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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 2012

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 interests in associates for the quarter ended 30 June 2012 to Bursa Securities on 29 August 2012.

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.

29 August 2012

As at the date of this announcement, the Board comprises Tan Sri Datuk Sir Tiong Hiew King, Dato’ Sri Dr Tiong Ik King, Mr Tiong Kiew Chiong, Mr Ng Chek Yong and Ms Siew Nyoke Chow, 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 2012

CONDENSED CONSOLIDATED INCOME STATEMENT

	(Unaudited)		(Unaudited)	
	Three months ended 30 June		Three months ended 30 June	
	2012	2011	2012	2011
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Turnover	123,153	117,991	391,355	374,952
Cost of goods sold	(77,004)	(72,432)	(244,703)	(230,174)
Gross profit	46,149	45,559	146,652	144,778
Other income	2,357	2,391	7,490	7,598
Other gains, net	2,231	464	7,090	1,474
Selling and distribution expenses	(17,801)	(17,001)	(56,568)	(54,026)
Administrative expenses	(10,619)	(10,443)	(33,745)	(33,186)
Other operating expenses	(1,556)	(1,693)	(4,945)	(5,380)
Operating profit	20,761	19,277	65,974	61,258
Finance costs	(25)	(142)	(79)	(451)
Share of losses of associates	(3)	(81)	(10)	(257)
Profit before income tax	20,733	19,054	65,885	60,550
Income tax expense	(5,052)	(5,292)	(16,054)	(16,817)
Profit for the quarter	15,681	13,762	49,831	43,733
Attributable to:				
Equity holders of the Company	15,330	13,575	48,716	43,139
Non-controlling interests	351	187	1,115	594
	15,681	13,762	49,831	43,733
Earnings per share attributable to the equity holders of the Company				
Basic (US cents/sen) #	0.91	0.81	2.89	2.57
Diluted (US cents/sen) #	0.91	0.81	2.89	2.57

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

Note: The presentation currency of this unaudited financial information is United States Dollar ("US\$"). Supplementary information in Ringgit Malaysia ("RM") for the quarter ended 30 June 2012 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.1778 ruling at 30 June 2012. 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		Three months ended	
	30 June		30 June	
	2012	2011	2012	2011
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Profit for the quarter	15,681	13,762	49,831	43,733
Other comprehensive (loss)/income				
Currency translation differences	<u>(12,681)</u>	<u>819</u>	<u>(40,298)</u>	<u>2,603</u>
Other comprehensive (loss)/income for the quarter, net of tax	<u>(12,681)</u>	<u>819</u>	<u>(40,298)</u>	<u>2,603</u>
Total comprehensive income for the quarter	<u>3,000</u>	<u>14,581</u>	<u>9,533</u>	<u>46,336</u>
Attributable to:				
Equity holders of the Company	<u>2,659</u>	<u>14,375</u>	<u>8,450</u>	<u>45,681</u>
Non-controlling interests	<u>341</u>	<u>206</u>	<u>1,083</u>	<u>655</u>
	<u>3,000</u>	<u>14,581</u>	<u>9,533</u>	<u>46,336</u>

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the quarter ended 30 June 2012 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.1778 ruling at 30 June 2012. 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) Period ended 30 June		(Unaudited) Period ended 30 June	
	2012 US\$'000	2011 US\$'000	2012 RM'000 <i>(Note)</i>	2011 RM'000 <i>(Note)</i>
Turnover	123,153	117,991	391,355	374,952
Cost of goods sold	(77,004)	(72,432)	(244,703)	(230,174)
Gross profit	46,149	45,559	146,652	144,778
Other income	2,357	2,391	7,490	7,598
Other gains, net	2,231	464	7,090	1,474
Selling and distribution expenses	(17,801)	(17,001)	(56,568)	(54,026)
Administrative expenses	(10,619)	(10,443)	(33,745)	(33,186)
Other operating expenses	(1,556)	(1,693)	(4,945)	(5,380)
Operating profit	20,761	19,277	65,974	61,258
Finance costs	(25)	(142)	(79)	(451)
Share of losses of associates	(3)	(81)	(10)	(257)
Profit before income tax	20,733	19,054	65,885	60,550
Income tax expense	(5,052)	(5,292)	(16,054)	(16,817)
Profit for the period	15,681	13,762	49,831	43,733
Attributable to:				
Equity holders of the Company	15,330	13,575	48,716	43,139
Non-controlling interests	351	187	1,115	594
	15,681	13,762	49,831	43,733
Earnings per share attributable to the equity holders of the Company				
Basic (US cents/sen) #	0.91	0.81	2.89	2.57
Diluted (US cents/sen) #	0.91	0.81	2.89	2.57

