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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 2014**

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 joint ventures and associates for the quarter ended 30 June 2014 to Bursa Securities on 28 August 2014.

This announcement is also made pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HK Listing Rules”) and the Inside Information Provisions (as defined under the HK Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

28 August 2014

*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 Mr LEONG Chew Meng, being executive directors; Ms TIONG Choon, 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 2014**

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	<b>(Unaudited)</b> <b>Three months ended</b> <b>30 June</b>		<b>(Unaudited)</b> <b>Three months ended</b> <b>30 June</b>	
	<b>2014</b> <b>US\$'000</b>	<b>2013</b> <b>US\$'000</b>	<b>2014</b> <b>RM'000</b> <i>(Note)</i>	<b>2013</b> <b>RM'000</b> <i>(Note)</i>
Turnover	115,465	126,302	370,758	405,556
Cost of goods sold	<u>(74,048)</u>	<u>(78,109)</u>	<u>(237,768)</u>	<u>(250,808)</u>
<b>Gross profit</b>	<b>41,417</b>	<b>48,193</b>	<b>132,990</b>	<b>154,748</b>
Other income	2,708	2,799	8,695	8,988
Other gains, net	137	168	440	539
Selling and distribution expenses	<u>(17,574)</u>	<u>(18,385)</u>	<u>(56,430)</u>	<u>(59,034)</u>
Administrative expenses	<u>(10,734)</u>	<u>(9,898)</u>	<u>(34,467)</u>	<u>(31,782)</u>
Other operating expenses	<u>(1,686)</u>	<u>(1,704)</u>	<u>(5,414)</u>	<u>(5,472)</u>
<b>Operating profit</b>	<b>14,268</b>	<b>21,173</b>	<b>45,814</b>	<b>67,987</b>
Finance costs	<u>(1,712)</u>	<u>(2,182)</u>	<u>(5,497)</u>	<u>(7,007)</u>
Share of losses of joint ventures and associates	<u>(61)</u>	<u>(114)</u>	<u>(196)</u>	<u>(366)</u>
<b>Profit before income tax</b>	<b>12,495</b>	<b>18,877</b>	<b>40,121</b>	<b>60,614</b>
Income tax expense	<u>(4,052)</u>	<u>(5,315)</u>	<u>(13,011)</u>	<u>(17,066)</u>
<b>Profit for the quarter</b>	<b><u>8,443</u></b>	<b><u>13,562</u></b>	<b><u>27,110</u></b>	<b><u>43,548</u></b>
<b>Profit attributable to:</b>				
Owners of the Company	8,289	13,326	26,616	42,790
Non-controlling interests	<u>154</u>	<u>236</u>	<u>494</u>	<u>758</u>
	<b><u>8,443</u></b>	<b><u>13,562</u></b>	<b><u>27,110</u></b>	<b><u>43,548</u></b>
<b>Earnings per share attributable to owners of the Company</b>				
Basic (US cents/sen) #	0.49	0.79	1.57	2.54
Diluted (US cents/sen) #	<u>0.49</u>	<u>0.79</u>	<u>1.57</u>	<u>2.54</u>

# 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 Malaysian Ringgit ("RM") for the quarter ended 30 June 2014 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.2110 ruling at 30 June 2014. 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 2014**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>(Unaudited)</b> <b>Three months ended</b> <b>30 June</b>		<b>(Unaudited)</b> <b>Three months ended</b> <b>30 June</b>	
	<b>2014</b> <b>US\$'000</b>	<b>2013</b> <b>US\$'000</b>	<b>2014</b> <b>RM'000</b> <i>(Note)</i>	<b>2013</b> <b>RM'000</b> <i>(Note)</i>
<b>Profit for the quarter</b>	<b>8,443</b>	<b>13,562</b>	<b>27,110</b>	<b>43,548</b>
<b>Other comprehensive income / (losses)</b>				
<b>Item that may be reclassified subsequently to profit or loss:</b>				
Currency translation differences	<u>3,016</u>	<u>(3,672)</u>	<u>9,685</u>	<u>(11,791)</u>
<b>Other comprehensive income / (losses) for the quarter, net of tax</b>	<u>3,016</u>	<u>(3,672)</u>	<u>9,685</u>	<u>(11,791)</u>
<b>Total comprehensive income for the quarter</b>	<u>11,459</u>	<u>9,890</u>	<u>36,795</u>	<u>31,757</u>
<b>Total comprehensive income for the quarter attributable to:</b>				
Owners of the Company	<u>11,283</u>	<u>9,647</u>	<u>36,230</u>	<u>30,977</u>
Non-controlling interests	<u>176</u>	<u>243</u>	<u>565</u>	<u>780</u>
	<u>11,459</u>	<u>9,890</u>	<u>36,795</u>	<u>31,757</u>

