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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 THIRD QUARTER ENDED 31 DECEMBER 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 third quarter ended 31 December 2010 to Bursa Securities on 25 February 2011.

This announcement is also made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

25 February 2011

As at the date of this announcement, the Board comprises Tan Sri Datuk Sir Tiong Hiew King, Mr Tiong Kiu King, Dato' Sri Dr Tiong Ik King, Mr Tiong Kiew Chiong, Ms Siew Nyoke Chow and Ms Sim Sai Hoon, being executive directors; Mr Leong Chew Meng, being non-executive director; and Mr David Yu Hon To, Tan Sri Dato' Lau Yin Pin and Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh, being independent non-executive directors.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)
Financial report for the third quarter ended 31 December 2010

CONDENSED CONSOLIDATED INCOME STATEMENT

	(Unaudited)		(Unaudited)	
	Three months ended 31 December		Three months ended 31 December	
	2010	2009	2010	2009
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Turnover	116,847	100,737	360,531	310,824
Cost of goods sold	(67,158)	(56,477)	(207,216)	(174,260)
Gross profit	49,689	44,260	153,315	136,564
Other income	2,030	1,293	6,264	3,990
Other gains, net	313	722	965	2,227
Selling and distribution expenses	(16,741)	(14,365)	(51,654)	(44,323)
Administrative expenses	(9,392)	(9,114)	(28,979)	(28,121)
Other operating expenses	(1,596)	(1,379)	(4,924)	(4,255)
Operating profit	24,303	21,417	74,987	66,082
Finance costs	(238)	(177)	(734)	(546)
Share of loss of an associate	(112)	(3)	(346)	(9)
Profit before income tax	23,953	21,237	73,907	65,527
Income tax expense	(5,555)	(5,001)	(17,140)	(15,431)
Profit for the quarter	18,398	16,236	56,767	50,096
Attributable to:				
Equity holders of the Company	17,714	15,646	54,657	48,275
Non-controlling interests	684	590	2,110	1,821
	18,398	16,236	56,767	50,096
Earnings per share attributable to the equity holders of the Company				
Basic (US cents/sens) #	1.05	0.93	3.24	2.87
Diluted (US cents/sens) #	1.05	0.93	3.24	2.87

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 31 December 2010 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0855 ruling at 31 December 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 STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited)		(Unaudited)	
	Three months ended 31 December		Three months ended 31 December	
	2010	2009	2010	2009
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Profit for the quarter	18,398	16,236	56,767	50,096
Other comprehensive income				
Currency translation differences	(25)	2,567	(77)	7,920
Other comprehensive income for the quarter, net of tax	(25)	2,567	(77)	7,920
Total comprehensive income for the quarter	18,373	18,803	56,690	58,016
Attributable to:				
Equity holders of the Company	17,688	18,216	54,576	56,205
Non-controlling interests	685	587	2,114	1,811
	18,373	18,803	56,690	58,016

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the quarter ended 31 December 2010 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0855 ruling at 31 December 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 INCOME STATEMENT

	(Unaudited) Nine months ended 31 December		(Unaudited) Nine months ended 31 December	
	2010 US\$'000	2009 US\$'000	2010 RM'000 <i>(Note)</i>	2009 RM'000 <i>(Note)</i>
Turnover	338,434	282,433	1,044,238	871,447
Cost of goods sold	<u>(203,152)</u>	<u>(173,827)</u>	<u>(626,825)</u>	<u>(536,343)</u>
Gross profit	135,282	108,606	417,413	335,104
Other income	5,566	3,567	17,174	11,005
Other gains, net	1,370	1,909	4,227	5,890
Selling and distribution expenses	(46,978)	(41,182)	(144,951)	(127,067)
Administrative expenses	(27,751)	(26,099)	(85,626)	(80,528)
Other operating expenses	<u>(4,776)</u>	<u>(4,229)</u>	<u>(14,736)</u>	<u>(13,049)</u>
Operating profit	62,713	42,572	193,501	131,355
Finance costs	(670)	(553)	(2,067)	(1,706)
Share of loss of an associate	<u>(282)</u>	<u>(3)</u>	<u>(870)</u>	<u>(9)</u>
Profit before income tax	61,761	42,016	190,564	129,640
Income tax expense	<u>(15,778)</u>	<u>(11,354)</u>	<u>(48,683)</u>	<u>(35,033)</u>
Profit for the period	<u>45,983</u>	<u>30,662</u>	<u>141,881</u>	<u>94,607</u>
Attributable to:				
Equity holders of the Company	45,042	30,298	138,977	93,484
Non-controlling interests	<u>941</u>	<u>364</u>	<u>2,904</u>	<u>1,123</u>
	<u>45,983</u>	<u>30,662</u>	<u>141,881</u>	<u>94,607</u>
Earnings per share attributable to the equity holders of the Company				
Basic (US cents/sens) #	2.67	1.80	8.24	5.55
Diluted (US cents/sens) #	<u>2.67</u>	<u>1.80</u>	<u>8.24</u>	<u>5.55</u>

