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 OF FINAL FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2019

The directors of Media Chinese International Limited (the "Company") hereby announce that the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2019, together with comparative figures for the year ended 31 March 2018 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Year ended 31 March	
		2019	2018
	Note	***US$'000***	*US$'000*
Turnover	*5*	**285,560**	284,963
Cost of goods sold		**(194,458)**	(185,638)
Gross profit		**91,102**	99,325
Other income	*6*	**7,931**	7,850
Other gains, net	*7*	**107**	2,912
Selling and distribution expenses		**(48,403)**	(52,264)
Administrative expenses		**(29,568)**	(30,363)
Other operating expenses		**(9,826)**	(10,911)
Operating profit before provision for impairment of goodwill		**11,343**	16,549
Provision for impairment of goodwill		**(15,227)**	(20,709)
Operating loss		**(3,884)**	(4,160)
Finance costs	*9*	**(2,653)**	(2,793)
Share of post-tax results of joint ventures and associates		**–**	79
Loss before income tax		**(6,537)**	(6,874)
Income tax expense	*10*	**(5,179)**	(5,331)
Loss for the year		**(11,716)**	(12,205)
Loss attributable to:			
Owners of the Company		**(11,293)**	(11,485)
Non-controlling interests		**(423)**	(720)
		(11,716)	(12,205)
Loss per share attributable to owners of the Company			
Basic (US cents)	*11*	**(0.67)**	(0.68)
Diluted (US cents)	*11*	**(0.67)**	(0.68)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March	
	2019	2018
	US$'000	*US$'000*
Loss for the year	**(11,716)**	(12,205)
Other comprehensive (loss)/income		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Currency translation differences	**(8,653)**	21,645
Currency translation differences released upon disposal of subsidiaries	**215**	–
Fair value change on available-for-sale financial assets	**–**	5,883
Items that will not be reclassified subsequently to profit or loss:		
Fair value change on financial assets at fair value through other comprehensive income	**(5,939)**	–
Remeasurements of post-employment benefit obligations	**251**	(304)
Other comprehensive (loss)/income for the year, net of tax	**(14,126)**	27,224
Total comprehensive (loss)/income for the year	**(25,842)**	15,019
Total comprehensive (loss)/income for the year attributable to:		
Owners of the Company	**(23,836)**	14,108
Non-controlling interests	**(2,006)**	911
	(25,842)	15,019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**As at 31 March 2019** *US$'000*	As at 31 March 2018 *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**79,209**	94,253
Investment properties		**20,913**	16,437
Intangible assets		**9,141**	26,863
Deferred income tax assets		**224**	243
Financial assets at fair value through other comprehensive income	*13*	**3,044**	–
Available-for-sale financial assets	*13*	**–**	8,979
Investments accounted for using the equity method		**–**	143
Other non-current financial assets		**–**	129
		112,531	147,047
Current assets			
Inventories		**24,869**	17,648
Available-for-sale financial assets	*13*	**–**	96
Financial assets at fair value through profit or loss		**444**	361
Trade and other receivables	*14*	**35,945**	44,820
Income tax recoverable		**637**	1,550
Short-term bank deposits		**5,951**	18,312
Cash and cash equivalents		**69,204**	101,923
		137,050	184,710
Current liabilities			
Trade and other payables	*15*	**32,796**	51,753
Contract liabilities		**18,858**	–
Income tax liabilities		**853**	773
Bank and other borrowings	*16*	**19,912**	68,447
Current portion of other non-current liabilities		**45**	78
		72,464	121,051
Net current assets		**64,586**	63,659
Total assets less current liabilities		**177,117**	210,706

	Note	As at 31 March 2019 US$'000	As at 31 March 2018 US$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital		**21,715**	21,715
Share premium		**54,664**	54,664
Other reserves		**(113,173)**	(100,380)
Retained earnings		**204,553**	221,670
		167,759	197,669
Non-controlling interests		**2,062**	4,099
Total equity		**169,821**	201,768
Non-current liabilities			
Deferred income tax liabilities		**5,967**	7,405
Other non-current liabilities		**1,329**	1,533
		7,296	8,938
		177,117	210,706

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

For the year ended 31 March 2019

1. BASIS OF PREPARATION

The consolidated financial information of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2019 (this "consolidated financial information") has been prepared in accordance with the International Financial Reporting Standards ("IFRSs") and under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss, which are carried at fair value. This consolidated financial information also included applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HK Listing Rules").

2. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of new and amended standards as set out below.

(i) New and amended standards and interpretations to existing standards adopted by the Group

The following new and amended standards, which became effective for the first time for the financial year beginning on or after 1 April 2018, have been adopted by the Group:

- Amendments to IFRS 2, "Classification and measurement of share-based payment transactions"
- Amendments to IFRS 4, "Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts"
- New standard IFRS 9, "Financial instruments"
- New standard IFRS 15, "Revenue from contracts with customers"
- Amendments to IFRS 15, "Clarification to IFRS 15"
- Interpretations IFRIC 22, "Foreign currency transactions and advance consideration"
- Amendments to IAS 40, "Transfer of investment property"
- Annual improvement, "Annual improvements to IFRSs 2014–2016 cycle"

The impact of the adoption of IFRS 9 and IFRS 15 are disclosed in note 3 below. The other new standards did not have any material impact on the Group's accounting policies and did not require retrospective adjustments.