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**Financial report for the first quarter ended 30 June 2014**

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	<b>(Unaudited)</b> <b>Period ended</b> <b>30 June</b>		<b>(Unaudited)</b> <b>Period ended</b> <b>30 June</b>	
	<b>2014</b> <b>US\$'000</b>	<b>2013</b> <b>US\$'000</b>	<b>2014</b> <b>RM'000</b> <i>(Note)</i>	<b>2013</b> <b>RM'000</b> <i>(Note)</i>
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Cost of goods sold	<u>(74,048)</u>	<u>(78,109)</u>	<u>(237,768)</u>	<u>(250,808)</u>
<b>Gross profit</b>	<b>41,417</b>	<b>48,193</b>	<b>132,990</b>	<b>154,748</b>
Other income	2,708	2,799	8,695	8,988
Other gains, net	137	168	440	539
Selling and distribution expenses	(17,574)	(18,385)	(56,430)	(59,034)
Administrative expenses	(10,734)	(9,898)	(34,467)	(31,782)
Other operating expenses	<u>(1,686)</u>	<u>(1,704)</u>	<u>(5,414)</u>	<u>(5,472)</u>
<b>Operating profit</b>	<b>14,268</b>	<b>21,173</b>	<b>45,814</b>	<b>67,987</b>
Finance costs	(1,712)	(2,182)	(5,497)	(7,007)
Share of losses of joint ventures and associates	<u>(61)</u>	<u>(114)</u>	<u>(196)</u>	<u>(366)</u>
<b>Profit before income tax</b>	<b>12,495</b>	<b>18,877</b>	<b>40,121</b>	<b>60,614</b>
Income tax expense	<u>(4,052)</u>	<u>(5,315)</u>	<u>(13,011)</u>	<u>(17,066)</u>
<b>Profit for the period</b>	<b><u>8,443</u></b>	<b><u>13,562</u></b>	<b><u>27,110</u></b>	<b><u>43,548</u></b>
<b>Profit attributable to:</b>				
Owners of the Company	8,289	13,326	26,616	42,790
Non-controlling interests	<u>154</u>	<u>236</u>	<u>494</u>	<u>758</u>
	<b><u>8,443</u></b>	<b><u>13,562</u></b>	<b><u>27,110</u></b>	<b><u>43,548</u></b>
<b>Earnings per share attributable to owners of the Company</b>				
Basic (US cents/sen) #	0.49	0.79	1.57	2.54
Diluted (US cents/sen) #	<u>0.49</u>	<u>0.79</u>	<u>1.57</u>	<u>2.54</u>