Refer to B13 for calculations of basic and diluted earnings per share

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 31 December 2010 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0855 ruling at 31 December 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 STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited)		(Unaudited)	
	Nine months ended 31 December		Nine months ended 31 December	
	2010	2009	2010	2009
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Profit for the period	45,983	30,662	141,881	94,607
Other comprehensive income				
Currency translation differences	16,585	15,399	51,173	47,514
Revaluation gain recognised upon transfer from property held for own use to investment properties	-	409	-	1,262
Other comprehensive income for the period, net of tax	16,585	15,808	51,173	48,776
Total comprehensive income for the period	62,568	46,470	193,054	143,383
Attributable to:				
Equity holders of the Company	61,600	46,076	190,067	142,167
Non-controlling interests	968	394	2,987	1,216
	62,568	46,470	193,054	143,383

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 31 December 2010 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.0855 ruling at 31 December 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) As at 31 December 2010 US\$'000	(Restated) As at 31 March 2010 US\$'000	(Unaudited) As at 31 December 2010 RM'000 (Note)	(Unaudited and restated) As at 31 March 2010 RM'000 (Note)
ASSETS				
Non-current assets				
Property, plant and equipment	155,350	139,962	479,332	431,853
Investment properties	9,085	8,686	28,032	26,800
Leasehold land and land use rights	2,094	2,144	6,461	6,615
Intangible assets	81,556	77,466	251,641	239,022
Deferred income tax assets	1,277	1,831	3,940	5,650
Defined benefit plan assets	287	258	886	796
Interest in an associate	2,451	2,739	7,563	8,451
Investment in convertible notes – debt portion	530	511	1,635	1,576
	252,630	233,597	779,490	720,763
Current assets				
Inventories	74,792	76,079	230,771	234,742
Available-for-sale financial assets	96	644	296	1,987
Financial assets at fair value through profit or loss	260	226	802	697
Trade and other receivables	75,391	67,608	232,619	208,604
Income tax recoverable	1,032	1,418	3,184	4,375
Cash and cash equivalents	88,177	77,635	272,070	239,543
	239,748	223,610	739,742	689,948
Current liabilities				
Trade and other payables	68,618	57,415	211,721	177,154
Income tax liabilities	8,785	4,240	27,106	13,083
Short-term bank loans	16,730	30,618	51,620	94,472
Bank overdrafts, secured	-	198	-	610
Current portion of long-term liabilities	436	1,230	1,345	3,795
	94,569	93,701	291,792	289,114
Net current assets	145,179	129,909	447,950	400,834
Total assets less current liabilities	397,809	363,506	1,227,440	1,121,597
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	21,672	21,672	66,869	66,869
Share premium	280,160	280,160	864,434	864,434
Other reserves	(75,047)	(92,337)	(231,558)	(284,906)
Retained earnings	150,402	131,814	464,065	406,712
	377,187	341,309	1,163,810	1,053,109
Non-controlling interests	5,388	8,263	16,625	25,495
Total equity	382,575	349,572	1,180,435	1,078,604
Non-current liabilities				
Other long-term liabilities	1,405	1,560	4,335	4,813
Deferred income tax liabilities	13,829	12,374	42,670	38,180
	15,234	13,934	47,005	42,993
	397,809	363,506	1,227,440	1,121,597
Net assets per share attributable to equity holders of the Company (US cents/sens)	22.40	20.27	69.12	62.54

