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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 2010**

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 first quarter ended 30 June 2010 to Bursa Securities on 25 August 2010.

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.

25 August 2010

*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 2010**

**CONDENSED CONSOLIDATED INCOME STATEMENT**

|   | <b>(Unaudited)</b>                    |                 | <b>(Unaudited)</b>                    |               |
|---|---------------------------------------|-----------------|---------------------------------------|---------------|
|   | <b>Three months ended<br/>30 June</b> |                 | <b>Three months ended<br/>30 June</b> |               |
|   | <b>2010</b>                           | <b>2009</b>     | <b>2010</b>                           | <b>2009</b>   |
|   | <b>US\$'000</b>                       | <b>US\$'000</b> | <b>RM'000</b>                         | <b>RM'000</b> |
|   |                                       |                 | <i>(Note)</i>                         | <i>(Note)</i> |
| Turnover  | <b>105,935</b>                        | 86,557          | <b>342,859</b>                        | 280,142       |
| Cost of goods sold  | <b>(63,631)</b>                       | (58,210)        | <b>(205,942)</b>                      | (188,397)     |
| <b>Gross profit</b>   | <b>42,304</b>                         | 28,347          | <b>136,917</b>                        | 91,745        |
| Other income  | <b>1,625</b>                          | 1,194           | <b>5,259</b>                          | 3,865         |
| Other gains, net  | <b>432</b>                            | 460             | <b>1,398</b>                          | 1,489         |
| Selling and distribution expenses   | <b>(14,595)</b>                       | (12,909)        | <b>(47,237)</b>                       | (41,780)      |
| Administrative expenses   | <b>(9,083)</b>                        | (8,345)         | <b>(29,397)</b>                       | (27,009)      |
| Other operating expenses  | <b>(1,593)</b>                        | (1,424)         | <b>(5,156)</b>                        | (4,609)       |
| <b>Operating profit</b>   | <b>19,090</b>                         | 7,323           | <b>61,784</b>                         | 23,701        |
| Finance costs   | <b>(220)</b>                          | (190)           | <b>(712)</b>                          | (615)         |
| Share of loss of an associate   | <b>(76)</b>                           | -               | <b>(246)</b>                          | -             |
| <b>Profit before income tax</b>   | <b>18,794</b>                         | 7,133           | <b>60,826</b>                         | 23,086        |
| Income tax expense  | <b>(5,291)</b>                        | (2,537)         | <b>(17,124)</b>                       | (8,211)       |
| <b>Profit for the quarter</b>   | <b>13,503</b>                         | 4,596           | <b>43,702</b>                         | 14,875        |
| <b>Attributable to:</b>   |                                       |                 |                                       |               |
| Equity holders of the Company   | <b>13,315</b>                         | 4,706           | <b>43,094</b>                         | 15,231        |
| Non-controlling interests   | <b>188</b>                            | (110)           | <b>608</b>                            | (356)         |
|   | <b>13,503</b>                         | 4,596           | <b>43,702</b>                         | 14,875        |
| <b>Earnings per share attributable to the equity holders of the Company</b> |                                       |                 |                                       |               |
| Basic (US cents/sens) #   | <b>0.79</b>                           | 0.28            | <b>2.56</b>                           | 0.91          |
| Diluted (US cents/sens) #   | <b>0.79</b>                           | 0.28            | <b>2.56</b>                           | 0.91          |

# 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 2010 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.2365 ruling at 30 June 2010. 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 2010**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|   | <b>(Unaudited)</b>        |                      | <b>(Unaudited)</b>        |                      |
|---|---------------------------|----------------------|---------------------------|----------------------|
|   | <b>Three months ended</b> |                      | <b>Three months ended</b> |                      |
|   | <b>30 June</b>            |                      | <b>30 June</b>            |                      |
|   | <b>2010</b>               | <b>2009</b>          | <b>2010</b>               | <b>2009</b>          |
|   | <b>US\$'000</b>           | <b>US\$'000</b>      | <b>RM'000</b>             | <b>RM'000</b>        |
|   |                           |                      | <i>(Note)</i>             | <i>(Note)</i>        |
| <b>Profit for the quarter</b>                     | <b>13,503</b>             | <b>4,596</b>         | <b>43,702</b>             | <b>14,875</b>        |
| <b>Other comprehensive income</b>                 |                           |                      |                           |                      |
| Currency translation differences                  | <u>2,135</u>              | <u>8,498</u>         | <u>6,910</u>              | <u>27,504</u>        |
| <b>Total comprehensive income for the quarter</b> | <b><u>15,638</u></b>      | <b><u>13,094</u></b> | <b><u>50,612</u></b>      | <b><u>42,379</u></b> |
| <b>Attributable to:</b>                           |                           |                      |                           |                      |
| Equity holders of the Company                     | <u>15,514</u>             | <u>13,220</u>        | <u>50,211</u>             | <u>42,787</u>        |
| Non-controlling interests                         | <u>124</u>                | <u>(126)</u>         | <u>401</u>                | <u>(408)</u>         |
|   | <b><u>15,638</u></b>      | <b><u>13,094</u></b> | <b><u>50,612</u></b>      | <b><u>42,379</u></b> |

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**Financial report for the first quarter ended 30 June 2010**