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

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**Financial report for the first quarter ended 30 June 2014**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>(Unaudited)</b> <b>Period ended</b> <b>30 June</b>		<b>(Unaudited)</b> <b>Period ended</b> <b>30 June</b>	
	<b>2014</b> <b>US\$'000</b>	<b>2013</b> <b>US\$'000</b>	<b>2014</b> <b>RM'000</b> <i>(Note)</i>	<b>2013</b> <b>RM'000</b> <i>(Note)</i>
<b>Profit for the period</b>	<b>8,443</b>	<b>13,562</b>	<b>27,110</b>	<b>43,548</b>
<b>Other comprehensive income / (losses)</b>				
<b>Item that may be reclassified subsequently to profit or loss:</b>				
Currency translation differences	<u>3,016</u>	<u>(3,672)</u>	<u>9,685</u>	<u>(11,791)</u>
<b>Other comprehensive income / (losses) for the period, net of tax</b>	<u>3,016</u>	<u>(3,672)</u>	<u>9,685</u>	<u>(11,791)</u>
<b>Total comprehensive income for the period</b>	<u><b>11,459</b></u>	<u><b>9,890</b></u>	<u><b>36,795</b></u>	<u><b>31,757</b></u>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the Company	<u>11,283</u>	<u>9,647</u>	<u>36,230</u>	<u>30,977</u>
Non-controlling interests	<u>176</u>	<u>243</u>	<u>565</u>	<u>780</u>
	<u><b>11,459</b></u>	<u><b>9,890</b></u>	<u><b>36,795</b></u>	<u><b>31,757</b></u>

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**Financial report for the first quarter ended 30 June 2014**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30 June 2014 US\$'000 (Unaudited)	As at 31 March 2014 US\$'000 (Audited)	As at 30 June 2014 RM'000 (Unaudited) (Note)	As at 31 March 2014 RM'000 (Unaudited) (Note)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	144,850	144,308	465,113	463,373
Investment properties	17,379	17,144	55,804	55,049
Intangible assets	74,001	72,920	237,617	234,146
Deferred income tax assets	1,371	1,455	4,402	4,672
Interests in joint ventures and associates	2,897	2,956	9,302	9,492
	<u>240,498</u>	<u>238,783</u>	<u>772,238</u>	<u>766,732</u>
<b>Current assets</b>				
Inventories	53,208	52,386	170,851	168,212
Available-for-sale financial assets	97	97	311	311
Financial assets at fair value through profit or loss	261	237	838	761
Trade and other receivables	71,863	67,779	230,752	217,638
Income tax recoverable	579	684	1,859	2,196
Cash and cash equivalents	124,842	102,852	400,868	330,258
	<u>250,850</u>	<u>224,035</u>	<u>805,479</u>	<u>719,376</u>
<b>Current liabilities</b>				
Trade and other payables	86,564	68,746	277,957	220,743
Dividend payable	11,473	-	36,840	-
Income tax liabilities	4,347	5,384	13,958	17,288
Bank and other borrowings	10,153	12,726	32,601	40,863
Current portion of other non-current liabilities	63	62	202	199
	<u>112,600</u>	<u>86,918</u>	<u>361,558</u>	<u>279,093</u>
<b>Net current assets</b>	<u>138,250</u>	<u>137,117</u>	<u>443,921</u>	<u>440,283</u>
<b>Total assets less current liabilities</b>	<u>378,748</u>	<u>375,900</u>	<u>1,216,159</u>	<u>1,207,015</u>
<b>EQUITY</b>				
<b>Equity attributable to owners of the Company</b>				
Share capital	21,715	21,715	69,727	69,727
Share premium	54,664	54,664	175,526	175,526
Other reserves	(76,952)	(79,946)	(247,093)	(256,707)
Retained earnings				
- Proposed dividend	-	11,473	-	36,840
- Others	218,195	209,906	700,624	674,008
	<u>217,622</u>	<u>217,812</u>	<u>698,784</u>	<u>699,394</u>
<b>Non-controlling interests</b>	7,413	7,237	23,803	23,238
<b>Total equity</b>	<u>225,035</u>	<u>225,049</u>	<u>722,587</u>	<u>722,632</u>
<b>Non-current liabilities</b>				
Bank and other borrowings	140,143	137,804	450,000	442,489
Deferred income tax liabilities	12,765	12,306	40,988	39,515
Other non-current liabilities	805	741	2,584	2,379
	<u>153,713</u>	<u>150,851</u>	<u>493,572</u>	<u>484,383</u>
	<u>378,748</u>	<u>375,900</u>	<u>1,216,159</u>	<u>1,207,015</u>
<b>Net assets per share attributable to owners of the Company (US cents/sen)</b>	<u>12.90</u>	<u>12.91</u>	<u>41.42</u>	<u>41.45</u>

