

# 世界 華文

媒體 MEDIA CHINESE

## Interim Report 2018/19

世界華文媒體有限公司  
Media Chinese International Limited

**明報**  
MING PAO DAILY NEWS

**星洲日報**  
SIN CHEW DAILY

**南洋商報**  
NANYANG SIANG PAU

**中國報**  
CHINA PRESS

**光明日報**  
Guang Ming Daily

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the six months ended 30 September 2018

		<b>(Unaudited)</b>	
		<b>Six months ended 30 September</b>	
		<b>2018</b>	<b>2017</b>
	<i>Note</i>	<b>US\$'000</b>	<b>US\$'000</b>
Turnover	8	<b>167,701</b>	153,643
Cost of goods sold	11	<b>(116,613)</b>	(103,365)
<b>Gross profit</b>		<b>51,088</b>	50,278
Other income	9	<b>4,080</b>	3,758
Other losses, net	10	<b>(346)</b>	(99)
Selling and distribution expenses	11	<b>(26,467)</b>	(25,649)
Administrative expenses	11	<b>(15,360)</b>	(15,646)
Other operating expenses	11	<b>(2,295)</b>	(2,419)
<b>Operating profit</b>		<b>10,700</b>	10,223
Finance costs	12	<b>(1,464)</b>	(1,311)
Share of post-tax results of joint ventures and associates		<b>–</b>	84
<b>Profit before income tax</b>		<b>9,236</b>	8,996
Income tax expense	13	<b>(3,654)</b>	(3,848)
<b>Profit for the period</b>		<b>5,582</b>	5,148
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		<b>6,038</b>	5,724
Non-controlling interests		<b>(456)</b>	(576)
		<b>5,582</b>	5,148
<b>Earnings per share attributable to owners of the Company</b>			
Basic (US cents)	14	<b>0.36</b>	0.34
Diluted (US cents)	14	<b>0.36</b>	0.34

The notes on pages 8 to 34 are an integral part of this interim financial information.

## CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2018

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

The notes on pages 8 to 34 are an integral part of this interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 September 2018

		(Unaudited) As at 30 September 2018 US\$'000	(Audited) As at 31 March 2018 US\$'000
	Note		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16	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
		<b>130,335</b>	<b>147,047</b>
<b>Current assets</b>			
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	17	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
		<b>183,293</b>	<b>184,710</b>
<b>Current liabilities</b>			
Trade and other payables	18	41,789	51,753
Contract liabilities		14,755	–
Income tax liabilities		1,250	773
Bank and other borrowings	19	59,228	68,447
Current portion of other non-current liabilities	21	73	78
		<b>117,095</b>	<b>121,051</b>
<b>Net current assets</b>		<b>66,198</b>	<b>63,659</b>
<b>Total assets less current liabilities</b>		<b>196,533</b>	<b>210,706</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

		(Unaudited) As at 30 September 2018 US\$'000	(Audited) As at 31 March 2018 US\$'000
	Note		
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	22	21,715	21,715
Share premium	22	54,664	54,664
Other reserves		(114,788)	(100,380)
Retained earnings		224,677	221,670
		<b>186,268</b>	197,669
<b>Non-controlling interests</b>		<b>2,110</b>	4,099
<b>Total equity</b>		<b>188,378</b>	201,768
<b>Non-current liabilities</b>			
Deferred income tax liabilities		6,563	7,405
Other non-current liabilities	21	1,592	1,533
		<b>8,155</b>	8,938
		<b>196,533</b>	210,706

The notes on pages 8 to 34 are an integral part of this interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30 September 2018

(Unaudited)

	Note	Attributable to owners of the Company					Non-	Total equity
		Share capital	Share premium	Other reserves	Retained earnings	Sub-total	controlling interests	
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>At 1 April 2017</b>		21,715	54,664	(126,266)	243,581	193,694	3,621	197,315
<b>Profit/(loss) for the period</b>		–	–	–	5,724	5,724	(576)	5,148
<b>Other comprehensive income</b>								
Item that may be reclassified subsequently to profit or loss:								
Currency translation differences		–	–	7,194	–	7,194	17	7,211
<b>Other comprehensive income, net of tax</b>		–	–	7,194	–	7,194	17	7,211
<b>Total comprehensive income/(loss) for the period ended 30 September 2017</b>		–	–	7,194	5,724	12,918	(559)	12,359
<b>Total transactions with owners, recognised directly in equity</b>								
2016/2017 second interim dividend paid	15	–	–	–	(6,074)	(6,074)	–	(6,074)
2016/2017 interim dividend paid by an unlisted subsidiary		–	–	–	–	–	(4)	(4)
2017/2018 interim dividend paid by an unlisted subsidiary		–	–	–	–	–	–*	–*
Transaction with non-controlling interests		–	–	–	159	159	(429)	(270)
		–	–	–	(5,915)	(5,915)	(433)	(6,348)
<b>At 30 September 2017</b>		21,715	54,664	(119,072)	243,390	200,697	2,629	203,326