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)						
	Attributable to equity holders of the Company					Non- controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Total US\$'000		
At 1 April 2009	21,672	280,160	(122,666)	100,652	279,818	8,189	288,007
Profit for the period	-	-	-	30,298	30,298	364	30,662
Other comprehensive income:							
Currency translation differences	-	-	15,369	-	15,369	30	15,399
Revaluation gain recognised upon transfer from property held for own use to investment properties	-	-	409	-	409	-	409
Other comprehensive income for the period, net of tax	-	-	15,778	-	15,778	30	15,808
Total comprehensive income for the period	-	-	15,778	30,298	46,076	394	46,470
Transactions with owners:							
Share compensation costs on share options granted by a listed subsidiary	-	-	20	-	20	15	35
2008-2009 final dividend paid by a listed subsidiary	-	-	-	-	-	(221)	(221)
2008-2009 second interim dividend paid	-	-	-	(2,396)	(2,396)	-	(2,396)
2009-2010 first interim dividend paid	-	-	-	(7,578)	(7,578)	-	(7,578)
Total transactions with owners	-	-	20	(9,974)	(9,954)	(206)	(10,160)
At 31 December 2009	21,672	280,160	(106,868)	120,976	315,940	8,377	324,317
At 1 April 2010	21,672	280,160	(92,337)	131,814	341,309	8,263	349,572
Profit for the period	-	-	-	45,042	45,042	941	45,983
Other comprehensive income:							
Currency translation differences	-	-	16,558	-	16,558	27	16,585
Other comprehensive income for the period, net of tax	-	-	16,558	-	16,558	27	16,585
Total comprehensive income for the period	-	-	16,558	45,042	61,600	968	62,568
Transactions with owners:							
Acquisition of additional interest in a listed subsidiary	-	-	722	-	722	(2,429)	(1,707)
Share compensation costs on share options granted by a listed subsidiary	-	-	10	-	10	4	14
2009-2010 final dividend paid by a listed subsidiary	-	-	-	-	-	(1,413)	(1,413)
2009-2010 second interim dividend paid	-	-	-	(12,983)	(12,983)	-	(12,983)
2010-2011 interim dividend paid by a listed subsidiary	-	-	-	-	-	(5)	(5)
2010-2011 first interim dividend paid	-	-	-	(13,471)	(13,471)	-	(13,471)
Total transactions with owners	-	-	732	(26,454)	(25,722)	(3,843)	(29,565)
At 31 December 2010	21,672	280,160	(75,047)	150,402	377,187	5,388	382,575