(ii) New and amended standards and interpretations that have been issued but are not yet effective and have not been early adopted by the Group

The following new and amended standards and interpretations have been issued but are not yet effective and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Annual improvement	Annual improvements to IFRSs 2015–2017 cycle	1 January 2019
Amendments to IAS 19	Plan amendments, curtailment or settlement	1 January 2019
Amendments to IAS 28	Long-term interests in associates and joint ventures	1 January 2019
Amendments to IFRS 3	Definition of a business	1 January 2020
Amendments to IFRS 9	Prepayment features with negative compensation	1 January 2019
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Effective Date to be determined
Conceptual framework for financial reporting 2018	Revised conceptual framework for financial reporting	1 January 2020
IFRS 16	Leases	1 January 2019
IFRS 17	Insurance contracts	1 January 2021
IFRIC 23	Uncertainty over income tax treatments	1 January 2019

(a) IFRS 16 Leases

IFRS 16 was issued in January 2016. It will result in almost all major leases being recognised on the consolidated statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modification, amongst others. Under IFRS 16, principal portion of lease payments in relation to lease liability will be presented as financing cash flows.

Impact

As at 31 March 2019, the Group had non-cancellable operating lease commitments of US$4,417,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease under IFRS 16, and the Group will recognise a right-of-use asset and corresponding liability in respect of all these leases unless they qualify for low value or short-term lease upon the application of IFRS 16. In addition, the application of these new requirements may result in changes to measurement, presentation and disclosures. The Group has assessed the impact of the adoption of IFRS 16 on the Group's results and it is expected that right-of-use assets and lease liabilities of these lease commitments will be required to be recognised in the Group's consolidated statement of financial position.

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

There are no other new, amended or revised IFRSs and interpretations that are not yet effective and that would be expected to have a material impact on the Group.

3. IMPACT ON THE FINANCIAL STATEMENTS FROM THE ADOPTION OF IFRS 9 AND IFRS 15

This note explains the impact of the adoption of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" on the Group's consolidated financial statements and also discloses the new accounting policies that have been applied from 1 April 2018, where they are different to those applied in the prior periods.

(a) IFRS 9 Financial Instruments — Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 "Financial Instruments — Disclosures".

The adoption of IFRS 9 from 1 April 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the Group's consolidated financial statements. The new accounting policies are set out in notes 3(a)(1) and 3(a)(2) below. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated. As a consequence, any adjustments to carrying amounts of financial assets or liabilities are recognised at the beginning of the current reporting period, with the differences recognised in opening retained earnings. Provision for impairment have not been restated in the comparative period.

(1) Classification and measurement

On 1 April 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models and contractual terms of the cash flows apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories which are those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and those to be measured at amortised cost. The main effects resulting from these reclassification changes on the Group's financial assets are as follows:

		Non-current assets		Current assets	
		Financial assets at fair value through other comprehensive income	**Available-for-sale financial assets**	**Financial assets at fair value through profit or loss**	**Available-for-sale financial assets**
	Note	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Closing balance 31 March 2018 — IAS 39		–	8,979	361	96
Reclassify investments from available-for-sale financial assets ("AFS") to financial assets at fair value through profit or loss ("FVTPL")	*(i)*	–	–	96	(96)
Reclassify investments from AFS to financial assets at fair value through other comprehensive income ("FVOCI")	*(ii)*	8,979	(8,979)	–	–
Opening balance 1 April 2018 — IFRS 9		8,979	–	457	–

The impact of these changes on the Group's equity is as follows:

		Effect on AFS reserve	**Effect on FVOCI reserve**
	Note	*US$'000*	*US$'000*
Closing balance 31 March 2018 — IAS 39		4,295	–
Reclassify investments from AFS to FVOCI	*(ii)*	(4,295)	4,295
Opening balance 1 April 2018 — IFRS 9		–	4,295

Notes:

(i) Reclassification from AFS to FVTPL

Certain investment in unlisted club debentures was reclassified from AFS to FVTPL (US$96,000 as at 1 April 2018). They do not meet the IFRS 9 criteria for classification at amortised cost, because their cash flows do not represent solely payments of principal and interest.

(ii) Reclassification from AFS to FVOCI

The Group elected to present in other comprehensive income ("OCI") changes in the fair value of certain equity investments previously classified as AFS, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, assets with a fair value of US$8,979,000 were reclassified from AFS to FVOCI and related fair value gains were reclassified from the AFS reserve to the FVOCI reserve on 1 April 2018.

(iii) Other financial assets

Other listed equity securities that are held for trading are required to be classified as FVTPL under IFRS 9. There was no impact on the amounts recognised in relation to these assets from the adoption of IFRS 9.

(2) Impairment of financial assets

The Group has the following financial assets at amortised cost that are subject to IFRS 9's new expected credit loss ("ECL") model:

- *Trade and other receivables*

  The Group was required to revise its impairment methodology under IFRS 9 for the class of assets above.

  From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

  The Group applies the IFRS 9 simplified approach to measure ECLs which uses a lifetime expected loss allowance for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group applied different expected loss rates to different classes of trade receivables according to their respective risk characteristics and the days past due. Other financial assets at amortised cost include other receivables. The Group has applied the ECL model to other receivables as at 1 April 2018 and the change in impairment methodologies did not have any material impact on the Group's consolidated financial statements and the opening loss allowance is not restated in this respect.

While cash and cash equivalents and short-term bank deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

(b) IFRS 15 Revenue from Contracts with Customers — Impact of adoption

The Group has adopted IFRS 15 Revenue from Contracts with Customers from 1 April 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the consolidated financial statements. In accordance with the transition provisions in IFRS 15, the Group has elected to use a modified retrospective approach for the transition which allows the Group to recognise the cumulative effects of initially applying IFRS 15 as an adjustment to the opening balance of retained earnings as at 1 April 2018.

The accounting policies were changed to comply with IFRS 15, which replaces the provisions of IAS 18 Revenue and the related interpretations that relate to the recognition, classification and measurement of revenue and costs.

The effects of the adoption of IFRS 15 are as follows:

(1) *Presentation of contract asset and contract liability*

Reclassifications were made as at 1 April 2018 to be consistent with the terminology used under IFRS 15.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The Group's contract liabilities represented payments received by the Group in advance for subscription of its publications and customer deposits received by its tour operations, which the Group will recognise as revenue when the publications are delivered and the travel services are provided to the customers. These were previously recorded as receipts in advance and were classified under "trade and other payables".

