

世界 華文

媒體 MEDIA CHINESE

Interim Report 2020/21

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 2020

	Note	(Unaudited)	
		Six months ended 30 September	
		2020	2019
		US\$'000	US\$'000
Turnover	7	54,591	144,530
Cost of goods sold		(39,712)	(103,289)
Gross profit		14,879	41,241
Other income	8	9,894	4,556
Other gains/(losses), net	9	41	(117)
Selling and distribution expenses		(15,102)	(22,762)
Administrative expenses		(12,319)	(13,988)
Other operating expenses		(2,459)	(2,586)
Operating (loss)/profit	10	(5,066)	6,344
Finance costs	11	(289)	(343)
(Loss)/profit before income tax		(5,355)	6,001
Income tax credit/(expense)	12	117	(857)
(Loss)/profit for the period		(5,238)	5,144
(Loss)/profit attributable to:			
Owners of the Company		(4,899)	5,449
Non-controlling interests		(339)	(305)
		(5,238)	5,144
(Loss)/earnings per share attributable to owners of the Company			
Basic (US cents)	13	(0.29)	0.32
Diluted (US cents)	13	(0.29)	0.32

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2020

	(Unaudited)	
	Six months ended 30 September	
	2020	2019
	<i>US\$'000</i>	<i>US\$'000</i>
(Loss)/profit for the period	(5,238)	5,144
Other comprehensive income/(loss)		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	5,251	(3,474)
Item that will not be reclassified subsequently to profit or loss:		
Fair value change on financial assets at fair value through other comprehensive income	1,172	(594)
Other comprehensive income/(loss) for the period, net of tax	6,423	(4,068)
Total comprehensive income for the period	1,185	1,076
Total comprehensive income/(loss) for the period attributable to:		
Owners of the Company	1,201	1,543
Non-controlling interests	(16)	(467)
	1,185	1,076

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

		(Unaudited)	(Audited)
		As at	As at
		30 September	31 March
		2020	2020
	<i>Note</i>	US\$'000	US\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	69,472	70,669
Investment properties		22,546	21,864
Intangible assets		9,051	9,146
Deferred income tax assets		124	120
Investments accounted for using the equity method		32	–
Financial assets at fair value through other comprehensive income		852	1,267
		102,077	103,066
Current assets			
Inventories		21,811	20,039
Trade and other receivables	16	23,373	25,252
Financial assets at fair value through profit or loss		1,173	425
Income tax recoverable		573	447
Short-term bank deposits		17,565	13,430
Cash and cash equivalents		58,763	60,452
		123,258	120,045
Current liabilities			
Trade and other payables	17	26,228	22,328
Contract liabilities		7,099	8,889
Income tax liabilities		115	564
Bank and other borrowings	18	21,217	19,362
Lease liabilities		850	839
Current portion of other non-current liabilities	19	62	60
		55,571	52,042
Net current assets		67,687	68,003
Total assets less current liabilities		169,764	171,069

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

		(Unaudited)	(Audited)
		As at	As at
		30 September	31 March
		2020	2020
	<i>Note</i>	US\$'000	US\$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	20	21,715	21,715
Share premium	20	54,664	54,664
Other reserves		(115,634)	(121,506)
Retained earnings		200,922	207,280
		161,667	162,153
Non-controlling interests		628	645
Total equity		162,295	162,798
Non-current liabilities			
Lease liabilities		930	1,354
Deferred income tax liabilities		5,112	5,533
Other non-current liabilities	19	1,427	1,384
		7,469	8,271
		169,764	171,069

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2020

		(Unaudited)						
		Attributable to owners of the Company						
		Share capital	Share premium	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
	Note	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 April 2019		21,715	54,664	(113,173)	204,553	167,759	2,062	169,821
Profit/(loss) for the period		-	-	-	5,449	5,449	(305)	5,144
Other comprehensive loss								
Item that may be reclassified subsequently to profit or loss:								
Currency translation differences		-	-	(3,473)	-	(3,473)	(1)	(3,474)
Item that will not be reclassified subsequently to profit or loss:								
Fair value change on financial assets at fair value through other comprehensive income		-	-	(433)	-	(433)	(161)	(594)
Other comprehensive loss, net of tax		-	-	(3,906)	-	(3,906)	(162)	(4,068)
Total comprehensive (loss)/income for the period ended 30 September 2019		-	-	(3,906)	5,449	1,543	(467)	1,076
Total transactions with owners, recognised directly in equity								
2018/2019 second interim dividend	14	-	-	-	(1,687)	(1,687)	-	(1,687)
2018/2019 interim dividend paid by an unlisted subsidiary		-	-	-	-	-	(1)	(1)
		-	-	-	(1,687)	(1,687)	(1)	(1,688)
At 30 September 2019		21,715	54,664	(117,079)	208,315	167,615	1,594	169,209

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2020

	(Unaudited)						
	Attributable to owners of the Company						
	Share capital <i>US\$'000</i>	Share premium <i>US\$'000</i>	Other reserves <i>US\$'000</i>	Retained earnings <i>US\$'000</i>	Sub-total <i>US\$'000</i>	Non- controlling interests <i>US\$'000</i>	Total equity <i>US\$'000</i>
<i>Note</i>							
At 1 April 2020	21,715	54,664	(121,506)	207,280	162,153	645	162,798
Loss for the period	-	-	-	(4,899)	(4,899)	(339)	(5,238)
Other comprehensive income							
Item that may be reclassified							
subsequently to profit or loss:							
Currency translation differences	-	-	5,245	-	5,245	6	5,251
Item that will not be reclassified							
subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	855	-	855	317	1,172
Other comprehensive income, net of tax	-	-	6,100	-	6,100	323	6,423
Total comprehensive income/(loss) for the period ended 30 September 2020	-	-	6,100	(4,899)	1,201	(16)	1,185
Release of reserve upon disposal of financial assets at fair value through other comprehensive income	-	-	(228)	228	-	-	-
Total transactions with owners, recognised directly in equity							
2019/2020 second interim dividend	-	-	-	(1,687)	(1,687)	-	(1,687)
2019/2020 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(1)	(1)
	-	-	-	(1,687)	(1,687)	(1)	(1,688)
At 30 September 2020	21,715	54,664	(115,634)	200,922	161,667	628	162,295