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(Unaudited)						
	Attributable to equity holders of the Company					Non- controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
RM'000 (Note)	RM'000 (Note)	RM'000 (Note)	RM'000 (Note)	RM'000 (Note)	RM'000 (Note)	RM'000 (Note)	
At 1 April 2009	66,869	864,434	(378,486)	310,562	863,379	25,267	888,646
Profit for the period	-	-	-	93,484	93,484	1,123	94,607
Other comprehensive income:							
Currency translation differences	-	-	47,421	-	47,421	93	47,514
Revaluation gain recognised upon transfer from property held for own use to investment properties	-	-	1,262	-	1,262	-	1,262
Other comprehensive income for the period, net of tax	-	-	48,683	-	48,683	93	48,776
Total comprehensive income for the period	-	-	48,683	93,484	142,167	1,216	143,383
Transactions with owners:							
Share compensation costs on share options granted by a listed subsidiary	-	-	62	-	62	46	108
2008-2009 final dividend paid by a listed subsidiary	-	-	-	-	-	(682)	(682)
2008-2009 second interim dividend paid	-	-	-	(7,393)	(7,393)	-	(7,393)
2009-2010 first interim dividend paid	-	-	-	(23,382)	(23,382)	-	(23,382)
Total transactions with owners	-	-	62	(30,775)	(30,713)	(636)	(31,349)
At 31 December 2009	66,869	864,434	(329,741)	373,271	974,833	25,847	1,000,680
At 1 April 2010	66,869	864,434	(284,906)	406,712	1,053,109	25,495	1,078,604
Profit for the period	-	-	-	138,977	138,977	2,904	141,881
Other comprehensive income:							
Currency translation differences	-	-	51,090	-	51,090	83	51,173
Other comprehensive income for the period, net of tax	-	-	51,090	-	51,090	83	51,173
Total comprehensive income for the period	-	-	51,090	138,977	190,067	2,987	193,054
Transactions with owners:							
Acquisition of additional interest in a listed subsidiary	-	-	2,227	-	2,227	(7,495)	(5,268)
Share compensation costs on share options granted by a listed subsidiary	-	-	31	-	31	12	43
2009-2010 final dividend paid by a listed subsidiary	-	-	-	-	-	(4,359)	(4,359)
2009-2010 second interim dividend paid	-	-	-	(40,059)	(40,059)	-	(40,059)
2010-2011 interim dividend paid by a listed subsidiary	-	-	-	-	-	(15)	(15)
2010-2011 first interim dividend paid	-	-	-	(41,565)	(41,565)	-	(41,565)
Total transactions with owners	-	-	2,258	(81,624)	(79,366)	(11,857)	(91,223)
At 31 December 2010	66,869	864,434	(231,558)	464,065	1,163,810	16,625	1,180,435

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	(Unaudited) Nine months ended 31 December		(Unaudited) Nine months ended 31 December	
	2010	2009	2010	2009
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Cash flows from operating activities				
Cash generated from operations	78,993	18,997	243,733	58,615
Interest on bank loans and overdrafts	(652)	(537)	(2,012)	(1,657)
Interest element of finance lease payments	(18)	(16)	(56)	(49)
Profits tax paid	(9,556)	(6,788)	(29,485)	(20,945)
Long service payments made	(58)	(64)	(179)	(197)
Net cash generated from operating activities	<u>68,709</u>	<u>11,592</u>	<u>212,001</u>	<u>35,767</u>
Cash flows from investing activities				
Acquisition of an associate	-	(2,800)	-	(8,639)
Purchase of property, plant and equipment	(15,735)	(5,263)	(48,550)	(16,239)
Purchase of intangible assets	(340)	(271)	(1,049)	(836)
Investment in convertible notes	-	(435)	-	(1,342)
Proceeds from disposal of property, plant and equipment	59	560	182	1,728
Proceeds from disposal of investment properties	85	-	262	-
Proceeds from disposal of intangible assets	-	63	-	194
Proceeds from disposal of non-current assets held for sale	-	77	-	237
Interest received	942	503	2,907	1,552
Dividends received	9	44	28	136
Net cash used in investing activities	<u>(14,980)</u>	<u>(7,522)</u>	<u>(46,220)</u>	<u>(23,209)</u>
Cash flows from financing activities				
Acquisition of additional interest in a listed subsidiary	(1,707)	-	(5,268)	-
Dividends paid	(26,454)	(2,396)	(81,624)	(7,393)
Dividends paid by a listed subsidiary to non-controlling interests	(1,418)	(221)	(4,374)	(682)
Repayment of bank loans	(798)	(1,399)	(2,462)	(4,317)
Proceeds from drawdown of short-term bank loans	23,602	32,250	72,823	99,507
Repayment of short-term bank loans	(38,795)	(23,834)	(119,702)	(73,540)
Capital element of finance lease payments	(258)	(362)	(796)	(1,116)
Net cash (used in)/generated from financing activities	<u>(45,828)</u>	<u>4,038</u>	<u>(141,403)</u>	<u>12,459</u>
Net increase in cash and cash equivalents, and bank overdrafts	<u>7,901</u>	<u>8,108</u>	<u>24,378</u>	<u>25,017</u>
Cash and cash equivalents, and bank overdrafts as at 1 April	77,437	67,777	238,933	209,126
Exchange adjustments on cash and cash equivalents, and bank overdrafts	2,839	2,544	8,759	7,849
Cash and cash equivalents, and bank overdrafts as at 31 December	<u>88,177</u>	<u>78,429</u>	<u>272,070</u>	<u>241,992</u>