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**Financial report for the first quarter ended 30 June 2014**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	(Unaudited)						
	Attributable to owners of the Company				Total	Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>At 1 April 2013 (Restated)</b>	21,715	54,664	(71,643)	202,270	207,006	6,939	213,945
<b>Comprehensive income</b>							
Profit for the period	-	-	-	13,326	13,326	236	13,562
<b>Other comprehensive (losses)/ income</b>							
<b>Item that may be reclassified subsequently to profit or loss:</b>							
Currency translation differences	-	-	(3,679)	-	(3,679)	7	(3,672)
<b>Other comprehensive (losses)/income, net of tax</b>	-	-	(3,679)	-	(3,679)	7	(3,672)
<b>Total comprehensive (losses)/income for the period ended 30 June 2013</b>	-	-	(3,679)	13,326	9,647	243	9,890
<b>Total contributions by and distributions to owners of the Company recognised directly in equity</b>							
2012/2013 second interim dividend paid	-	-	-	(17,125)	(17,125)	-	(17,125)
<b>Total transactions with owners</b>	-	-	-	(17,125)	(17,125)	-	(17,125)
<b>At 30 June 2013</b>	21,715	54,664	(75,322)	198,471	199,528	7,182	206,710
<b>At 1 April 2014</b>	21,715	54,664	(79,946)	221,379	217,812	7,237	225,049
<b>Comprehensive income</b>							
Profit for the period	-	-	-	8,289	8,289	154	8,443
<b>Other comprehensive income</b>							
<b>Item that may be reclassified subsequently to profit or loss:</b>							
Currency translation differences	-	-	2,994	-	2,994	22	3,016
<b>Other comprehensive income, net of tax</b>	-	-	2,994	-	2,994	22	3,016
<b>Total comprehensive income for the period ended 30 June 2014</b>	-	-	2,994	8,289	11,283	176	11,459
<b>Total contributions by and distributions to owners of the Company recognised directly in equity</b>							
2013/2014 second interim dividend proposed	-	-	-	(11,473)	(11,473)	-	(11,473)
<b>Total transactions with owners</b>	-	-	-	(11,473)	(11,473)	-	(11,473)
<b>At 30 June 2014</b>	21,715	54,664	(76,952)	218,195	217,622	7,413	225,035

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**Financial report for the first quarter ended 30 June 2014**

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

	(Unaudited)						
	Attributable to owners 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)	
<b>At 1 April 2013</b>	69,727	175,526	(230,046)	649,489	664,696	22,281	686,977
<b>Comprehensive income</b>							
Profit for the period	-	-	-	42,790	42,790	758	43,548
<b>Other comprehensive (losses)/ income</b>							
<b>Item that may be reclassified subsequently to profit or loss:</b>							
Currency translation differences	-	-	(11,813)	-	(11,813)	22	(11,791)
<b>Other comprehensive (losses)/income, net of tax</b>	-	-	(11,813)	-	(11,813)	22	(11,791)
<b>Total comprehensive (losses)/income for the period ended 30 June 2013</b>	-	-	(11,813)	42,790	30,977	780	31,757
<b>Total contributions by and distributions to owners of the Company recognised directly in equity</b>							
2012/2013 second interim dividend paid	-	-	-	(54,988)	(54,988)	-	(54,988)
<b>Total transactions with owners</b>	-	-	-	(54,988)	(54,988)	-	(54,988)
<b>At 30 June 2013</b>	69,727	175,526	(241,859)	637,291	640,685	23,061	663,746
<b>At 1 April 2014</b>	69,727	175,526	(256,707)	710,848	699,394	23,238	722,632
<b>Comprehensive income</b>							
Profit for the period	-	-	-	26,616	26,616	494	27,110
<b>Other comprehensive income</b>							
<b>Item that may be reclassified subsequently to profit or loss:</b>							
Currency translation differences	-	-	9,614	-	9,614	71	9,685
<b>Other comprehensive income, net of tax</b>	-	-	9,614	-	9,614	71	9,685
<b>Total comprehensive income for the period ended 30 June 2014</b>	-	-	9,614	26,616	36,230	565	36,795
<b>Total contributions by and distributions to owners of the Company recognised directly in equity</b>							
2013/2014 second interim dividend proposed	-	-	-	(36,840)	(36,840)	-	(36,840)
<b>Total transactions with owners</b>	-	-	-	(36,840)	(36,840)	-	(36,840)
<b>At 30 June 2014</b>	69,727	175,526	(247,093)	700,624	698,784	23,803	722,587