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2020

		(Unaudited)	
		Six months ended 30 September	
		2020	2019
	Note	US\$'000	US\$'000
Cash flows from operating activities			
Cash generated from operations		1,180	15,512
Interest paid		(289)	(343)
Income tax paid		(980)	(398)
Net cash (used in)/generated from operating activities		(89)	14,771
Cash flows from investing activities			
Dividends received		25	13
Increase in short-term bank deposits with original maturity over three months		(4,135)	(4,702)
Proceeds from sales of financial assets at fair value through other comprehensive income		1,590	–
Interest received		550	751
Proceeds from disposal of property, plant and equipment		2	31
Purchases of intangible assets		(27)	(52)
Purchases of property, plant and equipment	15	(260)	(463)
Investment in a joint venture		(32)	–
Payment for acquisition of financial assets at fair value through profit or loss		(851)	–
Net cash used in investing activities		(3,138)	(4,422)
Cash flows from financing activities			
Dividends paid	14	(1,687)	(1,687)
Dividends paid to non-controlling interests by an unlisted subsidiary		(1)	(1)
Proceeds from bank and other borrowings		5,696	1,778
Repayments of bank and other borrowings		(3,905)	(3,795)
Principal elements of lease liabilities		(368)	(343)
Net cash used in financing activities		(265)	(4,048)
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at beginning of period		60,452	69,204
Exchange adjustments on cash and cash equivalents		1,803	(1,036)
Cash and cash equivalents at end of period		58,763	74,469

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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 Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, 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 and Taiwan, 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 2020 (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 25 November 2020.

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 (“IASB”) 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 2020 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 2020 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 and interpretations adopted by the Group*

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 April 2020:

- Amendments to IAS 1 and IAS 8, “Definition of material”
- Amendments to IFRS 3, “Definition of a business”
- Amendments to IAS 39, IFRS 7 and IFRS 9, “Interest rate benchmark reform”
- Conceptual Framework for Financial Reporting 2018, “Revised conceptual framework for financial reporting”

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) *New and amended standards and interpretations not yet adopted by the Group*

Certain new and amended accounting standards and interpretations have been published that are not mandatory for 30 September 2020 reporting periods and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2023
Amendments to IAS 16	Property, plant and equipment: proceeds before intended use	1 January 2022
Amendments to IAS 37	Onerous contracts — cost of fulfilling a contract	1 January 2022
Amendments to IFRS 3	Reference to the conceptual framework	1 January 2022
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
Amendments to IFRS 16	COVID-19-related rent concessions	1 June 2020
IFRS 17	Insurance contracts	1 January 2023
Amendments to IFRS 17	Insurance contracts	1 January 2023
Annual improvements	Annual improvements to IFRSs 2018–2020 cycle	1 January 2022

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

4 FUNCTIONAL CURRENCY AND TRANSLATION TO PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. The functional currency of the Company is Malaysian Ringgit ("RM"). However, each entity within the Group can present its financial statements in any currency, which can be the same or different from the entity's functional currency. As the Group operates internationally, management considers that it is more appropriate to use 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 2020, the Group is particularly exposed to movements in the US\$ to RM exchange rate as a major part of the Group's operations is located in Malaysia.

5 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 2020.

6 FINANCIAL RISK MANAGEMENT

6.1 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 2020.

There have been no significant changes in the Group's risk management policy since 31 March 2020.

6.2 Liquidity risk

Compared to 31 March 2020, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

NOTES TO THE INTERIM FINANCIAL INFORMATION

6 FINANCIAL RISK MANAGEMENT (Continued)

6.3 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).

The following table presents the Group's assets that are measured at fair value at 30 September 2020:

	(Unaudited)			Total US\$'000
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	
Financial assets at fair value through profit or loss				
Listed equity securities	1,076	-	-	1,076
Unlisted club debentures	-	-	97	97
Financial assets at fair value through other comprehensive income				
Listed equity securities	852	-	-	852
	1,928	-	97	2,025

NOTES TO THE INTERIM FINANCIAL INFORMATION

6 FINANCIAL RISK MANAGEMENT (Continued)

6.3 Fair value estimation (Continued)

The following table presents the Group's assets that are measured at fair value at 31 March 2020:

	(Audited)			Total US\$'000
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	
Financial assets at fair value through profit or loss				
Listed equity securities	328	–	–	328
Unlisted club debentures	–	–	97	97
Financial assets at fair value through other comprehensive income				
Listed equity securities	1,267	–	–	1,267
	<u>1,595</u>	<u>–</u>	<u>97</u>	<u>1,692</u>

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 is not based on observable market data, the instrument is included in level 3.

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

7 TURNOVER AND SEGMENT INFORMATION

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

The Group is organised operationally on a worldwide basis in four major operating segments:

Publishing and printing: Malaysia and other Southeast Asian countries

Publishing and printing: Hong Kong and Taiwan

Publishing and printing: North America

Travel and travel related services

Publishing and printing segments are engaged in the publication, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language. The segments derive revenue mainly from the provision of advertising services and sales of newspapers and magazines. Travel and travel related services segment derives revenue from the sales of travel packages and provision of tour services.

