MEDIA CHINESE INTERNATIONAL LIMITED
世 界 華 文 媒 體 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Malaysia Company No. 200702000044)
(Hong Kong Stock Code: 685)
(Malaysia Stock Code: 5090)

ANNOUNCEMENT OF FINAL FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2020

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 2020, together with comparative figures for the year ended 31 March 2019 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Year ended 31 March	
		2020	2019
	Note	***US$'000***	*US$'000*
Turnover	*5*	**239,217**	285,560
Cost of goods sold		**(165,772)**	(194,458)
Gross profit		**73,445**	91,102
Other income	*6*	**9,197**	7,931
Other (losses)/gains, net	*7*	**(146)**	107
Selling and distribution expenses		**(41,949)**	(48,403)
Administrative expenses		**(25,710)**	(29,568)
Other operating expenses		**(4,852)**	(9,826)
Operating profit before provision for impairment of goodwill		**9,985**	11,343
Provision for impairment of goodwill		**–**	(15,227)
Operating profit/(loss)	*8*	**9,985**	(3,884)
Finance costs	*9*	**(702)**	(2,653)
Profit/(loss) before income tax		**9,283**	(6,537)
Income tax expense	*10*	**(3,164)**	(5,179)
Profit/(loss) for the year		**6,119**	(11,716)
Profit/(loss) attributable to:			
Owners of the Company		**7,055**	(11,293)
Non-controlling interests		**(936)**	(423)
		6,119	(11,716)
Earnings/(loss) per share attributable to owners of the Company			
Basic (US cents)	*11*	**0.42**	(0.67)
Diluted (US cents)	*11*	**0.42**	(0.67)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March	
	2020	2019
	US$'000	*US$'000*
Profit/(loss) for the year	**6,119**	(11,716)
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(7,615)**	(8,653)
Currency translation differences released upon disposal of subsidiaries	**–**	215
Items that will not be reclassified subsequently to profit or loss:		
Fair value change on financial assets at fair value through other comprehensive income	**(1,813)**	(5,939)
Remeasurements of post-employment benefit obligations	**56**	251
Revaluation of land and buildings upon transfer to investment properties	**618**	–
Other comprehensive loss for the year, net of tax	**(8,754)**	(14,126)
Total comprehensive loss for the year	**(2,635)**	(25,842)
Total comprehensive loss for the year attributable to:		
Owners of the Company	**(1,219)**	(23,836)
Non-controlling interests	**(1,416)**	(2,006)
	(2,635)	(25,842)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**As at 31 March 2020** *US$'000*	As at 31 March 2019 *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**70,669**	79,209
Investment properties		**21,864**	20,913
Intangible assets		**9,146**	9,141
Deferred income tax assets		**120**	224
Financial assets at fair value through other comprehensive income	*13*	**1,267**	3,044
		103,066	112,531
Current assets			
Inventories		**20,039**	24,869
Trade and other receivables	*14*	**25,252**	35,945
Financial assets at fair value through profit or loss		**425**	444
Income tax recoverable		**447**	637
Short-term bank deposits		**13,430**	5,951
Cash and cash equivalents		**60,452**	69,204
		120,045	137,050
Current liabilities			
Trade and other payables	*15*	**22,328**	32,796
Contract liabilities		**8,889**	18,858
Income tax liabilities		**564**	853
Bank and other borrowings	*16*	**19,362**	19,912
Lease liabilities		**839**	–
Current portion of other non-current liabilities		**60**	45
		52,042	72,464
Net current assets		**68,003**	64,586
Total assets less current liabilities		**171,069**	177,117

	Note	As at 31 March 2020 US$'000	As at 31 March 2019 US$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital		**21,715**	21,715
Share premium		**54,664**	54,664
Other reserves		**(121,506)**	(113,173)
Retained earnings		**207,280**	204,553
		162,153	167,759
Non-controlling interests		**645**	2,062
Total equity		**162,798**	169,821
Non-current liabilities			
Lease liabilities		**1,354**	–
Deferred income tax liabilities		**5,533**	5,967
Other non-current liabilities		**1,384**	1,329
		8,271	7,296
		171,069	177,117

