

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)
Interim financial report for the third quarter ended 31 December 2008

Unaudited Condensed Consolidated Income Statement
For the third quarter ended 31 December 2008

	Three months ended 31 December		Three months ended 31 December	
	2008 US\$'000	2007 US\$'000	2008 RM'000 (note)	2007 RM'000 (note)
Turnover	95,229	82,258	330,207	285,230
Cost of goods sold	(62,147)	(50,075)	(215,495)	(173,635)
Gross profit	33,082	32,183	114,712	111,595
Other income	1,658	1,053	5,749	3,651
Other gains, net	561	510	1,945	1,768
Selling and distribution expenses	(15,221)	(12,689)	(52,779)	(43,999)
Administrative expenses	(7,485)	(7,184)	(25,954)	(24,911)
Other operating expenses	(1,461)	(1,186)	(5,066)	(4,112)
Operating profit	11,134	12,687	38,607	43,992
Finance costs	(273)	(170)	(947)	(589)
Profit before income tax	10,861	12,517	37,660	43,403
Income tax expense	(3,913)	(3,812)	(13,568)	(13,218)
Profit for the quarter	6,948	8,705	24,092	30,185
Attributable to:				
Equity holders of the Company	6,451	4,698	22,369	16,290
Minority interests	497	4,007	1,723	13,895
	6,948	8,705	24,092	30,185
Earnings per share attributable to the equity holders of the Company				
Basic (US cents/sen) #	0.38	0.51	1.32	1.77
Diluted (US cents/sen) #	0.38	0.51	1.32	1.77
Dividends	-	-	-	-

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

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 31 December 2008 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.4675 ruling at 31 December 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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Interim financial report for the third quarter ended 31 December 2008

Unaudited Condensed Consolidated Income Statement
For the period ended 31 December 2008

	Nine months ended 31 December		Nine months ended 31 December	
	2008 US\$'000	2007 US\$'000	2008 RM'000 (note)	2007 RM'000 (note)
Turnover	315,364	253,272	1,093,525	878,221
Cost of goods sold	(205,769)	(164,459)	(713,504)	(570,262)
Gross profit	109,595	88,813	380,021	307,959
Other income	5,296	3,342	18,364	11,588
Other gains, net	459	1,461	1,591	5,066
Selling and distribution expenses	(46,964)	(36,104)	(162,848)	(125,191)
Administrative expenses	(28,302)	(22,809)	(98,137)	(79,090)
Other operating expenses	(5,003)	(3,605)	(17,348)	(12,500)
Operating profit	35,081	31,098	121,643	107,832
Finance costs	(1,054)	(571)	(3,655)	(1,980)
Profit before income tax	34,027	30,527	117,988	105,852
Income tax expense	(11,834)	(8,932)	(41,034)	(30,971)
Profit for the period	<u>22,193</u>	<u>21,595</u>	<u>76,954</u>	<u>74,881</u>
Attributable to:				
Equity holders of the Company	21,487	12,036	74,506	41,735
Minority interests	706	9,559	2,448	33,146
	<u>22,193</u>	<u>21,595</u>	<u>76,954</u>	<u>74,881</u>
Earnings per share attributable to the equity holders of the Company				
Basic (US cents/sen) #	1.28	1.32	4.44	4.58
Diluted (US cents/sen) #	1.28	1.32	4.44	4.58
Dividends				
First interim dividend in respect of current year, proposed (2007-2008: proposed and paid)	(7,578)	(1,037)	(26,277)	(3,596)
Second interim dividend in respect of prior year, proposed and paid (2007-2008: proposed and paid)	(15,275)	-	(52,966)	-

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

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MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)
Interim financial report for the third quarter ended 31 December 2008