The Group Executive Committee assesses the performance of the operating segments based on a measure of segment (loss)/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

7 TURNOVER AND SEGMENT INFORMATION (Continued)

The Group's turnover and results for the six months ended 30 September 2020, analysed by operating segment, are as follows:

	(Unaudited)					Total US\$'000
	Publishing and printing			Sub-total US\$'000	Travel and travel related services US\$'000	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000			
Turnover	33,079	18,464	2,980	54,523	68	54,591
Segment (loss)/profit before income tax	(3,619)	(985)	356	(4,248)	(803)	(5,051)
Other net unallocated expenses						(304)
Loss before income tax						(5,355)
Income tax credit						117
Loss for the period						(5,238)
Other segmental information:						
Interest income	535	-	3	538	12	550
Finance costs	(25)	(234)	-	(259)	(30)	(289)
Depreciation of property, plant and equipment	(2,403)	(596)	(80)	(3,079)	(405)	(3,484)
Amortisation of intangible assets	(395)	(50)	(4)	(449)	(2)	(451)

NOTES TO THE INTERIM FINANCIAL INFORMATION

7 TURNOVER AND SEGMENT INFORMATION (Continued)

The Group's turnover and results for the six months ended 30 September 2019, analysed by operating segment, are as follows:

	(Unaudited)					
	Publishing and printing					
	Malaysia and other Southeast Asian countries <i>US\$'000</i>	Hong Kong and Taiwan <i>US\$'000</i>	North America <i>US\$'000</i>	Sub-total <i>US\$'000</i>	Travel and travel related services <i>US\$'000</i>	Total <i>US\$'000</i>
Turnover	54,679	25,105	5,508	85,292	59,238	144,530
Segment profit/(loss) before income tax	4,520	(1,599)	(836)	2,085	4,307	6,392
Other net unallocated expenses						(391)
Profit before income tax						6,001
Income tax expense						(857)
Profit for the period						5,144
Other segmental information:						
Interest income	681	15	20	716	35	751
Finance costs	(12)	(312)	–	(324)	(19)	(343)
Depreciation of property, plant and equipment	(2,591)	(580)	(93)	(3,264)	(375)	(3,639)
Amortisation of intangible assets	(344)	(58)	(4)	(406)	(15)	(421)

NOTES TO THE INTERIM FINANCIAL INFORMATION

7 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	
	2020	2019
	US\$'000	US\$'000
By major products or service lines		
Timing of revenue recognition		
At a point in time		
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	24,756	29,733
Travel and travel related services income	16	640
Over time		
Advertising income, net of trade discounts	29,767	55,559
Travel and travel related services income	52	58,598
	54,591	144,530

The segment assets and liabilities as at 30 September 2020 are as follows:

	(Unaudited)						
	Publishing and printing				Travel and travel related services		
	Malaysia and other Southeast Asia countries	Hong Kong and Taiwan	North America	Sub-total	Elimination	Total	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Segment assets	158,480	40,180	12,212	210,872	14,285	(626)	224,531
Unallocated assets							804
Total assets							225,335
Total assets include:							
Investments accounted for using the equity method	-	32	-	32	-	-	32
Additions to non-current assets (other than deferred income tax assets)	174	94	13	281	6	-	287
Segment liabilities	(13,850)	(31,569)	(8,043)	(53,462)	(3,690)	626	(56,526)
Unallocated liabilities							(6,514)
Total liabilities							(63,040)

NOTES TO THE INTERIM FINANCIAL INFORMATION

7 TURNOVER AND SEGMENT INFORMATION (Continued)

The segment assets and liabilities as at 31 March 2020 are as follows:

	(Audited)						
	Publishing and printing				Travel and travel related services	Elimination	Total
	Malaysia and other Southeast Asian countries	Hong Kong and Taiwan	North America	Sub-total			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Segment assets	158,529	35,575	10,688	204,792	17,854	(642)	222,004
Unallocated assets							1,107
Total assets							223,111
Total assets include:							
Additions to non-current assets (other than deferred income tax assets)	1,213	484	41	1,738	1,466	–	3,204
Segment liabilities	(12,458)	(28,872)	(6,063)	(47,393)	(6,126)	642	(52,877)
Unallocated liabilities							(7,436)
Total liabilities							(60,313)

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

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

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

7 TURNOVER AND SEGMENT INFORMATION (Continued)

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

As at 30 September 2020 and 31 March 2020, the Group’s total non-current assets, other than deferred income tax assets, analysed by operating countries, are as follows:

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2020	2020
	US\$'000	US\$'000
Main operating countries		
Malaysia and other Southeast Asian countries	80,830	80,493
Hong Kong and Taiwan	14,646	16,015
Other countries	6,477	6,438
	101,953	102,946

8 OTHER INCOME

	(Unaudited)	
	Six months ended 30 September	
	2020	2019
	US\$'000	US\$'000
Dividend income	25	13
Government grants (<i>note</i>)	7,520	1,290
Interest income	550	751
Licence fee and royalty income	94	104
Other media-related income	250	820
Rental and management fee income	393	423
Scrap sales of old newspapers and magazines	482	1,132
Others	580	23
	9,894	4,556

Note: Government grants consisted of a grant amounted to US\$1,722,000 (2019: US\$1,290,000) from an overseas government for supporting the Group’s operation of eligible publications and wage subsidies amounted to US\$5,798,000 (2019: nil) from the Hong Kong, Malaysia and overseas governments.