**CONDENSED CONSOLIDATED INCOME STATEMENT**

|   | <b>(Unaudited)</b><br><b>Period ended</b><br><b>30 June</b> |                                | <b>(Unaudited)</b><br><b>Period ended</b><br><b>30 June</b> |   |
|---|---|--------------------------------|---|---|
|   | <b>2010</b><br><b>US\$'000</b>                              | <b>2009</b><br><b>US\$'000</b> | <b>2010</b><br><b>RM'000</b><br><i>(Note)</i>               | <b>2009</b><br><b>RM'000</b><br><i>(Note)</i> |
| Turnover  | 105,935   | 86,557                         | 342,859   | 280,142                                       |
| Cost of goods sold  | <u>(63,631)</u>   | <u>(58,210)</u>                | <u>(205,942)</u>  | <u>(188,397)</u>                              |
| <b>Gross profit</b>   | <b>42,304</b>   | <b>28,347</b>                  | <b>136,917</b>  | <b>91,745</b>                                 |
| Other income  | 1,625   | 1,194                          | 5,259   | 3,865   |
| Other gains, net  | 432   | 460                            | 1,398   | 1,489   |
| Selling and distribution expenses   | (14,595)  | (12,909)                       | (47,237)  | (41,780)                                      |
| Administrative expenses   | (9,083)   | (8,345)                        | (29,397)  | (27,009)                                      |
| Other operating expenses  | <u>(1,593)</u>  | <u>(1,424)</u>                 | <u>(5,156)</u>  | <u>(4,609)</u>                                |
| <b>Operating profit</b>   | <b>19,090</b>   | <b>7,323</b>                   | <b>61,784</b>   | <b>23,701</b>                                 |
| Finance costs   | (220)   | (190)                          | (712)   | (615)   |
| Share of loss of an associate   | <u>(76)</u>   | <u>-</u>                       | <u>(246)</u>  | <u>-</u>                                      |
| <b>Profit before income tax</b>   | <b>18,794</b>   | <b>7,133</b>                   | <b>60,826</b>   | <b>23,086</b>                                 |
| Income tax expense  | <u>(5,291)</u>  | <u>(2,537)</u>                 | <u>(17,124)</u>   | <u>(8,211)</u>                                |
| <b>Profit for the period</b>  | <b><u>13,503</u></b>  | <b><u>4,596</u></b>            | <b><u>43,702</u></b>  | <b><u>14,875</u></b>                          |
| <b>Attributable to:</b>   |   |                                |   |   |
| Equity holders of the Company   | 13,315  | 4,706                          | 43,094  | 15,231  |
| Non-controlling interests   | <u>188</u>  | <u>(110)</u>                   | <u>608</u>  | <u>(356)</u>                                  |
|   | <b><u>13,503</u></b>  | <b><u>4,596</u></b>            | <b><u>43,702</u></b>  | <b><u>14,875</u></b>                          |
| <b>Earnings per share attributable to the equity holders of the Company</b> |   |                                |   |   |
| Basic (US cents/sens) #   | <b>0.79</b>   | 0.28                           | <b>2.56</b>   | 0.91  |
| Diluted (US cents/sens) #   | <b><u>0.79</u></b>  | <b><u>0.28</u></b>             | <b><u>2.56</u></b>  | <b><u>0.91</u></b>                            |

# 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 2010 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.2365 ruling at 30 June 2010. 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 2010**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|  | <b>(Unaudited)</b>   |                      | <b>(Unaudited)</b>   |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | <b>Period ended</b>  |                      | <b>Period ended</b>  |                      |
|  | <b>30 June</b>       |                      | <b>30 June</b>       |                      |
|  | <b>2010</b>          | <b>2009</b>          | <b>2010</b>          | <b>2009</b>          |
|  | <b>US\$'000</b>      | <b>US\$'000</b>      | <b>RM'000</b>        | <b>RM'000</b>        |
|  |                      |                      | <i>(Note)</i>        | <i>(Note)</i>        |
| <b>Profit for the period</b>                     | <b>13,503</b>        | <b>4,596</b>         | <b>43,702</b>        | <b>14,875</b>        |
| <b>Other comprehensive income</b>                |                      |                      |                      |                      |
| Currency translation differences                 | <u>2,135</u>         | <u>8,498</u>         | <u>6,910</u>         | <u>27,504</u>        |
| <b>Total comprehensive income for the period</b> | <u><b>15,638</b></u> | <u><b>13,094</b></u> | <u><b>50,612</b></u> | <u><b>42,379</b></u> |
| <b>Attributable to:</b>                          |                      |                      |                      |                      |
| Equity holders of the Company                    | <u>15,514</u>        | <u>13,220</u>        | <u>50,211</u>        | <u>42,787</u>        |
| Non-controlling interests                        | <u>124</u>           | <u>(126)</u>         | <u>401</u>           | <u>(408)</u>         |
|  | <u><b>15,638</b></u> | <u><b>13,094</b></u> | <u><b>50,612</b></u> | <u><b>42,379</b></u> |

*Note:* The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2010 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.2365 ruling at 30 June 2010. 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 BALANCE SHEET**