The adoption of IFRS 15 does not have a significant impact on how the Group recognises revenue and there is no impact of transition to IFRS 15 on the Group's retained earnings at 1 April 2018.

(2) *Accounting for publishing and printing business*

Under IFRS 15, advertising income, net of trade discounts, is recognised over time when the newspapers and magazines are published.

Revenue from the circulation and subscription sales of newspapers, magazines and books, net of trade discounts and returns, is recognised at a point in time when control of goods transferred to customers, which generally coincides with the date of delivery. Unearned subscription fees received from subscribers are recorded as contract liabilities in the consolidated statement of financial position.

(3) *Accounting for travel and travel related services*

Under IFRS 15, revenue for package tours is recognised over time in which the control of service is transferred to the customer as the customer simultaneously receives and consumes benefit provided by the Group's performance as it performs.

Revenue from provision of ancillary travel related products and services, sales of air tickets, hotel accommodation and hotel packages is recognised at a point in time when booking services of tickets are delivered to and have been accepted by the customers. The Group is the agent in these transactions and the revenue is recognised on a net basis.

The impact on the Group's financial position by the application of IFRS 15 is as follows:

Consolidated statement of financial position (extract)	As at 1 April 2018 As previously reported *US$'000*	Reclassification under IFRS 15 *US$'000*	As restated *US$'000*
Trade and other payables	51,753	(18,443)	33,310
Contract liabilities	–	18,443	18,443
	51,753	–	51,753

4. 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 Malaysian Ringgit ("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 United States Dollar ("US$"), a globally recognised currency, as the presentation currency for the Group's consolidated financial statements. For the entity whose functional currency is not US$, its results and financial position have been translated into US$.

The assets and liabilities of each entity within the Group are mostly denominated in its own functional currency and do not have material impact on the consolidated statement of profit or loss for the year.

During the year ended 31 March 2019, the Group was particularly exposed to movements in the US$ to RM exchange rate as a major part of the Group's operations is located in Malaysia, and a decrease in the exchange fluctuation reserve of US$8,460,000 was recognised largely due to the changes in the exchange rate of US$ to RM.

5. TURNOVER AND SEGMENT INFORMATION

The Group Executive Committee is the Group's chief operating decision-maker. Management has determined the operating segments based on the reports that are reviewed and used by the Group Executive Committee for strategic decisions making.

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 Taiwan
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, books and digital contents primarily in the Chinese language. The segments derive revenue mainly from the provision of advertising services and sales of newspapers and magazines. Travel and travel related services segment derives revenue from the sales 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 presented in 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 year ended 31 March 2019, analysed by operating segment, are as follows:

	Publishing and printing					
	Malaysia and other Southeast Asian countries	**Hong Kong, Taiwan and Mainland China**	**North America**	**Sub-total**	**Travel and travel related services**	**Total**
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Turnover	**129,906**	**50,654**	**13,397**	**193,957**	**91,603**	**285,560**
Segment (loss)/profit before income tax	**(2,215)**	**(3,394)**	**(2,267)**	**(7,876)**	**4,579**	**(3,297)**
Unallocated finance costs						**(2,404)**
Other net unallocated expenses						**(836)**
Loss before income tax						**(6,537)**
Income tax expense						**(5,179)**
Loss for the year						**(11,716)**
Other segmental information:						
Interest income	**2,902**	**16**	**9**	**2,927**	**57**	**2,984**
Finance costs	**(71)**	**(178)**	**–**	**(249)**	**–**	**(249)**
Depreciation of property, plant and equipment	**(5,801)**	**(1,218)**	**(253)**	**(7,272)**	**(36)**	**(7,308)**
Amortisation of intangible assets	**(701)**	**(187)**	**(8)**	**(896)**	**(33)**	**(929)**
Provision for impairment of intangible assets	**(476)**	**–**	**–**	**(476)**	**–**	**(476)**
Provision for impairment of property, plant and equipment	**(2,750)**	**–**	**–**	**(2,750)**	**–**	**(2,750)**
Provision for impairment of goodwill	**(15,227)**	**–**	**–**	**(15,227)**	**–**	**(15,227)**

The Group's turnover and results for the year ended 31 March 2018, analysed by operating segment, are as follows:

	Publishing and printing					
	Malaysia and other Southeast Asian countries	Hong Kong, Taiwan and Mainland China	North America	Sub-total	Travel and travel related services	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Turnover	142,848	51,583	15,662	210,093	74,870	284,963
Segment (loss)/profit before income tax	(2,959)	(585)	(2,533)	(6,077)	2,361	(3,716)
Unallocated finance costs						(2,594)
Other net unallocated expenses						(564)
Loss before income tax						(6,874)
Income tax expense						(5,331)
Loss for the year						(12,205)
Other segmental information:						
Interest income	2,356	31	21	2,408	35	2,443
Finance costs	(131)	(68)	–	(199)	–	(199)
Depreciation of property, plant and equipment	(6,497)	(1,283)	(302)	(8,082)	(72)	(8,154)
Amortisation of intangible assets	(720)	(194)	(13)	(927)	(35)	(962)
Provision for impairment of intangible assets	(949)	–	–	(949)	–	(949)
Provision for impairment of property, plant and equipment	(5,146)	–	–	(5,146)	–	(5,146)
Provision for impairment of goodwill	(20,709)	–	–	(20,709)	–	(20,709)
Share of post-tax results of joint ventures and associates	–	79	–	79	–	79

Disaggregation of revenue

Turnover is derived from publishing, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language, and provision of travel and travel related services.