Refer to B11 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 2012 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.1778 ruling at 30 June 2012. 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) Period ended 30 June		(Unaudited) Period ended 30 June	
	2012 US\$'000	2011 US\$'000	2012 RM'000 <i>(Note)</i>	2011 RM'000 <i>(Note)</i>
Profit for the period	15,681	13,762	49,831	43,733
Other comprehensive (loss)/income				
Currency translation differences	(12,681)	819	(40,298)	2,603
Other comprehensive (loss)/income for the period, net of tax	(12,681)	819	(40,298)	2,603
Total comprehensive income for the period	3,000	14,581	9,533	46,336
Attributable to:				
Equity holders of the Company	2,659	14,375	8,450	45,681
Non-controlling interests	341	206	1,083	655
	3,000	14,581	9,533	46,336

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2012 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.1778 ruling at 30 June 2012. 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 FINANCIAL POSITION

	(Unaudited) As at 30 June 2012 US\$'000	(Audited) As at 31 March 2012 US\$'000	(Unaudited) As at 30 June 2012 RM'000 (Note)	(Unaudited) As at 31 March 2012 RM'000 (Note)
ASSETS				
Non-current assets				
Property, plant and equipment	147,166	151,049	467,664	480,004
Investment properties	10,813	11,212	34,362	35,629
Leasehold land and land use rights	2,011	2,025	6,391	6,435
Intangible assets	75,489	78,124	239,889	248,262
Deferred income tax assets	1,433	1,426	4,554	4,532
Interests in associates	2,252	2,253	7,156	7,160
	239,164	246,089	760,016	782,022
Current assets				
Inventories	52,748	57,899	167,622	183,991
Available-for-sale financial assets	97	97	308	308
Financial assets at fair value through profit or loss	189	191	601	607
Investment in convertible notes – debt portion	-	568	-	1,805
Trade and other receivables	79,460	76,140	252,508	241,958
Income tax recoverable	2,380	1,625	7,563	5,164
Cash and cash equivalents	132,347	134,657	420,572	427,913
	267,221	271,177	849,174	861,746
Current liabilities				
Trade and other payables	78,008	70,623	247,894	224,426
Income tax liabilities	7,236	5,520	22,995	17,541
Short-term bank loans	6,890	5,285	21,895	16,795
Current portion of long-term liabilities	141	145	448	461
	92,275	81,573	293,232	259,223
Net current assets	174,946	189,604	555,942	602,523
Total assets less current liabilities	414,110	435,693	1,315,958	1,384,545
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	21,715	21,715	69,006	69,006
Share premium	280,818	280,818	892,383	892,383
Other reserves	(85,530)	(72,679)	(271,797)	(230,959)
Retained earnings				
- Proposed dividend	-	24,431	-	77,637
- Others	174,609	159,279	554,873	506,157
	391,612	413,564	1,244,465	1,314,224
Non-controlling interests	6,732	6,229	21,392	19,794
Total equity	398,344	419,793	1,265,857	1,334,018
Non-current liabilities				
Other long-term liabilities	1,308	1,348	4,156	4,284
Deferred income tax liabilities	14,458	14,552	45,945	46,243
	15,766	15,900	50,101	50,527
	414,110	435,693	1,315,958	1,384,545
Net assets per share attributable to equity holders of the Company (US cents/sen)	23.21	24.51	73.76	77.89

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM as at 30 June 2012 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.1778 ruling at 30 June 2012. 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 CHANGES IN EQUITY

