,000 achieved in the previous year's corresponding period. Much of this is attributable to revenue growth for the Group's publishing business in Malaysia, coupled with comprehensive and effective cost reduction measures that have been implemented in the Group's operations. In addition, the acquisition of Nanyang also contributed to improving the Group's performance as well as strengthening its financial position.

B2. Variation of results against immediate preceding quarter

	Three months ended 30 September 2008 US\$'000	Three months ended 30 June 2008 US\$'000
Turnover	110,652	109,483
Profit before income tax	10,023	13,143

Despite the higher revenue recorded in the current quarter as compared to the immediate preceding quarter, the Group's profit before tax was reduced by 23.7%.

The lower profit was mainly due to higher newsprint cost, higher operating expenses and write-off of an unquoted investment during the quarter.

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

B3. Current year's prospects

The Board anticipates that the operating environment for the remaining quarters will be very challenging due to weak consumer sentiment compounded by the uncertain global business environment. Adding to this, the newsprint prices uptrend is likely to continue due to the strengthening of US\$ against Ringgit Malaysia.

Nevertheless, the Board is taking all possible measures to mitigate the adverse effects of the slowing economy growth. To meet the challenges, the Group will continue to drive for efficiencies and contain operating costs.

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		Six months ended	
	30 September		30 September	
	2008	2007	2008	2007
	US\$'000	US\$'000	US\$'000	US\$'000
Current quarter tax expense	2,911	1,815	6,101	3,694
Under provision in prior years	168	-	168	-
Deferred tax expense	808	683	1,652	1,426
	<u>3,887</u>	<u>2,498</u>	<u>7,921</u>	<u>5,120</u>

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 subsidiary companies.

B6. Quoted investments

- There were no purchases or disposals of quoted investments during the quarter under review.
- Details of investments in quoted and marketable securities held by the Group were as follows:

Quoted investments as at 30 September 2008	US\$'000
Total investment at cost	602
Total investment at carrying value (after provision for diminution in value)	203
Total investment at market value	<u>203</u>

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

B7. Dividend

The Board of Directors has declared a first interim dividend of US 0.450 cents per ordinary share in respect of the second quarter ended 30 September 2008 (2007: US0.258 cents per ordinary share). The dividend will be payable on 22 January 2009 in cash in RM or in HK\$ at exchange rates to be determined on 27 November 2008 by reference to the middle exchange rates applicable to US\$ at 12:00 noon as quoted by Bank Negara Malaysia to ordinary shareholders, whose names appear on the register of members of the Company at the close of business on 5 January 2009.

The middle exchange rates at 12:00 noon on 27 November 2008 as quoted by Bank Negara Malaysia of US\$ to RM and US\$ to HK\$, and the amount of first interim dividend payable are as follows:

	Exchange rates	Dividend per ordinary share
US\$ to RM	3.620	1.629 sen
US\$ to HK\$	7.754	HK 3.489 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 Monday, 5 January 2009 whereby no transfer of shares will be registered on that date. In order to qualify for the first interim dividend of US 0.450 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 Friday, 2 January 2009. 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 Monday, 5 January 2009 in respect of transfers; and ii) shares bought on Bursa Securities on a cum entitlement basis according to the rules of Bursa Malaysia.

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 30 December 2008 to 5 January 2009.

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 these financial statements, 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.

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

B9. Status of corporate proposals

On 14 July 2008, Sin Chew entered into the Land Acquisition Agreement with Rimbunan Hijau Estate Sdn Bhd (the "Vendor") 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") measuring approximately 16,271.53 square metres together with the buildings thereon for cash consideration of RM46,000,000 (equivalent to US\$13,381,818).

The Board believes that by combining the Land proposed to be acquired under the Land Acquisition Agreement with the land currently owned by Sin Chew, the value of both may be enhanced and the said land will be unlocked for re-development purposes in the future. Further, the Land is easily accessible and is centrally located in the prime area of Petaling Jaya in the state of Selangor, Malaysia, and as such functions as an effective distribution centre for the publications of Sin Chew.

Adding to this, Sin Chew has a tenancy agreement with the Vendor with a monthly rental of RM300,000 (equivalent to US\$87,273). After completion of the Land Acquisition, the Board believes that Sin Chew will have a saving in rental expenses of RM3,600,000 (equivalent to US\$1,047,273) per year.

Subsequently, on 4 August 2008, the Company announced that both the Vendor 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 the Vendor had entered into the Supplemental Land Acquisition Agreement which would supersede the Land Acquisition Agreement, pursuant to which Sin Chew conditionally agreed to acquire from the Vendor a portion of the Land together with buildings thereon (the "Sale Property") at a price of RM37,000,000 (equivalent to US\$10,763,636) and pay the additional building cost to the Vendor for the construction of a new office building estimated at RM5,000,000 (equivalent to US\$1,454,545) in cash.

Pursuant to an ordinary resolution passed at a special general meeting of the Company on 13 November 2008, subject to approvals of Malaysian Foreign Investment Committee and any other relevant authority, the proposed acquisition of the Sale Property and the reimbursement of the cost of constructing the new office building to the Vendor were approved and confirmed.

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

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

B10. Group borrowings

The Group's borrowings as at 30 September 2008 were as follows:

	As at 30 September 2008		Total US\$'000
	Secured US\$'000	Unsecured US\$'000	
Loans and financing - non-current			
Bank loans	1,373	-	1,373
Obligations under finance leases	1,155	-	1,155
	<u>2,528</u>	<u>-</u>	<u>2,528</u>
Short-term borrowings - current			
Bank overdrafts	3,892	-	3,892
Short-term bank loans	1,196	14,914	16,110
Portion of bank loans, due within 1 year	2,290	-	2,290
Portion of obligations under finance leases, due within 1 year	538	-	538
	<u>7,916</u>	<u>14,914</u>	<u>22,830</u>

The Group's borrowings analysed by currencies in which the borrowings are denominated were as follows:

	Long-term loans and financing US\$'000	Short-term borrowings US\$'000
Ringgit Malaysia	1,465	17,128
United States dollar	-	3,920
Canadian dollar	1,063	1,782
Total borrowings	<u>2,528</u>	<u>22,830</u>

B11. Earning per share

Basic earnings per share is calculated by dividing the Group's unaudited profit attributable to equity holders of the Company for the period of US\$15,036,000 (2007: US\$7,338,000) by the weighted average number of 1,685,290,897 (2007: 913,790,020) ordinary shares in issue during the period and all the shares that were deemed to have been issued during the period were taken into account.

Diluted earnings per share is based on 1,686,105,586 (2007: 914,676,832) ordinary shares which is the weighted average number of ordinary shares in issue during the period plus the weighted average number of 814,689 (2007: 886,812) 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.

By Order of the Board
Media Chinese International Limited

Law Yuk Kuen
Secretary
27 November 2008