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 INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

The directors of Media Chinese International Limited (the "Company") hereby announce that the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2018, together with comparative figures for the corresponding period in 2017 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		(Unaudited)	
		Six months ended 30 September	
		2018	2017
	Note	***US$'000***	*US$'000*
Turnover	*5*	**167,701**	153,643
Cost of goods sold		**(116,613)**	(103,365)
Gross profit		**51,088**	50,278
Other income	*6*	**4,080**	3,758
Other losses, net	*7*	**(346)**	(99)
Selling and distribution expenses		**(26,467)**	(25,649)
Administrative expenses		**(15,360)**	(15,646)
Other operating expenses		**(2,295)**	(2,419)
Operating profit		**10,700**	10,223
Finance costs	*9*	**(1,464)**	(1,311)
Share of post-tax results of joint ventures and associates		**–**	84
Profit before income tax		**9,236**	8,996
Income tax expense	*10*	**(3,654)**	(3,848)
Profit for the period		**5,582**	5,148
Profit/(loss) attributable to:			
Owners of the Company		**6,038**	5,724
Non-controlling interests		**(456)**	(576)
		5,582	5,148
Earnings per share attributable to owners of the Company			
Basic (US cents)	*11*	**0.36**	0.34
Diluted (US cents)	*11*	**0.36**	0.34

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	(Unaudited) Six months ended 30 September	
	2018	2017
	US$'000	*US$'000*
Profit for the period	**5,582**	5,148
Other comprehensive (loss)/income		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Currency translation differences	**(10,396)**	7,211
Currency translation differences released upon disposal of subsidiaries	**215**	–
Item that will not be reclassified subsequently to profit or loss:		
Changes in the fair value of equity investments at fair value through other comprehensive income	**(5,759)**	–
Other comprehensive (loss)/income for the period, net of tax	**(15,940)**	7,211
Total comprehensive (loss)/income for the period	**(10,358)**	12,359
Total comprehensive (loss)/income for the period attributable to:		
Owners of the Company	**(8,370)**	12,918
Non-controlling interests	**(1,988)**	(559)
	(10,358)	12,359

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**(Unaudited) As at 30 September 2018** *US$'000*	(Audited) As at 31 March 2018 *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**86,426**	94,253
Investment properties		**15,589**	16,437
Intangible assets		**24,701**	26,863
Deferred income tax assets		**242**	243
Investments accounted for using the equity method		**143**	143
Financial assets at fair value through other comprehensive income		**3,234**	–
Available-for-sale financial assets		**–**	8,979
Other non-current financial assets		**–**	129
		130,335	147,047
Current assets			
Inventories		**18,495**	17,648
Available-for-sale financial assets		**–**	96
Financial assets at fair value through profit or loss		**463**	361
Trade and other receivables	*13*	**39,088**	44,820
Income tax recoverable		**635**	1,550
Short-term bank deposits		**12,691**	18,312
Cash and cash equivalents		**111,921**	101,923
		183,293	184,710
Current liabilities			
Trade and other payables	*14*	**41,789**	51,753
Contract liabilities		**14,755**	–
Income tax liabilities		**1,250**	773
Bank and other borrowings	*15*	**59,228**	68,447
Current portion of other non-current liabilities		**73**	78
		117,095	121,051
Net current assets		**66,198**	63,659
Total assets less current liabilities		**196,533**	210,706

	Note	(Unaudited) As at 30 September 2018 US$'000	(Audited) As at 31 March 2018 US$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital		**21,715**	21,715
Share premium		**54,664**	54,664
Other reserves		**(114,788)**	(100,380)
Retained earnings		**224,677**	221,670
		186,268	197,669
Non-controlling interests		**2,110**	4,099
Total equity		**188,378**	201,768
Non-current liabilities			
Deferred income tax liabilities		**6,563**	7,405
Other non-current liabilities		**1,592**	1,533
		8,155	8,938
		196,533	210,706

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2018

1 BASIS OF PREPARATION

The condensed consolidated interim financial information of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2018 (this "interim financial information") has been prepared in accordance with the International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (the "HK Listing Rules") on The Stock Exchange of Hong Kong Limited ("HK Stock Exchange").

This interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2018 which were prepared in accordance with International Financial Reporting Standards ("IFRSs").

This interim financial information has not been audited.

2 ACCOUNTING POLICIES

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

Taxes on income for the six months ended 30 September 2018 are accrued using the tax rate that would be applicable to expected total annual earnings.

(i) New and amended standards adopted by the Group

A number of new and amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

- IFRS 9, "Financial instruments"; and
- IFRS 15, "Revenue from contracts with customers".

The impact of the adoption of these new standards and new accounting policies 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) Impact of 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 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
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 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 standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of approximately US$2,453,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of assets and liabilities for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that do not qualify as leases under IFRS 16.

The standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

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

3. CHANGES IN ACCOUNTING POLICIES

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 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 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.

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.

(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 apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this 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:

	Note	Effect on AFS reserve US$'000	Effect on FVOCI reserve US$'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 each of these classes of assets. 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.

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. ECLs on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience. The adoption of the ECL requirements of IFRS 9 resulted in a decrease in the impairment allowance of the Group's trade and other receivables impacting retained earnings by about US$6,000 as of 1 April 2018.

(b) IFRS 9 Financial Instruments —Accounting policies applied from 1 April 2018

(1) Investments and other financial assets

Classification

From 1 April 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other gains/(losses), net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Other gains/(losses), net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other gains/(losses), net" and impairment losses are presented as separate line item in the statement of profit or loss.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "Other gains/(losses), net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of FVTPL are recognised in profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

Impairment

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 and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) 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 financial statements. In accordance with the transition provisions in IFRS 15, the Group has elected to use a modified retrospective approach for the transition to IFRS 15 whereby the effects of adopting IFRS 15 for uncompleted contracts with customers as at 31 March 2018 are recognised as adjustments to the opening balances of the Group's consolidated statement of financial position as at 1 April 2018 and prior period comparatives are not restated.

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.

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

(1) Presentation of contract asset and contract liability

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.

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients) with the effect of initially applying the standard recognised at the date of initial application. The adoption of IFRS 15 results in changes in accounting policies for revenue recognition and has no material impact other than the disclosures in the Group's financial statements.

(2) Accounting for publishing and printing business

Under IFRS 15, advertising income is recognised net of trade discount over the period when the related advertisement is published. Sale of newspapers, magazines, books and digital content is recognised net of trade discount and sales return at point in time upon delivery of the publication.

(3) Accounting for travel and travel related services

Under IFRS 15, travel and travel related services income is recognised over the period when the related services are rendered.

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

	As at 1 April 2018		
Condensed consolidated statement of financial position (extract)	**As previously reported**	**Reclassification under IFRS 15**	**As restated**
	US\$'000	*US\$'000*	*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 period.

During the six months ended 30 September 2018, 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$10,207,000 was recognised largely due to the changes in the exchange rate of US$ 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, Taiwan 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, 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 six months ended 30 September 2018, analysed by operating segment, are as follows:

	(Unaudited)					
	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	**68,401**	**25,652**	**6,832**	**100,885**	**66,816**	**167,701**
Segment profit/(loss) before income tax	**9,604**	**(2,142)**	**(1,724)**	**5,738**	**5,325**	**11,063**
Unallocated finance costs						**(1,346)**
Other net unallocated expenses						**(481)**
Profit before income tax						**9,236**
Income tax expense						**(3,654)**
Profit for the period						**5,582**
Other segmental information:						
Interest income	**1,597**	**7**	**2**	**1,606**	**27**	**1,633**
Finance costs	**(52)**	**(66)**	**–**	**(118)**	**–**	**(118)**
Depreciation of property, plant and equipment	**(2,960)**	**(608)**	**(135)**	**(3,703)**	**(18)**	**(3,721)**
Amortisation of intangible assets	**(354)**	**(94)**	**(4)**	**(452)**	**(16)**	**(468)**