	(Unaudited)						
	Attributable to equity holders of the Company					Non- controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 April 2011	21,681	280,299	(67,757)	160,185	394,408	5,457	399,865
Total comprehensive income for the period ended 30 June 2011	-	-	800	13,575	14,375	206	14,581
Transactions with equity holders in their capacity as owners:							
Exercise of share options	16	246	-	-	262	-	262
2010-2011 second interim dividend proposed	-	-	-	(19,437)	(19,437)	-	(19,437)
Total transactions with equity holders	16	246	-	(19,437)	(19,175)	-	(19,175)
At 30 June 2011	21,697	280,545	(66,957)	154,323	389,608	5,663	395,271
At 1 April 2012	21,715	280,818	(72,679)	183,710	413,564	6,229	419,793
Total comprehensive (loss)/ income for the period ended 30 June 2012	-	-	(12,671)	15,330	2,659	341	3,000
Transactions with equity holders in their capacity as owners:							
Dividend paid by a subsidiary	-	-	-	-	-	(18)	(18)
2011-2012 second interim dividend paid	-	-	-	(24,431)	(24,431)	-	(24,431)
Convertible bond reserve	-	-	(180)	-	(180)	180	-
Total transactions with equity holders	-	-	(180)	(24,431)	(24,611)	162	(24,449)
At 30 June 2012	21,715	280,818	(85,530)	174,609	391,612	6,732	398,344

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(Unaudited)						
	Attributable to equity holders of the Company						
	Share capital RM'000 (Note)	Share premium RM'000 (Note)	Other reserves RM'000 (Note)	Retained earnings RM'000 (Note)	Total RM'000 (Note)	Non- controlling interests RM'000 (Note)	Total equity RM'000 (Note)
At 1 April 2011	68,898	890,734	(215,318)	509,036	1,253,350	17,341	1,270,691
Total comprehensive income for the period ended 30 June 2011	-	-	2,542	43,139	45,681	655	46,336
Transactions with equity holders in their capacity as owners:							
Exercise of share options	51	782	-	-	833	-	833
2010-2011 second interim dividend proposed	-	-	-	(61,767)	(61,767)	-	(61,767)
Total transactions with equity holders	51	782	-	(61,767)	(60,934)	-	(60,934)
At 30 June 2011	68,949	891,516	(212,776)	490,408	1,238,097	17,996	1,256,093
At 1 April 2012	69,006	892,383	(230,959)	583,794	1,314,224	19,794	1,334,018
Total comprehensive (loss)/income for the period ended 30 June 2012	-	-	(40,266)	48,716	8,450	1,083	9,533
Transactions with equity holders in their capacity as owners:							
Dividend paid by a subsidiary	-	-	-	-	-	(57)	(57)
2011-2012 second interim dividend paid	-	-	-	(77,637)	(77,637)	-	(77,637)
Convertible bond reserve	-	-	(572)	-	(572)	572	-
Total transactions with equity holders	-	-	(572)	(77,637)	(78,209)	515	(77,694)
At 30 June 2012	69,006	892,383	(271,797)	554,873	1,244,465	21,392	1,265,857

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) Period ended 30 June		(Unaudited) Period ended 30 June	
	2012 US\$'000	2011 US\$'000	2012 RM'000 <i>(Note)</i>	2011 RM'000 <i>(Note)</i>
Cash flows from operating activities				
Cash generated from operations	28,960	31,669	92,029	100,638
Interest on bank loans	(25)	(98)	(79)	(311)
Interest element of finance lease payments	-	(44)	-	(140)
Income tax paid	(3,720)	(3,957)	(11,821)	(12,575)
Net cash generated from operating activities	25,215	27,570	80,129	87,612
Cash flows from investing activities				
Acquisition of a subsidiary	(75)	-	(238)	-
Purchase of property, plant and equipment	(3,362)	(1,474)	(10,684)	(4,684)
Purchase of intangible assets	(288)	(116)	(915)	(369)
Proceeds from disposal of property, plant and equipment	76	23	241	73
Proceeds from disposal of convertible notes	1,694	-	5,383	-
Interest received	726	557	2,307	1,770
Dividends received	5	5	16	16
Net cash used in investing activities	(1,224)	(1,005)	(3,890)	(3,194)
Cash flows from financing activities				
Proceeds from exercise of share options	-	262	-	833
Dividends paid	(24,431)	-	(77,637)	-
Dividend paid to non-controlling interests by a subsidiary	(18)	-	(57)	-
Proceeds from bank loans	5,552	2,211	17,643	7,026
Repayment of bank loans	(3,728)	(9,493)	(11,847)	(30,167)
Capital element of finance lease payments	-	(722)	-	(2,294)
Net cash used in financing activities	(22,625)	(7,742)	(71,898)	(24,602)
Net increase in cash and cash equivalents	1,366	18,823	4,341	59,816
Cash and cash equivalents at beginning of period	134,657	110,519	427,913	351,207
Exchange adjustments on cash and cash equivalents	(3,676)	321	(11,682)	1,020
Cash and cash equivalents at end of period	132,347	129,663	420,572	412,043