|  | (Unaudited)<br>As at<br>30 June<br>2010<br>US\$'000 | (Restated)<br>As at<br>31 March<br>2010<br>US\$'000 | (Unaudited)<br>As at<br>30 June<br>2010<br>RM'000<br>(Note) | (Unaudited<br>and restated)<br>As at<br>31 March<br>2010<br>RM'000<br>(Note) |
|--|---|---|---|--|
| <b>ASSETS</b>  |   |   |   |  |
| <b>Non-current assets</b>  |   |   |   |  |
| Property, plant and equipment  | 144,110   | 139,962   | 466,412   | 452,987  |
| Investment properties  | 8,701   | 8,686   | 28,161  | 28,112   |
| Leasehold land and land use rights   | 2,123   | 2,144   | 6,871   | 6,939  |
| Intangible assets  | 77,983  | 77,466  | 252,392   | 250,719  |
| Deferred income tax assets   | 1,619   | 1,831   | 5,240   | 5,926  |
| Defined benefit plan assets  | 267   | 258   | 864   | 835  |
| Interest in an associate   | 2,657   | 2,739   | 8,599   | 8,865  |
| Investment in convertible notes – debt portion                                     | 516   | 511   | 1,670   | 1,654  |
|  | <b>237,976</b>                                      | <b>233,597</b>                                      | <b>770,209</b>  | <b>756,037</b>   |
| <b>Current assets</b>  |   |   |   |  |
| Inventories  | 72,626  | 76,079  | 235,054   | 246,230  |
| Available-for-sale financial assets  | 642   | 644   | 2,078   | 2,084  |
| Financial assets at fair value through profit or loss                              | 222   | 226   | 718   | 731  |
| Trade and other receivables  | 67,747  | 67,608  | 219,263   | 218,813  |
| Income tax recoverable   | 1,349   | 1,418   | 4,366   | 4,589  |
| Cash and cash equivalents  | 98,582  | 77,635  | 319,061   | 251,266  |
|  | <b>241,168</b>                                      | <b>223,610</b>                                      | <b>780,540</b>  | <b>723,713</b>   |
| <b>Current liabilities</b>   |   |   |   |  |
| Trade and other payables   | 66,983  | 57,415  | 216,791   | 185,824  |
| Income tax liabilities   | 6,161   | 4,240   | 19,940  | 13,723   |
| Dividend payable   | 12,983  | -   | 42,019  | -  |
| Short-term bank loans  | 27,096  | 30,618  | 87,696  | 99,095   |
| Bank overdrafts, secured   | 49  | 198   | 159   | 641  |
| Current portion of long-term liabilities   | 926   | 1,230   | 2,997   | 3,981  |
|  | <b>114,198</b>                                      | <b>93,701</b>                                       | <b>369,602</b>  | <b>303,264</b>   |
| <b>Net current assets</b>  | <b>126,970</b>                                      | <b>129,909</b>                                      | <b>410,938</b>  | <b>420,449</b>   |
| <b>Total assets less current liabilities</b>                                       | <b>364,946</b>                                      | <b>363,506</b>                                      | <b>1,181,147</b>  | <b>1,176,486</b>   |
| <b>EQUITY</b>  |   |   |   |  |
| <b>Equity attributable to equity holders of the Company</b>                        |   |   |   |  |
| Share capital  | 21,672  | 21,672  | 70,141  | 70,141   |
| Share premium  | 280,160   | 280,160   | 906,738   | 906,738  |
| Other reserves   | (89,323)  | (92,337)  | (289,094)   | (298,849)  |
| Retained earnings  | 132,146   | 131,814   | 427,691   | 426,616  |
|  | <b>344,655</b>                                      | <b>341,309</b>                                      | <b>1,115,476</b>  | <b>1,104,646</b>   |
| <b>Non-controlling interests</b>   | <b>5,871</b>  | <b>8,263</b>  | <b>19,001</b>   | <b>26,743</b>  |
| <b>Total equity</b>  | <b>350,526</b>                                      | <b>349,572</b>                                      | <b>1,134,477</b>  | <b>1,131,389</b>   |
| <b>Non-current liabilities</b>   |   |   |   |  |
| Other long-term liabilities  | 1,497   | 1,560   | 4,845   | 5,049  |
| Deferred income tax liabilities  | 12,923  | 12,374  | 41,825  | 40,048   |
|  | <b>14,420</b>                                       | <b>13,934</b>                                       | <b>46,670</b>   | <b>45,097</b>  |
|  | <b>364,946</b>                                      | <b>363,506</b>                                      | <b>1,181,147</b>  | <b>1,176,486</b>   |
| Net assets per share attributable to equity holders of the Company (US cents/sens) | <b>20.47</b>  | <b>20.27</b>  | <b>66.25</b>  | <b>65.60</b>   |

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|  | (Unaudited)                                   |                              |                               |                                  |                   |  |                             |
|--|---|------------------------------|-------------------------------|----------------------------------|-------------------|--|-----------------------------|
|  | Attributable to equity holders of the Company |                              |                               |                                  |                   | Non-<br>controlling<br>interests<br>US\$'000 | Total<br>equity<br>US\$'000 |
|  | Share<br>capital<br>US\$'000                  | Share<br>premium<br>US\$'000 | Other<br>reserves<br>US\$'000 | Retained<br>earnings<br>US\$'000 | Total<br>US\$'000 |  |                             |
| <b>At 1 April 2009</b>   | 21,672  | 280,160                      | (122,666)                     | 100,652                          | 279,818           | 8,189  | 288,007                     |
| Profit for the period  | -   | -                            | -                             | 4,706                            | 4,706             | (110)  | 4,596                       |
| Other comprehensive<br>income/(expense):                                       |   |                              |                               |                                  |                   |  |                             |
| Currency translation differences   | -   | -                            | 8,514                         | -                                | 8,514             | (16)   | 8,498                       |
| Total comprehensive<br>income/(expense) for the period                         | -   | -                            | 8,514                         | 4,706                            | 13,220            | (126)  | 13,094                      |
| Transactions with owners:  |   |                              |                               |                                  |                   |  |                             |
| Share compensation costs on share<br>options granted by a listed<br>subsidiary | -   | -                            | 8                             | -                                | 8                 | 6  | 14                          |
| 2008-2009 second interim dividend<br>proposed                                  | -   | -                            | -                             | (2,408)                          | (2,408)           | -  | (2,408)                     |
| Total transactions with owners   | -   | -                            | 8                             | (2,408)                          | (2,400)           | 6  | (2,394)                     |
| <b>At 30 June 2009</b>   | <b>21,672</b>                                 | <b>280,160</b>               | <b>(114,144)</b>              | <b>102,950</b>                   | <b>290,638</b>    | <b>8,069</b>                                 | <b>298,707</b>              |
| <b>At 1 April 2010</b>   | <b>21,672</b>                                 | <b>280,160</b>               | <b>(92,337)</b>               | <b>131,814</b>                   | <b>341,309</b>    | <b>8,263</b>                                 | <b>349,572</b>              |
| Profit for the period  | -   | -                            | -                             | 13,315                           | 13,315            | 188  | 13,503                      |
| Other comprehensive income:  |   |                              |                               |                                  |                   |  |                             |
| Currency translation differences   | -   | -                            | 2,198                         | -                                | 2,198             | (63)   | 2,135                       |
| Actuarial gains/(losses) of long<br>service payment obligations                | -   | -                            | 1                             | -                                | 1                 | (1)  | -                           |
| Total comprehensive income for the<br>period                                   | -   | -                            | 2,199                         | 13,315                           | 15,514            | 124  | 15,638                      |
| Transactions with owners:  |   |                              |                               |                                  |                   |  |                             |
| Acquisition of additional interest in<br>a subsidiary                          | -   | -                            | 722                           | -                                | 722               | (2,429)                                      | (1,707)                     |
| Share compensation costs on share<br>options granted by a listed<br>subsidiary | -   | -                            | 93                            | -                                | 93                | (87)   | 6                           |
| 2009-2010 second interim dividend<br>proposed                                  | -   | -                            | -                             | (12,983)                         | (12,983)          | -  | (12,983)                    |
| Total transactions with owners   | -   | -                            | 815                           | (12,983)                         | (12,168)          | (2,516)                                      | (14,684)                    |
| <b>At 30 June 2010</b>   | <b>21,672</b>                                 | <b>280,160</b>               | <b>(89,323)</b>               | <b>132,146</b>                   | <b>344,655</b>    | <b>5,871</b>                                 | <b>350,526</b>              |