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A. NOTES TO THE FINANCIAL INFORMATION

A1. Basis of preparation and changes in accounting policies

a) Basis of preparation

This financial information for the third quarter ended 31 December 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”).

This 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”).

This financial information has not been audited.

b) Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2010.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The Group has adopted the following new or revised standards and amendments to standard, which are mandatory for the financial year beginning 1 April 2010 and are relevant to its operations:

- IAS 17 (amendment), “Leases”. The amendment deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of IAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under “Leasehold land and land use rights”, and amortised over the lease term.

IAS 17 (amendment) has been applied retrospectively in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 April 2010 on the basis of information existing at the inception of those leases, and recognised all leasehold land, except for those in Mainland China, as finance lease retrospectively. As a result of the reassessment, the Group has reclassified certain leasehold land from operating lease to finance lease.

The effect of the adoption of this amendment is as follows:

	As at	As at
	31 December 2010	31 March 2010
	US\$’000	US\$’000
Increase/(decrease) in:		
Property, plant and equipment	28,290	28,339
Leasehold land and land use rights	(28,290)	(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.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but are not yet effective for the accounting period beginning 1 April 2010. The Group is in the process of making an assessment of the impact of these new or revised standards and amendments to standards on the Group's results and financial position in the period of initial application.

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

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. The functional currency of the Company is RM. However, each entity can present its financial statements in any currency, which can be the same or different from the entity's functional currency. As the Group operates internationally, management considers that it is more appropriate to use US\$, a globally recognised currency, as the presentation currency for the Group's condensed consolidated financial statements. For the entity whose functional currency is not the presentation currency, i.e. US\$, its results and financial position have been translated into US\$.

A2. Auditor's report on preceding annual financial statements

The auditor's report of the Group's annual financial statements for the year ended 31 March 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 year that have a material effect on the results of the current quarter under review.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A6. Changes in debt and equity securities

- a) During the period ended 31 December 2010, the Company repurchased a total of 1,000 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	(Unaudited)				
	Number of ordinary shares repurchased	Purchase price per share		Aggregate purchase consideration HK\$	Equivalents in US\$
		Highest HK\$	Lowest HK\$		
August 2010	1,000	2.00	2.00	2,000	257

All the shares repurchased during the period 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) Details of the movements in the Company's shares during the period ended 31 December 2010 were as follows:

	(Unaudited) Number of shares
As at 1 April 2010	1,683,897,241
Repurchase of ordinary shares	(1,000)
As at 31 December 2010	<u>1,683,896,241</u>

A7. Dividend paid

The first tax exempt interim dividend of US0.800 cents per ordinary share totaling US\$13,471,000 in respect of the year ending 31 March 2011 was paid on 30 December 2010.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information

The Group has determined the operating segments based on the reports that are reviewed and used by the Group Executive Committee for making strategic decisions.

The Group is organised operationally on a worldwide basis in four major operating segments:

Publishing and printing: Malaysia and other Southeast Asian countries

Publishing and printing: Hong Kong and Mainland China

Publishing and printing: North America

Travel and travel related services

Publishing and printing segment is engaged in the production 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 period, analysed by operating segment, were as follows:

	(Unaudited)					
	Three months ended 31 December 2010					
	Publishing and printing					
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
Turnover	73,389	21,244	7,633	102,266	14,581	116,847
Segment profit before income tax	19,458	3,613	988	24,059	140	24,199
Net unallocated expenses						(134)
Share of loss of an associate						(112)
Profit before income tax						23,953
Income tax expense						(5,555)
Profit for the quarter						18,398
Other information:						
Interest income	345	34	-	379	1	380
Interest expense	(219)	(13)	(6)	(238)	-	(238)
Depreciation	(1,849)	(402)	(137)	(2,388)	(20)	(2,408)
Amortisation of leasehold land and land use rights	-	(15)	-	(15)	-	(15)
Amortisation of intangible assets	(194)	(15)	(10)	(219)	(1)	(220)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