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

For the year ended 31 March 2020

1. BASIS OF PREPARATION

The consolidated financial information of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2020 (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 (Cap.622) 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 adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- Amendments to IAS 19, "Plan amendment, curtailment or settlement"
- Amendments to IAS 28, "Long-term interests in associates and joint ventures"
- Amendments to IFRS 9, "Prepayment features with negative compensation"
- New standard IFRS 16, "Leases"
- Interpretations IFRIC 23, "Uncertainty over income tax treatments"
- Annual improvement, "Annual improvements to IFRSs 2015-2017 cycle"

The Group changed its accounting policies as a result of adopting IFRS 16 "Leases". The Group elected to adopt the simplified transition approach and has not restated comparatives for the 2019 reporting period. This is disclosed in Note 3. Other amendments and interpretations listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2020 reporting periods and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2022
Amendments to IAS 1 and IAS 8	Definition of material	1 January 2020
Amendments to IFRS 3	Definition of a business	1 January 2020
Amendments to IAS 39, IFRS 7 and IFRS 9	Interest rate benchmark reform	1 January 2020
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 17	Insurance contracts	1 January 2023

None of these new standards and interpretations are expected to have a material impact on the Group's consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES

(a) Impact on the financial statements from the adoption of IFRS 16

This note explains the impact of the adoption of IFRS 16 "Leases" on the Group's consolidated financial statements.

As indicated in Note 2 above, the Group has adopted IFRS 16 retrospectively from 1 April 2019, but has not restated prior period comparatives, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balances of the Group's consolidated statement of financial position as at 1 April 2019.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019, except for short-term leases and leases for which the underlying asset is of low value, to which the respective lease payments associated with those leases are recognised as an expense on a straight-line basis over the lease term. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 3.0%.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset immediately before transition as the carrying amount of the right-of-use asset at the date of initial application. The right-of-use assets recognised on 1 April 2019 include balances of US$1,514,000, US$7,840,000 and US$9,504,000 of long-term leasehold land outside Hong Kong, medium-term leasehold land in Hong Kong and medium-term leasehold land outside Hong Kong respectively.

(i) Measurement of lease liabilities

The Group had outstanding lease commitments of US$2,369,000 as at 31 March 2019.

	US$'000
Discounted using the lessee's incremental borrowing rate at the date of initial application	2,260
Less: short-term leases not recognised as a liability	(706)
Less: low value leases not recognised as a liability	(245)
Lease liabilities to be recognised	1,309
Net-off with prepayment	(2)
Lease liabilities recognised as at 1 April 2019	1,307
Of which are:	
— Current lease liabilities	650
— Non-current lease liabilities	657
	1,307

(ii) Measurement of right-of-use assets

The associated right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31 March 2019.

(iii) Adjustments recognised in the consolidated statement of financial position as at 1 April 2019

The change in accounting policy affected the following items in the Group's consolidated statement of financial position as at 1 April 2019:

- Property, plant and equipment — increased by US$1,309,000
- Prepayments — decreased by US$2,000
- Lease liabilities — increased by US$1,307,000

There was no impact to the Group's retained earnings as at 1 April 2019.

(iv) Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review — there were no onerous contracts as at 1 April 2019;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment made applying IAS 17 "Leases" and IFRIC 4 "Determining whether an Arrangement Contains a Lease".

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 2020 the Group is particularly exposed to movements in the US$ to RM exchange rate as a major part of the Group's operations is located in Malaysia.

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 2020, analysed by operating segment, are as follows:

	Publishing and printing					
	Malaysia and other Southeast Asian countries *US$'000*	**Hong Kong and Taiwan** *US$'000*	**North America** *US$'000*	**Sub-total** *US$'000*	**Travel and travel related services** *US$'000*	**Total** *US$'000*
Turnover	**106,294**	**44,198**	**10,764**	**161,256**	**77,961**	**239,217**
Segment profit/(loss) before income tax	**12,447**	**(5,275)**	**(518)**	**6,654**	**3,397**	**10,051**
Other net unallocated expenses						**(768)**
Profit before income tax						**9,283**
Income tax expense						**(3,164)**
Profit for the year						**6,119**
Other segmental information:						
Interest income	**1,420**	**27**	**37**	**1,484**	**62**	**1,546**
Finance costs	**(15)**	**(634)**	**–**	**(649)**	**(53)**	**(702)**
Depreciation of property, plant and equipment	**(5,107)**	**(1,160)**	**(179)**	**(6,446)**	**(779)**	**(7,225)**
Amortisation of intangible assets	**(667)**	**(119)**	**(8)**	**(794)**	**(17)**	**(811)**
Provision for impairment of intangible assets	**–**	**(11)**	**–**	**(11)**	**–**	**(11)**
Provision for impairment of property, plant and equipment	**–**	**(100)**	**–**	**(100)**	**–**	**(100)**