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**Financial report for the first quarter ended 30 June 2010**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)**

|  | (Unaudited)                                   |                  |                   |                      |                  |                                  |                 |
|--|---|------------------|-------------------|----------------------|------------------|----------------------------------|-----------------|
|  | Attributable to equity holders of the Company |                  |                   |                      |                  | Non-<br>controlling<br>interests | Total<br>equity |
|  | Share<br>capital                              | Share<br>premium | Other<br>reserves | Retained<br>earnings | Total            |                                  |                 |
| RM'000<br>(Note)   | RM'000<br>(Note)                              | RM'000<br>(Note) | RM'000<br>(Note)  | RM'000<br>(Note)     | RM'000<br>(Note) | RM'000<br>(Note)                 |                 |
| <b>At 1 April 2009</b>   | 70,141  | 906,738          | (397,009)         | 325,760              | 905,630          | 26,504                           | 932,134         |
| Profit for the period  | -   | -                | -                 | 15,231               | 15,231           | (356)                            | 14,875          |
| Other comprehensive income/(expense):                                    |   |                  |                   |                      |                  |                                  |                 |
| Currency translation differences   | -   | -                | 27,556            | -                    | 27,556           | (52)                             | 27,504          |
| Total comprehensive income/(expense) for the period                      | -   | -                | 27,556            | 15,231               | 42,787           | (408)                            | 42,379          |
| Transactions with owners:  |   |                  |                   |                      |                  |                                  |                 |
| Share compensation costs on share options granted by a listed subsidiary | -   | -                | 26                | -                    | 26               | 19                               | 45              |
| 2008-2009 second interim dividend proposed                               | -   | -                | -                 | (7,793)              | (7,793)          | -                                | (7,793)         |
| Total transactions with owners   | -   | -                | 26                | (7,793)              | (7,767)          | 19                               | (7,748)         |
| <b>At 30 June 2009</b>   | 70,141  | 906,738          | (369,427)         | 333,198              | 940,650          | 26,115                           | 966,765         |
| <b>At 1 April 2010</b>   | 70,141  | 906,738          | (298,849)         | 426,616              | 1,104,646        | 26,743                           | 1,131,389       |
| Profit for the period  | -   | -                | -                 | 43,094               | 43,094           | 608                              | 43,702          |
| Other comprehensive income:  |   |                  |                   |                      |                  |                                  |                 |
| Currency translation differences   | -   | -                | 7,114             | -                    | 7,114            | (204)                            | 6,910           |
| Actuarial gains/(losses) of long service payment obligations             | -   | -                | 3                 | -                    | 3                | (3)                              | -               |
| Total comprehensive income for the period                                | -   | -                | 7,117             | 43,094               | 50,211           | 401                              | 50,612          |
| Transactions with owners:  |   |                  |                   |                      |                  |                                  |                 |
| Acquisition of additional interest in a subsidiary                       | -   | -                | 2,337             | -                    | 2,337            | (7,861)                          | (5,524)         |
| Share compensation costs on share options granted by a listed subsidiary | -   | -                | 301               | -                    | 301              | (282)                            | 19              |
| 2009-2010 second interim dividend proposed                               | -   | -                | -                 | (42,019)             | (42,019)         | -                                | (42,019)        |
| Total transactions with owners   | -   | -                | 2,638             | (42,019)             | (39,381)         | (8,143)                          | (47,524)        |
| <b>At 30 June 2010</b>   | 70,141  | 906,738          | (289,094)         | 427,691              | 1,115,476        | 19,001                           | 1,134,477       |