	(Unaudited and restated)					
	Three months ended 31 December 2009					
	<u>Publishing and printing</u>					
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
Turnover	62,906	20,638	6,815	90,359	10,378	100,737
Segment profit/(loss) before income tax	17,472	3,443	683	21,598	(221)	21,377
Net unallocated expenses						(137)
Share of loss of an associate						(3)
Profit before income tax						21,237
Income tax expense						(5,001)
Profit for the quarter						<u>16,236</u>
Other information:						
Interest income	163	16	-	179	-	179
Interest expense	(160)	(7)	(10)	(177)	-	(177)
Depreciation	(1,496)	(483)	(171)	(2,150)	(25)	(2,175)
Amortisation of leasehold land and land use rights	-	(15)	-	(15)	-	(15)
Amortisation of intangible assets	(175)	(7)	(2)	(184)	-	(184)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

	(Unaudited)					
	Nine months ended 31 December 2010					
	<u>Publishing and printing</u>					
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
Turnover	<u>205,276</u>	<u>56,793</u>	<u>22,173</u>	<u>284,242</u>	<u>54,192</u>	<u>338,434</u>
Segment profit before income tax	<u>51,937</u>	<u>5,511</u>	<u>2,714</u>	<u>60,162</u>	<u>2,060</u>	<u>62,222</u>
Net unallocated expenses						(179)
Share of loss of an associate						(282)
Profit before income tax						<u>61,761</u>
Income tax expense						<u>(15,778)</u>
Profit for the period						<u><u>45,983</u></u>
Other information:						
Interest income	872	89	-	961	2	963
Interest expense	(620)	(32)	(18)	(670)	-	(670)
Depreciation	(5,425)	(1,256)	(412)	(7,093)	(66)	(7,159)
Amortisation of leasehold land and land use rights	-	(45)	-	(45)	-	(45)
Amortisation of intangible assets	(572)	(34)	(31)	(637)	(3)	(640)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

	(Unaudited and restated)					
	Nine months ended 31 December 2009					
	<u>Publishing and printing</u>					
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
Turnover	174,030	53,645	18,430	246,105	36,328	282,433
Segment profit before income tax	38,515	3,892	1	42,408	56	42,464
Net unallocated expenses						(445)
Share of loss of an associate						(3)
Profit before income tax						42,016
Income tax expense						(11,354)
Profit for the period						<u>30,662</u>
Other information:						
Interest income	448	58	-	506	2	508
Interest expense	(488)	(29)	(36)	(553)	-	(553)
Depreciation	(4,352)	(1,497)	(526)	(6,375)	(75)	(6,450)
Amortisation of leasehold land and land use rights	-	(44)	-	(44)	-	(44)
Amortisation of intangible assets	(510)	(22)	(6)	(538)	-	(538)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

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

	(Unaudited)						
	<u>Publishing and printing</u>						
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Elimination US\$'000	Total US\$'000
Segment assets	<u>394,726</u>	<u>74,873</u>	<u>13,717</u>	<u>483,316</u>	<u>9,043</u>	<u>(2,816)</u>	<u>489,543</u>
Unallocated assets							<u>2,835</u>
Total assets							<u>492,378</u>
Total assets include:							
Interest in an associate	-	2,451	-	2,451	-	-	2,451
Additions to non-current assets (other than interest in an associate, financial assets, defined benefit plan assets, and deferred income tax assets)	15,332	559	129	16,020	55	-	16,075

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

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

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

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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 period was as follows:

	(Unaudited)	
	Three months ended 31 December	
	2010	2009
	US\$'000	US\$'000
Advertising income, net of trade discounts	73,074	63,118
Sales of newspapers, magazines and books, net of trade discounts and returns	29,192	27,241
Travel and travel related services income	14,503	10,297
Travel agency commission income	78	81
	<u>116,847</u>	<u>100,737</u>