The Group's turnover and results for the six months ended 30 September 2017, analysed by operating segment, are as follows:

	(Unaudited)					
	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	69,251	26,140	7,828	103,219	50,424	153,643
Segment profit/(loss) before income tax	10,485	(1,521)	(1,301)	7,663	2,901	10,564
Unallocated finance costs						(1,261)
Other net unallocated expenses						(307)
Profit before income tax						8,996
Income tax expense						(3,848)
Profit for the period						5,148
Other segmental information:						
Interest income	1,051	17	19	1,087	18	1,105
Finance costs	(29)	(21)	–	(50)	–	(50)
Depreciation of property, plant and equipment	(3,174)	(653)	(159)	(3,986)	(43)	(4,029)
Amortisation of intangible assets	(358)	(99)	(8)	(465)	(18)	(483)
Share of post-tax results of joint ventures and associates	–	84	–	84	–	84

Disaggregation of revenue

Turnover is derived from the 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 period is disaggregated as follows:

	(Unaudited) Six months ended 30 September	
	2018	2017
	US$'000	*US$'000*
By major product or service lines		
Advertising income, net of trade discounts	**66,008**	70,820
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	**34,877**	32,399
Travel and travel related services income	**66,816**	50,424
	167,701	153,643

The segment assets and liabilities as at 30 September 2018 are as follows:

	(Unaudited)						
	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	**231,598**	**42,409**	**10,779**	**284,786**	**28,676**	**(1,274)**	**312,188**
Unallocated assets							**1,440**
Total assets							**313,628**
Total assets include:							
Investments accounted for using the equity method	**–**	**143**	**–**	**143**	**–**	**–**	**143**
Additions to non-current assets (other than deferred income tax assets)	**804**	**120**	**16**	**940**	**3**	**–**	**943**
Segment liabilities	**(22,600)**	**(17,906)**	**(7,066)**	**(47,572)**	**(14,948)**	**1,274**	**(61,246)**
Unallocated liabilities							**(64,004)**
Total liabilities							**(125,250)**

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

	(Audited)						
	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, 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, bank and other borrowings and other non-current liabilities. They mainly exclude deferred income tax liabilities and income tax liabilities of the Group.

The Group operates its publishing and printing businesses mainly in Malaysia, other Southeast Asian countries, Hong Kong, Taiwan and Mainland China ("Main operating countries").

As at 30 September 2018 and 31 March 2018, the Group's total non-current assets, other than deferred income tax assets, analysed by operating countries, are as follows:

	(Unaudited) As at 30 September 2018	(Audited) As at 31 March 2018
	US$'000	*US$'000*
Main operating countries		
Malaysia and other Southeast Asian countries	**106,006**	116,256
Hong Kong, Taiwan and Mainland China	**17,367**	23,676
Other countries	**6,720**	6,872
	130,093	146,804

6 OTHER INCOME

	(Unaudited) Six months ended 30 September 2018	2017
	US$'000	*US$'000*
Dividend income	**13**	12
Interest income	**1,633**	1,105
Licence fee and royalty income	**60**	74
Other media-related income	**782**	883
Rental and management fee income	**417**	390
Scrap sales of old newspapers and magazines	**1,161**	1,276
Others	**14**	18
	4,080	3,758

7 OTHER LOSSES, NET

	(Unaudited) Six months ended 30 September 2018	2017
	US$'000	*US$'000*
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	**5**	(1)
Fair value losses on other non-current financial assets	**(121)**	–
Loss on disposal of interests in subsidiaries	**(209)**	–
Net exchange losses	**(21)**	(98)
	(346)	(99)