*Note:* The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2010 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.2365 ruling at 30 June 2010. 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 2010**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

|  | (Unaudited)          |                      | (Unaudited)           |                       |
|--|----------------------|----------------------|-----------------------|-----------------------|
|  | Three months ended   |                      | Three months ended    |                       |
|  | 30 June              |                      | 30 June               |                       |
|  | 2010                 | 2009                 | 2010                  | 2009                  |
|  | US\$'000             | US\$'000             | RM'000                | RM'000                |
|  |                      |                      | <i>(Note)</i>         | <i>(Note)</i>         |
| <b>Cash flows from operating activities</b>                            |                      |                      |                       |                       |
| Cash generated from operations   | 35,103               | 3,565                | 113,610               | 11,538                |
| Interest on bank loans and overdrafts                                  | (214)                | (186)                | (693)                 | (602)                 |
| Interest element of finance lease payments                             | (6)                  | (4)                  | (19)                  | (13)                  |
| Profits tax paid   | (2,522)              | (1,727)              | (8,162)               | (5,589)               |
| Long service payments made   | (12)                 | (25)                 | (39)                  | (81)                  |
| Net cash generated from operating activities                           | <u>32,349</u>        | <u>1,623</u>         | <u>104,697</u>        | <u>5,253</u>          |
| <b>Cash flows from investing activities</b>                            |                      |                      |                       |                       |
| Acquisition of additional interest in a subsidiary                     | (1,707)              | -                    | (5,524)               | -                     |
| Purchase of property, plant and equipment                              | (5,881)              | (1,433)              | (19,033)              | (4,638)               |
| Purchase of intangible assets  | (124)                | (34)                 | (401)                 | (110)                 |
| Proceeds from disposal of property, plant and equipment                | 14                   | 104                  | 45                    | 337                   |
| Proceeds from disposal of investment properties                        | 47                   | -                    | 152                   | -                     |
| Interest received  | 244                  | 175                  | 790                   | 566                   |
| Dividends received   | 6                    | 43                   | 19                    | 139                   |
| Net cash used in investing activities                                  | <u>(7,401)</u>       | <u>(1,145)</u>       | <u>(23,952)</u>       | <u>(3,706)</u>        |
| <b>Cash flows from financing activities</b>                            |                      |                      |                       |                       |
| Repayment of bank loans  | (260)                | (514)                | (841)                 | (1,664)               |
| Proceeds from drawdown of short-term bank loans                        | 11,538               | 9,393                | 37,343                | 30,401                |
| Repayment of short-term bank loans                                     | (15,270)             | (7,978)              | (49,421)              | (25,821)              |
| Capital element of finance lease payments                              | (91)                 | (171)                | (295)                 | (553)                 |
| Net cash (used in)/generated from financing activities                 | <u>(4,083)</u>       | <u>730</u>           | <u>(13,214)</u>       | <u>2,363</u>          |
| <b>Net increase in cash and cash equivalents, and bank overdrafts</b>  | <b>20,865</b>        | <b>1,208</b>         | <b>67,531</b>         | <b>3,910</b>          |
| Cash and cash equivalents, and bank overdrafts as at 1 April           | 77,437               | 67,777               | 250,625               | 219,360               |
| Exchange adjustments on cash and cash equivalents, and bank overdrafts | 231                  | 1,366                | 746                   | 4,421                 |
| <b>Cash and cash equivalents, and bank overdrafts as at 30 June</b>    | <u><b>98,533</b></u> | <u><b>70,351</b></u> | <u><b>318,902</b></u> | <u><b>227,691</b></u> |

*Note:* The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2010 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.2365 ruling at 30 June 2010. 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**

The financial information for the first quarter ended 30 June 2010 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”).

The financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2010, which were prepared in accordance with International Financial Reporting Standards (“IFRSs”). The financial information has not been audited.

**b) Accounting policies**

The preparation of the financial information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2010 with the adoption of the following new standards and amendments to standards which are mandatory for the financial year beginning 1 April 2010:

- Improvements to IFRSs (2009) set out a number of amendments to various existing standards which are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010. The Group has adopted all the amendments that are relevant to the Group’s operations. The amendments do not have a material impact on this unaudited financial information, except for the amendment to IAS 17, “Leases – Classification of Leases of Land and Buildings”.

The amendment to IAS 17 removes the specific guidance which stated that land held under a lease should be classified as an operating lease unless title to the land is expected to pass at the end of the lease term. It provides new guidance which indicates that entities should use judgment to decide whether the lease transfers the significant risks and rewards of ownership of the land in accordance with the criteria set out in IAS 17. An entity shall reassess the classification of land elements of unexpired leases at the date it adopts the amendment on the basis of information existing at the inception of the leases. It shall recognise a lease newly classified as a finance lease retrospectively in accordance with IAS 8, “Accounting Policies, Changes in Accounting Estimates and Errors” if the criteria of a finance lease is met.

The Group has made a reassessment of the existing land lease arrangement and concluded that, except for the leasehold land in Mainland China, the risks and rewards incidental to ownership of the leasehold land are considered to have been substantially transferred to the Group notwithstanding that at the end of the lease term, title will not be passed to the Group. As a result, except for the leasehold land in Mainland China, the leasehold land and land use rights of the Group have been reclassified to property, plant and equipment and the related amortisation has been reclassified to depreciation retrospectively.

Effects of adopting the amendment to IAS 17 on the Group’s condensed consolidated balance sheet are as follows:

|                                    | <b>As at 30 June 2010</b> | <b>As at 31 March 2010</b> |
|------------------------------------|---------------------------|----------------------------|
|                                    | <b>US\$’000</b>           | <b>US\$’000</b>            |
| Increase/(decrease) in:            |                           |                            |
| Property, plant and equipment      | <b>28,290</b>             | 28,339                     |
| Leasehold land and land use rights | <b>(28,290)</b>           | (28,339)                   |

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

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

b) Accounting policies (Continued)

- IAS 27 (revised), "Consolidated and Separate Financial Statements". The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains or losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group has applied IAS 27 (revised) prospectively to transactions with non-controlling interests from 1 April 2010.

c) **Functional currency and translation to presentation currency**

Items included in the financial information 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 within the Group can present its financial information 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 information. 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 2010 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 items

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 years that have a material effect on the results of the current quarter under review.