\* negligible



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2018

	Note	(Unaudited) Attributable to owners of the Company					Non- controlling interests US\$'000	Total equity US\$'000
		Share capital US\$'000	Share premium US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Sub-total US\$'000		
At 1 April 2018, as previously reported		21,715	54,664	(100,380)	221,670	197,669	4,099	201,768
Effects of adoption of IFRS 9 (note 4)		-	-	-	6	6	-	6
At 1 April 2018, as restated		21,715	54,664	(100,380)	221,676	197,675	4,099	201,774
Profit/(loss) for the period		-	-	-	6,038	6,038	(456)	5,582
<b>Other comprehensive (loss)/income</b>								
<b>Items that have been reclassified or may be reclassified subsequently to profit or loss:</b>								
Currency translation differences		-	-	(10,364)	-	(10,364)	(32)	(10,396)
Currency translation differences released upon disposal of subsidiaries		-	-	157	-	157	58	215
<b>Item that will not be reclassified subsequently to profit or loss:</b>								
Changes in the fair value of equity investments at fair value through other comprehensive income		-	-	(4,201)	-	(4,201)	(1,558)	(5,759)
Other comprehensive loss, net of tax		-	-	(14,408)	-	(14,408)	(1,532)	(15,940)
Total comprehensive (loss)/income for the period ended 30 September 2018		-	-	(14,408)	6,038	(8,370)	(1,988)	(10,358)
<b>Total transactions with owners, recognised directly in equity</b>								
2017/2018 second interim dividend paid	15	-	-	-	(3,037)	(3,037)	-	(3,037)
2017/2018 interim dividend paid by an unlisted subsidiary		-	-	-	-	-	-*	-*
2018/2019 interim dividend paid by an unlisted subsidiary		-	-	-	-	-	(1)	(1)
		-	-	-	(3,037)	(3,037)	(1)	(3,038)
At 30 September 2018		21,715	54,664	(114,788)	224,677	186,268	2,110	188,378

\* negligible

The notes on pages 8 to 34 are an integral part of this interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six months ended 30 September 2018

		<b>(Unaudited)</b>	
		<b>Six months ended 30 September</b>	
		<b>2018</b>	<b>2017</b>
	<i>Note</i>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations		<b>21,729</b>	16,390
Interest paid		<b>(1,432)</b>	(1,290)
Income tax paid		<b>(2,807)</b>	(3,030)
Net cash generated from operating activities		<b>17,490</b>	12,070
<b>Cash flows from investing activities</b>			
Dividends received		<b>13</b>	12
Decrease/(increase) in short-term bank deposits with original maturity over three months		<b>5,621</b>	(2,280)
Interest received		<b>1,633</b>	1,105
Proceeds from disposal of property, plant and equipment		<b>45</b>	9
Purchases of intangible assets		<b>(52)</b>	(91)
Purchases of other non-current financial assets		<b>–</b>	(115)
Purchases of property, plant and equipment	16	<b>(891)</b>	(287)
Net cash generated from/(used in) investing activities		<b>6,369</b>	(1,647)
<b>Cash flows from financing activities</b>			
Dividends paid	15	<b>(3,037)</b>	(6,074)
Dividends paid to non-controlling interests by an unlisted subsidiary		<b>(1)</b>	(4)
Proceeds from bank and other borrowings		<b>3,968</b>	9,911
Repayments of bank and other borrowings		<b>(9,150)</b>	(4,499)
Transaction with non-controlling interests		<b>–</b>	(270)
Net cash used in financing activities		<b>(8,220)</b>	(936)
<b>Net increase in cash and cash equivalents</b>		<b>15,639</b>	9,487
Cash and cash equivalents at beginning of period		<b>101,923</b>	79,946
Exchange adjustments on cash and cash equivalents		<b>(5,641)</b>	2,911
<b>Cash and cash equivalents at end of period</b>		<b>111,921</b>	92,344

The notes on pages 8 to 34 are an integral part of this interim financial information.



# NOTES TO THE INTERIM FINANCIAL INFORMATION

## 1 GENERAL INFORMATION

Media Chinese International Limited (the “Company”) is a limited liability company incorporated in Bermuda. Its registered address is Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda.

The Company is an investment holding company. The principal activities of its subsidiaries are publishing, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language, and the provision of travel and travel related services in Hong Kong, Taiwan, Mainland China, North America, Malaysia and other Southeast Asian countries. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “HK Stock Exchange”) since 22 March 1991 and subsequently dual-listed on Bursa Malaysia Securities Berhad (“Bursa Securities”) on 30 April 2008.

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”) is presented in United States dollars (“US\$”) unless otherwise stated. This interim financial information has been approved for issue by the Board of Directors on 29 November 2018.

This interim financial information has not been audited.

## 2 BASIS OF PREPARATION

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 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”).

## 3 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.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 3 ACCOUNTING POLICIES (Continued)

#### (a) *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 4 below. The other new standards did not have any material impact on the Group’s accounting policies and did not require retrospective adjustments.