8 EXPENSES BY NATURE

	(Unaudited) Six months ended 30 September	
	2018	2017
	US$'000	*US$'000*
Amortisation of intangible assets	**468**	483
Depreciation of property, plant and equipment	**3,721**	4,029
Direct costs of travel and travel related services	**57,179**	43,165
Employee benefit expense (including directors' emoluments)	**45,140**	45,336
Gains on disposal of property, plant and equipment, net	**(28)**	–
Provision for impairment and write-off of inventories	**100**	83
Provision for impairment and write-off of trade and other receivables	**233**	122
Raw materials and consumables used	**22,838**	22,746
Other expenses	**31,084**	31,115
Total cost of goods sold, selling and distribution expenses, administrative expenses and other operating expenses	**160,735**	147,079

9 FINANCE COSTS

	(Unaudited) Six months ended 30 September	
	2018	2017
	US$'000	*US$'000*
Interest expense on medium-term notes	**1,346**	1,261
Interest expense on short-term bank borrowings	**118**	50
	1,464	1,311

10 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% for the six months ended 30 September 2018 (the tax rate for the six months ended 30 September 2017: 16.5%) on the estimated assessable profit derived from Hong Kong for the period. Income tax for the Group's Malaysian operations is calculated at the rate of 24% for the six months ended 30 September 2018 (the tax rate for the six months ended 30 September 2017: 24%) on the estimated assessable profit derived from Malaysia for the period. Taxation on other countries' profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

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

	(Unaudited) Six months ended 30 September	
	2018	2017
	US$'000	*US$'000*
Hong Kong taxation		
Current period	**708**	512
Malaysian taxation		
Current period	**2,840**	3,152
Other countries' taxation		
Current period	**628**	590
Under provision in prior years	**3**	3
Deferred income tax credit	**(525)**	(409)
	3,654	3,848

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

11 EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	(Unaudited) Six months ended 30 September	
	2018	2017
Profit attributable to owners of the Company *(US$'000)*	**6,038**	5,724
Weighted average number of ordinary shares in issue	**1,687,236,241**	1,687,236,241
Basic earnings per share *(US cents)*	**0.36**	0.34
Diluted earnings per share *(US cents)*	**0.36**	0.34

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 six months ended 30 September 2018 and 2017.

12 DIVIDENDS

	(Unaudited) Six months ended 30 September **2018** *US$'000*	2017 *US$'000*
Dividend attributable to the period:		
First interim, proposed, US0.18 cents (2017/2018: US0.25 cents) per ordinary share	**3,037**	4,218
Dividend paid during the period:		
Second interim, 2017/2018, US0.18 cents (2016/2017: US0.36 cents) per ordinary share *(note a)*	**3,037**	6,074

The Board of Directors has declared a first interim dividend of US0.18 cents (2017/2018: US0.25 cents) per ordinary share in respect of the year ending 31 March 2019. The dividend will be payable on Friday, 28 December 2018 to shareholders whose names appear on the register of members of the Company at the close of business on Friday, 14 December 2018 in cash in RM or in Hong Kong Dollar ("HK$") at the average exchange rates used during the period ended 30 September 2018 for the translation of the results of the subsidiaries whose functional currencies are not US$. 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 interim financial information. It will be recognised in shareholders' equity for the year ending 31 March 2019.

The average exchange rates used during the period ended 30 September 2018 of US$ to RM and US$ to HK$, and the amount of the first interim dividend payable are as follows:

	Exchange rates	**Dividend per ordinary share**
US$ to RM	4.0126	0.722 sen
US$ to HK$	7.8418	HK1.412 cents

Note:

(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.