Turnover recognised during the year is disaggregated as follows:

	Year ended 31 March	
	2019	2018
	US$'000	*US$'000*
By major products or service lines		
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	**64,865**	64,091
Advertising income, net of trade discounts	**129,092**	146,002
Travel and travel related services income	**91,603**	74,870
	285,560	284,963

The segment assets and liabilities as at 31 March 2019 are as follows:

	Publishing and printing						
	Malaysia and other Southeast Asian countries	**Hong Kong and Taiwan**	**North America**	**Sub-total**	**Travel and travel related services**	**Elimination**	**Total**
	US$'000	***US$'000***	***US$'000***	***US$'000***	***US$'000***	***US$'000***	***US$'000***
Segment assets	**168,760**	**42,672**	**10,562**	**221,994**	**26,435**	**(270)**	**248,159**
Unallocated assets							**1,422**
Total assets							**249,581**
Total assets include:							
Additions to non-current assets (other than deferred income tax assets)	**5,892**	**376**	**44**	**6,312**	**18**	**–**	**6,330**
Segment liabilities	**(19,186)**	**(30,300)**	**(6,384)**	**(55,870)**	**(15,985)**	**270**	**(71,585)**
Unallocated liabilities							**(8,175)**
Total liabilities							**(79,760)**

The segment assets and liabilities as at 31 March 2018 are as follows:

	Publishing and printing						
	Malaysia and other Southeast Asian countries *US$'000*	Hong Kong, Taiwan and Mainland China *US$'000*	North America *US$'000*	Sub-total *US$'000*	Travel and travel related services *US$'000*	Elimination *US$'000*	Total *US$'000*
Segment assets	244,775	49,690	11,705	306,170	23,321	(96)	329,395
Unallocated assets							2,362
Total assets							331,757
Total assets include:							
Investments accounted for using the equity method	–	143	–	143	–	–	143
Additions to non-current assets (other than deferred income tax assets)	678	9,240	41	9,959	28	–	9,987
Segment liabilities	(23,626)	(16,536)	(7,100)	(47,262)	(14,711)	96	(61,877)
Unallocated liabilities							(68,112)
Total liabilities							(129,989)

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

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, FVOCI, investments accounted for using the equity method, other non-current financial assets, inventories, trade and other receivables, short-term bank deposits, and cash and cash equivalents. They mainly exclude deferred income tax assets, FVTPL and income tax recoverable of the Group.

Segment liabilities consist primarily of trade and other payables, contract liabilities, retirement benefit obligations, defined benefit plan liabilities, bank and other borrowings and other non-current liabilities. They mainly exclude medium-term notes issued by the Company, deferred income tax liabilities and income tax liabilities of the Group.

As at 31 March 2019 and 2018, the Group's total non-current assets, other than deferred income tax assets, analysed by operating countries, are as follows:

	As at 31 March	
	2019 *US$'000*	2018 *US$'000*
Malaysia and other Southeast Asian countries	**88,942**	116,256
Hong Kong and Taiwan	**16,533**	23,676
Other countries	**6,832**	6,872
	112,307	146,804

6. OTHER INCOME

	Year ended 31 March	
	2019	2018
	US$'000	*US$'000*
Dividend income	**17**	16
Interest income	**2,984**	2,443
Licence fee and royalty income	**176**	159
Other media-related income	**1,596**	1,759
Rental and management fee income	**829**	814
Scrap sales of old newspapers and magazines	**2,255**	2,556
Others	**74**	103
	7,931	7,850

7. OTHER GAINS, NET

	Year ended 31 March	
	2019	2018
	US$'000	*US$'000*
Gain on deemed disposal of interest in an associate	**–**	2,716
Fair value gains on investment properties, net	**516**	239
Fair value (losses)/gains on financial assets at fair value through profit or loss, net	**(12)**	18
Fair value losses on other non-current financial assets	**(121)**	–
Loss on disposal of subsidiaries and joint ventures	**(218)**	–
Net exchange losses	**(58)**	(61)
	107	2,912

8. EXPENSES BY NATURE

	Year ended 31 March	
	2019	2018
	US$'000	*US$'000*
Amortisation of intangible assets	**929**	962
Depreciation of property, plant and equipment	**7,308**	8,154
Direct costs of travel and travel related services	**77,800**	63,728
Employee benefit expense (including directors' emoluments)	**87,515**	91,171
Losses/(gains) on disposal of property, plant and equipment, net	**2,013**	(19)
Provision for loss allowance and write-off of trade and other receivables	**290**	75
Provision for impairment and write-off of inventories	**227**	268
Provision for impairment of intangible assets	**476**	949
Provision for impairment of property, plant and equipment	**2,750**	5,146
Raw materials and consumables used	**43,107**	44,493

9. FINANCE COSTS

	Year ended 31 March	
	2019	2018
	US$'000	*US$'000*
Interest expense on medium-term notes	**2,404**	2,594
Interest expense on bank borrowings	**249**	199
	2,653	2,793

10. INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit derived from Hong Kong for the year. Income tax for the Group's Malaysian operations is calculated at the rate of 24% (2018: 24%) on the estimated assessable profit derived from Malaysia for the year. Taxation on other countries' profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

Income tax expense in the consolidated statement of profit or loss represents:

	Year ended 31 March	
	2019	2018
	US$'000	*US$'000*
Hong Kong taxation		
Current year	**663**	536
Over provision in prior years	**(15)**	(19)
Malaysian taxation		
Current year	**5,219**	6,695
(Over)/under provision in prior years	**(17)**	115
Other countries' taxation		
Current year	**474**	284
Under/(over) provision in prior years	**6**	(244)
Deferred income tax credit	**(1,151)**	(2,036)
	5,179	5,331

11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Year ended 31 March	
	2019	2018
Loss attributable to owners of the Company *(US$'000)*	**(11,293)**	(11,485)
Weighted average number of ordinary shares in issue	**1,687,236,241**	1,687,236,241
Basic loss per share *(US cents)*	**(0.67)**	(0.68)
Diluted loss per share *(US cents)*	**(0.67)**	(0.68)

The diluted loss per share is the same as the basic loss per share as there were no dilutive potential shares in issue during the year ended 31 March 2019 and 2018.