#### (b) *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

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 3 ACCOUNTING POLICIES (Continued)

#### *(b) 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* (Continued)

##### **(1) 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.

### 4 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 4(a)(1) and 4(a)(2) below. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 4 CHANGES IN ACCOUNTING POLICIES (Continued)

## (a) IFRS 9 Financial Instruments — Impact of adoption (Continued)

## (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:

	Note	Non-current assets		Current assets	
		Financial assets at fair value through other comprehensive income US\$'000	Available- for-sale financial assets US\$'000	Financial assets at fair value through profit or loss US\$'000	Available- for-sale financial assets US\$'000
<b>Closing balance 31 March 2018</b>					
– 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)	–	–
<b>Opening balance 1 April 2018</b>					
– IFRS 9		8,979	–	457	–

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 4 CHANGES IN ACCOUNTING POLICIES (Continued)

#### (a) IFRS 9 Financial Instruments — Impact of adoption (Continued)

##### (1) Classification and measurement (Continued)

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
<b>Closing balance 31 March 2018 — IAS 39</b>		<b>4,295</b>	<b>–</b>
Reclassify investments from AFS to FVOCI	(ii)	(4,295)	4,295
<b>Opening balance 1 April 2018 — IFRS 9</b>		<b>–</b>	<b>4,295</b>

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.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 4 CHANGES IN ACCOUNTING POLICIES (Continued)

#### (a) IFRS 9 Financial Instruments — Impact of adoption (Continued)

##### (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.



## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 4 CHANGES IN ACCOUNTING POLICIES (Continued)

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

##### (1) Investments and other financial assets (Continued)

###### *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 within "Other gains/(losses), net" in the period in which it arises.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 4 CHANGES IN ACCOUNTING POLICIES (Continued)

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

##### (1) Investments and other financial assets (Continued)

###### *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.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 4 CHANGES IN ACCOUNTING POLICIES (Continued)

#### (c) *IFRS 15 Revenue from Contracts with Customers — Impact of adoption* (Continued)

##### (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.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 4 CHANGES IN ACCOUNTING POLICIES (Continued)

#### (c) IFRS 15 Revenue from Contracts with Customers — Impact of adoption (Continued)

##### (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:

Condensed consolidated statement of financial position (extract)	As at 1 April 2018		
	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

### 5 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 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.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 6 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2018.

### 7 FINANCIAL RISK MANAGEMENT

#### 7.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and foreign exchange risk), credit risk and liquidity risk.

This interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2018.

There have been no significant changes in the Group's risk management policy since 31 March 2018.

#### 7.2 Liquidity risk

Compared to 31 March 2018, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

#### 7.3 Fair value estimation

For financial instruments that are measured at fair value, the Group classifies fair value measurements using a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The fair value hierarchy has the following levels:

- |         |   |  |
|---------|---|--|
| Level 1 | – | Quoted prices (unadjusted) in active markets for identical assets or liabilities.  |
| Level 2 | – | Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). |
| Level 3 | – | Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).   |

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 7 FINANCIAL RISK MANAGEMENT (Continued)

## 7.3 Fair value estimation (Continued)

The following table presents the Group's assets that are measured at fair value at 30 September 2018:

	(Unaudited)			
	Level 1	Level 2	Level 3	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Financial assets at fair value through profit or loss				
Listed equity securities	367	–	–	367
Unlisted club debentures	–	–	96	96
Financial assets at fair value through other comprehensive income				
Listed equity securities	3,234	–	–	3,234
	3,601	–	96	3,697

The following table presents the Group's assets that are measured at fair value at 31 March 2018:

	(Audited)			
	Level 1	Level 2	Level 3	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Financial assets at fair value through profit or loss				
Listed equity securities	361	–	–	361
Available-for-sale financial assets				
Unlisted club debentures	–	–	96	96
Listed equity securities	8,979	–	–	8,979
	9,340	–	96	9,436



## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 7 FINANCIAL RISK MANAGEMENT (Continued)

#### 7.3 Fair value estimation (Continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the entity-specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

There was no transfer between level 1 and level 2 of the fair value hierarchy during the period. There was no change during the period attributable to level 3 of the fair value hierarchy.

### 8 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 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.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 8 TURNOVER AND SEGMENT INFORMATION (Continued)

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 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	Total 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)

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 8 TURNOVER AND SEGMENT INFORMATION (Continued)

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				Travel and travel related services	Total
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong, Taiwan and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	US\$'000	US\$'000
<b>Turnover</b>	69,251	26,140	7,828	103,219	50,424	153,643
<b>Segment profit/(loss) before income tax</b>	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)
<b>Profit for the period</b>						5,148
<b>Other segmental information:</b>						
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

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 8 TURNOVER AND SEGMENT INFORMATION (Continued)

*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 period is disaggregated as follows:

	(Unaudited)	
	Six months ended 30 September	
	2018	2017
	US\$'000	US\$'000
<b>By major product or service lines</b>		
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
	<b>167,701</b>	<b>153,643</b>