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**Financial report for the first quarter ended 30 June 2014**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	(Unaudited) Period ended 30 June		(Unaudited) Period ended 30 June	
	2014 US\$'000	2013 US\$'000	2014 RM'000 <i>(Note)</i>	2013 RM'000 <i>(Note)</i>
<b>Cash flows from operating activities</b>				
Cash generated from operations	28,895	32,152	92,782	103,240
Interest paid	(81)	(1,759)	(260)	(5,648)
Income tax paid	(4,712)	(5,342)	(15,130)	(17,153)
Net cash generated from operating activities	<u>24,102</u>	<u>25,051</u>	<u>77,392</u>	<u>80,439</u>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	(1,021)	(1,948)	(3,278)	(6,255)
Purchases of intangible assets	(157)	(69)	(504)	(222)
Proceeds from disposal of property, plant and equipment	19	3	61	10
Interest received	445	429	1,429	1,378
Dividends received	6	11	19	35
Net cash used in investing activities	<u>(708)</u>	<u>(1,574)</u>	<u>(2,273)</u>	<u>(5,054)</u>
<b>Cash flows from financing activities</b>				
Proceeds from bank and other borrowings	4,300	619	13,807	1,988
Repayments of bank and other borrowings	(6,990)	(6,178)	(22,445)	(19,838)
Net cash used in financing activities	<u>(2,690)</u>	<u>(5,559)</u>	<u>(8,638)</u>	<u>(17,850)</u>
<b>Net increase in cash and cash equivalents</b>	<b>20,704</b>	<b>17,918</b>	<b>66,481</b>	<b>57,535</b>
Cash and cash equivalents at beginning of period	102,852	101,829	330,258	326,973
Exchange adjustments on cash and cash equivalents	1,286	(1,759)	4,129	(5,649)
<b>Cash and cash equivalents at end of period</b>	<u><b>124,842</b></u>	<u><b>117,988</b></u>	<u><b>400,868</b></u>	<u><b>378,859</b></u>

*Note:* The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2014 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM3.2110 ruling at 30 June 2014. 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 2014 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(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HK Listing Rules”) and 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 2014, 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 2014 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 2014 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.

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

**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.

**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**

There was no dividend paid during the current quarter.

**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 segments are engaged in the publication, printing and distribution of newspapers, magazines, digital contents and books primarily in Chinese language. The segments derive 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 2014, analysed by operating segment, are as follows:

	(Unaudited)					
	Three months ended 30 June 2014					
	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
<b>Turnover</b>	<u>66,698</u>	<u>16,979</u>	<u>5,997</u>	<u>89,674</u>	<u>25,791</u>	<u>115,465</u>
<b>Segment profit before income tax</b>	<u>12,030</u>	<u>929</u>	<u>60</u>	<u>13,019</u>	<u>1,269</u>	14,288
Unallocated interest expense						(1,631)
Other net unallocated expenses						(101)
Share of losses of joint ventures and associates						(61)
Profit before income tax						<u>12,495</u>
Income tax expense						<u>(4,052)</u>
<b>Profit for the quarter</b>						<u>8,443</u>
<b>Other information:</b>						
Interest income	379	63	-	442	3	445
Interest expense	(62)	(19)	-	(81)	-	(81)
Depreciation of property, plant and equipment	(2,150)	(367)	(103)	(2,620)	(30)	(2,650)
Amortisation of intangible assets	(221)	(37)	(19)	(277)	(5)	(282)
Income tax expense	(3,282)	(343)	(55)	(3,680)	(372)	(4,052)