Unaudited Condensed Consolidated Balance Sheet
As at 31 December 2008

	As at 31 December 2008 US\$'000	As at 31 March 2008 US\$'000	As at 31 December 2008 RM'000 (note)	As at 31 March 2008 RM'000 (note)
ASSETS				
Non-current assets				
Property, plant and equipment	102,168	112,603	354,268	390,451
Investment properties	6,519	7,056	22,605	24,467
Leasehold land and land use rights	22,907	24,262	79,430	84,129
Intangible assets	19,799	22,022	68,653	76,361
Goodwill	61,388	62,450	212,863	216,545
Financial assets at fair value through profit or loss	-	1,128	-	3,911
Defined benefit plan assets	634	579	2,198	2,008
Deferred income tax assets	2,625	3,630	9,102	12,587
	<u>216,040</u>	<u>233,730</u>	<u>749,119</u>	<u>810,459</u>
Current assets				
Inventories	44,550	50,531	154,477	175,216
Available-for-sale financial assets	646	644	2,240	2,233
Financial assets at fair value through profit or loss	220	276	763	957
Trade and other receivables	72,780	76,896	252,365	266,637
Income tax recoverable	723	2,760	2,507	9,571
Cash and cash equivalents	81,049	76,559	281,037	265,468
	<u>199,968</u>	<u>207,666</u>	<u>693,389</u>	<u>720,082</u>
Current liabilities				
Trade and other payables	59,910	58,982	207,738	204,520
Income tax liabilities	5,527	4,067	19,165	14,102
Dividend payable	7,578	-	26,277	-
Short-term bank loans	12,761	24,414	44,249	84,656
Bank overdrafts, secured	4,447	2,962	15,420	10,271
Current portion of long-term liabilities	2,384	6,460	8,266	22,400
	<u>92,607</u>	<u>96,885</u>	<u>321,115</u>	<u>335,949</u>
Net current assets	<u>107,361</u>	<u>110,781</u>	<u>372,274</u>	<u>384,133</u>
Total assets less current liabilities	<u>323,401</u>	<u>344,511</u>	<u>1,121,393</u>	<u>1,194,592</u>
EQUITY				
Share capital	21,672	5,167	75,147	17,917
Share premium	280,160	12,809	971,454	44,415
Other reserves	(105,052)	196,554	(364,267)	681,551
Retained earnings				
- Proposed dividend	-	15,610	-	54,128
- Others	105,349	91,136	365,298	316,014
	<u>302,129</u>	<u>321,276</u>	<u>1,047,632</u>	<u>1,114,025</u>
Minority interests	<u>8,461</u>	<u>7,952</u>	<u>29,339</u>	<u>27,574</u>
Total equity	<u>310,590</u>	<u>329,228</u>	<u>1,076,971</u>	<u>1,141,599</u>
Non-current liabilities				
Long-term liabilities	2,853	6,453	9,893	22,375
Deferred income tax liabilities	9,958	8,830	34,529	30,618
	<u>323,401</u>	<u>344,511</u>	<u>1,121,393</u>	<u>1,194,592</u>
Net assets per share attributable to ordinary equity holders of the Company (US cents/sen)	<u>18.44</u>	<u>19.52</u>	<u>63.94</u>	<u>67.69</u>

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MEDIA CHINESE INTERNATIONAL LIMITED
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Interim financial report for the third quarter ended 31 December 2008

Unaudited Consolidated Statement of Recognised Income and Expense
For the period ended 31 December 2008

	Nine months ended 31 December		Nine months ended 31 December	
	2008 US\$'000	2007 US\$'000	2008 RM'000 <i>(note)</i>	2007 RM'000 <i>(note)</i>
Currency translation differences	(17,260)	5,719	(59,849)	19,831
Net (loss)/income recognised directly in equity	(17,260)	5,719	(59,849)	19,831
Profit for the period	22,193	21,595	76,954	74,881
Total recognised income for the period	4,933	27,314	17,105	94,712
Attributable to :				
Equity holders of the Company	4,215	17,414	14,615	60,384
Minority interests	718	9,900	2,490	34,328
	4,933	27,314	17,105	94,712