	(Unaudited)	
	Nine months ended 31 December	
	2010	2009
	US\$'000	US\$'000
Advertising income, net of trade discounts	197,227	165,121
Sales of newspapers, magazines and books, net of trade discounts and returns	87,015	80,984
Travel and travel related services income	53,901	36,077
Travel agency commission income	291	251
	<u>338,434</u>	<u>282,433</u>

A9. Property, plant and equipment

The valuations of property, plant and equipment of the Group have been brought forward without amendment from the audited annual financial statements for the year ended 31 March 2010.

Additions and disposals of property, plant and equipment during the current quarter and nine months ended 31 December 2010 were as follows:

	(Unaudited)	
	Three months ended	Nine months ended
	31 December 2010	31 December 2010
	US\$'000	US\$'000
Additions	2,832	15,735
Disposals	(22)	(56)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Subsequent material events

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

A11. Changes in the composition of the Group

There were no material changes in the composition of the Group during the quarter ended 31 December 2010.

A12. Contingent liabilities

As at 31 December 2010, the Company issued financial guarantees in favour of certain of its subsidiaries totaling US\$24,627,000 in connection with general banking facilities granted to those subsidiaries. As at 31 December 2010, total facilities utilised amounted to US\$2,575,000. 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 31 December 2010 under the financial guarantees was the facility drawn down by its subsidiaries. No provision was therefore made in this respect as at 31 December 2010.

A13. Capital commitments

Capital commitments outstanding as at 31 December 2010 were as follows:

	(Unaudited) US\$'000
Property, plant and equipment :	
Authorised and contracted for	3,233
Authorised but not contracted for	3,629
	<u>6,862</u>

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

B1. Review of performance

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000
Turnover	116,847	100,737	338,434	282,433
Profit before income tax	23,953	21,237	61,761	42,016

The Group achieved an encouraging performance for the quarter, registering a profit before tax of US\$23,953,000, an increase of 13% or US\$2,716,000 over the same quarter last year, driven by higher revenue.

Total revenue for the quarter increased by 16% or US\$16,110,000 to US\$116,847,000 from US\$100,737,000. The continued improvements in the overall economies of the Group's core markets and effective sales efforts have contributed to the Group's growth in revenue.

The publishing and printing segment reported higher revenue and profit for the current quarter amid improved economic conditions with strong growth in advertising revenue. Publishing and printing segment's profit increased by US\$2,461,000 or 11% to US\$24,059,000.

The travel segment's profit improved by US\$361,000 to reach US\$140,000 as compared to a loss of US\$221,000 recorded in the same quarter of previous year. The increase in profit was driven by strong growth in tour revenue underpinned by robust demand for the Group's specialised long-haul tour packages.

The continued improved market sentiment in the Group's core markets led to encouraging performance for the publishing and printing segment. For the nine months ended 31 December 2010, the Group's revenue was US\$338,434,000, US\$56,001,000 or 20% higher than that of the previous year. Profit before income tax, meanwhile, soared US\$19,745,000 or 47% to US\$61,761,000 compared with the corresponding period last year.

The ongoing strengthening of Ringgit Malaysia and the Canadian dollar against the US dollar has also produced a favourable impact on both the Group's revenue and profit. The Group's turnover and profit before income tax for the current quarter were positively impacted by about US\$6,611,000 and US\$1,710,000 respectively. The corresponding impacts on the Group's nine months turnover and profit before income tax were about US\$20,577,000 and US\$5,026,000 respectively.

B2. Variation of results against immediate preceding quarter

	(Unaudited) Three months ended 31 December 2010 US\$'000	(Unaudited) Three months ended 30 September 2010 US\$'000	% change
Turnover	116,847	115,652	1%
Profit before income tax	23,953	19,014	26%

The Group recorded a profit before income tax of US\$23,953,000 for the current quarter, a 26% increase from US\$19,014,000 reported in the immediate preceding quarter. The increase in profit was driven by the strong performance of the publishing and printing operations. Contribution from the travel and travel related services, meanwhile, was lower than that of the last quarter which was a traditional peak season for this business segment.