NOTES TO THE INTERIM FINANCIAL INFORMATION

9 OTHER GAINS/(LOSSES), NET

	(Unaudited)	
	Six months ended 30 September	
	2020	2019
	US\$'000	US\$'000
Fair value losses on financial assets at fair value through profit or loss, net	(136)	(9)
Net exchange gains/(losses)	177	(108)
	41	(117)

10 OPERATING (LOSS)/PROFIT

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

	(Unaudited)	
	Six months ended 30 September	
	2020	2019
	US\$'000	US\$'000
Amortisation of intangible assets	451	421
Depreciation of property, plant and equipment	3,484	3,639
Direct costs of travel and travel related services	59	50,376
Employee benefit expense (including directors' emoluments)	37,874	42,336
Losses on disposal of property, plant and equipment, net	6	8
Provision for loss allowance and write-off of trade and other receivables	205	439
Provision for impairment and write-off of inventories	125	79
Raw materials and consumables used	9,819	18,188
Write-off of intangible assets	-	40

NOTES TO THE INTERIM FINANCIAL INFORMATION

11 FINANCE COSTS

	(Unaudited)	
	Six months ended 30 September	
	2020	2019
	US\$'000	US\$'000
Interest expense on short-term bank borrowings	256	324
Interest expense on lease liabilities	33	19
	289	343

12 INCOME TAX (CREDIT)/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 2020 (the tax rate for the six months ended 30 September 2019 was 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 2020 (the tax rate for the six months ended 30 September 2019 was 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 (credit)/expense in the condensed consolidated statement of profit or loss represents:

	(Unaudited)	
	Six months ended 30 September	
	2020	2019
	US\$'000	US\$'000
Hong Kong taxation		
Current period	40	503
Malaysian taxation		
Current period	340	1,960
Other countries' taxation		
Current period (<i>note</i>)	51	(1,127)
(Over)/under provision in prior years	(1)	1
Deferred income tax credit	(547)	(480)
	(117)	857

Note: During the six months ended 30 September 2019, an overseas subsidiary received a tax refund of US\$1,620,000 from the local tax authority upon the successful application for a tax incentive scheme.

NOTES TO THE INTERIM FINANCIAL INFORMATION

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

	(Unaudited)	
	Six months ended 30 September	
	2020	2019
(Loss)/profit attributable to owners of the Company (US\$'000)	(4,899)	5,449
Weighted average number of ordinary shares in issue	1,687,236,241	1,687,236,241
Basic (loss)/earnings per share (US cents)	(0.29)	0.32
Diluted (loss)/earnings per share (US cents)	(0.29)	0.32

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as there were no dilutive potential shares in issue during the six months ended 30 September 2020 and 2019.

14 DIVIDENDS

	(Unaudited)	
	Six months ended 30 September	
	2020	2019
	US\$'000	US\$'000
Dividends attributable to the period:		
First interim, proposed, nil (2019/2020: US0.16 cents) per ordinary share	-	2,700
Dividends paid during the period:		
Second interim, 2019/2020, US0.10 cents (2018/2019: US0.10 cents) per ordinary share (note)	1,687	1,687

The Board of Directors does not recommend any distribution of dividend for the six months ended 30 September 2020 (2019/2020: US0.16 cents per ordinary share).

Note: The tax-exempt second interim dividend of US0.10 cents per ordinary share, totaling US\$1,687,000, in respect of the year ended 31 March 2020, was paid on 13 July 2020.

NOTES TO THE INTERIM FINANCIAL INFORMATION

15 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2020, the Group acquired property, plant and equipment at a cost of US\$260,000 (six months ended 30 September 2019: US\$463,000) and disposed of property, plant and equipment with a carrying amount of US\$8,000 (six months ended 30 September 2019: US\$39,000).

16 TRADE AND OTHER RECEIVABLES

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2020	2020
	US\$'000	US\$'000
Trade receivables (<i>note</i>)	20,244	21,730
Less: provision for loss allowance of trade receivables	(2,006)	(1,844)
Trade receivables, net	18,238	19,886
Deposits and prepayments	3,627	4,157
Other receivables	1,508	1,209
	23,373	25,252

As at 30 September 2020 and 31 March 2020, the fair values of trade and other receivables approximated the carrying amounts.

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

As at 30 September 2020 and 31 March 2020, 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)	(Audited)
	As at	As at
	30 September	31 March
	2020	2020
	US\$'000	US\$'000
1 to 60 days	12,485	11,819
61 to 120 days	3,726	5,631
121 to 180 days	822	1,423
Over 180 days	3,211	2,857
	20,244	21,730

NOTES TO THE INTERIM FINANCIAL INFORMATION

17 TRADE AND OTHER PAYABLES

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2020	2020
	US\$'000	US\$'000
Trade payables (<i>note</i>)	5,386	5,419
Accrued charges and other payables	19,034	16,909
Deferred government grant	1,808	–
	26,228	22,328

As at 30 September 2020 and 31 March 2020, the fair values of trade and other payables and deferred government grant approximated the carrying amounts.

Note: As at 30 September 2020 and 31 March 2020, the ageing analysis of the trade payables based on invoice date is as follows:

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2020	2020
	US\$'000	US\$'000
1 to 60 days	4,258	4,420
61 to 120 days	870	798
121 to 180 days	79	25
Over 180 days	179	176
	5,386	5,419

NOTES TO THE INTERIM FINANCIAL INFORMATION

18 BANK AND OTHER BORROWINGS

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2020	2020
	US\$'000	US\$'000
Current		
Short-term bank borrowings (secured) (Note 22)	19,690	17,650
Short-term bank borrowings (unsecured)	1,527	1,712
	21,217	19,362

19 OTHER NON-CURRENT LIABILITIES

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2020	2020
	US\$'000	US\$'000
Retirement benefit obligations	827	847
Defined benefit plan liabilities	662	597
	1,489	1,444
Current portion of other non-current liabilities	(62)	(60)
	1,427	1,384

NOTES TO THE INTERIM FINANCIAL INFORMATION

20 SHARE CAPITAL AND PREMIUM

	Number of ordinary shares	Issued share capital US\$'000	Share premium US\$'000	Total US\$'000
At 1 April 2020 and 30 September 2020	1,687,236,241	21,715	54,664	76,379

The number of authorised ordinary shares is 2,500,000,000 shares (31 March 2020: 2,500,000,000 shares) with a par value of HK\$0.10 per share. All issued shares are fully paid.