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MEDIA CHINESE INTERNATIONAL LIMITED
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Interim financial report for the third quarter ended 31 December 2008

Unaudited Condensed Consolidated Cash Flow Statement
For the period ended 31 December 2008

	Nine months ended 31 December		Nine months ended 31 December	
	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	50,373	18,532	174,668	64,259
Interest on bank loans and overdrafts	(983)	(476)	(3,409)	(1,651)
Interest element of finance lease payments	(71)	(95)	(246)	(329)
Profits tax paid	(5,960)	(4,771)	(20,667)	(16,543)
Long service payments made	(29)	(155)	(101)	(538)
Net cash generated from operating activities	43,330	13,035	150,245	45,198
Cash flows from investing activities				
Purchase of property, plant and equipment	(5,089)	(3,740)	(17,646)	(12,969)
Purchase of investment properties	(32)	-	(111)	-
Purchase of intangible assets	(117)	(44)	(406)	(153)
Purchase of financial assets at fair value through profit or loss	-	(2,008)	-	(6,963)
Proceeds from disposals of property, plant and equipment	233	157	808	545
Proceeds from redemption of listed investment	-	1,506	-	5,222
Interest received	1,454	1,688	5,042	5,853
Dividends received	10	10	35	35
Net cash used in investing activities	(3,541)	(2,431)	(12,278)	(8,430)
Cash flows from financing activities				
Repurchase of ordinary shares	(572)	(440)	(1,983)	(1,526)
Proceeds from exercise of share options	16	39	55	135
Dividends paid	(15,275)	-	(52,966)	-
Dividends paid by Sin Chew	-	(7,781)	-	(26,981)
Dividends paid by a listed subsidiary	(191)	(50)	(662)	(173)
Repayment of bank loans	(6,698)	(9,479)	(23,225)	(32,868)
Repayment of short-term bank loans	(9,476)	(2,466)	(32,858)	(8,550)
Proceeds from capital element of finance lease payments	441	803	1,529	2,785
Capital element of finance lease payments	(448)	(449)	(1,553)	(1,556)
Net cash used in financing activities	(32,203)	(19,823)	(111,663)	(68,734)
Net increase/(decrease) in cash and cash equivalents, and bank overdrafts	7,586	(9,219)	26,304	(31,966)
Cash and cash equivalents, and bank overdrafts as at 1 April	73,597	64,924	255,197	225,124
Exchange adjustments on cash and cash equivalents, and bank overdrafts	(4,581)	1,383	(15,884)	4,795
Cash and cash equivalents, and bank overdrafts as at 31 December	76,602	57,088	265,617	197,953

Note: The presentation currency of this unaudited interim financial report is US\$. Supplementary information in RM for the period ended 31 December 2008 with comparatives are shown for reference only and have been made at the same exchange rate of US\$1 to RM3.4675 ruling at 31 December 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 third quarter ended 31 December 2008 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 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 judgment 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 nine months ended 31 December 2008 included the results of both Sin Chew and Nanyang whereas for the comparative quarter ended and nine months ended 31 December 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. 31 December 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.

MEDIA CHINESE INTERNATIONAL LIMITED
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Interim financial report for the third quarter ended 31 December 2008

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

A6. Changes in debt and equity securities

- a) During the nine months ended 31 December 2008, the Company repurchased a total of 2,482,000 of its listed shares on the HK Stock Exchange for the purpose of enhancing the net asset value per share of the Company. Details of the repurchases were summarised as follows:

Month/Year	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
October 2008	1,050,000	1.54	1.22	1,526,546	193,713
December 2008	2,000	1.22	1.22	2,440	330
	<u>2,482,000</u>			<u>4,479,816</u>	<u>572,337</u>

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

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

- b) 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. Movements of share options during the nine months ended 31 December 2008 were as follows:

Date of grant	Exercise price per share		Number of shares involved in share options				
	HK\$	in US\$	As at 1 April 2008	Options granted	Options lapsed	Options exercised	As at 31 December 2008
			Equivalents				
31 August 2001	1.592	0.205	2,551,000	-	(200,000)	(30,000)	2,321,000
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>(200,000)</u>	<u>(90,000)</u>	<u>4,300,000</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 nine months ended 31 December 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	(2,482,000)
Exercise of share options	90,000
As at 31 December 2008	<u>1,683,898,241</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.