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

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

	(Unaudited)					
	Three months ended 30 June 2013					
	<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
<b>Turnover</b>	76,127	17,507	6,856	100,490	25,812	126,302
<b>Segment profit before income tax</b>	18,054	976	379	19,409	1,907	21,316
Unallocated interest expense						(2,113)
Other net unallocated expenses						(212)
Share of losses of joint ventures and associates						(114)
Profit before income tax						18,877
Income tax expense						(5,315)
<b>Profit for the quarter</b>						<u>13,562</u>
<b>Other information:</b>						
Interest income	386	42	-	428	1	429
Interest expense	(69)	-	-	(69)	-	(69)
Depreciation of property, plant and equipment	(2,162)	(342)	(96)	(2,600)	(11)	(2,611)
Amortisation of intangible assets	(228)	(33)	(22)	(283)	(5)	(288)
Income tax expense	(4,642)	(260)	(198)	(5,100)	(215)	(5,315)

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

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

The segment assets as at 30 June 2014 are as follows:

	(Unaudited)						Total US\$'000
	Publishing and printing				Travel and travel related services US\$'000	Elimination US\$'000	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000			
<b>Segment assets</b>	<u>372,348</u>	<u>74,382</u>	<u>16,803</u>	<u>463,533</u>	<u>25,684</u>	<u>(331)</u>	<u>488,886</u>
Unallocated assets							<u>2,462</u>
<b>Total assets</b>							<u>491,348</u>
<b>Total assets include:</b>							
Interests in joint ventures and associates	-	2,897	-	2,897	-	-	2,897
Additions to non-current assets (other than deferred income tax assets)	<u>822</u>	<u>308</u>	<u>22</u>	<u>1,152</u>	<u>26</u>	<u>-</u>	<u>1,178</u>

The segment assets as at 31 March 2014 are as follows:

	(Audited)						Total US\$'000
	Publishing and printing				Travel and travel related services US\$'000	Elimination US\$'000	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000			
<b>Segment assets</b>	<u>356,121</u>	<u>72,071</u>	<u>16,813</u>	<u>445,005</u>	<u>15,387</u>	<u>(221)</u>	460,171
Unallocated assets							<u>2,647</u>
<b>Total assets</b>							<u>462,818</u>
<b>Total assets include:</b>							
Interests in joint ventures and associates	-	2,956	-	2,956	-	-	2,956
Additions to non-current assets (other than deferred income tax assets)	<u>9,840</u>	<u>711</u>	<u>289</u>	<u>10,840</u>	<u>329</u>	<u>-</u>	<u>11,169</u>

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

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, interests in joint ventures and associates, 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 – listed equity securities, income tax recoverable and assets held by the Company.

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

**A9. Valuation of property, plant and equipment**

There was no revaluation of the Group's property, plant and equipment during the quarter ended 30 June 2014.

**A10. Subsequent material events**

There were no subsequent material events of the Group.

**A11. Changes in the composition of the Group**

There was no material change in the composition of the Group during the quarter under review.

**A12. Capital commitments**

Capital commitments outstanding as at 30 June 2014 are as follows:

	<b>(Unaudited)</b> <b>US\$'000</b>
Property, plant and equipment :	
Authorised and contracted for	2,373
Authorised but not contracted for	6,151
	<u>8,524</u>