13 TRADE AND OTHER RECEIVABLES

	(Unaudited) As at 30 September 2018 *US$'000*	(Audited) As at 31 March 2018 *US$'000*
Trade receivables *(note)*	**33,668**	36,796
Less: provision for impairment of trade receivables	**(2,132)**	(2,290)
Trade receivables, net	**31,536**	34,506
Deposits and prepayments	**5,075**	7,599
Other receivables	**2,477**	2,715
	39,088	44,820

As at 30 September 2018 and 31 March 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 30 September 2018 and 31 March 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:

	(Unaudited) **As at** **30 September** **2018** ***US$'000***	(Audited) As at 31 March 2018 *US$'000*
1 to 60 days	**22,711**	24,134
61 to 120 days	**6,415**	7,358
121 to 180 days	**1,631**	2,019
Over 180 days	**2,911**	3,285
	33,668	36,796

14 TRADE AND OTHER PAYABLES

	(Unaudited) **As at** **30 September** **2018** ***US$'000***	(Audited) As at 31 March 2018 *US$'000*
Trade payables *(note)*	**19,375**	12,750
Accrued charges and other payables	**22,414**	20,560
Receipts in advance	**–**	18,443
	41,789	51,753

As at 30 September 2018 and 31 March 2018, the fair values of trade and other payables approximated the carrying amounts.

Note: As at 30 September 2018 and 31 March 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:

	(Unaudited) **As at** **30 September** **2018** ***US$'000***	(Audited) As at 31 March 2018 *US$'000*
1 to 60 days	**15,926**	9,051
61 to 120 days	**3,115**	3,184
121 to 180 days	**167**	49
Over 180 days	**167**	466
	19,375	12,750

15 BANK AND OTHER BORROWINGS

	(Unaudited) **As at** **30 September** **2018** ***US$'000***	(Audited) As at 31 March 2018 *US$'000*
Current		
Short-term bank borrowings (secured)	**4,283**	4,346
Short-term bank borrowings (unsecured)	**551**	5,856
Medium-term notes (unsecured)	**54,394**	58,245
Total bank and other borrowings	**59,228**	68,447

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

(US$'000)

	(Unaudited) For the six months ended 30 September		
	2018	2017	% Change
Turnover	**167,701**	153,643	9.1%
Profit before income tax	**9,236**	8,996	2.7%
EBITDA	**13,256**	13,714	–3.3%
Basic earnings per share (US cents)	**0.36**	0.34	5.9%

OVERALL REVIEW OF OPERATIONS

The Group recorded a turnover of US$167,701,000 for the six months ended 30 September 2018, an increase of 9.1% from US$153,643,000 in the same period last year. Correspondingly, the Group's profit before income tax for the current period increased by 2.7% to US$9,236,000 when compared to last year's US$8,996,000.

The improvement in the Group's performance for the period under review was mainly driven by higher revenue and profit contribution from its travel segment. The Group's publishing and printing operations registered a marginal drop in revenue mainly due to the soft advertising spending in the markets it operates in and the increasing competition from other digital and social media platforms.

The Group's publishing and printing segment's turnover dropped by 2.3% to US$100,885,000 from US$103,219,000 during the period under review. Segment profit before income tax fell by 25.1% year-on-year to US$5,738,000 from US$7,663,000.

Turnover of the travel segment for the current period grew by 32.5% to US$66,816,000, resulting in the segment's profit before income tax to improve to US$5,325,000, 83.6% over the US$2,901,000 in the prior year period.

Compared to the same period last year, both the Malaysian Ringgit ("RM") and the Canadian dollar ("CAD") strengthened against the US dollar, resulting in positive currency impact on the Group's turnover and profit before income tax of approximately US$4,277,000 and US$669,000 respectively.

Basic earnings per share for the period ended 30 September 2018 was US0.36 cents, representing an increase of US0.02 cents or 5.9% from US0.34 cents in the previous year period. As at 30 September 2018, the Group's cash and cash equivalents and short-term bank deposits totaled US$124,612,000 and the Group's net assets per share attributable to owners of the Company was US11.04 cents.

SEGMENTAL REVIEW

Publishing and printing segment

Malaysia and other Southeast Asian countries

The turnover for the publishing and printing operations in Malaysia for the six months ended 30 September 2018 dropped by 1.2% to US$68,401,000 from US$69,251,000 in the previous corresponding period. Nevertheless, the increase in the cover prices of this segment's newspaper titles has helped cushioned the decline in turnover. The segment profit before income tax was US$9,604,000, a decrease of 8.4 % from US$10,485,000 recorded a year ago.