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 *US$'000*	Hong Kong and Taiwan *US$'000*	North America *US$'000*	Sub-total *US$'000*	Travel and travel related services *US$'000*	Total *US$'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)

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	
	2020	2019
	US$'000	*US$'000*
By major products or service lines		
Timing of revenue recognition		
At a point in time		
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	**56,113**	64,865
Travel and travel related services income	**860**	1,000
Over time		
Advertising income, net of trade discounts	**105,143**	129,092
Travel and travel related services income	**77,101**	90,603
	239,217	285,560

The segment assets and liabilities as at 31 March 2020 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	158,529	35,575	10,688	204,792	17,854	(642)	222,004
Unallocated assets							1,107
Total assets							223,111
Total assets include:							
Additions to non-current assets (other than deferred income tax assets)	1,213	484	41	1,738	1,466	–	3,204
Segment liabilities	(12,458)	(28,872)	(6,063)	(47,393)	(6,126)	642	(52,877)
Unallocated liabilities							(7,436)
Total liabilities							(60,313)

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

	Publishing and printing						
	Malaysia and other Southeast Asian countries *US$'000*	Hong Kong and Taiwan *US$'000*	North America *US$'000*	Sub-total *US$'000*	Travel and travel related services *US$'000*	Elimination *US$'000*	Total *US$'000*
Segment assets	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 elimination between segments represents intercompany receivables and payables between segments.

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, financial assets at fair value through other comprehensive income, inventories, trade and other receivables, short-term bank deposits, and cash and cash equivalents. They mainly exclude deferred income tax assets, financial assets at fair value through profit or loss and income tax recoverable of the Group.

Segment liabilities consist primarily of trade and other payables, contract liabilities, bank and other borrowings, lease liabilities and other non-current liabilities. They mainly exclude deferred income tax liabilities and income tax liabilities of the Group.

As at 31 March 2020 and 2019, the Group's total non-current assets, other than deferred income tax assets, analysed by operating countries, are as follows:

	As at 31 March	
	2020 *US$'000*	2019 *US$'000*
Malaysia and other Southeast Asian countries	**80,493**	88,942
Hong Kong and Taiwan	**16,015**	16,533
Other countries	**6,438**	6,832
	102,946	112,307

6. OTHER INCOME

	Year ended 31 March	
	2020	2019
	US$'000	*US$'000*
Dividend income	**152**	17
Government grant *(note)*	**2,786**	–
Interest income	**1,546**	2,984
Licence fee and royalty income	**210**	176
Other media-related income	**1,724**	1,596
Rental and management fee income	**854**	829
Scrap sales of old newspapers and magazines	**1,836**	2,255
Others	**89**	74
	9,197	7,931

Note: A grant was received from an overseas government for supporting the Group's operation of eligible publications.

7. OTHER (LOSSES)/GAINS, NET

	Year ended 31 March	
	2020	2019
	US$'000	*US$'000*
Fair value gains on investment properties, net	**189**	516
Fair value losses on financial assets at fair value through profit or loss, net	**(26)**	(12)
Fair value losses on other non-current financial assets	**–**	(121)
Losses on disposal of subsidiaries and joint ventures	**–**	(218)
Net exchange losses	**(309)**	(58)
	(146)	107

8. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging/(crediting) the following:

	Year ended 31 March	
	2020	2019
	US$'000	*US$'000*
Amortisation of intangible assets	**811**	929
Depreciation of property, plant and equipment	**7,225**	7,308
Direct costs of travel and travel related services	**65,947**	77,800
Employee benefit expense (including directors' emoluments)	**80,870**	87,515
(Gains)/losses on disposal of property, plant and equipment, net	**(301)**	2,013
Provision for impairment of property, plant and equipment	**100**	2,750
Provision for loss allowance and write-off of trade and other receivables	**479**	290
Provision for impairment of intangible assets	**11**	476
Provision for impairment and write-off of inventories	**185**	227
Raw materials and consumables used	**31,947**	43,107

