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MEDIA CHINESE INTERNATIONAL LIMITED

世界華文媒體有限公司

(Incorporated in Bermuda with limited liability)

(Malaysia Company No. 200702000044)

(Hong Kong Stock Code: 685)

(Malaysia Stock Code: 5090)

ANNOUNCEMENT

FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020

Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), Media Chinese International Limited (the "Company"), a public company listed on the main market of Bursa Securities, announced the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") for the quarter ended 31 December 2020 to Bursa Securities on 25 February 2021.

This announcement is also made pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HK Listing Rules") and the Inside Information Provisions (as defined under the HK Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

25 February 2021

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

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the third quarter ended 31 December 2020

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Three months ended 31 December		(Unaudited) Three months ended 31 December	
	2020 US\$'000	2019 US\$'000	2020 RM'000 <i>(Note)</i>	2019 RM'000 <i>(Note)</i>
Turnover	31,463	56,230	126,387	225,876
Cost of goods sold	(19,980)	(36,657)	(80,260)	(147,251)
Gross profit	11,483	19,573	46,127	78,625
Other income	4,563	2,309	18,330	9,275
Other gains, net	550	19	2,209	76
Selling and distribution expenses	(7,768)	(10,368)	(31,205)	(41,648)
Administrative expenses	(6,112)	(5,580)	(24,552)	(22,415)
Other operating expenses	(1,226)	(954)	(4,925)	(3,832)
Operating profit	1,490	4,999	5,984	20,081
Finance costs	(104)	(180)	(416)	(723)
Share of results of a joint venture	(2)	-	(8)	-
Profit before income tax	1,384	4,819	5,560	19,358
Income tax expense	(56)	(1,447)	(225)	(5,813)
Profit for the quarter	1,328	3,372	5,335	13,545
Profit/(loss) attributable to:				
Owners of the Company	1,388	3,400	5,576	13,657
Non-controlling interests	(60)	(28)	(241)	(112)
	1,328	3,372	5,335	13,545
Earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	0.08	0.20	0.32	0.80
Diluted (US cents/sen) #	0.08	0.20	0.32	0.80

Refer to B11 for calculations of basic and diluted earnings per share

Note: The presentation currency of this unaudited financial information is United States Dollar ("US\$"). Supplementary information in Malaysian Ringgit ("RM") for the quarter ended 31 December 2020 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.0170 ruling at 31 December 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.

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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	(Unaudited) Three months ended 31 December		(Unaudited) Three months ended 31 December	
	2020 US\$'000	2019 US\$'000	2020 RM'000 <i>(Note)</i>	2019 RM'000 <i>(Note)</i>
Profit for the quarter	1,328	3,372	5,335	13,545
Other comprehensive income/(loss)				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences	4,939	3,538	19,839	14,212
Items that will not be reclassified subsequently to profit or loss:				
Fair value change on financial assets at fair value through other comprehensive income	46	(549)	185	(2,205)
Revaluation of land and buildings	-	618	-	2,483
Other comprehensive income for the quarter, net of tax	4,985	3,607	20,024	14,490
Total comprehensive income for the quarter	6,313	6,979	25,359	28,035
Total comprehensive income/(loss) for the quarter attributable to:				
Owners of the Company	6,355	7,139	25,528	28,678
Non-controlling interests	(42)	(160)	(169)	(643)
	6,313	6,979	25,359	28,035

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Nine months ended 31 December		(Unaudited) Nine months ended 31 December	
	2020 US\$'000	2019 US\$'000	2020 RM'000 <i>(Note)</i>	2019 RM'000 <i>(Note)</i>
Turnover	86,054	200,760	345,679	806,453
Cost of goods sold	(59,692)	(139,946)	(239,783)	(562,163)
Gross profit	26,362	60,814	105,896	244,290
Other income	14,457	6,865	58,074	27,577
Other gains/(losses), net	591	(98)	2,374	(394)
Selling and distribution expenses	(22,870)	(33,130)	(91,869)	(133,083)
Administrative expenses	(18,431)	(19,568)	(74,037)	(78,605)
Other operating expenses	(3,685)	(3,540)	(14,803)	(14,220)
Operating (loss)/profit	(3,576)	11,343	(14,365)	45,565
Finance costs	(393)	(523)	(1,578)	(2,101)
Share of results of a joint venture	(2)	-	(8)	-
(Loss)/profit before income tax	(3,971)	10,820	(15,951)	43,464
Income tax credit/(expense)	61	(2,304)	245	(9,255)
(Loss)/profit for the period	(3,910)	8,516	(15,706)	34,209
(Loss)/profit attributable to:				
Owners of the Company	(3,511)	8,849	(14,104)	35,547
Non-controlling interests	(399)	(333)	(1,602)	(1,338)
	(3,910)	8,516	(15,706)	34,209
(Loss)/earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	(0.21)	0.52	(0.84)	2.09
Diluted (US cents/sen) #	(0.21)	0.52	(0.84)	2.09