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2012 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.1778 ruling at 30 June 2012. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

A. NOTES TO THE FINANCIAL INFORMATION

A1. Basis of preparation and changes in accounting policies

a) Basis of preparation

This financial information for the quarter ended 30 June 2012 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 2012, which were prepared in accordance with International Financial Reporting Standards (“IFRSs”).

This financial information has not been audited.

b) Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2012 as described therein.

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

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 within the Group 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 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 2012 was not subject to any qualification.

A3. Seasonal or cyclical factors

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

A4. Unusual item

There were no unusual items affecting the Group’s assets, liabilities, equity, net income or cash flows during the quarter under review.

A5. Changes in estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect on the results of the current quarter under review.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

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. Dividends paid

The tax-exempt second interim dividend of US1.448 cents per ordinary share totaling US\$24,431,000 in respect of the year ended 31 March 2012 was paid on 27 June 2012.

A8. Turnover and segment information

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

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

Publishing and printing: Malaysia and other Southeast Asian countries
Publishing and printing: Hong Kong and Mainland China
Publishing and printing: North America
Travel and travel related services

Publishing and printing segment is engaged in the publication of various newspapers and magazines in Chinese language, and other related printed and digital publications. It derives its revenue mainly from advertising and sales of newspapers and magazines. Travel and travel related services segment derives revenue from the sale of travel packages and provision of tour services.

The Group 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.

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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 2012, analysed by operating segment, are as follows:

	(Unaudited)					
	Three months ended 30 June 2012					
	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	<u>72,137</u>	<u>19,552</u>	<u>7,131</u>	<u>98,820</u>	<u>24,333</u>	<u>123,153</u>
Segment profit /(loss)before income tax	<u>16,568</u>	<u>3,144</u>	<u>(40)</u>	<u>19,672</u>	<u>1,391</u>	21,063
Net unallocated expenses						(327)
Share of losses of associates						(3)
Profit before income tax						<u>20,733</u>
Income tax expense						(5,052)
Profit for the quarter						<u>15,681</u>
Other information:						
Interest income	635	90	-	725	1	726
Interest expense	(25)	-	-	(25)	-	(25)
Depreciation	(2,097)	(395)	(122)	(2,614)	(11)	(2,625)
Amortisation of leasehold land and land use rights	-	(15)	-	(15)	-	(15)
Amortisation of intangible assets	(199)	(27)	(20)	(246)	(4)	(250)
Share of losses of associates	-	(3)	-	(3)	-	(3)
Income tax expense	(4,350)	(415)	(92)	(4,857)	(195)	(5,052)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

	(Unaudited)					Travel and travel related services US\$'000	Total US\$'000
	Three months ended 30 June 2011						
	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			
Turnover	72,400	18,605	8,050	99,055	18,936	117,991	
Segment profit before income tax	16,234	1,637	972	18,843	493	19,336	
Net unallocated expenses						(201)	
Share of loss of an associate						(81)	
Profit before income tax						19,054	
Income tax expense						(5,292)	
Profit for the quarter						<u>13,762</u>	
Other information:							
Interest income	513	50	-	563	1	564	
Interest expense	(97)	(1)	(44)	(142)	-	(142)	
Depreciation	(2,102)	(385)	(136)	(2,623)	(19)	(2,642)	
Amortisation of leasehold land and land use rights	-	(15)	-	(15)	-	(15)	
Amortisation of intangible assets	(224)	(19)	(20)	(263)	(2)	(265)	
Share of loss of an associate	-	(81)	-	(81)	-	(81)	
Income tax expense	(4,432)	(325)	(441)	(5,198)	(94)	(5,292)	