12. DIVIDENDS

	Year ended 31 March	
	2019	2018
	US$'000	*US$'000*
Dividends attributable to the year:		
First interim, paid, US0.18 cents (2017/2018: US0.25 cents) per ordinary share	**3,037**	4,218
Second interim, declared after the end of the reporting period of US0.10 cents (2017/2018: US0.18 cents) per ordinary share	**1,687**	3,037
	4,724	7,255
Dividends paid during the year:		
Second interim, 2017/2018, US0.18 cents (2016/2017: US0.36 cents) per ordinary share *(note a)*	**3,037**	6,074
First interim, 2018/2019, US0.18 cents (2017/2018: US0.25 cents) per ordinary share *(note b)*	**3,037**	4,218
	6,074	10,292

The Board of Directors has declared a second interim dividend of US0.10 cents (2017/2018: US0.18 cents) per ordinary share in respect of the year ended 31 March 2019. The dividend will be payable on 12 July 2019 to shareholders whose names appear on the register of members of the Company at the close of business on 20 June 2019 in cash in RM or in Hong Kong Dollar ("HK$") at the average exchange rates used during the year ended 31 March 2019 for the translation of the results of the subsidiaries whose functional currencies are not US$. No tax is payable on the dividend declared by the Company to be received by shareholders in Malaysia as it is income from foreign source in accordance with paragraph 28 of Schedule 6 of Malaysian Income Tax Act 1967. This interim dividend has not been recognised as a dividend payable in this consolidated financial information.

The average exchange rates used during the year ended 31 March 2019 of US$ to RM and US$ to HK$, and the amount of the second interim dividend payable are as follows:

	Exchange rates	**Dividend per ordinary share**
US$ to RM	4.0692	0.407 sen
US$ to HK$	7.8312	HK 0.783 cents

Notes:

(a) The second interim dividend of US0.18 cents per ordinary share, totaling US$3,037,000 in respect of the year ended 31 March 2018, was paid on 13 July 2018.

(b) The first interim dividend of US0.18 cents per ordinary share, totaling US$3,037,000 in respect of the year ended 31 March 2019, was paid on 28 December 2018.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Financial assets at fair value through other comprehensive income

These comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

	Listed equity shares *(note 1)* *US$'000*
Closing balance 31 March 2018 — IAS 39	–
Reclassify investments from available-for-sale financial assets to financial assets at fair value through other comprehensive income	8,979
Opening balance 1 April 2018 — IFRS 9	8,979
Currency translation differences	4
Fair value losses charged to other comprehensive income	(5,939)
Closing balance 31 March 2019	3,044

(ii) Financial assets previously classified as available-for-sale financial assets

Available-for-sale financial assets included the following classes of financial assets:

	Unlisted club debenture *US$'000*	**Listed equity shares** *(note 1)* *US$'000*	**Total** *US$'000*
As at 1 April 2017	97	–	97
Additions	–	3,096	3,096
Fair value gain credited to other comprehensive income	–	5,883	5,883
Currency translation differences	(1)	–	(1)
As at 31 March 2018	96	8,979	9,075
Adjustments on adoption of IFRS 9			
Reclassify investments from available-for-sale financial assets to financial assets at fair value through profit or loss	(96)	–	(96)
Reclassify investments from available-for-sale financial assets to financial assets at fair value through other comprehensive income	–	(8,979)	(8,979)
As at 1 April 2018	–	–	–

Note:

(1) The balance represents the fair value of the ordinary shares of Most Kwai Chung Limited which are listed on the Main Board of the HK Stock Exchange.

14. TRADE AND OTHER RECEIVABLES

	As at 31 March	
	2019	2018
	US$'000	*US$'000*
Trade receivables *(note)*	**29,189**	36,796
Less: provision for loss allowance of trade receivables	**(2,068)**	(2,290)
Trade receivables, net	**27,121**	34,506
Deposits and prepayments	**7,036**	7,599
Other receivables	**1,788**	2,715
	35,945	44,820

As at 31 March 2019 and 2018, the fair values of trade and other receivables approximated the carrying amounts.

Note: The Group allows in general a credit period ranging from 7 to 120 days to its trade customers.

As at 31 March 2019 and 2018, the ageing analysis of the trade receivables (including amounts due from related parties of trading in nature) based on invoice date is as follows:

	As at 31 March	
	2019	2018
	US$'000	*US$'000*
1 to 60 days	**18,565**	24,134
61 to 120 days	**5,955**	7,358
121 to 180 days	**1,217**	2,019
Over 180 days	**3,452**	3,285
	29,189	36,796

15. TRADE AND OTHER PAYABLES

	As at 31 March	
	2019	2018
	US$'000	*US$'000*
Trade payables *(note)*	**12,905**	12,750
Accrued charges and other payables	**19,891**	20,560
Receipts in advance	**–**	18,443
	32,796	51,753

As at 31 March 2019 and 2018, the fair values of trade and other payables approximated the carrying amounts.