Refer to B11 for calculations of basic and diluted (loss)/earnings per share

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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	(Unaudited)		(Unaudited)	
	Nine months ended		Nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
(Loss)/profit for the period	(3,910)	8,516	(15,706)	34,209
Other comprehensive income/(loss)				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences	10,190	64	40,933	257
Items that will not be reclassified subsequently to profit or loss:				
Fair value change on financial assets at fair value through other comprehensive income	1,218	(1,143)	4,892	(4,592)
Revaluation of land and buildings	-	618	-	2,483
Other comprehensive income/(loss) for the period, net of tax	11,408	(461)	45,825	(1,852)
Total comprehensive income for the period	7,498	8,055	30,119	32,357
Total comprehensive income/(loss) for the period attributable to:				
Owners of the Company	7,556	8,682	30,352	34,876
Non-controlling interests	(58)	(627)	(233)	(2,519)
	7,498	8,055	30,119	32,357

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at 31 December 2020 US\$'000	(Audited) As at 31 March 2020 US\$'000	(Unaudited) As at 31 December 2020 RM'000 <i>(Note)</i>	(Unaudited) As at 31 March 2020 RM'000 <i>(Note)</i>
ASSETS				
Non-current assets				
Property, plant and equipment	69,704	70,669	280,001	283,877
Investment properties	23,189	21,864	93,150	87,828
Intangible assets	9,134	9,146	36,691	36,739
Deferred income tax assets	126	120	506	482
Investments accounted for using the equity method	31	-	125	-
Financial assets at fair value through other comprehensive income	898	1,267	3,607	5,090
	103,082	103,066	414,080	414,016
Current assets				
Inventories	20,178	20,039	81,055	80,497
Trade and other receivables	23,172	25,252	93,082	101,437
Financial assets at fair value through profit or loss	1,207	425	4,849	1,707
Income tax recoverable	497	447	1,996	1,796
Short-term bank deposits	22,294	13,430	89,555	53,948
Cash and cash equivalents	60,793	60,452	244,205	242,836
	128,141	120,045	514,742	482,221
Current liabilities				
Trade and other payables	26,776	22,328	107,559	89,692
Contract liabilities	6,831	8,889	27,440	35,707
Income tax liabilities	95	564	382	2,266
Bank and other borrowings	20,683	19,362	83,084	77,777
Lease liabilities	860	839	3,455	3,370
Current portion of other non-current liabilities	64	60	257	241
	55,309	52,042	222,177	209,053
Net current assets	72,832	68,003	292,565	273,168
Total assets less current liabilities	175,914	171,069	706,645	687,184

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	(Unaudited) As at 31 December 2020 US\$'000	(Audited) As at 31 March 2020 US\$'000	(Unaudited) As at 31 December 2020 RM'000 (Note)	(Unaudited) As at 31 March 2020 RM'000 (Note)
EQUITY				
Equity attributable to owners of the Company				
Share capital	21,715	21,715	87,229	87,229
Share premium	54,664	54,664	219,585	219,585
Other reserves	(110,667)	(121,506)	(444,550)	(488,090)
Retained earnings	202,310	207,280	812,679	832,644
	168,022	162,153	674,943	651,368
Non-controlling interests	586	645	2,354	2,591
Total equity	168,608	162,798	677,297	653,959
Non-current liabilities				
Lease liabilities	714	1,354	2,868	5,439
Deferred income tax liabilities	5,122	5,533	20,575	22,226
Other non-current liabilities	1,470	1,384	5,905	5,560
	7,306	8,271	29,348	33,225
	175,914	171,069	706,645	687,184
Net assets per share attributable to owners of the Company (US cents/sen)	9.96	9.61	40.01	38.60