A7. Sale of unquoted investments or properties

There were no sales of unquoted investments or properties during the quarter ended 31 December 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 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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Interim financial report for the third quarter ended 31 December 2008

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

A10. Segment information

Business segments

	Three months ended 31 December					
	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	85,044	70,477	10,185	11,781	95,229	82,258
Segment results	11,229	12,800	(261)	(568)	10,968	12,232
Interest income					447	510
Net unallocated expenses					(281)	(55)
Operating profit					11,134	12,687
Finance costs					(273)	(170)
Profit before income tax					10,861	12,517
Income tax expense					(3,913)	(3,812)
Profit for the quarter					6,948	8,705

	Nine months ended 31 December					
	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	267,610	198,213	47,754	55,059	315,364	253,272
Segment results	35,172	28,801	453	746	35,625	29,547
Interest income					1,454	1,688
Net unallocated expenses					(1,998)	(137)
Operating profit					35,081	31,098
Finance costs					(1,054)	(571)
Profit before income tax					34,027	30,527
Income tax expense					(11,834)	(8,932)
Profit for the period					22,193	21,595

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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	
	31 December		31 December	
	2008	2007	2008	2007
	US\$'000	US\$'000	US\$'000	US\$'000
Malaysia & Southeast Asia	57,006	37,897	11,455	9,620
Hong Kong	22,502	27,103	1,609	3,927
North America	13,915	15,276	(1,246)	(785)
Mainland China	1,806	1,982	(505)	(165)
	<u>95,229</u>	<u>82,258</u>	11,313	12,597
Interest income			447	510
Net unallocated expenses			(626)	(420)
Operating profit			11,134	12,687
Finance costs			(273)	(170)
Profit before income tax			10,861	12,517
Income tax expense			(3,913)	(3,812)
Profit for the quarter			<u>6,948</u>	<u>8,705</u>

	Turnover		Segment results	
	Nine months ended		Nine months ended	
	31 December		31 December	
	2008	2007	2008	2007
	US\$'000	US\$'000	US\$'000	US\$'000
Malaysia & Southeast Asia	183,443	108,792	35,357	24,688
Hong Kong	76,237	86,781	5,595	8,572
North America	51,760	52,576	(2,778)	(1,204)
Mainland China	3,924	5,123	(1,487)	(1,321)
	<u>315,364</u>	<u>253,272</u>	36,687	30,735
Interest income			1,454	1,688
Net unallocated expenses			(3,060)	(1,325)
Operating profit			35,081	31,098
Finance costs			(1,054)	(571)
Profit before income tax			34,027	30,527
Income tax expense			(11,834)	(8,932)
Profit for the period			<u>22,193</u>	<u>21,595</u>

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.

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

A12. Contingent liabilities

As at 31 December 2008, the Company issued financial guarantees in favour of certain of its subsidiaries totaling US\$22,394,000 in connection with general banking facilities granted to those subsidiaries. As at 31 December 2008, total facilities utilised amounted to US\$6,613,000.