21 CAPITAL COMMITMENT

Capital commitments outstanding as at 30 September 2020 and 31 March 2020 are as follows:

	(Unaudited) As at 30 September 2020 US\$'000	(Audited) As at 31 March 2020 US\$'000
Property, plant and equipment Authorised and contracted for	555	509
Intangible assets Authorised and contracted for	-	1

22 PLEDGE OF ASSETS

As at 30 September 2020, certain of the Group's banking facilities were secured by the following:

- (a) first legal charges on certain of the Group's leasehold land and buildings with an aggregate carrying value of US\$2,874,000 as at 30 September 2020 (As at 31 March 2020: US\$2,943,000) and assignment of rental income derived therefrom; and
- (b) corporate guarantees issued by the Company.

As at 30 September 2020, the Group had short-term bank deposits of US\$516,000 (At 31 March 2020: US\$516,000) pledged to a bank for a bank guarantee issued.

NOTES TO THE INTERIM FINANCIAL INFORMATION

23 CONTINGENT LIABILITIES

As at 30 September 2020, there were several libel suits which involved claims against some companies in the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings is still uncertain as of the date this unaudited 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 upon the Group's financial position.

24 RELATED PARTY TRANSACTIONS

(a) Related party transactions

	(Unaudited)	
	Six months ended 30 September	
	2020	2019
	US\$'000	US\$'000
Advertising income received from related companies (note 1)	-	(1)
Provision of accounting and administrative services to related companies (note 1)	-	(5)
Provision of engineering professional services by a related company (note 1)	-	23
Provision of legal services by a related company (note 2)	19	49
Purchase of air tickets from a related company (note 1)	-	7
Purchase of honey from a related company (note 1)	3	-
Purchase of mineral water from a related company (note 1)	-	1
Rental expenses paid to related companies (note 1)	47	47

Notes:

- (1) Certain shareholders and directors of the Company are shareholders and/or directors of these related companies.
- (2) A director of a subsidiary of the Company is an associate of the related company.
- (3) 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

24 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:

	(Unaudited)	
	Six months ended 30 September	
	2020	2019
	US\$'000	US\$'000
Directors' fees, basic salaries, bonuses, other allowances and benefits in kind (<i>note</i>)	818	859
Employer's contribution to pension schemes	52	56
	870	915

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

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2020	2020
	US\$'000	US\$'000
Receivables from related companies	—*	—*

* *negligible*

(d) Ultimate controlling party

The ultimate controlling party of the Group is Tan Sri Datuk Sir TIONG Hiew King, who is the controlling shareholder holding an aggregate equity of 64.85% in the Company as at 30 September 2020. Details of interests held by Tan Sri Datuk Sir TIONG Hiew King in the Company is set out in "Substantial shareholders' interests and short positions in the shares and underlying shares of the Company" on page 34.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

	(Unaudited)		
	Six months ended 30 September		
	2020	2019	
	US\$'000	US\$'000	% Change
Turnover	54,591	144,530	-62.2%
(Loss)/profit before income tax	(5,355)	6,001	-189.2%
(EBITDA loss)/EBITDA	(1,681)	9,653	-117.4%
Basic (loss)/earnings per share (US cents)	(0.29)	0.32	-190.6%

OVERALL REVIEW OF OPERATIONS

The Group faced with unprecedented challenges brought by the COVID-19 pandemic during the first half-year of 2020/2021. The economic headwinds and weak market sentiments have adversely affected the Group's publishing and printing business; while the border closures and travel restrictions have a huge negative impact on its travel operation.

For the six-month period ended 30 September 2020, the Group's turnover decreased by 62.2% to US\$54,591,000 when compared to the same period last year, with both the publishing and printing and travel segments reporting declines. The shortfall in revenue was partially mitigated by significant cost savings and support from certain governments' grant and wage subsidy programs. The Group recorded a loss before income tax of US\$5,355,000 for the current period, as opposed to a profit before income tax of US\$6,001,000 in the prior year period.

Turnover of the Group's publishing and printing segment fell by 36.1% to US\$54,523,000 from US\$85,292,000 in the previous year period. This resulted in the segment recording a loss before income tax of US\$4,248,000 compared to a profit before income tax of US\$2,085,000 in the corresponding period last year. Meanwhile, the pandemic and lockdowns caused the Group's travel segment to register a 99.9% drop in turnover to US\$68,000 and a loss before income tax of US\$803,000 as opposed to a profit before income tax of US\$4,307,000 a year earlier.

The Group reported an EBITDA loss of US\$1,681,000 for the six months ended 30 September 2020, comparing to an EBITDA of US\$9,653,000 for the prior year period.

Basic loss per share for the six months ended 30 September 2020 was US0.29 cents, as opposed to a basic earnings per share of US0.32 cents in the same period last year.

As at 30 September 2020, the Group's cash and cash equivalents and short term bank deposits totaled US\$76,328,000 and the Group's net assets per share attributable to owners of the Company was US9.58 cents.

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL REVIEW

Publishing and Printing

Malaysia and other Southeast Asian countries

The Malaysia and other Southeast Asian countries segment turnover fell by 39.5% from US\$54,679,000 to US\$33,079,000 for the period under review. The Malaysian government's implementation of the Movement Control Order ("MCO"), which lasted from 18 March 2020 to 9 June 2020, and the subsequent Recovery MCO to prevent a mass outbreak of the coronavirus had a grave impact on the country's economy. Many businesses suffered from the closure of operations save for essential services. Consumer spending fell as people shunned public places due to the virus which in turn has a negative impact on the advertisement spend in Malaysia. Besides the decrease in print advertisements, all ground events that the Group used to organise for its advertisers to complement its print platforms have come to a halt. Meanwhile, the segment's digital business was also adversely impacted by the slowdown in the country's economic activities.