9. FINANCE COSTS

	Year ended 31 March	
	2020	2019
	US$'000	*US$'000*
Interest expense on medium-term notes	**–**	2,404
Interest expense on short-term bank borrowings	**649**	249
Interest expense on lease liabilities	**53**	–
	702	2,653

10. INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2019: 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% (2019: 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	
	2020	2019
	US$'000	*US$'000*
Hong Kong taxation		
Current year	**501**	663
Over provision in prior years	**(5)**	(15)
Malaysian taxation		
Current year	**3,893**	5,219
Under/(over) provision in prior years	**213**	(17)
Other countries' taxation		
Current year *(note)*	**(1,257)**	474
(Over)/under provision in prior years	**(4)**	6
Deferred income tax credit	**(177)**	(1,151)
	3,164	5,179

Note: During the year ended 31 March 2020, an overseas subsidiary received a tax refund amounting to US$1,620,000 from the local tax authority upon the successful application for a tax incentive scheme.

11. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Year ended 31 March	
	2020	2019
Profit/(loss) attributable to owners of the Company *(US$'000)*	**7,055**	(11,293)
Weighted average number of ordinary shares in issue	**1,687,236,241**	1,687,236,241
Basic earnings/(loss) per share *(US cents)*	**0.42**	(0.67)
Diluted earnings/(loss) per share *(US cents)*	**0.42**	(0.67)

The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share as there were no dilutive potential shares in issue during the years ended 31 March 2020 and 2019.

12. DIVIDENDS

	Year ended 31 March	
	2020	2019
	US$'000	*US$'000*
Dividends attributable to the year:		
First interim, paid, US0.16 cents (2018/2019: US0.18 cents) per ordinary share	**2,700**	3,037
Second interim, declared after the end of the reporting period of US0.10 cents (2018/2019: US0.10 cents) per ordinary share	**1,687**	1,687
	4,387	4,724
Dividends paid during the year:		
Second interim, 2018/2019, US0.10 cents (2017/2018: US0.18 cents) per ordinary share *(note a)*	**1,687**	3,037
First interim, 2019/2020, US0.16 cents (2018/2019: US0.18 cents) per ordinary share *(note b)*	**2,700**	3,037
	4,387	6,074

The Board of Directors has declared a second interim dividend of US0.10 cents (2018/2019: US0.10 cents) per ordinary share in respect of the year ended 31 March 2020. The dividend will be payable on 30 July 2020 to shareholders whose names appear on the register of members of the Company at the close of business on 13 July 2020 in cash in RM or in Hong Kong Dollar ("HK$") at the average exchange rates used during the year ended 31 March 2020 for the translation of the results of the subsidiaries whose functional currencies are not US$. 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 2020 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	4.1350	0.414 sen
US$ to HK$	7.7583	HK0.776 cents

Notes:

(a) The second interim dividend of US0.10 cents per ordinary share, totaling US$1,687,000 in respect of the year ended 31 March 2019, was paid on 12 July 2019.

(b) The first interim dividend of US0.16 cents per ordinary share, totaling US$2,700,000 in respect of the year ended 31 March 2020, was paid on 30 December 2019.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Classification of financial assets at fair value through other comprehensive income

These comprise listed 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.

(ii) Equity investments at fair value through other comprehensive income

	As at 31 March	
	2020	2019
	US$'000	*US$'000*
At 1 April	**3,044**	8,979
Fair value losses charged to other comprehensive income	**(1,813)**	(5,939)
Currency translation differences	**36**	4
At 31 March *(note)*	**1,267**	3,044

Note: The balance represents the fair value of the ordinary shares of Most Kwai Chung Limited which are listed on the Main Board of the Hong Kong Stock Exchange. Dividends from the above equity investments held at fair value through other comprehensive income totaling US$135,000 (2019: nil) were recognised in the consolidated statement of profit or loss.