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	13,388
- not contracted	2,185
	<u>15,573</u>

A14. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter ended 31 December 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	-	-	(17,272)	-	(17,272)	12	(17,260)
Net (loss)/income recognised directly in equity	-	-	(17,272)	-	(17,272)	12	(17,260)
Profit for the period	-	-	-	21,487	21,487	706	22,193
Total recognised (loss) /income for the period	-	-	(17,272)	21,487	4,215	718	4,933
Repurchase of ordinary shares	(541)	-	31	(31)	(541)	-	(541)
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
Disposal of a subsidiary	-	-	-	-	-	(47)	(47)
Share compensation costs on share options granted by a listed subsidiary	-	-	46	-	46	29	75
2007-2008 final dividend paid by a listed subsidiary	-	-	-	-	-	(191)	(191)
2007-2008 second interim dividend paid	-	-	-	(15,275)	(15,275)	-	(15,275)
2008-2009 first interim dividend proposed	-	-	-	(7,578)	(7,578)	-	(7,578)
At 31 December 2008	<u>280,160</u>	<u>(92,647)</u>	<u>(12,405)</u>	<u>105,349</u>	<u>280,457</u>	<u>8,461</u>	<u>288,918</u>

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

A15. Reserves (Continued)

	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 2007	13,480	(92,647)	115,125	92,536	128,494	59,367	187,861
Exchange adjustments	-	-	5,378	-	5,378	341	5,719
Net income recognised directly in equity	-	-	5,378	-	5,378	341	5,719
Profit for the period	-	-	-	12,036	12,036	9,559	21,595
Total recognised income for the period	-	-	5,378	12,036	17,414	9,900	27,314
Repurchase of ordinary shares	(416)	-	23	(23)	(416)	-	(416)
Exercise of share options	36	-	-	-	36	-	36
Share compensation costs on share options granted by a listed subsidiary	-	-	137	-	137	63	200
2007 final dividend paid by Sin Chew	-	-	-	(3,900)	(3,900)	(3,881)	(7,781)
2006-2007 final dividend paid by a listed subsidiary	-	-	-	-	-	(50)	(50)
At 31 December 2007	13,100	(92,647)	120,663	100,649	141,765	65,399	207,164

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

B1. Review of performance

	Three months ended 31 December		Nine months ended 31 December	
	2008 US\$'000	2007 US\$'000	2008 US\$'000	2007 US\$'000
Turnover	95,229	82,258	315,364	253,272
Profit before income tax	10,861	12,517	34,027	30,527

For the third quarter of 2008/2009, the Group's revenue was US\$95,229,000, which had increased by US\$12,971,000 or 15.8%, as compared to the corresponding quarter last year. The improvement was due primarily to the moderate increase in revenue from Sin Chew as well as the inclusion of the revenue of Nanyang, which was acquired by the Group in April 2008. The increase was offset by the decline in the Group's tour income and revenues from its publishing business in Hong Kong and North America.

The Group's profit before income tax was US\$10,861,000, which had decreased by US\$1,656,000 or 13.2%, as compared to the corresponding quarter last year. Despite Sin Chew's growth and the inclusion of Nanyang's operating results, the Group recorded a lower profit before income tax due to the sharp increase in newsprint cost and the impact of the current economic downturn which has negatively affected the Group's publishing business in Hong Kong and North America.

For the nine months ended 31 December 2008, the Group's consolidated turnover and profit before income tax were US\$315,364,000 and US\$34,027,000, increased by 24.5% and 11.5%, respectively, when compared with those in the corresponding period last year.

The growth was mainly due to a combination of factors including the inclusion of the operating results from Nanyang, the strong underlying business performance of Sin Chew and the ongoing cost control measures undertaken by all the operating units within the Group.

B2. Variation of results against immediate preceding quarter

	Three months ended 31 December 2008 US\$'000	Three months ended 30 September 2008 US\$'000
Turnover	95,229	110,652
Profit before income tax	10,861	10,023

For the current quarter under review, the Group recorded a lower turnover of US\$95,229,000 as compared to US\$110,652,000 in the preceding quarter, mainly caused by the current economic downturn which has adversely affected the Group's advertising revenue. Despite lower revenues, the Group's profit before income tax for the quarter was US\$10,861,000, an increase of 8.4% over the preceding quarter as a result of the effective cost control measures implemented.