Note: As at 31 March 2019 and 2018, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	As at 31 March	
	2019	2018
	US$'000	*US$'000*
1 to 60 days	**10,993**	9,051
61 to 120 days	**1,718**	3,184
121 to 180 days	**63**	49
Over 180 days	**131**	466
	12,905	12,750

16. BANK AND OTHER BORROWINGS

	As at 31 March	
	2019	2018
	US$'000	*US$'000*
Current		
Bank borrowings		
– secured	**18,125**	4,346
– unsecured	**1,787**	5,856
	19,912	10,202
Medium-term notes (unsecured)	**–**	58,245
Total bank and other borrowings	**19,912**	68,447

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

	Year ended 31 March		
	2019	2018	% Change
	(US$'000)	*(US$'000)*	
Turnover	**285,560**	284,963	0.2%
Profit before income tax and provisions for impairment of goodwill, property, plant and equipment	**11,440**	18,981	–39.7%
Provision for impairment of goodwill	**(15,227)**	(20,709)	26.5%
Provision for impairment of property, plant and equipment	**(2,750)**	(5,146)	46.6%
Loss before income tax	**(6,537)**	(6,874)	4.9%
Loss for the year	**(11,716)**	(12,205)	4.0%
Loss attributable to owners of the Company	**(11,293)**	(11,485)	1.7%
EBITDA	**4,595**	8,687	–47.1%
Basic loss per share (US cents)	**(0.67)**	(0.68)	1.5%

OVERALL REVIEW OF OPERATIONS

The Group's turnover for the year under review amounted to US$285,560,000, a marginal increase of 0.2% over the last year's total of US$284,963,000. The slight improvement was mainly attributable to the travel segment which achieved a 22.3% growth in revenue to US$91,603,000 from last year's US$74,870,000. On the other hand, revenue from the Group's publishing and printing segment fell 7.7% year-on-year from last year's US$210,093,000 to US$193,957,000.

The Group reported a loss before income tax of US$6,537,000 for the year 2018/2019, compared with a loss before income tax of US$6,874,000 for 2017/2018. The loss mainly resulted from the provisions for impairment of goodwill and certain plant and machinery which, in aggregate, amounted to US$17,977,000 (2017/2018: US$25,855,000). The Group's profit before income tax and the above mentioned provisions was US$11,440,000, 39.7% below last year's comparative of US$18,981,000.

During the year ended 31 March 2019, the US dollar weakened against the Malaysian Ringgit ("RM") but strengthened against the Canadian dollar ("C$"), resulted in net positive currency impacts of approximately US$2,494,000 and US$1,621,000 on the Group's turnover and loss before income tax respectively.

Basic loss per share for the year ended 31 March 2019 was US0.67 cents, compared with the basic loss per share of US0.68 cents in the previous year. As at 31 March 2019, the Group's cash and cash equivalents and short-term bank deposits totalled US$75,155,000 and the Group's net assets per share attributable to owners of the Company was US9.94 cents.

SEGMENTAL REVIEW

Publishing and printing

Malaysia and other Southeast Asian countries

In Malaysia, according to Nielsen, advertisement expenditure (adex) reached RM5.6 billion in FY2018/2019, mainly driven by increased spending by government ministries and agencies and political parties. While adex on traditional media dropped 10.2% compared to FY2017/2018, some of this decline can be attributed to the shift towards digital advertising.

For the year under review, adex for Chinese newspapers accounted for about 34.9% of the total adex for newspapers in Malaysia and the Group's four newspapers took up about 70.7% of the total adex for Chinese newspapers.

Turnover from Malaysia for the year ended 31 March 2019 declined by 9.1% to US$129,906,000 from US$142,848,000 in the previous year. This was mainly attributed to the decrease in advertising revenue, which was partly offset by increased revenue from the segment's digital business. In addition, the increase in the cover price of the Group's four newspapers in Malaysia since March 2018 has also contributed positively to this segment's turnover. The segment reported a loss before income tax of US$2,215,000, compared to last year's loss before income tax of US$2,959,000. This was due to the provisions for impairment of goodwill and certain plant and machinery totalling US$17,977,000 (2017/2018: US$25,855,000). The segment's profit before income tax and the aforesaid provisions was US$15,762,000, 31.2% below last year's comparative of US$22,896,000. The decrease in the segment's operating results was mainly due to the decline in advertising revenue, which was partly offset by the increase in digital business revenue and cost savings.

The Group is the leading Chinese media group in Malaysia with 4 major daily newspapers and a suite of magazine titles. According to the latest data from Audit Bureau of Circulation Malaysia, the Group leads the Chinese newspaper industry with 82.2% of the total average daily print and digital replica circulation sales copies of Chinese language newspapers in Malaysia.

Sin Chew Daily, the leading Chinese daily publication in Malaysia, commands an average daily print circulation of 293,804 copies for the period of January to June 2018 as per Audit Bureau of Circulation Malaysia. The Group continues to grow its digital presence with *Sin Chew Daily* having a total average daily digital replica copies of 117,656 whilst the combined average daily digital replica copies for *Sin Chew Daily*, *Guang Ming Daily* and *China Press* totalled 139,421 copies.

The Group is aware of the importance of the need for a robust and efficient editorial workflow and platform. Hence in line with its "Digital First" campaign, *Sin Chew Daily* announced its launch of a "merged media system" which was adopted by its editorial department in February 2019. This new editorial system was launched together with a brand new online portal and mobile app. With the new system, its journalists can release news and visuals immediately wherever they are through the use of their mobile phones. This enables content to be reviewed and released to various portals in the fastest time frame. The new system will lead to a total transformation of the current editorial team to enable them to generate different kinds of content to cater for various platforms. The launch of this new editorial system will help publish content that will attract young readers whilst at the same time retain all existing and potential groups of readers and advertisers. The Group also hopes to benefit from monetising the syndication and cross-promotion of the content it produces and distributes.

The Group will continue to pursue new cost management methods, including reorganising and retraining employees to maximise operational efficiency in both print and digital operations.

Hong Kong, Taiwan and Mainland China

Hong Kong's GDP growth slowed to 3.0% in 2018 compared to 3.8% in 2017 amid a slowdown in private consumption and fixed investment. Hong Kong's retail sales recorded a first-time decline of 10.5% in 24 months in February 2019 and total retail sales for the first quarter of 2019 was estimated to drop by 1.2% year-on-year. This reflected a cautious consumer sentiment weighed down by various external uncertainties, including the unsettling trade tension between China and the USA which affected China's economy and consumers' spending power.