Despite its cost containment efforts, the significant decrease in turnover resulted in the segment reporting a loss before income tax of US\$3,619,000, as opposed to a profit before income tax of US\$4,520,000 in the corresponding period last year.

Hong Kong and Taiwan

The economy of Hong Kong was also badly affected by the coronavirus pandemic which hit the city in early 2020. The closing of the city's borders has greatly affected its retail business as the number of tourists plummeted. Hong Kong's GDP contracted during the period under review and its unemployment rate rose to 6.4% in the 3rd quarter of 2020, the highest in 16 years. Hong Kong experienced a third wave of COVID-19 in July which prompted the government to further tighten the social distancing measures, thereby slowed down the city's economic recovery.

Affected by the pandemic and weak market conditions, the turnover of the Hong Kong and Taiwan segment decreased by 26.5% to US\$18,464,000 from US\$25,105,000 in the same period last year. The segment recorded a loss before income tax of US\$985,000 for the period in review, which narrowed from last year's loss of US\$1,599,000. In addition to the Group's cost-cutting measures, the improvement in result was also due to the wage subsidies received under the Hong Kong government's Employment Support Scheme which aimed at assisting businesses battered by the coronavirus pandemic.

North America

Turnover of the Group's publishing and printing operations in North America fell by 45.9% to US\$2,980,000 from US\$5,508,000 in the same period last year. The North American economy was also badly affected by the coronavirus pandemic with Canada imposing lockdown measures across the country since March 2020. Nevertheless, the segment recorded a profit before income tax of US\$356,000 for the period under review, as opposed to a loss before income tax of US\$836,000 in the corresponding period last year. This was mainly due to cost savings and funds received from the Canadian government's subsidies and relief programs.

MANAGEMENT DISCUSSION AND ANALYSIS

Travel and travel related services

The coronavirus has paralysed the tour and travel industry with border closures and travel restrictions being implemented by many countries. The Group's travel segment has experienced significant decline in revenue since February 2020. The segment's turnover for the six months ended 30 September 2020 amounted to US\$68,000 only, down 99.9% from US\$59,238,000 recorded in the same period last year. The sharp decline in revenue resulted in the travel segment reporting a loss before income tax of US\$803,000, as opposed to a profit before income tax of US\$4,307,000 for the same period last year.

Digital business

The global coronavirus has led to changes in the way businesses are conducted as well as consumer spending habits. In adapting with the "new normal" brought about by the pandemic, the Group has been organising more virtual events in order to reach a wider audience and drive revenue. After its successful virtual "Overseas Education Fair" in March 2020, *Ming Pao Daily News* has continued to organise a number of live webinars on various topics including finance, health and overseas properties, in which experts were invited to share their expertise and experiences. In view of the acceleration of e-commerce, the Group has continued to scale up its e-commerce platform "PowerUp" to serve its customers as well as to provide its business partners with more business opportunities.

Sin Chew Daily also launched its first online education fair during the period under review which attracted about 60,000 prospective students and parents who were looking for higher education options. A number of other virtual events were held, including an online domestic travel fair 'GOLOKAL', a series of virtual health talks, a lifestyle e-fair and a property e-fair.

The Group will remain focused on growing its digital audiences by providing quality news, information and content that are most relevant to their needs; while at the same time building synergies with its existing print products to widen the Group's revenue streams.

OUTLOOK

The Group expects the market conditions for the months ahead to be extremely challenging and difficult. It is imperative for countries to open their borders in order to drive global trade and spur spending by consumers and allow economic activities to resume gradually. However, with the current resurgence of coronavirus infections in many countries, the Group does not expect much improvement in the economy of the countries which it operates in for the remainder of the current financial year.

COVID-19 has an unprecedented adverse impact on the travel industry which will only start to recover when an effective vaccine is widely available and customers' confidence in air travel is restored. The setting up of "air travel bubbles" between countries will help revive cross-border passenger flow and the Group will keep abreast of this market development for any business opportunities. Meantime, it will strive to keep its travel business afloat through this tough period by drastically cutting down all its expenditures.

The lockdowns and social distancing measures have led to an increase in online consumption and hence digital business opportunities. The Group will continue to focus on expanding its multimedia services through its web and mobile platforms. At the same time, the Group will monitor its financial position closely and ensure strict cost controls remain in place and be monitored closely to ensure that the Group has sufficient resources to ride through this pandemic.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING RATIO

As at 30 September 2020, the Group's cash and cash equivalents and short-term bank deposits amounted to US\$76,328,000 (31 March 2020: US\$73,882,000) and total bank and other borrowings were US\$21,217,000 (31 March 2020: US\$19,362,000). The net cash position was US\$55,111,000 (31 March 2020: US\$54,520,000). Owners' equity was US\$161,667,000 (31 March 2020: US\$162,153,000).

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 30 September 2020 and 31 March 2020.

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 2020, 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			Total interests in shares	Percentage of issued ordinary shares
	Personal interests	Family interests	Corporate interests		
Dato’ Sri Dr TIONG Ik King	35,144,189	–	253,987,700	289,131,889	17.14%
			(note)		
Ms TIONG Choon	2,654,593	1,023,632	653,320	4,331,545	0.26%
Mr TIONG Kiew Chiong	4,087,539	–	–	4,087,539	0.24%
Mr LEONG Chew Meng	80,000	–	–	80,000	–*

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

* *negligible*

Note: Conch Company Limited (“Conch”) holds 253,987,700 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.

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 Group Limited (“One Media”)*

Name of director	Number of shares held			Percentage of issued ordinary shares of One Media
	Personal interests	Corporate interests <i>(note)</i>	Total interests in shares	
Dato’ Sri Dr TIONG Ik 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: Dato’ Sri Dr TIONG Ik King is deemed interested in 292,700,000 shares in One Media held by Comwell Investment Limited which is an indirect wholly-owned subsidiary of the Company. Dato’ Sri Dr TIONG Ik King is deemed interested in 17.14% of the Company’s shares. Details of his 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 32.