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

	(Unaudited)						
	Publishing and printing				Travel and travel related services		Total US\$'000
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong, Taiwan and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	US\$'000	Elimination US\$'000	
<b>Segment assets</b>	231,598	42,409	10,779	284,786	28,676	(1,274)	312,188
Unallocated assets							1,440
<b>Total assets</b>							<b>313,628</b>
<b>Total assets include:</b>							
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
<b>Segment liabilities</b>	(22,600)	(17,906)	(7,066)	(47,572)	(14,948)	1,274	(61,246)
Unallocated liabilities							(64,004)
<b>Total liabilities</b>							<b>(125,250)</b>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 8 TURNOVER AND SEGMENT INFORMATION (Continued)

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

	(Audited)						
	Publishing and printing				Travel and travel related services	Elimination	Total
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong, Taiwan and Mainland China US\$'000	North America US\$'000	Sub-total US\$'000	US\$'000	US\$'000	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.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 8 TURNOVER AND SEGMENT INFORMATION (Continued)

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 US\$'000	(Audited) As at 31 March 2018 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
	<b>130,093</b>	<b>146,804</b>

### 9 OTHER INCOME

	(Unaudited) Six months ended 30 September 2018 US\$'000	2017 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
	<b>4,080</b>	<b>3,758</b>



## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 10 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)
	<b>(346)</b>	<b>(99)</b>

### 11 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	<b>160,735</b>	<b>147,079</b>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 12 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
	<b>1,464</b>	<b>1,311</b>

## 13 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)
	<b>3,654</b>	<b>3,848</b>

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

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 14 EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

### 15 DIVIDENDS

	<b>(Unaudited)</b>	
	<b>Six months ended 30 September</b>	
	<b>2018</b>	<b>2017</b>
<b>Dividend attributable to the period:</b>		
First interim, proposed, US0.18 cents (2017/2018: US0.25 cents) per ordinary share	<b>3,037</b>	4,218
<b>Dividend paid during the period:</b>		
Second interim, 2017/2018, US0.18 cents (2016/2017: US0.36 cents) per ordinary share (note a)	<b>3,037</b>	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 in the year ending 31 March 2019.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 15 DIVIDENDS (Continued)

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.

### 16 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2018, the Group acquired property, plant and equipment at a cost of US\$891,000 (six months ended 30 September 2017: US\$287,000) and disposed of property, plant and equipment with a carrying amount of US\$17,000 (six months ended 30 September 2017: US\$9,000).

### 17 TRADE AND OTHER RECEIVABLES

	(Unaudited) As at 30 September 2018 US\$'000	(Audited) As at 31 March 2018 US\$'000
Trade receivables ( <i>note</i> )	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
	<b>39,088</b>	44,820

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

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 17 TRADE AND OTHER RECEIVABLES (Continued)

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
	<b>33,668</b>	<b>36,796</b>

### 18 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
	<b>41,789</b>	<b>51,753</b>

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
	<b>19,375</b>	<b>12,750</b>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 19 BANK AND OTHER BORROWINGS

	(Unaudited) As at 30 September 2018 US\$'000	(Audited) As at 31 March 2018 US\$'000
<b>Current</b>		
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
<b>Total bank and other borrowings</b>	<b>59,228</b>	68,447

## 20 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	(Audited) As at 31 March 2018 US\$'000	(Unaudited) Net cash outflows US\$'000	(Unaudited) Non-cash changes Foreign exchange movement US\$'000	(Unaudited) As at 30 September 2018 US\$'000
Short-term bank borrowings	10,202	(5,182)	(186)	4,834
Medium-term notes	58,245	–	(3,851)	54,394
Total liabilities from financing activities	68,447	(5,182)	(4,037)	59,228

## 21 OTHER NON-CURRENT LIABILITIES

	(Unaudited) As at 30 September 2018 US\$'000	(Audited) As at 31 March 2018 US\$'000
Retirement benefit obligations	787	816
Defined benefit plan liabilities	878	795
Current portion of other non-current liabilities	1,665 (73)	1,611 (78)
	<b>1,592</b>	1,533



## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 22 SHARE CAPITAL AND PREMIUM

	Number of ordinary shares	Issued share capital US\$'000	Share premium US\$'000	Total US\$'000
At 1 April 2018 and 30 September 2018	1,687,236,241	21,715	54,664	76,379

The number of authorised ordinary shares is 2,500 million shares (31 March 2018: 2,500 million shares) with a par value of HK\$0.10 per share. All issued shares are fully paid.