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)						
	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Sub-total		
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	-	-	-	8,849	8,849	(333)	8,516
Other comprehensive income/(loss)							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	52	-	52	12	64
Items that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	(835)	-	(835)	(308)	(1,143)
Revaluation of land and buildings	-	-	616	-	616	2	618
Other comprehensive loss, net of tax	-	-	(167)	-	(167)	(294)	(461)
Total comprehensive (loss)/income for the period ended 31 December 2019	-	-	(167)	8,849	8,682	(627)	8,055
Total transactions with owners, recognised directly in equity							
2018/2019 second interim dividend	-	-	-	(1,687)	(1,687)	-	(1,687)
2019/2020 first interim dividend	-	-	-	(2,700)	(2,700)	-	(2,700)
2018/2019 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(1)	(1)
2019/2020 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	-*	-*
	-	-	-	(4,387)	(4,387)	(1)	(4,388)
At 31 December 2019	21,715	54,664	(113,340)	209,015	172,054	1,434	173,488

* negligible

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(Unaudited)						Total equity US\$'000
	Attributable to owners of the Company					Non- controlling interests 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 2020	21,715	54,664	(121,506)	207,280	162,153	645	162,798
Loss for the period	-	-	-	(3,511)	(3,511)	(399)	(3,910)
Other comprehensive income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	10,178	-	10,178	12	10,190
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	889	-	889	329	1,218
Other comprehensive income, net of tax	-	-	11,067	-	11,067	341	11,408
Total comprehensive income/(loss) for the period ended 31 December 2020	-	-	11,067	(3,511)	7,556	(58)	7,498
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 31 December 2020	21,715	54,664	(110,667)	202,310	168,022	586	168,608

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(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 2019	87,229	219,585	(454,616)	821,689	673,887	8,283	682,170
Profit/(loss) for the period	-	-	-	35,547	35,547	(1,338)	34,209
Other comprehensive income/(loss)							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	209	-	209	48	257
Items that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	(3,355)	-	(3,355)	(1,237)	(4,592)
Revaluation of land and buildings	-	-	2,475	-	2,475	8	2,483
Other comprehensive loss, net of tax	-	-	(671)	-	(671)	(1,181)	(1,852)
Total comprehensive (loss)/income for the period ended 31 December 2019	-	-	(671)	35,547	34,876	(2,519)	32,357
Total transactions with owners, recognised directly in equity							
2018/2019 second interim dividend	-	-	-	(6,777)	(6,777)	-	(6,777)
2019/2020 first interim dividend	-	-	-	(10,846)	(10,846)	-	(10,846)
2018/2019 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(4)	(4)
2019/2020 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	_*	_*
	-	-	-	(17,623)	(17,623)	(4)	(17,627)
At 31 December 2019	87,229	219,585	(455,287)	839,613	691,140	5,760	696,900

* negligible

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(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	87,229	219,585	(488,090)	832,644	651,368	2,591	653,959
Loss for the period	-	-	-	(14,104)	(14,104)	(1,602)	(15,706)
Other comprehensive income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	40,885	-	40,885	48	40,933
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	3,571	-	3,571	1,321	4,892
Other comprehensive income, net of tax	-	-	44,456	-	44,456	1,369	45,825
Total comprehensive income/(loss) for the period ended 31 December 2020	-	-	44,456	(14,104)	30,352	(233)	30,119
Release of reserve upon disposal of financial assets at fair value through other comprehensive income	-	-	(916)	916	-	-	-
Total transactions with owners, recognised directly in equity							
2019/2020 second interim dividend	-	-	-	(6,777)	(6,777)	-	(6,777)
2019/2020 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(4)	(4)
	-	-	-	(6,777)	(6,777)	(4)	(6,781)
At 31 December 2020	87,229	219,585	(444,550)	812,679	674,943	2,354	677,297