**A13. Related party transactions**

	<b>(Unaudited)</b>	
	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2014</b>	<b>2013</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Newsprint purchases from a related company ( <i>note 1</i> )	9,778	12,860
Rental expenses paid to related companies ( <i>note 1</i> )	19	5
Purchases of air tickets from a related company ( <i>note 1</i> )	7	6
Royalty fee for sales of books and DVDs to a related company ( <i>note 1</i> )	3	-
Scrap sales of old newspapers and magazines to a related company ( <i>note 1</i> )	(694)	(759)
Agency fee income received from an associate	(66)	(41)
Content providing and video production income received from a joint venture	(30)	-
Rental income received from a related company ( <i>note 1</i> )	(9)	(18)
Provision of air tickets and accommodation arrangement services to related companies ( <i>note 1</i> )	(4)	(73)
Provision of accounting service to a related company ( <i>note 1</i> )	(1)	-
Advertising income received on behalf of an associate	-	(134)

*Notes:*

- 1) Certain shareholders and directors of the Company are shareholders and/or directors of these related companies.
- 2) 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**

	<b>(Unaudited)</b> <b>Three months ended</b> <b>30 June</b>	
	<b>2014</b> <b>US\$'000</b>	<b>2013</b> <b>US\$'000</b>
Turnover	<b>115,465</b>	126,302
Profit before income tax	<b>12,495</b>	18,877
EBITDA	<b>16,694</b>	23,529

For the quarter ended 30 June 2014, the Group's turnover amounted to US\$115,465,000, 8.6% or US\$10,837,000 less than the US\$126,302,000 in the same quarter last year. The decline in revenue was primarily due to lower contribution from the publishing and printing segment.

Profit before income tax fell 33.8% or US\$6,382,000 to US\$12,495,000 from US\$18,877,000 in the first quarter of last year. The decline largely reflected lower revenues, partially offset by the decreases in operating expenses and finance costs.

EBITDA for the quarter was US\$16,694,000, reflecting a 29.0% or US\$6,835,000 decrease when compared with US\$23,529,000 in the year-ago quarter.

The publishing and printing segment reported a profit before income tax of US\$13,019,000, down 32.9% or US\$6,390,000 against the same quarter last year, primarily due to a 10.8% decrease in revenue.

The Malaysian segment's profit before income tax fell 33.4% to US\$12,030,000 while its revenue declined 12.4% to US\$66,698,000 from US\$76,127,000 a year earlier. During the quarter, the segment's advertising sales were affected by the soft sentiment that has weighed down the local advertising market since the government's announcement of the implementation of the Goods and Services Tax and the subsidy rationalisation programme in the second half of last year. The MH 370 incident further negatively impacted the advertising market in April and May as many events and promotions were held back or cancelled by the advertisers. Adding to this, higher advertising revenue was reported in the corresponding quarter last year driven mainly by one-off political advertisements.

Although Hong Kong's property market has started to show some signs of increasing activity, the growth was offset by weak retail sales, especially for luxury and branded labels. Turnover from the Hong Kong and Mainland China segment decreased marginally by 3.0% to US\$16,979,000 while the segment profit before income tax fell 4.8% to US\$929,000.

The publishing and printing segment in North America was adversely impacted by the slow economy and severe weather conditions in the region during the quarter and reported a 12.5% drop in revenue. Consequently, profit before income tax reduced to US\$60,000 from US\$379,000 in the prior-year quarter.

Tour revenue for the current quarter amounted to US\$25,791,000, which was at about the same level as in the corresponding quarter of last year. The tour operation in Hong Kong reported a decline in revenue amid tough competition in the local market, but this was all offset by improved performance from the tour operations in North America. However, due to the increase in operating costs, the tour segment's profit before income tax fell by 33.5% to US\$1,269,000.

The weakening of both Malaysian Ringgit and Canadian dollar against US dollar during the quarter brought negative currency impact on the Group's revenue and profit before income tax of approximately US\$4,065,000 and US\$656,000 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 2014 US\$'000	(Unaudited) Three months ended 31 March 2014 US\$'000	% change
Turnover	115,465	99,609	+15.9%
Profit before income tax	12,495	12,993	-3.8%

The Group's turnover grew 15.9% or US\$15,856,000 to US\$115,465,000 from US\$99,609,000 in the immediate preceding quarter. The higher turnover was mainly attributed to increased revenue from the tour segment as Easter Holidays fell in April this year. In addition, the fourth quarter is traditionally a quiet season for the publishing and printing segment. Profit before income tax, however, decreased by 3.8% or US\$498,000 to US\$12,495,000 mainly due to higher labour costs in the current quarter.