The slower economic growth has contributed to a decline in the Group's revenue from this segment. Operations in Hong Kong, Taiwan and Mainland China recorded a total turnover of US$50,654,000 for the year ended 31 March 2019, a 1.8% decline from the previous year's US$51,583,000. The segment's loss before income tax widened to US$3,394,000 from last year's US$585,000, mainly due to the decline in revenue and the inclusion in last year's result a gain on deemed disposal of interest in an associate of US$2,716,000.

2018 marked the 40th anniversary of China's reform and opening-up, on which *Ming Pao Daily News* ("*Ming Pao*") published a series of in-depth reports analysing their origin, significance and influence. During the year, *Ming Pao* also launched special supplements to report on the opening of the West Kowloon High Speed Rail Station and the launch of the Guangdong-Hong Kong-Macao Greater Bay Area Development Plan. The reports provided in-depth analysis, from political, economic and social perspectives, the impacts and opportunities brought about by these new initiatives to Hong Kong. Furthermore, the new "Discover Hong Kong" supplement gave readers a better understanding of Hong Kong and its people. The newspaper's culture section also underwent a revamp with new features on philosophy, history, and technology.

Ming Pao won 14 awards, including the coveted winner awards and first runner-up awards, in the "Hong Kong News Awards 2018" organised by The Newspaper Society of Hong Kong.

The Group's business in educational textbooks publishing has been making steady progress and is expected to see further revenue growth and margin improvement through increasing its publications and collaboration with the Group's other publications.

One Media Group, the Group's listed subsidiary providing Chinese language lifestyle publications and outdoor media services in the Greater China region, reported a turnover of US$12,632,000 for the year ended 31 March 2019, representing a year-on-year decline of about 1.4%. The decrease in revenue was due primarily to the cessation of One Media Group's operations in Mainland China since July 2018. Revenue from One Media Group's Hong Kong and Taiwan segment reported a 3.4% growth, mainly attributed to the increase in its digital business revenue from video production, social media and websites. Driven by revenue growth and cost savings, One Media Group's operating results have improved and it reported a profit in the second half-year. It also managed to reduce its loss before income tax for the year to US$1,517,000 from last year's US$2,603,000.

North America

North America's publishing and printing operations recorded a decline in turnover of 14.5% to US$13,397,000 as against last year's US$15,662,000. The Group's business in this segment was negatively impacted by Canada's slowing economy and weakening property market as well as competition from other digital media. Furthermore, the Group ceased its operations in New York since November 2018. Despite a double-digit drop in revenue, this segment's loss narrowed by 10.5% from US$2,533,000 to US$2,267,000, driven mainly by cost savings gained through greater efficiencies and productivity.

Travel and travel related services

During the current year, the travel segment achieved a revenue growth of 22.3% and a 93.9% increase in segment profit before income tax when compared to the last year's results. Turnover and profit before income tax for the year were US$91,603,000 and US$4,579,000, compared to US$74,870,000 and US$2,361,000 in the last year respectively. The improved performance was mainly attributed to increased demand for the segment's luxury tour packages, especially to destinations in China and Europe.

Digital business

The Group continued to expand and create new digital products, and the latest offering was the production of video content with interesting storylines. The Group worked with professional writers to create unique scripts and storylines for its advertisers.

The operation in Malaysia benefited from the Group's convergence strategy in which advertisers were offered a combination of print, digital and ground events to reach out to their target audience. The results have been encouraging.

The Group has been achieving higher traffic across the websites and apps of *Sin Chew Daily* and *China Press* as well as continually gaining momentum on other digital platforms including its social media sites. *Sin Chew Daily* and *China Press* continued to draw the highest unique visitors and most page views among the Group's publications. In the last month of FY2018/2019, *Guang Ming Daily*'s website, guangming.com.my, saw its unique visitors grow more than 100%.

Furthermore, the Group's 4 newspapers and *Pocketimes* achieved an average growth of 100% in page views year-on-year supported by strong double digit growth in unique visitors.

Pocketimes recorded an annual growth of 162% in video viewing. In addition to content marketing, it also offers content collaboration that allows direct interaction between clients. Through its storytelling expertise, *Pocketimes* offers a holistic digital marketing solution.

During the current financial year, *Ming Pao's* main website, mingpao.com, as well as its major web properties including news.mingpao.com, ol.mingpao.com and mpfinance.com underwent layout and content enhancement as well as search engine optimisation in order to provide a better experience for their visitors and to drive more traffic and revenue. In addition, the related apps were upgraded so as to give readers a smoother and better reading experience and to increase the newspaper's penetration in the mobile market.

From the Google Analytics, the number of pageviews for mingpao.com experienced a 10% year-on-year growth from 307 million to 338 million during the period from October 2018 to March 2019; and increased from 150 million to 165 million for the period from January to March 2019.

In addition, according to Socialbakers' statistics in January 2019, the facebook page of mingpao.com ranked 27 out of the top 100 media pages in Hong Kong and was in the 3rd place among all Chinese language newspapers.

OUTLOOK

The Group expects the operating environment for the next financial year to remain challenging. The unsettling trade tension between China and the USA adds to the uncertainty of the global economy and may have an adverse impact on the Group's performance for the coming year.

Notwithstanding the challenges, the Group will continue to remain focused on growing its core businesses while seeking growth opportunities in new markets and channels.

For its publishing business, it will continue to work on improving its content to meet the demands of its readers and devising new advertising options for its advertisers. Furthermore, it will continue its efforts in driving cost efficiency whilst leveraging on technology to further develop and enhance its digital content and platform capabilities. A positive note is that the newsprint price is softening which will help reduce the Group's production costs.