A6. Changes in debt and equity securities

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

A7. Dividend paid

There was no dividend paid during the current quarter.

**MEDIA CHINESE INTERNATIONAL LIMITED**  
**(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)**  
**Financial report for the first quarter ended 30 June 2010**

**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 the 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 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 quarter ended 30 June 2010, analysed by operating segment, were as follows:

|  | (Unaudited)                                  |                              |               |           |                                    |          |
|--|--|------------------------------|---------------|-----------|------------------------------------|----------|
|  | Publishing and printing                      |                              |               |           | Travel and travel related services | Total    |
|  | Malaysia and other Southeast Asian countries | Hong Kong and Mainland China | North America | Sub-total | US\$'000                           | US\$'000 |
|  | US\$'000                                     | US\$'000                     | US\$'000      | US\$'000  | US\$'000                           | US\$'000 |
| <b>Turnover</b>                                    | 65,023                                       | 17,647                       | 7,431         | 90,101    | 15,834                             | 105,935  |
| <b>Segment profit before income tax</b>            | 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)  |
| <b>Profit for the quarter</b>                      |  |                              |               |           |                                    | 13,503   |
| <b>Other information:</b>                          |  |                              |               |           |                                    |          |
| 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)    |

**MEDIA CHINESE INTERNATIONAL LIMITED**  
**(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)**  
**Financial report for the first quarter ended 30 June 2010**

**A. NOTES TO THE FINANCIAL INFORMATION (Continued)**

**A8. Turnover and segment information (Continued)**

The Group's turnover and results for the quarter ended 30 June 2009, analysed by operating segment, were as follows:

|  | (Unaudited and restated)                                 |  |                           |                       | Travel and travel related services<br>US\$'000 | Total<br>US\$'000 |
|--|--|--|---------------------------|-----------------------|--|-------------------|
|  | Publishing and printing                                  |  |                           |                       |  |                   |
|  | Malaysia and other Southeast Asian countries<br>US\$'000 | Hong Kong and Mainland China<br>US\$'000 | North America<br>US\$'000 | Sub-total<br>US\$'000 |  |                   |
| <b>Turnover</b>                                    | 54,384   | 16,025                                   | 5,671                     | 76,080                | 10,477   | 86,557            |
| <b>Segment profit/(loss) before income tax</b>     | 8,375  | (561)                                    | (444)                     | 7,370                 | (101)  | 7,269             |
| Net unallocated expenses                           |  |  |                           |                       |  | (136)             |
| Profit before income tax                           |  |  |                           |                       |  | 7,133             |
| Income tax expense                                 |  |  |                           |                       |  | (2,537)           |
| <b>Profit for the quarter</b>                      |  |  |                           |                       |  | 4,596             |
| <b>Other information:</b>                          |  |  |                           |                       |  |                   |
| Interest income                                    | 149  | 25                                       | -                         | 174                   | 1  | 175               |
| Interest expense                                   | (166)  | (11)                                     | (13)                      | (190)                 | -  | (190)             |
| Depreciation                                       | (1,420)  | (718)                                    | -                         | (2,138)               | -  | (2,138)           |
| Amortisation of leasehold land and land use rights | -  | (15)                                     | -                         | (15)                  | -  | (15)              |
| Amortisation of intangible assets                  | (168)  | (7)                                      | (2)                       | (177)                 | -  | (177)             |

**MEDIA CHINESE INTERNATIONAL LIMITED**  
**(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)**  
**Financial report for the first quarter ended 30 June 2010**

**A. NOTES TO THE FINANCIAL INFORMATION (Continued)**

**A8. Turnover and segment information (Continued)**

The segment assets as at 30 June 2010 were as follows:

|   | (Unaudited)  |   |                              |                       |   |                         |                   |  |
|---|--|---|------------------------------|-----------------------|---|-------------------------|-------------------|--|
|   | <u>Publishing and printing</u>                                       |   |                              |                       |   |                         |                   |  |
|   | Malaysia<br>and other<br>Southeast<br>Asian<br>countries<br>US\$'000 | Hong<br>Kong and<br>Mainland<br>China<br>US\$'000 | North<br>America<br>US\$'000 | Sub-total<br>US\$'000 | Travel and<br>travel<br>related<br>services<br>US\$'000 | Elimination<br>US\$'000 | Total<br>US\$'000 |  |
| <b>Segment assets</b>   | 377,550  | 75,446  | 12,685                       | 465,681               | 13,521  | (4,006)                 | 475,196           |  |
| Unallocated assets  |  |   |                              |                       |   |                         | 3,948             |  |
| <b>Total assets</b>   |  |   |                              |                       |   |                         | <b>479,144</b>    |  |
| <b>Total assets include:</b>  |  |   |                              |                       |   |                         |                   |  |
| Interest in an associate  | -  | 2,657   | -                            | 2,657                 | -   | -                       | 2,657             |  |
| Additions to non-current<br>assets (other than<br>interest in an associate,<br>financial assets, defined<br>benefit plan assets and<br>deferred income tax<br>assets) | 5,852  | 112   | 23                           | 5,987                 | 18  | -                       | 6,005             |  |