Appreciation of RM against the US dollar generated a favourable currency impact of about US$673,000 on the segment profit before income tax. If currency impact was excluded, the decline in turnover and profit before income tax would have been about 7.6% and 14.4% respectively.

The Group's continued cost containment efforts include reviewing and monitoring closely the usage of newsprint, redeployment of staff to meet staffing needs arising from natural attrition, streamlining printing and production processes.

For the period under review, the performance of online advertisement revenue in Malaysia continued to be encouraging and reported significant growth despite the very competitive and crowded digital market.

In addition, the celebration of *Nanyang Siang Pau*'s 95th anniversary also helped drive the advertising sales of the Malaysia operations.

Sin Chew Daily, the leading Chinese daily publication in Malaysia, commanded an average daily print circulation of 300,456 copies for the period of July to December 2017 as per Audit Bureau of Circulation Malaysia. Meanwhile, the Group continued to grow its digital presence with *Sin Chew Daily* having an average daily digital replica copies of 126,822 whilst the combined average daily digital replica copies for *Sin Chew Daily* and *Guang Ming Daily* was 138,885.

Hong Kong, Taiwan and Mainland China

Hong Kong's economy grew 2.9% year-on-year in the third quarter 2018 and a growth of about 3.2% was forecasted for full-year 2018. Meanwhile, total retail sales of Hong Kong for the first nine months of 2018 was estimated to have increased by about 11% when compared with the same period of 2017. The improved economy helped stabilise the decline in this segment's revenue. The Group's Hong Kong, Taiwan and Mainland China publishing and printing operations recorded a total turnover of US$25,652,000 for the six months ended 30 September 2018, reflecting a slight decrease of 1.9% from US$26,140,000 in the corresponding period last year. Driven by the improving economy and growing tourism during the period under review, the segment registered increases in advertising revenue mainly from the local property and recruitment sectors as well as some luxury labels. This was, however, offset by the loss of revenue from the magazine operations in the Mainland China which the Group had disposed of to a third party during the current quarter.

This segment's loss before income tax for the period under review widened by 40.8% to US$2,142,000 from US$1,521,000 in the prior year period. Besides the decline in revenue, the increase in loss was also due to the surging newsprint price and the disposal of the Group's magazine operations in the Mainland China.

The Group's business in education publishing, especially its pioneered project, "STEM Education Special Supplement", continued to gain traction as it was able to leverage on the Group's existing resources and distribution channels. Furthermore, a wider customer base can be reached through integration of the Group's various education platforms and the provision of different packaged educational products and services.

North America

Turnover of the Group's publishing and printing operations in North America for the period under review dropped by 12.7% to US$6,832,000 from US$7,828,000, resulting in the segment's loss widening to US$1,724,000 from US$1,301,000 in the prior year period. This segment's business was negatively impacted by the weakening local property market and the continued shifting of advertising spending to the digital platforms. The Group will continue its strive in containing all operating costs while strengthening its digital capabilities in order to generate revenue.

Travel and travel related services segment

For the six months ended 30 September 2018, the total turnover for the Group's travel segment was US$66,816,000, representing an increase of 32.5% when compared with the same period last year. Driven by the revenue increase, the travel segment's profit before income tax rose by 83.6% to US$5,325,000 from US$2,901,000 in the prior year period. The segment's revenue growth was mainly fuelled by the increase in demand for incentive tours, especially tours to Europe, and the FIFA World Cup which was a tourism boosting event.

Digital business

The Group continued to improve and expand its digital capacities to meet the growing trend of digital advertising and the fast changing demands of its readers in the digital space. It has intensified its marketing efforts by constantly developing new products and exclusive content for its advertisers and readers on its digital platforms.