**B3. Current year prospects**

We expect the remaining quarters to be challenging as the advertising environment in the Group's key markets remain soft in the light of economic uncertainties and decline in consumer confidence.

Nevertheless, the recent fall in newsprint price will provide some buffer to the weak market conditions.

Given the difficult trading environment, we will remain focused on driving revenue growth through aggressive sales initiatives and product enhancement; while at the same time continue reinforcing operational efficiencies in all business units.

**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 crediting / (charging):

	(Unaudited) Three months ended 30 June	
	2014 US\$'000	2013 US\$'000
Allowance for impairment and written-off of trade and other receivables	(63)	(162)
Allowance for and written-off of inventories	(36)	(37)
Exchange gains – net	113	84

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	
	2014	2013
	US\$'000	US\$'000
Current period income tax expense	3,613	5,132
Under provision of income tax expense in prior years	53	4
Deferred income tax expense	386	179
	<b>4,052</b>	<b>5,315</b>

The effective tax rate of the Group for the current quarter under review was higher than the Malaysian statutory tax rate of 25% mainly due to the non-deductibility of certain expenses for income tax purposes.

**B7. Status of corporate proposals**

There was no corporate proposal announced but not completed at the latest practicable date, which is not earlier than seven days from the date of issue of this unaudited financial information.

**B8. Group borrowings**

The Group's borrowings as at 30 June 2014 are as follows:

	Secured	(Unaudited) Unsecured	Total
	US\$'000	US\$'000	US\$'000
<b>Current</b>			
Short-term bank borrowings	1,461	8,692	10,153
<b>Non-current</b>			
Medium term notes	-	140,143	140,143
	<b>1,461</b>	<b>148,835</b>	<b>150,296</b>

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

	(Unaudited) US\$'000
Malaysian Ringgit	144,964
United States Dollars	1,461
Hong Kong Dollars	3,871
	<b>150,296</b>

The net gearing ratio of the Group, calculated as net debt over owners' equity, was 11.7% as at 30 June 2014 (31 March 2014: 21.9%).

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

**B9. Material litigation**

As at 30 June 2014, there were several libel suits which involved 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 this unaudited financial information is authorised for issue, 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**

The tax-exempt second interim dividend of US0.680 cents per ordinary share totaling US\$11,473,000 in respect of the year ended 31 March 2014 was paid on 1 August 2014.

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

**B11. Earnings per share attributable to owners of the Company**

	<b>(Unaudited)</b>	
	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2014</b>	<b>2013</b>
Profit attributable to owners of the Company (US\$'000)	<b>8,289</b>	13,326
Weighted average number of ordinary shares in issue	<b>1,687,239,241</b>	1,687,240,241
Basic earnings per share (US cents)	<b>0.49</b>	0.79
Diluted earnings per share (US cents)	<b>0.49</b>	0.79

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential shares in issue during the quarter ended 30 June 2014.

**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.

	<b>(Unaudited)</b>	(Unaudited)
	<b>As at</b>	As at
	<b>30 June</b>	31 March
	<b>2014</b>	2014
	<b>US\$'000</b>	US\$'000
Total retained profits of the Company and its subsidiaries:		
- Realised	<b>245,705</b>	248,231
- Unrealised	<b>(11,008)</b>	(10,300)
	<b>234,697</b>	237,931
Total share of accumulated losses from joint ventures and associates:		
- Realised	<b>(1,332)</b>	(1,271)
- Unrealised	<b>33</b>	33
	<b>(1,299)</b>	(1,238)
Less : consolidation adjustments	<b>(15,203)</b>	(15,314)
Group's retained profits as per condensed consolidated statement of financial position	<b>218,195</b>	221,379

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  
 28 August 2014