The segment assets as at 31 March 2010 were as follows:

|   | (Unaudited)  |   |                              |                       |   |                         |                   |  |
|---|--|---|------------------------------|-----------------------|---|-------------------------|-------------------|--|
|   | <u>Publishing and printing</u>                                       |   |                              |                       |   |                         |                   |  |
|   | Malaysia<br>and other<br>Southeast<br>Asian<br>countries<br>US\$'000 | Hong<br>Kong and<br>Mainland<br>China<br>US\$'000 | North<br>America<br>US\$'000 | Sub-total<br>US\$'000 | Travel and<br>travel<br>related<br>services<br>US\$'000 | Elimination<br>US\$'000 | Total<br>US\$'000 |  |
| <b>Segment assets</b>   | 360,702  | 75,603  | 12,786                       | 449,091               | 7,881   | (4,019)                 | 452,953           |  |
| Unallocated assets  |  |   |                              |                       |   |                         | 4,254             |  |
| <b>Total assets</b>   |  |   |                              |                       |   |                         | <b>457,207</b>    |  |
| <b>Total assets include:</b>  |  |   |                              |                       |   |                         |                   |  |
| Interest in an associate  | -  | 2,739   | -                            | 2,739                 | -   | -                       | 2,739             |  |
| Additions to non-current<br>assets (other than<br>interest in an associate,<br>financial assets, defined<br>benefit plan assets and<br>deferred income tax<br>assets) | 17,866   | 391   | 352                          | 18,609                | 21  | -                       | 18,630            |  |

The elimination between segments was inter-company receivables and payables between the segments.

**MEDIA CHINESE INTERNATIONAL LIMITED**  
**(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)**  
**Financial report for the first quarter ended 30 June 2010**

**A. NOTES TO THE FINANCIAL INFORMATION (Continued)**

**A8. Turnover and segment information (Continued)**

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 quarter was as follows:

|  | <b>(Unaudited)</b>                |                      |
|--|-----------------------------------|----------------------|
|  | <b>Three months ended 30 June</b> |                      |
|  | <b>2010</b>                       | <b>2009</b>          |
|  | <b>US\$'000</b>                   | <b>US\$'000</b>      |
| Advertising income, net of trade discounts                                   | <b>61,806</b>                     | 49,602               |
| Sales of newspapers, magazines and books, net of trade discounts and returns | <b>28,295</b>                     | 26,478               |
| Travel and travel related services income                                    | <b>15,720</b>                     | 10,390               |
| Travel agency commission income  | <b>114</b>                        | 87                   |
|  | <b><u>105,935</u></b>             | <b><u>86,557</u></b> |

**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 2010.

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

|           | <b>(Unaudited)</b>        |
|-----------|---------------------------|
|           | <b>Three months ended</b> |
|           | <b>30 June 2010</b>       |
|           | <b>US\$'000</b>           |
| Additions | 5,881                     |
| Disposals | (20)                      |

**A10. Subsequent material events**

There have been no material events subsequent to the end of the financial period.

**MEDIA CHINESE INTERNATIONAL LIMITED**  
**(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)**  
**Financial report for the first quarter ended 30 June 2010**

**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 ended 30 June 2010, except for the following:

On 4 June 2010, Comwell Investment Limited a wholly-owned subsidiary of the Company, has accepted an offer from Redgate Media Group, a substantial shareholder of One Media Group Limited ("OMG"), to acquire 44,260,188 ordinary shares of HK\$0.001 each in OMG at US\$0.04 (equivalent to approximately HK\$0.30) per ordinary share for a total cash consideration of US\$1.7 million (equivalent to approximately HK\$13.28 million) (the "Transaction"). Prior to the Transaction, the Company was a substantial shareholder of OMG with an indirect shareholding of 251,339,812 shares, representing 62.83% of the entire issued and paid up capital in OMG. Upon completion of the Transaction, the Company would hold 295,600,000 shares in OMG, representing 73.9% equity interest in OMG. The Transaction was completed on 11 June 2010.

**A12. Contingent liabilities**

As at 30 June 2010, the Company issued financial guarantees in favour of certain of its subsidiaries totaling US\$21,276,000 in connection with general banking facilities granted to those subsidiaries. As at 30 June 2010, total facilities utilised amounted to US\$3,847,000. 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 2010 under the financial guarantees was the facility drawn down by its subsidiaries. No provision was therefore made in this respect as at 30 June 2010.

**A13. Capital commitments**

Capital commitments outstanding as at 30 June 2010 were as follows:

|   | <b>(Unaudited)</b><br><b>US\$'000</b> |
|---|---------------------------------------|
| Property, plant and equipment:  |                                       |
| Authorised and contracted for   | 2,120                                 |
| Authorised but not contracted for   | 4,165                                 |
|   | <u>6,285</u>                          |
| Authorised capital injection for a subsidiary contracted but not provided for | <u>437</u>                            |



**MEDIA CHINESE INTERNATIONAL LIMITED**  
**(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)**  
**Financial report for the first quarter ended 30 June 2010**

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

**B1. Review of performance**

|                          | <b>(Unaudited)</b>                |                 |
|--------------------------|-----------------------------------|-----------------|
|                          | <b>Three months ended 30 June</b> |                 |
|                          | <b>2010</b>                       | <b>2009</b>     |
|                          | <b>US\$'000</b>                   | <b>US\$'000</b> |
| Turnover                 | <b>105,935</b>                    | 86,557          |
| Profit before income tax | <b>18,794</b>                     | 7,133           |

The Group achieved very strong results for the current quarter with profit before income tax increasing from US\$7,133,000 in the previous year's corresponding quarter to US\$18,794,000, which represented a 163% growth in profits.

The momentum that the Group has gained since the second half of the last financial year continued through the current quarter in which all business segments delivered higher revenue and operating profits.

In line with economic recovery, the publishing and printing segment's revenue grew by 18% or US\$14,021,000 to US\$90,101,000. This reflects the positive impact the stabilising economy has on advertising demand. In addition, currency translation gains due to the strengthening of the Ringgit Malaysia and Canadian Dollar have also contributed to the increase in the Group's turnover.

The travel business experienced a much robust rebound in revenue, contributed by the improving global economies as well as the depreciation of the Euro currency which rendered the European tours more attractive to customers.