Turnover is derived from publishing, printing and distribution of Chinese language newspapers, magazines and books, and provision of travel and travel related services. Turnover recognised during the current quarter is as follows:

	Three months ended	
	30 June 2012 US\$'000 (Unaudited)	2011 US\$'000 (Unaudited)
Advertising income, net of trade discounts	70,533	69,267
Sales of newspapers, magazines and books, net of trade discounts and returns	28,287	29,788
Travel and travel related services income	24,333	18,936
	<u>123,153</u>	<u>117,991</u>

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A8. Turnover and segment information (Continued)

The segment assets as at 30 June 2012 are as follows:

	(Unaudited)						Total US\$'000
	Publishing and printing						
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Elimination US\$'000	
Segment assets	<u>388,636</u>	<u>93,244</u>	<u>14,587</u>	<u>496,467</u>	<u>21,350</u>	<u>(15,696)</u>	<u>502,121</u>
Unallocated assets							<u>4,264</u>
Total assets							<u><u>506,385</u></u>
Total assets include:							
Interests in associates	-	2,252	-	2,252	-	-	2,252
Additions to non-current assets (other than deferred income tax assets)	3,337	288	18	3,643	7	-	3,650

The segment assets as at 31 March 2012 are as follows:

	(Audited)						Total US\$'000
	Publishing and printing						
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Elimination US\$'000	
Segment assets	<u>408,824</u>	<u>85,138</u>	<u>14,814</u>	<u>508,776</u>	<u>11,352</u>	<u>(6,309)</u>	513,819
Unallocated assets							<u>3,447</u>
Total assets							<u><u>517,266</u></u>
Total assets include:							
Interest in associates	-	2,253	-	2,253	-	-	2,253
Additions to non-current assets (other than deferred income tax assets)	5,949	1,520	203	7,672	114	-	7,786

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

Segment assets consist of property, plant and equipment, investment properties, leasehold land and land use rights, intangible assets, interests in associates, investment in convertible notes-debt portion, inventories, trade and other receivables, and cash and cash equivalents. They exclude deferred income tax assets, available-for-sale financial assets, financial assets at fair value through profit or loss, income tax recoverable and assets held by the Company.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

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 2012.

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

	(Unaudited) Three months ended 30 June 2012 US\$'000
Additions	3,362
Disposals	(16)

A10. Subsequent material events

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

A11. Changes in the composition of the Group

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

- (a) Reference is made to the announcements of the Company dated 29 February 2012, 29 March 2012 and 1 June 2012. On 29 February 2012, Ming Pao Holdings Limited, a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Top Plus Limited ("Top Plus"), a wholly-owned subsidiary of One Media Group Limited ("OMG"), for the disposal of 10 ordinary shares of US\$1.00 each in Ming Pao Finance Limited ("MPF"), representing 100% of the issued and paid up capital of MPF, for a total consideration of HK\$75,600,000 (equivalent to US\$9,748,000) to Top Plus, which was satisfied by the issuance of a convertible bond by OMG (the "Disposal"). The Disposal was completed on 1 June 2012.

OMG is a non wholly-owned subsidiary of the Company in which the Company has an indirect equity interest of 73.18%. Upon completion of the Disposal, MPF became a non wholly-owned subsidiary of the Company.

- (b) Reference is made to the announcement of the Company dated 4 June 2012. Sin Chew Media Corporation Berhad, a wholly-owned subsidiary of the Company, through its wholly-owned subsidiary, Mulu Press Sdn Bhd, acquired from Progresif Upaya Sdn Bhd the entire equity interest in Malaysia Daily News Sdn Bhd ("MDN"), for a total cash consideration of RM240,000 (equivalent to US\$75,000). Consequent thereon, MDN became an indirect wholly-owned subsidiary of the Company.