### 23 CAPITAL COMMITMENTS

Capital commitments outstanding as at 30 September 2018 and 31 March 2018 are as follows:

	(Unaudited) As at 30 September 2018 US\$'000	(Audited) As at 31 March 2018 US\$'000
Property, plant and equipment:		
Authorised and contracted for	1,476	123
Authorised but not contracted for	51	98
	1,527	221

### 24 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.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 25 RELATED PARTY TRANSACTIONS

## (a) Related party transactions

	(Unaudited)	
	Six months ended 30 September	
	2018	2017
	US\$'000	US\$'000
Air tickets purchased from a related company (note 1)	2	2
Newsprint purchases from a related company (note 1)	725	7,707
Provision of engineering professional services by a related company (note 1)	24	22
Rental expenses paid to related companies (note 1)	46	42
Commission received from sales of honey from a related company (note 1)	(1)	(3)
Provision of accounting and administrative services to related companies (note 1)	(8)	(8)
Provision of editorial pagination services to a related company (note 1)	(29)	–
Scrap sales of old newspapers and magazines to a related company (note 1)	(98)	(474)
Advertising income received from related companies (note 1)	–	(5)
Event sponsorship commission paid to a related company (note 1)	–	3
Motor vehicle insurance premiums paid to a related company (note 1)	–	1
Photo licensing income received from an associate	–	(1)
Provision of accounting service to an associate	–	(78)
Provision of air ticketing and accommodation arrangement services to related companies (note 1)	–	(29)
Provision of broadband internet services by a related company (note 1)	–	1
Purchases of honey from a related company (note 1)	–	1
Rental income received from a related company (note 1)	–	(2)

## Notes:

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

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 25 RELATED PARTY TRANSACTIONS (Continued)

#### (b) Key management compensation

Key management comprised members of the Group's executive committees, some of whom are directors of the Company. The compensation paid or payable to the key management for employee services is shown below:

	<b>(Unaudited)</b>	
	<b>Six months ended 30 September</b>	
	<b>2018</b>	<b>2017</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Directors' fees, basic salaries, bonuses, other allowances and benefits in kind ( <i>note</i> )	<b>951</b>	1,056
Employer's contribution to pension schemes	<b>52</b>	63
	<b>1,003</b>	1,119

*Note:* Other benefits in kind included housing, use of company cars, air tickets for home trips, insurance coverage and club membership.

#### (c) Balances with related parties

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>As at</b>	<b>As at</b>
	<b>30 September</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Receivables from related companies	<b>3</b>	18
Payables to related companies	<b>(3)</b>	(689)

#### (d) Ultimate controlling party

The ultimate controlling party of the Group is Tan Sri Datuk Sir TIONG Hiew King, who is a non-executive director and the controlling shareholder holding an aggregate equity of 50.62% in the Company as at 30 September 2018. Details of interests held by Tan Sri Datuk Sir TIONG Hiew King in the Company are set out in paragraph (a) "Interests and short positions in the shares, underlying shares and debentures of the Company" on page 40.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL HIGHLIGHTS

(US\$'000)	(Unaudited)		
	For the six months ended 30 September		
	2018	2017	% change
Turnover	<b>167,701</b>	153,643	9.1%
Profit before income tax	<b>9,236</b>	8,996	2.7%
EBITDA	<b>13,256</b>	13,714	-3.3%
Basic earnings per share (US cents)	<b>0.36</b>	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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### SEGMENTAL REVIEW (Continued)

#### *Publishing and printing segment* (Continued)

##### **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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### SEGMENTAL REVIEW (Continued)

#### *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](http://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](http://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](http://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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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.

### 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.



## OTHER INFORMATION

### INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS HELD BY THE DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES

As at 30 September 2018, the interests and short positions of the directors, chief executives and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the HK Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "HK Model Code") contained in Appendix 10 of the HK Listing Rules are as follows:

#### (a) *Interests and short positions in the shares, underlying shares and debentures of the Company*

Name of director	Number of shares held				% of issued ordinary shares at 30 September 2018
	Personal interests	Family interests	Corporate interests	Total interests in shares	
Dato' Sri Dr TIONG Ik King	14,144,189	–	252,487,700 (note 1)	266,631,889	15.80%
Tan Sri Datuk Sir TIONG Hiew King	87,109,058	234,566 (note 2)	766,734,373 (note 3)	854,077,997	50.62%
Ms TIONG Choon	2,654,593	1,023,632	653,320	4,331,545	0.26%
Mr TIONG Kiew Chiong	3,355,539	–	–	3,355,539	0.20%
Mr LEONG Chew Meng	80,000	–	–	80,000	—*

All the interests stated above represent long positions in the shares of the Company.

\* negligible

Notes:

- (1) Conch Company Limited ("Conch") holds 252,487,700 shares of the Company. 40% of the interest in Conch is held by Seaview Global Company Limited, a company jointly owned by Dato' Sri Dr TIONG Ik King and Tan Sri Datuk Sir TIONG Hiew King. In addition, Dato' Sri Dr TIONG Ik King and Tan Sri Datuk Sir TIONG Hiew King directly hold 22% and 25% of the interest in Conch respectively.
- (2) Tan Sri Datuk Sir TIONG Hiew King is deemed to be interested in the shares by virtue of his spouse's interest in 234,566 shares.
- (3) The corporate interests of 766,734,373 shares of the Company held by Tan Sri Datuk Sir TIONG Hiew King comprise:
  - (i) 296,463,556 shares held by Progresif Growth Sdn Bhd ("Progresif");
  - (ii) 252,487,700 shares held by Conch;
  - (iii) 75,617,495 shares held by Ezywood Options Sdn Bhd ("Ezywood");
  - (iv) 65,319,186 shares held by Teck Sing Lik Enterprise Sdn Bhd ("TSL");
  - (v) 52,875,120 shares held by Madigreen Sdn Bhd ("Madigreen");
  - (vi) 15,536,696 shares held by Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS");
  - (vii) 6,532,188 shares held by Rimbunan Hijau Southeast Asia Sdn Bhd ("RHSA");
  - (viii) 1,902,432 shares held by Pertumbuhan Abadi Asia Sdn Bhd ("PAA").