Newsprint cost decreased by 4% when compared to the corresponding quarter last year primarily due to lower average consumption cost which was partly offset by higher consumption volume during the current quarter.

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

|                          | <b>(Unaudited)</b>  | <b>(Unaudited)</b>   |                 |
|--------------------------|---------------------|----------------------|-----------------|
|                          | <b>Three months</b> | <b>Three months</b>  |                 |
|                          | <b>ended</b>        | <b>ended</b>         |                 |
|                          | <b>30 June 2010</b> | <b>31 March 2010</b> |                 |
|                          | <b>US\$'000</b>     | <b>US\$'000</b>      | <b>% change</b> |
| Turnover                 | <b>105,935</b>      | 93,568               | 13%             |
| Profit before income tax | <b>18,794</b>       | 13,097               | 43%             |

Total revenue for the first quarter of 2010/2011 increased by 13% to US\$105,935,000 from US\$93,568,000 in the immediate preceding quarter and profit before income tax for the quarter was US\$18,794,000, up US\$5,697,000 or 43% compared to US\$13,097,000 in the preceding quarter. The improvement in result was mainly due to higher advertising revenue during the quarter.

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

**B3. Current year's prospects**

Barring unforeseen circumstances, the Group will still experience growth in the next quarter albeit at a moderate pace when compared to the growth experienced in the corresponding quarter last year.

For the remaining quarters of this financial year, the Group is cautiously optimistic that its overall performance will be satisfactory despite its concern that its performance may be affected by the struggling US economy, the looming debt crisis and escalating fiscal deficits in Europe and the impending slowdown in the growth in China. Further, the Group may also experience an increase in its costs as the cost of newsprint is on an uptrend.

**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:

|                                       | <b>(Unaudited)</b>                |                     |
|---------------------------------------|-----------------------------------|---------------------|
|                                       | <b>Three months ended 30 June</b> |                     |
|                                       | <b>2010</b>                       | <b>2009</b>         |
|                                       | <b>US\$'000</b>                   | <b>US\$'000</b>     |
| Current income tax expense            | 4,589                             | 1,999               |
| Under/(over) provision in prior years | 1                                 | (40)                |
| Deferred income tax expense           | <u>701</u>                        | <u>578</u>          |
|                                       | <u><b>5,291</b></u>               | <u><b>2,537</b></u> |

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 quarter under review.

**B7. 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 as at 30 June 2010 were as follows:

|  | <b>(Unaudited)</b> |
|--|--------------------|
|  | <b>US\$'000</b>    |
| Total investment at cost   | 601                |
| Total investment at carrying value (after provision for diminution in value) | 181                |
| Total investment at market value   | <u>181</u>         |

**MEDIA CHINESE INTERNATIONAL LIMITED**  
**(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)**  
**Financial report for the first quarter ended 30 June 2010**

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

**B8. Status of corporate proposals**

There have been no corporate proposals announced but not completed as at the date of this announcement.

**B9. Group borrowings**

The Group's borrowings as at 30 June 2010 were as follows:

|  | (Unaudited)<br>As at 30 June 2010 |                       |                   |
|--|-----------------------------------|-----------------------|-------------------|
|  | Secured<br>US\$'000               | Unsecured<br>US\$'000 | Total<br>US\$'000 |
| <b>Non-current</b>   |                                   |                       |                   |
| Obligations under finance leases                               | 588                               | -                     | 588               |
| <b>Current</b>   |                                   |                       |                   |
| Bank overdrafts, secured                                       | 49                                | -                     | 49                |
| Short-term bank loans  | 1,477                             | 25,619                | 27,096            |
| Portion of long-term bank loans, due within 1 year             | 521                               | -                     | 521               |
| Portion of obligations under finance leases, due within 1 year | 310                               | -                     | 310               |
|  | <u>2,357</u>                      | <u>25,619</u>         | <u>27,976</u>     |

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

|                       | (Unaudited)<br>As at 30 June 2010   |                                      |
|-----------------------|-------------------------------------|--------------------------------------|
|                       | Long-term<br>borrowings<br>US\$'000 | Short-term<br>borrowings<br>US\$'000 |
| Ringgit Malaysia      | 11                                  | 26,161                               |
| United States dollars | -                                   | 1,525                                |
| Canadian dollars      | 577                                 | 290                                  |
| Total borrowings      | <u>588</u>                          | <u>27,976</u>                        |

**B10. Off balance sheet financial instruments**

The Group did not have any financial instrument with off balance sheet risk as at 30 June 2010.

**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 Board of Directors does not recommend any distribution of dividend for the current quarter under review.

**MEDIA CHINESE INTERNATIONAL LIMITED**  
**(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)**  
**Financial report for the first quarter ended 30 June 2010**

**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 |               |
|  | 2010                       | 2009          |
| Profit attributable to equity holders of the Company<br>(US\$'000) | 13,315                     | 4,706         |
| Weighted average number of ordinary shares in issue                | 1,683,897,241              | 1,683,898,241 |
| Basic earnings per share (US cents)                                | 0.79                       | 0.28          |

**b) Diluted**

|  | (Unaudited)                |               |
|--|----------------------------|---------------|
|  | Three months ended 30 June |               |
|  | 2010                       | 2009          |
| Profit attributable to equity holders of the Company<br>(US\$'000)                       | 13,315                     | 4,706         |
| Weighted average number of ordinary shares in issue                                      | 1,683,897,241              | 1,683,898,241 |
| Adjustment for share options   | 309,070                    | -             |
| Weighted average number of ordinary shares used to<br>compute diluted earnings per share | 1,684,206,311              | 1,683,898,241 |
| Diluted earnings per share (US cents)  | 0.79                       | 0.28          |

On behalf of the Board  
Media Chinese International Limited

Law Yuk Kuen  
Secretary  
25 August 2010