Save as disclosed above, as at 30 September 2020, 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 2020 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 2020, 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
Tan Sri Datuk Sir TIONG Hiew King (<i>note 1</i>)	1,094,187,814	64.85%
Tiong Toh Siong Holdings Sdn Bhd ("TTSH")	378,998,616	22.46%
Conch Company Limited ("Conch") (<i>note 2</i>)	253,987,700	15.05%
Teck Sing Lik Enterprise Sdn Bhd ("TSL") (<i>note 3</i>)	196,487,646	11.65%
Tiong Toh Siong Enterprises Sdn Bhd ("TTSE") (<i>note 3</i>)	131,168,460	7.77%
Kinta Hijau Sdn Bhd ("Kinta Hijau")	129,424,143	7.67%

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

Notes:

(1) Of these shares, 87,109,058 shares are held by Tan Sri Datuk Sir TIONG Hiew King personally, 234,566 shares are deemed to be interested in by virtue of his spouse's interest, and corporate interests of 1,006,844,190 which comprise:

- (i) 378,998,616 shares held by TTSH;
- (ii) 253,987,700 shares held by Conch;
- (iii) 75,617,495 shares held by Ezywood Options Sdn Bhd ("Ezywood");
- (iv) 65,319,186 shares held by 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) 26,808,729 shares held by Pertumbuhan Abadi Asia Sdn Bhd ("PAA");
- (ix) 1,744,317 shares held TTSE;
- (x) 129,424,143 shares held by Kinta Hijau.

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 and 70% interest in Ezywood. Tan Sri Datuk Sir TIONG Hiew King and TSL directly holds 26% interest in TTSH.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

Notes: (Continued)

- (2) The details of shares held by Conch are set out in note to paragraph (a) "Interests and short positions in the shares, underlying shares and debentures of the Company" on page 32.
- (3) Of these shares, 129,424,143 shares are held by Kinta Hijau (a company wholly owned by TTSE), TTSE is deemed to be interested in shares in which Kinta Hijau is interested. TTSE holds 1,744,317 shares. TSL is deemed to be interested in shares in which Kinta Hijau and TTSE is interested. Tan Sri Datuk Sir TIONG Hiew King directly holds 84% interest in TSL and TSL directly holds 30% interest in TTSE.

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 2020.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the six months ended 30 September 2020, neither the Company nor any of its subsidiaries had purchased, sold or the Company had redeemed any of the Company's listed securities.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 September 2020, the Group had 3,202 employees (31 March 2020: 3,359 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 should seek annual shareholders’ approval through a 2-tier voting process, if to retain an independent director who has served for more than 12 years; (iii) the Board must have at least 30% women directors; (iv) the disclosure on a named basis of top 5 senior management’s remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000 and (v) the Company is encouraged to adopt integrated reporting based on a globally recognised framework. The Board will continue to review and evaluate such recommendations under the Malaysian Code and is committed to achieving and sustaining high standards of corporate governance.

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 independent non-executive directors (“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.

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 executive directors, 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.

REVIEW OF INTERIM FINANCIAL RESULTS

The Audit Committee has reviewed with management this interim financial information, including accounting principles and practices adopted by the Group and discussed risk management and internal control systems and financial reporting matters.

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

25 November 2020

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, being non-executive director; 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 2020

	(Unaudited)	
	Six months ended 30 September	
	2020	2019
	<i>RM'000</i>	<i>RM'000</i>
	<i>(note)</i>	<i>(note)</i>
Turnover	226,853	600,594
Cost of goods sold	(165,023)	(429,217)
Gross profit	61,830	171,377
Other income	41,115	18,932
Other gains/(losses), net	170	(486)
Selling and distribution expenses	(62,756)	(94,587)
Administrative expenses	(51,193)	(58,127)
Other operating expenses	(10,218)	(10,747)
Operating (loss)/profit	(21,052)	26,362
Finance costs	(1,201)	(1,425)
(Loss)/profit before income tax	(22,253)	24,937
Income tax credit/(expense)	486	(3,561)
(Loss)/profit for the period	(21,767)	21,376
(Loss)/profit attributable to:		
Owners of the Company	(20,358)	22,643
Non-controlling interests	(1,409)	(1,267)
	(21,767)	21,376
(Loss)/earnings per share attributable to owners of the Company		
Basic (sen)	(1.21)	1.33
Diluted (sen)	(1.21)	1.33

Note: The presentation currency of this unaudited interim financial information is US\$. Supplementary information in RM for the period ended 30 September 2020 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.1555 ruling at 30 September 2020. 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 2020

	(Unaudited)	
	Six months ended 30 September	
	2020	2019
	<i>RM'000</i>	<i>RM'000</i>
	<i>(note)</i>	<i>(note)</i>
(Loss)/profit for the period	(21,767)	21,376
Other comprehensive income/(loss)		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	21,821	(14,436)
Item that will not be reclassified subsequently to profit or loss:		
Fair value change on financial assets at fair value through other comprehensive income	4,871	(2,468)
Other comprehensive income/(loss) for the period, net of tax	26,692	(16,904)
Total comprehensive income for the period	4,925	4,472
Total comprehensive income/(loss) for the period attributable to:		
Owners of the Company	4,991	6,412
Non-controlling interests	(66)	(1,940)
	4,925	4,472