Tan Sri Datuk Sir TIONG Hiew King directly holds 84% interest in TSL and 99.99% interest in PAA. In addition, Tan Sri Datuk Sir TIONG Hiew King, TSL and PAA directly and indirectly hold 52.38% interest in both RHS and RHSA, 75% interest in Madigreen, 45% interest in Progresif and 70% interest in Ezywood. The details of shares held by Conch are set out in note 1 above.

## OTHER INFORMATION

**INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS HELD BY THE DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES** (Continued)

**(b) Interests and short positions in the shares, underlying shares and debentures of One Media**

Name of director	Number of shares held			% of issued ordinary shares of One Media at 30 September 2018
	Personal interests	Corporate interests (note 1)	Total interests in shares	
Dato' Sri Dr TIONG Ik King	–	292,700,000	292,700,000	73.01%
Tan Sri Datuk Sir TIONG Hiew King	–	292,700,000	292,700,000	73.01%
Ms TIONG Choon	26,000	–	26,000	0.01%

All the interests stated above represent long positions in the shares of One Media.

Note:

- (1) Dato' Sri Dr TIONG Ik King and Tan Sri Datuk Sir TIONG Hiew King are deemed interested in 292,700,000 shares in One Media held by Cornwell Investment Limited which is an indirect wholly-owned subsidiary of the Company. Dato' Sri Dr TIONG Ik King and Tan Sri Datuk Sir TIONG Hiew King are deemed interested in 15.80% and 50.62% of the Company's shares respectively. Details of their shareholdings in the Company are set out in paragraph (a) "Interests and short positions in the shares, underlying shares and debentures of the Company" on page 40.

Save as disclosed above, as at 30 September 2018, none of the directors, chief executives and their associates had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO), which are required to be recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the HK Stock Exchange pursuant to the HK Model Code.

At no time during the six months ended 30 September 2018 were rights to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company granted to any directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company or its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire such rights in any other body corporate.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2018, the following persons (other than the directors and chief executives of the Company) had interests of 5% or more in the shares of the Company as recorded in the register required to be kept under Section 336 of Part XV of the SFO:

Name of shareholder	Number of ordinary shares held	Percentage of issued ordinary shares
Progresif Growth Sdn Bhd ( <i>note 1</i> )	296,463,556	17.57%
Conch Company Limited ( <i>note 2</i> )	252,487,700	14.96%

All the interests stated above represent long positions in the shares of the Company.

Notes:

- (1) Tan Sri Datuk Sir TIONG Hiew King holds, directly and indirectly, 45% interest in Progresif.
- (2) The details of shares held by Conch are set out in note 1 of paragraph (a) "Interests and short positions in the shares, underlying shares and debentures of the Company " on page 40.

Save as disclosed above and those disclosed under "Interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations held by the directors, chief executives and their associates", the Company had not been notified of any other persons or corporations who had interests or short positions representing 5% or more of the issued share capital of the Company as at 30 September 2018.

### 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.

## OTHER INFORMATION

### 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 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.

### 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.

## OTHER INFORMATION

### 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) 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 was established on 30 March 1999. It currently has three members, namely, Mr YU Hon To, David (Chairman), Datuk CHONG Kee Yuon and Mr KHOO Kar Khoon, all of them are INEDs. The Audit Committee meets regularly with the management and the external auditor to discuss the audit process and accounting issues, and reviews the effectiveness of the Group’s risk management and internal control systems.

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.

## OTHER INFORMATION

### REMUNERATION COMMITTEE

The Remuneration Committee was established on 25 May 2005 with specific terms of reference that specify its authorities and duties. It currently has five members, namely, Datuk CHONG Kee Yuon (Chairman), Mr YU Hon To, David, Mr KHOO Kar Khoon, Mr TIONG Kiew Chiong and Mr LEONG Chew Meng. Except for Mr TIONG Kiew Chiong and Mr LEONG Chew Meng who are an executive director, the rest of the members are all INEDs. The Remuneration Committee is responsible for the review of the Company's policies for the remuneration of its directors and senior management and the making of any recommendations in relation to such policies to the Board.

### NOMINATION COMMITTEE

The Nomination Committee was established on 25 May 2005 with specific terms of reference that specify its authorities and duties. It currently has three members, namely, Mr KHOO Kar Khoon (Chairman), Mr YU Hon To, David and Datuk CHONG Kee Yuon, all of them are INEDs. The Nomination Committee's responsibilities include reviewing the structure, size and composition of the Board on a regular basis and making recommendations to the Board regarding any proposed changes.