A12. Capital commitments

Capital commitments outstanding as at 30 June 2012 are as follows:

	(Unaudited) US\$'000
Property, plant and equipment :	
Authorised and contracted for	7,609
Authorised but not contracted for	2,499
	<u>10,108</u>

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A13. Related party transactions

	Three months ended	
	30 June	
	2012	2011
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Newsprint purchases from a related company <i>(note)</i>	9,641	9,890
Rental expenses paid to related companies <i>(note)</i>	6	18
Purchases of air tickets from a related company <i>(note)</i>	8	9
Scrap sales of old newspapers and magazines to a related company <i>(note)</i>	(746)	(798)
Rental income received from a related company <i>(note)</i>	(18)	(10)
Advertising service income received from a related company <i>(note)</i>	-	(6)
Consultancy fee to a non-executive director	24	33

Note: Certain shareholders and directors of the Company are shareholders and/or directors of these related companies. All the transactions above have been entered into in the normal course of business and have been charged at predetermined rates agreed mutually by the parties involved.

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

B1. Analysis of performance

	(Unaudited)	
	Three months ended 30 June	
	2012	2011
	US\$'000	US\$'000
Turnover	123,153	117,991
Profit before income tax	20,733	19,054

The Group delivered a profit before income tax of US\$20,733,000 for the current quarter, an increase of 8.8% compared to US\$19,054,000 in the same quarter last year. In addition to a strong performance from the travel segment, this improved result was also attributed to the Group's stable operating costs and a gain on disposal of an investment.

Turnover for the quarter rose 4.4% to reach US\$123,153,000, driven primarily by a strong growth in tour revenue as well as a moderate growth in the advertising revenue from the publishing and printing business.

The Group's core business, publishing and printing, achieved a 4.4% increase in profit before income tax when compared to the same quarter last year. The improvement was driven mainly by the growth in advertising revenue from the operations in Malaysia and Hong Kong, the latter being supported by the increase in advertising spending from luxury brands and recruitment advertisements. On the other hand, a slowdown of the economy and the property market in North America has resulted in a decrease in advertising income from this segment for the current quarter.

The Group's travel segment delivered an outstanding performance during the quarter with turnover surging 28.5% to US\$24,333,000 compared to US\$18,936,000 in the corresponding quarter last year; and profit before income tax rising 182.2% or US\$898,000 to US\$1,391,000. The strong revenue growth across all tour operations in Hong Kong and North America was partly fueled by robust demand of long-haul tours to Europe, encouraged by the weakening of the Euro; while demand for tours was boosted in June due to the summer holidays being a traditional peak season for travelling. For the North American operations, in addition to the popular China tours, there was an increase in tourists from Thailand and Indonesia travelling to North America in the current quarter.

Operating costs were stable during the current quarter under review with major cost items, including newsprint and labour costs, remained well controlled.

The depreciation of Ringgit Malaysia and Canadian dollar against the US dollar resulted in negative currency effects on the Group's turnover and profit before income tax of the current quarter by about US\$2,822,000 and US\$583,000 respectively.

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

B2. Variation of results against immediate preceding quarter

	(Unaudited) Three months ended 30 June 2012 US\$'000	(Unaudited) Three months ended 31 March 2012 US\$'000	% change
Turnover	123,153	103,780	+18.7%
Profit before income tax	20,733	19,479	+6.4%

Turnover grew by 18.7% or US\$19,373,000 to US\$123,153,000, while profit before income tax increased by 6.4% or US\$1,254,000 to US\$20,733,000 when compared to the immediate preceding quarter. This was mainly attributable to the strong performance of the Group's tour business during the current quarter under review.

B3. Current year prospects

In Malaysia, the economy has registered a moderate growth of 4.7% during the first quarter of 2012 and moving ahead, Malaysia will depend very much on the growth in domestic demands. The markets in Hong Kong and China have evidently experienced a slowdown in the second quarter of this calendar year and it is uncertain whether these economies will improve in the third quarter. The Group expects a tough and challenging business environment ahead as many economists have predicted a slower second half if compared to the same period last year. Nevertheless, the Group will continue to enhance its operational efficiency.

B4. Profit forecast and profit guarantee

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

B5. Profit before income tax

Profit before income tax has been arrived at after (charging)/crediting:

	(Unaudited) Three months ended 30 June	
	2012 US\$'000	2011 US\$'000
Provision for and write-off of trade and other receivables	(96)	(40)
Provision for and write-off of inventories	(241)	(35)
Exchange (losses)/gains - net	(80)	78

Save as disclosed above and in A8, the other items as required under Part A(16) of Appendix 9B of the Bursa Securities' Listing Requirements are not applicable.