14. TRADE AND OTHER RECEIVABLES

	As at 31 March	
	2020	2019
	US$'000	*US$'000*
Trade receivables *(note)*	**21,730**	29,189
Less: provision for loss allowance of trade receivables	**(1,844)**	(2,068)
Trade receivables, net	**19,886**	27,121
Deposits and prepayments	**4,157**	7,036
Other receivables	**1,209**	1,788
	25,252	35,945

As at 31 March 2020 and 2019, 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 2020 and 2019, 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	
	2020	2019
	US$'000	*US$'000*
1 to 60 days	**11,819**	18,565
61 to 120 days	**5,631**	5,955
121 to 180 days	**1,423**	1,217
Over 180 days	**2,857**	3,452
	21,730	29,189

15. TRADE AND OTHER PAYABLES

	As at 31 March	
	2020	2019
	US$'000	*US$'000*
Trade payables *(note)*	**5,419**	12,905
Accrued charges and other payables	**16,909**	19,891
	22,328	32,796

As at 31 March 2020 and 2019, the fair values of trade and other payables approximated the carrying amounts.

Note: As at 31 March 2020 and 2019, 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	
	2020	2019
	US$'000	*US$'000*
1 to 60 days	**4,420**	10,993
61 to 120 days	**798**	1,718
121 to 180 days	**25**	63
Over 180 days	**176**	131
	5,419	12,905

16. BANK AND OTHER BORROWINGS

	As at 31 March	
	2020	2019
	US$'000	*US$'000*
Current		
Short-term bank borrowings (secured)	**17,650**	18,125
Short-term bank borrowings (unsecured)	**1,712**	1,787
Total bank and other borrowings	**19,362**	19,912

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

	Year ended 31 March		
	2020	2019	% Change
	(US$'000)	*(US$'000)*	
Turnover	**239,217**	285,560	**-16.2%**
Profit before income tax and provisions for impairment of goodwill, property, plant and equipment	**9,383**	11,440	**-18.0%**
Provision for impairment of goodwill	**–**	(15,227)	**100.0%**
Provision for impairment of property, plant and equipment	**(100)**	(2,750)	**96.4%**
Profit/(loss) before income tax	**9,283**	(6,537)	**242.0%**
Profit/(loss) for the year	**6,119**	(11,716)	**152.2%**
Profit/(loss) attributable to owners of the Company	**7,055**	(11,293)	**162.5%**
EBITDA	**16,586**	4,595	**261.0%**
Basic earnings/(loss) per share (US cents)	**0.42**	(0.67)	**162.7%**

OVERALL REVIEW OF OPERATIONS

For the year ended 31 March 2020, the Group recorded a turnover of US$239,217,000, a decrease of 16.2% from US$285,560,000 in the previous year. Turnover for the Group's publishing and printing segment fell 16.9% to US$161,256,000 from US$193,957,000 in the last year. Meanwhile, turnover for the travel segment was US$77,961,000, a decrease of 14.9% when compared to the previous year.

The Group reported a profit before income tax of US$9,283,000 for the current year as opposed to a loss before income tax of US$6,537,000 in the previous year. Last year's result included certain provisions for impairment of goodwill and plant and machinery totaling US$17,977,000, excluding which, current year's profit before income tax would have been 18.0% below last year's. This decline in performance was mainly attributed to the decrease in turnover from all segments, partially cushioned by cost savings.

During the year ended 31 March 2020, both the Malaysian Ringgit ("RM") and the Canadian dollar ("C$") weakened against the US dollar, resulted in negative currency impacts of approximately US$2,588,000 and US$129,000 on the Group's turnover and profit before income tax for the year respectively.

Basic earnings per share for the year ended 31 March 2020 was US0.42 cents, compared with a basic loss per share of US0.67 cents in the previous year. As at 31 March 2020, the Group's cash and cash equivalents and short-term bank deposits totaled US$73,882,000 and the Group's net assets per share attributable to owners of the Company was US9.61 cents.

Publishing and printing

Malaysia and other Southeast Asian countries

During the year ended 31 March 2020, the Malaysian economy experienced persistent weak consumer sentiment and trade activities, political drama, and climbing unemployment rate which rose to 3.9% in March 2020 from 3.4% a year ago. The situation was further impacted by the COVID-19 pandemic and the enforcement of the Movement Control Order ("MCO") since 18 March 2020.

Amid the gloomy economic conditions, the Group's operations in Malaysia recorded a turnover of US$106,294,000 for the year ended 31 March 2020, down 18.2% from US$129,906,000 a year ago. The segment recorded a profit before income tax of US$12,447,000 as against a loss before income tax of US$2,215,000 in the previous year. Last year's result included certain provisions for impairment of goodwill and plant and machinery totaling US$17,977,000. Current year's profit before income tax would have been 21.0% below last year's if the provisions were excluded.