For the travel segment, through its expertise and worldwide travel network, the Group will continue to develop and offer interesting and tailor-made tour packages that provide customers with exclusive travel experiences.

PLEDGE OF ASSETS

As at 31 March 2019, certain assets of a subsidiary with net book amount of US$3,045,000 (2018: nil) were pledged to a bank to secure the banking facilities.

CONTINGENT LIABILITIES

As at 31 March 2019, 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 consolidated 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 on the Group's financial position.

CAPITAL COMMITMENTS

As at 31 March 2019, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in this consolidated financial information amounted to US$1,279,000 whereas authorised capital expenditure for property, plant and equipment not contracted and not provided for in this consolidated financial information amounted to US$48,000.

LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING RATIO

As at 31 March 2019, the Group's cash and cash equivalents and short-term bank deposits amounted to US$75,155,000 (2018: US$120,235,000) and total bank and other borrowings were US$19,912,000 (2018: US$68,447,000). The net cash position was US$55,243,000 (2018: US$51,788,000). Owners' equity was US$167,759,000 (2018: US$197,669,000).

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 31 March 2019 and 2018.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 March 2019, the Group had 3,556 employees (2018: 3,944 employees), the majority of whom were employed in Malaysia and Hong Kong. The Group remunerates its employees based on industry practice and performance of individual employees. The emoluments of the directors and senior management are reviewed by the Remuneration Committee regularly, having regard to the Group's operating results, individual performance and comparable market statistics. No director or any of his/her associates is involved in dealing with his/her own remuneration.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31 March 2019, neither the Company nor any of its subsidiaries had purchased, sold or the Company had redeemed any of the Company's listed securities.

CLOSURE OF THE REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on Wednesday, 14 August 2019. The register of members in Hong Kong will be closed on Tuesday, 6 August 2019 to Wednesday, 14 August 2019, both days inclusive, during which no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 5 August 2019. In respect of the shareholders in Malaysia, a depositor in Malaysia shall qualify for the entitlement to attend the annual general meeting only in respect of shares transferred into the depositor's securities account before 4:00 p.m. on Monday, 5 August 2019.

Shareholders who wish to request for transmission of their shares between the Malaysia Register and Hong Kong Register are advised to take note that request for transmission will be suspended from Tuesday, 6 August 2019 to Wednesday, 14 August 2019, both days inclusive.

CLOSURE OF THE REGISTER OF MEMBERS FOR SECOND INTERIM DIVIDEND

The register of members in Hong Kong will be closed on Thursday, 20 June 2019 whereby no transfer of shares will be registered on that date. In order to qualify for the second interim dividend of US0.10 cents per ordinary share, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 19 June 2019. In respect of the shareholders in Malaysia, a depositor in Malaysia shall qualify for the entitlement to the dividend only in respect of: (i) shares transferred into the depositor's securities account before 4:00 p.m. on Thursday, 20 June 2019 in respect of transfers; and (ii) shares bought on Bursa Securities on a cum entitlement basis according to the rules of Bursa Securities. The second interim dividend will be payable to shareholders on Friday, 12 July 2019.

Shareholders who wish to request for transmission of their shares between the Malaysia Register and Hong Kong Register are advised to take note that request for transmission will be suspended from Friday, 14 June 2019 to Thursday, 20 June 2019, both days inclusive.

CORPORATE GOVERNANCE

The Board of Directors (the "Board") is committed to practising the highest standards of corporate governance and operating within a governance framework that is formulated based on the Malaysian Code on Corporate Governance 2017 (the "Malaysian Code") and the Corporate Governance Code (the "Hong Kong Code") contained in Appendix 14 of the HK Listing Rules. The Company has adopted the principles and recommendations of the Malaysian Code and all the code provisions in the Hong Kong Code as its own code on corporate governance practices. During the year under review, the Company has met the code provisions as set out in the Hong Kong Code.

In respect of the Malaysian Code, the Company has complied with the principles and recommendations set out in the Malaysian Code wherever possible save for (i) at least half of the Board should comprise independent directors; (ii) the Board must have at least 30% women directors; (iii) the disclosure on a named basis of top five senior management's remuneration component including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000 and (iv) the Company is encouraged to adopt integrated reporting based on a globally recognised framework. The Board will continue to review and evaluate such recommendations under the Malaysian Code and is committed to achieving and sustaining high standards of corporate governance.

A detailed Corporate Governance Overview Statement setting out the Group's framework of governance and explanations about how the recommendations of the Malaysian Code and the code provisions in the Hong Kong Code have been applied will be included in the Company's Annual Report 2018/19.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the requirements and code as set out in (i) Chapter 14 (Dealings in Listed Securities) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Chapter 14 of the Listing Requirements of Bursa Securities") and (ii) Model Code for Securities Transactions by Directors of Listed Issuers (the "HK Model Code") contained in Appendix 10 of the HK Listing Rules. All directors of the Company have confirmed, following specific enquiry by the Company, their compliance with the required standards as set out in (i) Chapter 14 of the Listing Requirements of Bursa Securities and (ii) the HK Model Code during the year under review.

SCOPE OF WORK OF MESSRS. PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2019 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Messrs. PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. PricewaterhouseCoopers on this preliminary announcement.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed with management the Group's consolidated financial statements for the year ended 31 March 2019, including accounting principles and practices adopted by the Group and discussed risk management and internal control systems and financial reporting matters.

By Order of the Board
MEDIA CHINESE INTERNATIONAL LIMITED
TIONG Kiew Chiong
Director

28 May 2019

As at the date of this announcement, the Board comprises Ms. TIONG Choon, Mr. TIONG Kiew Chiong and Mr. LEONG Chew Meng, being executive directors; Dato' Sri Dr. TIONG Ik King, being non-executive director; and Mr. YU Hon To, David, Datuk CHONG Kee Yuon and Mr. KHOO Kar Khoon, being independent non-executive directors.