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

B6. Income tax expense

Income tax expense comprises the following:

	(Unaudited)	
	Three months ended	
	30 June	
	2012	2011
	US\$'000	US\$'000
Current period income tax expense	4,772	4,832
Under provision of income tax expense in prior years	16	21
Deferred income tax expense	264	439
	5,052	5,292

The effective tax rate of the Group for the current quarter under review was lower than the Malaysian statutory tax rate of 25% mainly due to the lower statutory tax rates in other tax jurisdictions in which the Group operates.

B7. Status of corporate proposals

There were no corporate proposals announced but not completed at the latest practicable date, which is not earlier than seven days from the date of issue of this quarterly report, except for the following:

- a) On 16 July 2012, the board of directors announced that the Company proposed to:
 - i. cancel approximately US\$219.78 million (equivalent to approximately RM700.00 million or HK\$1,704.41 million) standing to the credit of the Company's share premium account;
 - ii. transfer the credit arising from the cancellation of the share premium account of the Company to the contributed surplus account of the Company; and
 - iii. distribute approximately US\$219.78 million (equivalent to approximately RM700.00 million or HK\$1,704.41 million) or US\$0.13 (equivalent to RM0.41 or HK\$1.01) per ordinary share to the shareholders (collectively referred to as the "Proposals").

A circular containing further details concerning the Proposals and a notice convening a special general meeting of the Company will be dispatched to the shareholders in due course. Barring any unforeseen circumstances, the Proposals are expected to be completed by the fourth quarter of 2012.

- b) On 15 August 2012, the board of directors announced the proposal to spin off the Group's travel and travel related business and to have a separate listing of the same on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Proposed Spin-off"). The Proposed Spin-off is expected to be completed by the end of 2012.

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

B8. Group borrowings

The Group's borrowings as at 30 June 2012 are as follows:

	Secured US\$'000	(Unaudited) Unsecured US\$'000	Total US\$'000
Current			
Short-term bank loans	-	6,890	6,890

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

	(Unaudited) US\$'000
Ringgit Malaysia	6,890

B9. 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 unaudited financial information, the directors of the Company are of the opinion that the respective ultimate liability, if any, will not have a material adverse impact upon the Group's financial position.

B10. Dividend payable

As disclosed in B7(a), the board of directors has proposed on 16 July 2012 a dividend of US\$0.13 per ordinary share (equivalent to RM0.41 or HK\$1.01 per ordinary share). The entitlement date and the payment date of the dividend will be announced after the passing of a special resolution on the proposed capital reduction and an ordinary resolution on the proposed dividend by the shareholders at a special general meeting to be held in due course.

B11. Earnings per share attributable to the equity holders of the Company

	Three months ended 30 June	
	2012 (Unaudited)	2011 (Unaudited)
a) Basic		
Profit attributable to equity holders of the Company (US\$'000)	15,330	13,575
Weighted average number of ordinary shares in issue	1,687,241,241	1,685,173,054
Basic earnings per share (US cents)	0.91	0.81
b) Diluted		
Profit attributable to equity holders of the Company (US\$'000)	15,330	13,575
Weighted average number of ordinary shares in issue	1,687,241,241	1,685,173,054
Adjustment for share options	-	993,496
Weighted average number of ordinary shares for diluted earnings per share	1,687,241,241	1,686,166,550
Diluted earnings per share (US cents)	0.91	0.81

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

B12. Disclosure of realised and unrealised retained profits

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

	(Unaudited)	
	As at	As at
	30 June	31 March
	2012	2012
	US\$'000	US\$'000
Total retained profits of the Company and its subsidiaries:		
- Realised	203,423	212,437
- Unrealised	(12,143)	(12,182)
	191,280	200,255
Total share of accumulated losses from associates:		
- Realised	(735)	(732)
- Unrealised	33	33
	(702)	(699)
Less : consolidation adjustments	(15,969)	(15,846)
Group's retained profits as per condensed consolidated statement of financial position	174,609	183,710

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

On behalf of the Board
Media Chinese International Limited

Law Yuk Kuen
Tong Siew Kheng
Joint Company Secretaries
29 August 2012