In the recent general elections in Malaysia, the demand for the Group's digital products increased evidently. Sin Chew Daily's news website, www.sinchew.com.my, registered 9.3 million unique visitors and 122.3 million page views in May 2018. After the general election, the website continued to garner solid double-digit growth in terms of unique visitors and page views. The Group's online video platform, Pocketimes, recorded a new height of 21 million in its video views, while its Special Election Night Show was the most watched Chinese video on Youtube Malaysia for the week following the election.

In September 2018, the monthly page views of the 4 newspapers' websites together with Pocketimes achieved a significant year-over-year growth of 73% or 84.9 million to 200.9 million, while the monthly digital audiences grew 24% or 2.6 million to 13.5 million unique visitors from 10.9 million a year ago (Sources: Google Analytics).

The Group also continued to leverage on its leading Chinese print media position in Malaysia to drive its digital marketing efforts by offering good value packages combining the print and digital platforms to give its advertisers a wider reach. In addition, the Group continued to produce original and creative video content for which the advertisers have shown a strong preference. All these efforts resulted in its digital revenue growing positively during the period under review.

In Hong Kong, with its comprehensive and high quality news coverage, the Group's main website for *Ming Pao Daily News*, mingpao.com, continued to be popular among its readers and has been ranked in the top four in terms of the number of unique visitors among the digital extension of traditional printed newspapers in Hong Kong. Besides its main website, the facebook page of mingpao.com has also gained traction with over 360,000 likes and was ranked 3rd place among Chinese language newspapers in Hong Kong according to the latest statistics. *Ming Pao Daily News* has also launched other websites and a number of mobile apps featuring diversified themes including news, entertainment, finance, property, recruitment, parental and education, medical and health, lifestyle magazines and books, in order to reach out to the extensive network of online readers.

OUTLOOK

The Group expects the second half of the financial year 2018/2019 to remain challenging. The subdued advertising spend in most of the markets it operates in, the increasing competition from the digital media and the upward trend of newsprint prices will adversely impact the Group's results. In addition, the looming trade war between China and the USA will create further uncertainties in the global economy and pressure on the Group's financial performance.

The Group will continue its cost containment efforts whilst developing and enhancing its digital content and platform capabilities. It will also focus on nurturing new revenue generating activities such as event management. For the travel segment, the Group will continue to design creative tour packages especially to untapped destinations of interest.

PLEDGE OF ASSETS

As at 30 September 2018 and 31 March 2018, none of the Group's assets were pledged to secure any banking facilities.

CONTINGENT LIABILITIES

As at 30 September 2018, 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 interim 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 30 September 2018, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in this interim financial information amounted to US$1,476,000 whereas authorised capital expenditure for property, plant and equipment not contracted and not provided for in this interim financial information amounted to US$51,000.

LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING RATIO

As at 30 September 2018, the Group's cash and cash equivalents and short-term bank deposits amounted to US$124,612,000 (31 March 2018: US$120,235,000) and total bank and other borrowings were US$59,228,000 (31 March 2018: US$68,447,000). The net cash position was US$65,384,000 (31 March 2018: US$51,788,000). Owners' equity was US$186,268,000 (31 March 2018: US$197,669,000).

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 30 September 2018 and 31 March 2018.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 September 2018, the Group had 3,730 employees (31 March 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 six months ended 30 September 2018, the Company had not redeemed, and neither had the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members in Hong Kong will be closed on Friday, 14 December 2018 whereby no transfer of shares will be registered on that date. In order to qualify for the first interim dividend of US0.18 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 Thursday,13 December 2018. 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 Friday, 14 December 2018 in respect of transfers; and (ii) shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the rules of Bursa Securities. The first interim dividend will be payable to the shareholders on Friday, 28 December 2018.

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 Monday, 10 December 2018 to Friday, 14 December 2018, 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 period 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.

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 period under review.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with management the interim financial information for the six months ended 30 September 2018, 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

29 November 2018

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 and Tan Sri Datuk Sir TIONG Hiew King, being non-executive directors; and Mr. YU Hon To, David, Datuk CHONG Kee Yuon and Mr. KHOO Kar Khoon, being independent non-executive directors.