By Order of the Board

**MEDIA CHINESE INTERNATIONAL LIMITED**

**TIONG Kiew Chiong**

*Director*

29 November 2018

*As at the date of this interim financial information, 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.*

## ADDITIONAL INFORMATION

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2018

	<b>(Unaudited)</b>	
	<b>Six months ended 30 September</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(note)</b>	<b>(note)</b>
Turnover	<b>693,696</b>	635,544
Cost of goods sold	<b>(482,370)</b>	(427,569)
<b>Gross profit</b>	<b>211,326</b>	207,975
Other income	<b>16,877</b>	15,545
Other losses, net	<b>(1,431)</b>	(410)
Selling and distribution expenses	<b>(109,481)</b>	(106,097)
Administrative expenses	<b>(63,537)</b>	(64,720)
Other operating expenses	<b>(9,493)</b>	(10,006)
<b>Operating profit</b>	<b>44,261</b>	42,287
Finance costs	<b>(6,056)</b>	(5,423)
Share of post-tax results of joint ventures and associates	<b>–</b>	347
<b>Profit before income tax</b>	<b>38,205</b>	37,211
Income tax expense	<b>(15,115)</b>	(15,916)
<b>Profit for the period</b>	<b>23,090</b>	21,295
<b>Profit/(loss) attributable to:</b>		
Owners of the Company	<b>24,976</b>	23,678
Non-controlling interests	<b>(1,886)</b>	(2,383)
	<b>23,090</b>	21,295
<b>Earnings per share attributable to owners of the Company</b>		
Basic (sen)	<b>1.49</b>	1.41
Diluted (sen)	<b>1.49</b>	1.41

Note: The presentation currency of this unaudited interim financial information is US\$. Supplementary information in RM for the period ended 30 September 2018 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.1365 ruling at 30 September 2018. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

## ADDITIONAL INFORMATION

### CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2018

	(Unaudited)	
	Six months ended 30 September	
	2018	2017
	RM'000	RM'000
	(note)	(note)
<b>Profit for the period</b>	<b>23,090</b>	21,295
<b>Other comprehensive (loss)/income</b>		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Currency translation differences	(43,003)	29,828
Currency translation differences released upon disposal of subsidiaries	889	—
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	(23,822)	—
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(65,936)</b>	29,828
<b>Total comprehensive (loss)/income for the period</b>	<b>(42,846)</b>	51,123
<b>Total comprehensive (loss)/income for the period attributable to:</b>		
Owners of the Company	(34,623)	53,435
Non-controlling interests	(8,223)	(2,312)
	<b>(42,846)</b>	51,123

Note: The presentation currency of this unaudited interim financial information is US\$. Supplementary information in RM for the period ended 30 September 2018 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.1365 ruling at 30 September 2018. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.



## ADDITIONAL INFORMATION

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

	(Unaudited) As at 30 September 2018 RM'000 (note)	(Unaudited) As at 31 March 2018 RM'000 (note)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	357,501	389,878
Investment properties	64,484	67,992
Intangible assets	102,176	111,119
Deferred income tax assets	1,001	1,005
Investments accounted for using the equity method	592	592
Financial assets at fair value through other comprehensive income	13,377	–
Available-for-sale financial assets	–	37,140
Other non-current financial assets	–	534
	<b>539,131</b>	<b>608,260</b>
<b>Current assets</b>		
Inventories	76,505	73,001
Available-for-sale financial assets	–	397
Financial assets at fair value through profit or loss	1,915	1,493
Trade and other receivables	161,688	185,398
Income tax recoverable	2,627	6,412
Short-term bank deposits	52,496	75,748
Cash and cash equivalents	462,961	421,604
	<b>758,192</b>	<b>764,053</b>
<b>Current liabilities</b>		
Trade and other payables	172,860	214,075
Contract liabilities	61,034	–
Income tax liabilities	5,171	3,198
Bank and other borrowings	244,997	283,131
Current portion of other non-current liabilities	302	323
	<b>484,364</b>	<b>500,727</b>
<b>Net current assets</b>	<b>273,828</b>	<b>263,326</b>
<b>Total assets less current liabilities</b>	<b>812,959</b>	<b>871,586</b>

## ADDITIONAL INFORMATION

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

	(Unaudited) As at 30 September 2018 RM'000 (note)	(Unaudited) As at 31 March 2018 RM'000 (note)
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	89,824	89,824
Share premium	226,118	226,118
Other reserves	(474,821)	(415,222)
Retained earnings	929,376	916,938
	<b>770,497</b>	817,658
<b>Non-controlling interests</b>	<b>8,729</b>	16,956
<b>Total equity</b>	<b>779,226</b>	834,614
<b>Non-current liabilities</b>		
Deferred income tax liabilities	27,148	30,631
Other non-current liabilities	6,585	6,341
	<b>33,733</b>	36,972
	<b>812,959</b>	871,586