B3. Current year's prospects

With the global economy heading for a recession and dropping consumer confidence, the advertising market is expected to soften considerably in 2009. Adding to this, the fourth quarter is traditionally a quieter period because of the significant cut back in advertising expenditure after the major festivals. This will pose greater challenges for the Group in the coming quarter as well as the year ahead.

The Group has recently restructured its operations in the United States, including the discontinuation of the loss-making operation in San Francisco with effect from February 2009. This will allow the Group to consolidate its resources to cater for other more profitable markets. In addition, the Group will continue its efforts in leveraging its resources and streamlining its workflows to enhance cost efficiency and productivity throughout its business which is particularly important in the current weak economic environment.

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

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		Nine months ended	
	31 December		31 December	
	2008	2007	2008	2007
	US\$'000	US\$'000	US\$'000	US\$'000
Current period tax expense	3,198	3,287	9,299	6,981
(Over)/under provision in prior years	(3)	-	165	-
Deferred tax expense	718	525	2,370	1,951
	<u>3,913</u>	<u>3,812</u>	<u>11,834</u>	<u>8,932</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 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:

Quoted investments as at 31 December 2008	US\$'000
Total investment at cost	602
Total investment at carrying value (after provision for diminution in value)	220
Total investment at market value	<u>220</u>

B7. Dividend

The first interim dividend of US 0.450 cents per ordinary share amounting to US\$7,578,000 in respect of the second quarter ended 30 September 2008 was paid to shareholders of the Company on 22 January 2009.

The Board of Directors does not recommend any distribution 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 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

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

On 14 July 2008, Sin Chew 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\$14,078,041).

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 RHE with a monthly rental of RM300,000 (equivalent to US\$86,518). After completion of the acquisition of the Land, the Board believes that Sin Chew will have a saving in rental expenses of RM3,600,000 (equivalent to US\$1,038,212) per year.

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\$10,659,752) and pay the additional building cost to RHE for the construction of a new office building estimated at RM5,000,000 (equivalent to US\$1,440,507) 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 RHE were approved and confirmed.

b) Acquisition of properties

On 29 January 2009, Sin Chew entered into sale and purchase agreements with Pacific Hijau Sdn Bhd ("PH") to acquire thirteen (13) properties ("13 Sale Properties") from PH for a total consideration of RM5,920,000 (equivalent to US\$1,644,901).

Sin Chew has entered into tenancy agreements with PH for the 13 Sale Properties since 1990s. The Board believes that the transaction is necessary for the operations of Sin Chew as it ensures continuity of its presence in locations already known to its readers and advertisers. Furthermore, Sin Chew will be able to enjoy the gross rental savings of approximately RM248,040 (equivalent to US\$71,533) per annum.

The transaction is expected to be completed by the second quarter of financial year 2009/2010.

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 31 December 2008 were as follows:

	As at 31 December 2008		Total US\$'000
	Secured US\$'000	Unsecured US\$'000	
Loans and financing - non-current			
Bank loans	1,002	-	1,002
Obligations under finance leases	940	-	940
	<u>1,942</u>	<u>-</u>	<u>1,942</u>
Short-term borrowings - current			
Bank overdrafts	4,447	-	4,447
Short-term bank loans	549	12,212	12,761
Portion of bank loans, due within 1 year	1,943	-	1,943
Portion of obligations under finance leases, due within 1 year	441	-	441
	<u>7,380</u>	<u>12,212</u>	<u>19,592</u>

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

	Long-term loans and financing US\$'000	Short-term borrowings US\$'000
Ringgit Malaysia	1,072	14,237
United States dollar	-	3,336
Canadian dollar	870	2,019
Total borrowings	<u>1,942</u>	<u>19,592</u>

B11. Earnings 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\$21,487,000 (2007: US\$12,036,000) by the weighted average number of 1,684,854,161 (2007: 913,327,087) 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 1,685,239,877 (2007: 914,122,550) ordinary shares which is the weighted average number of ordinary shares in issue during the period plus the weighted average number of 385,716 (2007: 795,463) 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 February 2009