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)		(Unaudited)	
	Nine months ended 31 December		Nine months ended 31 December	
	2020	2019	2020	2019
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Cash flows from operating activities				
Cash generated from operations	6,452	15,884	25,918	63,806
Interest paid	(393)	(523)	(1,578)	(2,101)
Income tax paid	(1,058)	(1,691)	(4,250)	(6,793)
Net cash generated from operating activities	5,001	13,670	20,090	54,912
Cash flows from investing activities				
Dividends received	117	152	470	611
Increase in short-term bank deposits with original maturity over three months	(8,864)	(6,293)	(35,607)	(25,279)
Proceeds from sales of financial assets at fair value through other comprehensive income	1,590	-	6,387	-
Proceeds from sales of financial assets at fair value through profit or loss	634	-	2,547	-
Interest received	795	1,166	3,194	4,684
Proceeds from disposal of property, plant and equipment	12	613	48	2,462
Purchases of intangible assets	(31)	(105)	(125)	(422)
Purchases of property, plant and equipment	(385)	(1,096)	(1,547)	(4,403)
Payment for acquisition of financial assets at fair value through profit or loss	(1,079)	-	(4,334)	-
Investments in a joint venture	(32)	-	(129)	-
Net cash used in investing activities	(7,243)	(5,563)	(29,096)	(22,347)
Cash flows from financing activities				
Dividends paid	(1,687)	(4,387)	(6,777)	(17,623)
Dividends paid to non-controlling interests by an unlisted subsidiary	(1)	(1)	(4)	(4)
Proceeds from bank and other borrowings	6,841	2,477	27,480	9,950
Repayments of bank and other borrowings	(5,608)	(4,368)	(22,527)	(17,546)
Principal elements of lease liabilities	(560)	(518)	(2,250)	(2,081)
Net cash used in financing activities	(1,015)	(6,797)	(4,078)	(27,304)
Net (decrease)/increase in cash and cash equivalents				
	(3,257)	1,310	(13,084)	5,261
Cash and cash equivalents at beginning of period	60,452	69,204	242,836	277,992
Exchange adjustments on cash and cash equivalents	3,598	327	14,453	1,315
Cash and cash equivalents at end of period	60,793	70,841	244,205	284,568

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A. NOTES TO THE FINANCIAL INFORMATION

A1. Basis of preparation

This condensed consolidated financial information of the Company and its subsidiaries (collectively the “Group”) for the quarter and nine months ended 31 December 2020 (“this financial information”) has been prepared in accordance with the International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board, Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HK Listing Rules”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Listing Requirements”).

This 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”).

This financial information has not been audited.

A2. Accounting policies

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

Taxes on income for the three months and nine months ended 31 December 2020 are accrued using the tax rate that would be applicable to expected total annual earnings.

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

The Group has applied the following standards and amendments for the first time for 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.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A2. Accounting policies (Continued)

(ii) 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 31 December 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.

A3. Functional currency and translation to presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. The functional currency of the Company is Malaysian Ringgit ("RM"). However, each entity within the Group can present its financial statements in any currency, which can be the same or different from the entity's functional currency. As the Group operates internationally, management considers that it is more appropriate to use United States Dollar ("US\$"), a globally recognised currency, as the presentation currency for the Group's consolidated financial statements. For the entity whose functional currency is not US\$, its results and financial position have been translated into US\$.

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

During the period ended 31 December 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.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A4. Auditor's report on preceding annual financial statements

The auditor's report of the Group's annual financial statements for the year ended 31 March 2020 was not subject to any qualification.

A5. Seasonal or cyclical factors

The business operations of the Group may be affected by major festive seasons or major events that may increase or decrease the advertising revenue and the travel business revenue.

A6. Unusual items

There were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the quarter under review except that the Group's business activities were affected by the COVID-19 pandemic and the measures taken to contain the outbreak by the governments in countries where the Group has business operations as disclosed in Notes B1 and B2.

A7. Changes in estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect on the results of the quarter under review.

A8. Changes in debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter under review.

A9. Dividends paid

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.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. 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 profit/(loss) before income tax as presented in the internal financial report. Other information provided is measured in a manner consistent with that in the internal financial report.