The Group is the leading Chinese media group in Malaysia with 4 major daily newspapers and a suite of magazine titles. *Sin Chew Daily*, the flagship publication, has launched its "Digital First" campaign along with the implementation of a new editorial system, a brand new online portal and mobile app.

The Group continuously works on improving its digital platforms and enhancing its digital publications. The success of the Group's digital transformation effort was evidenced by the spike in its digital platforms' viewership during the MCO period.

To drive revenue, the Group had organised prestigious events such as the "Sin Chew Business Excellence Award", "Sin Chew Health and Wellness Award" and "Nanyang Golden Eagle Award" which recognised the achievement and contributions of the Group's outstanding business partners besides bringing their brands closer to the consumers.

At the same time, the Group constantly looks for cost optimisation initiatives to minimise the impact of declined sales volume on its operating results.

Hong Kong and Taiwan

In June 2019, Hong Kong was hit by continuous protests which lasted until December 2019. The unprecedented lengthy social unrest not only caused disruption to the city's transportation system but also forced many businesses to shutter and consumer spending to slow down considerably. Such turmoil led to Hong Kong's GDP contracting by 1.2% in 2019, its first annual decline in a decade. The COVID-19 outbreak in January 2020 further compounded the decline in the economic performance of Hong Kong. For the first quarter of 2020, the city's GDP registered an 8.9% year-on-year drop while its retail sales fell by 37%.

Amidst such a bleak economic environment, the Group's operations in Hong Kong and Taiwan recorded a total turnover of US$44,198,000 for the year in review, which reflected a decline of 12.7% when compared to the US$50,654,000 a year ago. Driven by the decline in revenue, the segment's loss before income tax widened by 55.4% to US$5,275,000 from last year's US$3,394,000.

Ming Pao Daily News, a renowned independent paper, has many readers followed its coverage of the protests and the commentaries it published on both its print and digital platforms during the protests. *Ming Pao Daily News* has also participated in various social and community-based projects funded by the government including the "Young Writers Training Programme" organised by the Standing Committee on Language Education and Research and the "Supporting Mothers' Breastfeeding Journey" Secondary School Short Video Competition held by The Department of Health.

One Media Group, the Group's listed subsidiary providing Chinese language lifestyle publications in Hong Kong and Taiwan, reported a turnover of US$8,972,000 for the year ended 31 March 2020, a decline of 29.0% when compared to the previous year. One Media Group's business has also been adversely affected by the continuous social unrest in Hong Kong since June 2019 which disrupted the retail business, especially for the luxury products, and discouraged tourism. Due to the bleak economic environment of Hong Kong, One Media Group experienced a widening of its loss before income tax to US$3,417,000 for the year in review from US$1,517,000 reported in last year.

North America

The turnover for the Group's publishing and printing operations in North America amounted to US$10,764,000 which was a 19.7% decrease from last year's US$13,397,000. The Group's business in this segment was negatively impacted by Canada's slowing economy and competition from other digital media. The COVID-19 outbreak further compounded the economic difficulties in the region. Nevertheless, this segment managed to reduce its loss before income tax to US$518,000 from US$2,267,000 in the previous year. This improvement was mainly due to cost savings from manpower and production rationalisation as well as the receipt of a grant from the local government.

Travel and travel related services

The travel segment reported a turnover of US$77,961,000 as opposed to US$91,603,000 recorded in the previous year. This 14.9% decline in turnover resulted in the segment's profit before income tax falling 25.8% year-on-year to US$3,397,000 from last year's US$4,579,000. The protests in Hong Kong have dampened people's travel desire, and the situation was made worse by the COVID-19 pandemic which brought the world to a standstill. With lockdowns and travel restrictions in place in many countries since mid-February 2020, the travel industry is facing an unprecedented challenge as the spread of the coronavirus continued.

Digital business

The Group continued to leverage on its ability to drive cross platform advertising solutions that combine the strength of its print and digital products. This has led the Group to focus on producing self curated videos which weaves the advertisers' products into its original story lines and the products can be further enhanced through its print publications. These efforts are intensified in the Group's digital businesses in both Malaysia and Hong Kong. Despite the weak business conditions in its core markets, the Group managed to report a slight increase in its digital business revenue for the year ended 31 March 2020.