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## ADDITIONAL INFORMATION

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2018

	(Unaudited)						
	Attributable to owners of the Company						
	Share capital <i>RM'000</i> <i>(note)</i>	Share premium <i>RM'000</i> <i>(note)</i>	Other reserves <i>RM'000</i> <i>(note)</i>	Retained earnings <i>RM'000</i> <i>(note)</i>	Sub-total <i>RM'000</i> <i>(note)</i>	Non-controlling interests <i>RM'000</i> <i>(note)</i>	Total equity <i>RM'000</i> <i>(note)</i>
At 1 April 2017	89,824	226,118	(522,299)	1,007,572	801,215	14,978	816,193
Profit/(loss) for the period	–	–	–	23,678	23,678	(2,383)	21,295
Other comprehensive income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	–	–	29,758	–	29,758	70	29,828
Other comprehensive income, net of tax	–	–	29,758	–	29,758	70	29,828
Total comprehensive income/(loss) for the period ended 30 September 2017	–	–	29,758	23,678	53,436	(2,313)	51,123
Total transactions with owners, recognised directly in equity							
2016/2017 second interim dividend paid	–	–	–	(25,125)	(25,125)	–	(25,125)
2016/2017 interim dividend paid by an unlisted subsidiary	–	–	–	–	–	(17)	(17)
2017/2018 interim dividend paid by an unlisted subsidiary	–	–	–	–	–	–*	–*
Transaction with non-controlling interests	–	–	–	658	658	(1,775)	(1,117)
	–	–	–	(24,467)	(24,467)	(1,792)	(26,259)
At 30 September 2017	89,824	226,118	(492,541)	1,006,783	830,184	10,873	841,057

\* negligible

## ADDITIONAL INFORMATION

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2018

	(Unaudited) Attributable to owners of the Company					Non- controlling interests RM'000 (note)	Total equity RM'000 (note)
	Share capital RM'000 (note)	Share premium RM'000 (note)	Other reserves RM'000 (note)	Retained earnings RM'000 (note)	Sub-total RM'000 (note)		
At 1 April 2018, as previously reported	89,824	226,118	(415,222)	916,938	817,658	16,956	834,614
Effects of adoption of IFRS 9	-	-	-	25	25	-	25
At 1 April 2018, as restated	89,824	226,118	(415,222)	916,963	817,683	16,956	834,639
Profit/(loss) for the period	-	-	-	24,976	24,976	(1,886)	23,090
<b>Other comprehensive (loss)/income</b>							
Items that have been reclassified or may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(42,871)	-	(42,871)	(132)	(43,003)
Currency translation differences released upon disposal of subsidiaries	-	-	649	-	649	240	889
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	-	-	(17,377)	-	(17,377)	(6,445)	(23,822)
<b>Other comprehensive loss, net of tax</b>	-	-	(59,599)	-	(59,599)	(6,337)	(65,936)
<b>Total comprehensive (loss)/income for the period ended 30 September 2018</b>	-	-	(59,599)	24,976	(34,623)	(8,223)	(42,846)
<b>Total transactions with owners, recognised directly in equity</b>							
2017/2018 second interim dividend paid	-	-	-	(12,563)	(12,563)	-	(12,563)
2017/2018 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	-*	-*
2018/2019 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(4)	(4)
	-	-	-	(12,563)	(12,563)	(4)	(12,567)
<b>At 30 September 2018</b>	<b>89,824</b>	<b>226,118</b>	<b>(474,821)</b>	<b>929,376</b>	<b>770,497</b>	<b>8,729</b>	<b>779,226</b>

\* negligible

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## ADDITIONAL INFORMATION

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2018

	(Unaudited)	
	Six months ended 30 September	
	2018	2017
	RM'000	RM'000
	(note)	(note)
<b>Cash flows from operating activities</b>		
Cash generated from operations	89,882	67,797
Interest paid	(5,923)	(5,336)
Income tax paid	(11,611)	(12,534)
Net cash generated from operating activities	72,348	49,927
<b>Cash flows from investing activities</b>		
Dividends received	54	50
Decrease/(increase) in short-term bank deposits with original maturity over three months	23,251	(9,431)
Interest received	6,755	4,571
Proceeds from disposal of property, plant and equipment	186	37
Purchases of intangible assets	(215)	(376)
Purchases of other non-current financial assets	–	(476)
Purchases of property, plant and equipment	(3,686)	(1,187)
Net cash generated from/(used in) investing activities	26,345	(6,812)
<b>Cash flows from financing activities</b>		
Dividends paid	(12,563)	(25,125)
Dividends paid to non-controlling interests by an unlisted subsidiary	(4)	(17)
Proceeds from bank and other borrowings	16,414	40,997
Repayments of bank and other borrowings	(37,849)	(18,610)
Transaction with non-controlling interests	–	(1,117)
Net cash used in financing activities	(34,002)	(3,872)
<b>Net increase in cash and cash equivalents</b>	64,691	39,243
Cash and cash equivalents at beginning of period	421,604	330,697
Exchange adjustments on cash and cash equivalents	(23,334)	12,041
<b>Cash and cash equivalents at end of period</b>	462,961	381,981

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