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ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	(Unaudited) As at 30 September 2020 RM'000 (note)	(Unaudited) As at 31 March 2020 RM'000 (note)
ASSETS		
Non-current assets		
Property, plant and equipment	288,692	293,665
Investment properties	93,690	90,856
Intangible assets	37,611	38,006
Deferred income tax assets	515	499
Investments accounted for using the equity method	133	–
Financial assets at fair value through other comprehensive income	3,540	5,265
	424,181	428,291
Current assets		
Inventories	90,636	83,272
Trade and other receivables	97,127	104,935
Financial assets at fair value through profit or loss	4,874	1,766
Income tax recoverable	2,381	1,858
Short-term bank deposits	72,991	55,808
Cash and cash equivalents	244,190	251,208
	512,199	498,847
Current liabilities		
Trade and other payables	108,990	92,785
Contract liabilities	29,500	36,938
Income tax liabilities	478	2,344
Bank and other borrowings	88,167	80,459
Lease liabilities	3,532	3,486
Current portion of other non-current liabilities	258	249
	230,925	216,261
Net current assets	281,274	282,586
Total assets less current liabilities	705,455	710,877

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	(Unaudited)	(Unaudited)
	As at	As at
	30 September	31 March
	2020	2020
	RM'000	RM'000
	(note)	(note)
EQUITY		
Equity attributable to owners of the Company		
Share capital	90,237	90,237
Share premium	227,156	227,156
Other reserves	(480,516)	(504,918)
Retained earnings	834,931	861,352
	671,808	673,827
Non-controlling interests	2,610	2,680
	674,418	676,507
Non-current liabilities		
Lease liabilities	3,865	5,627
Deferred income tax liabilities	21,242	22,992
Other non-current liabilities	5,930	5,751
	31,037	34,370
	705,455	710,877

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ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2020

	(Unaudited)						Non-controlling interests	Total equity
	Attributable to owners of the Company					Sub-total		
	Share capital	Share premium	Other reserves	Retained earnings				
RM'000 (note)	RM'000 (note)	RM'000 (note)	RM'000 (note)	RM'000 (note)	RM'000 (note)	RM'000 (note)		
At 1 April 2019	90,237	227,156	(470,290)	850,020	697,123	8,569	705,692	
Profit/(loss) for the period	-	-	-	22,643	22,643	(1,267)	21,376	
Other comprehensive loss								
Item that may be reclassified subsequently to profit or loss:								
Currency translation differences	-	-	(14,432)	-	(14,432)	(4)	(14,436)	
Item that will not be reclassified subsequently to profit or loss:								
Fair value change on financial assets at fair value through other comprehensive income	-	-	(1,799)	-	(1,799)	(669)	(2,468)	
Other comprehensive loss, net of tax	-	-	(16,231)	-	(16,231)	(673)	(16,904)	
Total comprehensive (loss)/income for the period ended 30 September 2019	-	-	(16,231)	22,643	6,412	(1,940)	4,472	
Total transactions with owners, recognised directly in equity								
2018/2019 second interim dividend	-	-	-	(7,010)	(7,010)	-	(7,010)	
2018/2019 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(4)	(4)	
	-	-	-	(7,010)	(7,010)	(4)	(7,014)	
At 30 September 2019	90,237	227,156	(486,521)	865,653	696,525	6,625	703,150	

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ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2020

	(Unaudited)						Total equity RM'000 (note)
	Attributable to owners of the Company					Non-controlling interests 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 2020	90,237	227,156	(504,918)	861,352	673,827	2,680	676,507
Loss for the period	-	-	-	(20,358)	(20,358)	(1,409)	(21,767)
Other comprehensive income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	21,796	-	21,796	25	21,821
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	3,553	-	3,553	1,318	4,871
Other comprehensive income, net of tax	-	-	25,349	-	25,349	1,343	26,692
Total comprehensive income/(loss) for the period ended 30 September 2020	-	-	25,349	(20,358)	4,991	(66)	4,925
Release of reserve upon disposal of financial assets at fair value through other comprehensive income	-	-	(947)	947	-	-	-
Total transactions with owners, recognised directly in equity							
2019/2020 second interim dividend	-	-	-	(7,010)	(7,010)	-	(7,010)
2019/2020 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(4)	(4)
	-	-	-	(7,010)	(7,010)	(4)	(7,014)
At 30 September 2020	90,237	227,156	(480,516)	834,931	671,808	2,610	674,418

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ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2020

	(Unaudited)	
	Six months ended 30 September	
	2020	2019
	<i>RM'000</i>	<i>RM'000</i>
	<i>(note)</i>	<i>(note)</i>
Cash flows from operating activities		
Cash generated from operations	4,903	64,460
Interest paid	(1,201)	(1,425)
Income tax paid	(4,072)	(1,654)
Net cash (used in)/generated from operating activities	(370)	61,381
Cash flows from investing activities		
Dividends received	104	54
Increase in short-term bank deposits with original maturity over three months	(17,184)	(19,540)
Proceeds from sales of financial assets at fair value through other comprehensive income	6,607	-
Interest received	2,286	3,121
Proceeds from disposal of property, plant and equipment	8	129
Purchases of intangible assets	(112)	(216)
Purchases of property, plant and equipment	(1,080)	(1,924)
Investment in a joint venture	(133)	-
Payment for acquisition of financial assets at fair value through profit or loss	(3,536)	-
Net cash used in investing activities	(13,040)	(18,376)
Cash flows from financing activities		
Dividends paid	(7,010)	(7,010)
Dividends paid to non-controlling interests by an unlisted subsidiary	(4)	(4)
Proceeds from bank and other borrowings	23,670	7,388
Repayments of bank and other borrowings	(16,227)	(15,770)
Principal elements of lease liabilities	(1,529)	(1,425)
Net cash used in financing activities	(1,100)	(16,821)
Net (decrease)/increase in cash and cash equivalents	(14,510)	26,184
Cash and cash equivalents at beginning of period	251,208	287,577
Exchange adjustments on cash and cash equivalents	7,492	(4,305)
Cash and cash equivalents at end of period	244,190	309,456

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