As people practise social distancing amid the COVID-19 pandemic, the Group has embarked on organising virtual exhibitions and online events. *Ming Pao Daily News* successfully held a virtual "Overseas Education Fair" in March 2020 which attracted participation from international education institutions. Investment webinars were organised in April and May 2020 with participants from the United States of America, Canada, Singapore, Malaysia and the Mainland China. *Ming Pao Daily News* has also produced sponsored Facebook live videos in which doctors were invited to give advice on various health issues and preventive measures against the coronavirus disease. Furthermore, as online shopping has become increasingly popular, the Group has rolled out an e-commerce platform "PowerUp" in March 2020 to explore business opportunities in this new territory.

OUTLOOK

With the world brought down to its knees by the COVID-19 pandemic and many countries imposing lockdown or movement control restrictions, the global economy is facing and will continue to experience contraction until the pandemic comes under control and the confinement measures gradually uplifted. Despite the COVID-19 stimulus packages introduced by governments around the world including Malaysia and Hong Kong, consumer demand remains weak whilst businesses globally struggle to stay afloat. With this backdrop, the Group expects the coming financial year to be extremely challenging.

With most parts of the world experiencing lockdown in various degrees to curb the spread of COVID-19, digital platforms have become the tool for many to work from home, to communicate with each other or for governments to dispense information to their citizens. The Group hopes to adapt to this "new normal" in order to grow its market share and revenue from the digital platforms.

For the travel segment, which is one of the hardest hit businesses, the Group expects the year ahead to be challenging as travel will be greatly reduced due to the pandemic until a cure or a vaccine is found. Efforts have been taken to streamline the tour operations and ensure that the operations will have the resources necessary to get through the pandemic and restart operations once international travel resumes.

Meanwhile, the Group will continue to exercise prudent cost controls across all business units and intensify its efforts to further strengthen operational efficiency and effectiveness. Furthermore, the Group will work continuously adapting its operations in all regions to meet the crippling effects brought about by this pandemic.

PLEDGE OF ASSETS

As at 31 March 2020, certain of the Group's banking facilities were secured by the following:

(a) first legal charges on certain of the Group's leasehold land and buildings with an aggregate carrying value of US$2,943,000 at 31 March 2020 (2019: US$3,045,000) and assignment of rental income derived therefrom;

(b) corporate guarantees issued by the Company.

CONTINGENT LIABILITIES

(a) As at 31 March 2020, 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.

(b) As at 31 March 2020, the Group had short-term bank deposits of US$516,000 pledged to a bank for a bank guarantee issued.

CAPITAL COMMITMENTS

As at 31 March 2020, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in this consolidated financial information amounted to US$509,000.

The Group's authorised capital expenditure for intangible assets contracted but not provided for in this consolidated financial information amounted to US$1,000.

LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING RATIO

As at 31 March 2020, the Group's cash and cash equivalents and short-term bank deposits amounted to US$73,882,000 (2019: US$75,155,000) and total bank and other borrowings were US$19,362,000 (2019: US$19,912,000). The net cash position was US$54,520,000 (2019: US$55,243,000). Owners' equity was US$162,153,000 (2019: US$167,759,000).

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 31 March 2020 and 2019.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 March 2020, the Group had 3,359 employees (2019: 3,556 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 2020, 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, 26 August 2020. The register of members in Hong Kong will be closed on Tuesday, 18 August 2020 to Wednesday, 26 August 2020, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 17 August 2020. 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, 17 August 2020.

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, 18 August 2020 to Wednesday, 26 August 2020, both days inclusive.

CLOSURE OF THE REGISTER OF MEMBERS FOR SECOND INTERIM DIVIDEND

The register of members in Hong Kong will be closed on Monday, 13 July 2020 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 10 July 2020. 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 Monday, 13 July 2020 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 Thursday, 30 July 2020.

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, 7 July 2020 to Monday, 13 July 2020, 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 should seek annual shareholders' approval through a 2-tier voting process if to retain an independent director who serves more than 12 years; (iii) the Board must have at least 30% women directors; (iv) 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 (v) 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 2019/20.

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 2020 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 2020, 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

24 June 2020

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.