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

B3. Current year's prospects

There is evidence of ongoing economic improvements in most of the markets the Group operates in. However, as forecasted in the preceding quarter, the impact of rising newsprint prices on the Group's results has started to emerge in this quarter.

With the increasing prospects for inflation in most markets, rising labour costs as well as other operating costs will also pose another challenge for the Group.

In this connection, the management will continue to closely monitor and manage operating efficiencies for a sustainable performance in its core business. It is expected that the overall annual performance would be satisfactory.

B4. Profit forecast and profit guarantee

The Group has not provided any profit forecast or profit guarantee in any public document.

B5. Taxation

Taxation comprises the following:

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2010	2009	2010	2009
	US\$'000	US\$'000	US\$'000	US\$'000
Current income tax expense	5,526	4,688	14,317	9,826
Over provision in prior years	(68)	(291)	(67)	(515)
Deferred income tax expense	97	604	1,528	2,043
	<u>5,555</u>	<u>5,001</u>	<u>15,778</u>	<u>11,354</u>

The effective tax rate of the Group for the current quarter was lower than the applicable Malaysian statutory tax rate due to the lower tax rates applicable to certain subsidiaries operating in foreign jurisdiction.

The effective tax rate of the Group for the period under review was higher than the applicable Malaysian statutory tax rate mainly due to the non-deductibility of certain expenses for income tax purposes.

B6. Unquoted investments and properties

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

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

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 31 December 2010 were as follows:

	(Unaudited) US\$'000
Total investment at cost	603
Total investment at carrying value (after provision for diminution in value)	219
Total investment at market value	<u>219</u>

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 31 December 2010 were as follows:

	(Unaudited) As at 31 December 2010		
	Secured US\$'000	Unsecured US\$'000	Total US\$'000
Non-current			
Obligations under finance leases	458	-	<u>458</u>
Current			
Short-term bank loans	236	16,494	16,730
Portion of obligations under finance leases, due within 1 year	331	-	331
	<u>567</u>	<u>16,494</u>	<u>17,061</u>

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

	(Unaudited) As at 31 December 2010	
	Long-term borrowings US\$'000	Short-term borrowings US\$'000
Ringgit Malaysia	6	16,509
United States dollars	-	236
Canadian dollars	452	316
Total borrowings	<u>458</u>	<u>17,061</u>

B10. Off balance sheet financial instruments

The Group did not have any financial instrument with off balance sheet risk as at 31 December 2010.

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

B11. Material litigation

There are several libel suits which involve claims against some companies in the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings is still uncertain as of the date of this financial information, the directors are of the opinion that the respective ultimate liability, if any, will not have a material adverse impact upon the Group's financial position.

B12. Dividend payable

The board of directors does not recommend any distribution of dividend for the current quarter under review.

B13. Earnings per share attributable to the equity holders of the Company

a) Basic

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2010	2009	2010	2009
Profit attributable to equity holders of the Company (US\$'000)	17,714	15,646	45,042	30,298
Weighted average number of ordinary shares in issue	1,683,896,241	1,683,897,241	1,683,896,776	1,683,897,805
Basic earnings per share (US cent)	1.05	0.93	2.67	1.80

b) Diluted

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2010	2009	2010	2009
Profit attributable to equity holders of the Company (US\$'000)	17,714	15,646	45,042	30,298
Weighted average number of ordinary shares in issue	1,683,896,241	1,683,897,241	1,683,896,776	1,683,897,805
Adjustment for share options	836,780	-	596,845	-
Weighted average number of ordinary shares used to compute diluted earnings per share	1,684,733,021	1,683,897,241	1,684,493,621	1,683,897,805
Diluted earnings per share (US cent)	1.05	0.93	2.67	1.80

On behalf of the Board
Media Chinese International Limited

Law Yuk Kuen
Secretary
25 February 2011