The Group's turnover and results for the quarter ended 31 December 2020, analysed by operating segment, are as follows:

	(Unaudited)					Total US\$'000
	Three months ended 31 December 2020					
	Publishing and printing				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	Sub-total US\$'000		
Turnover	19,878	9,662	1,892	31,432	31	31,463
Segment profit/(loss) before income tax	1,758	356	60	2,174	(645)	1,529
Other net unallocated expenses						(145)
Profit before income tax						1,384
Income tax expense						(56)
Profit for the quarter						1,328
Other segmental information:						
Interest income	209	2	31	242	3	245
Finance costs	(6)	(86)	-	(92)	(12)	(104)
Depreciation of property, plant and equipment	(1,238)	(298)	(41)	(1,577)	(196)	(1,773)
Amortisation of intangible assets	(201)	(21)	(2)	(224)	(1)	(225)
Share of results of a joint venture	-	(2)	-	(2)	-	(2)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

The Group's turnover and results for the quarter ended 31 December 2019, analysed by operating segment, are as follows:

	(Unaudited) Three months ended 31 December 2019 Publishing and printing					
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
Turnover	28,094	11,431	2,674	42,199	14,031	56,230
Segment profit/(loss) before income tax	5,144	(462)	121	4,803	172	4,975
Other net unallocated expenses						(156)
Profit before income tax						4,819
Income tax expense						(1,447)
Profit for the quarter						3,372
Other segmental information:						
Interest income	378	8	12	398	17	415
Finance costs	-	(163)	-	(163)	(17)	(180)
Depreciation of property, plant and equipment	(1,270)	(291)	(44)	(1,605)	(195)	(1,800)
Amortisation of intangible assets	(164)	(31)	(2)	(197)	(1)	(198)

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 quarter is disaggregated as follows:

	(Unaudited) Three months ended 31 December	
	2020 US\$'000	2019 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	11,897	13,603
Travel and travel related services income	23	162
Over time		
Advertising income, net of trade discounts	19,535	28,596
Travel and travel related services income	8	13,869
	31,463	56,230

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

The Group's turnover and results for the period ended 31 December 2020, analysed by operating segment, are as follows:

	(Unaudited)					
	Nine months ended 31 December 2020					
	Publishing and printing				Travel and travel related services	Total
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000	US\$'000	US\$'000
Turnover	52,957	28,126	4,872	85,955	99	86,054
Segment (loss)/profit before income tax	<u>(1,861)</u>	<u>(629)</u>	<u>416</u>	<u>(2,074)</u>	<u>(1,448)</u>	<u>(3,522)</u>
Other net unallocated expenses						<u>(449)</u>
Loss before income tax						(3,971)
Income tax credit						<u>61</u>
Loss for the period						<u><u>(3,910)</u></u>
Other segmental information:						
Interest income	744	2	34	780	15	795
Finance costs	(31)	(320)	-	(351)	(42)	(393)
Depreciation of property, plant and equipment	(3,641)	(894)	(121)	(4,656)	(601)	(5,257)
Amortisation of intangible assets	(596)	(71)	(6)	(673)	(3)	(676)
Share of results of a joint venture	-	(2)	-	(2)	-	(2)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

The Group's turnover and results for the period ended 31 December 2019, analysed by operating segment, are as follows:

	(Unaudited)					
	Nine months ended 31 December 2019					
	Publishing and printing					
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
Turnover	82,773	36,536	8,182	127,491	73,269	200,760
Segment profit/(loss) before income tax	9,664	(2,061)	(715)	6,888	4,479	11,367
Other net unallocated expenses						(547)
Profit before income tax						10,820
Income tax expense						(2,304)
Profit for the period						8,516
Other segmental information:						
Interest income	1,059	23	32	1,114	52	1,166
Finance costs	(12)	(475)	-	(487)	(36)	(523)
Depreciation of property, plant and equipment	(3,861)	(871)	(137)	(4,869)	(570)	(5,439)
Amortisation of intangible assets	(508)	(89)	(6)	(603)	(16)	(619)

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)	
	Nine months ended 31 December	
	2020 US\$'000	2019 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	36,653	43,336
Travel and travel related services income	39	800
Over time		
Advertising income, net of trade discounts	49,302	84,155
Travel and travel related services income	60	72,469
	86,054	200,760

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

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

	(Unaudited)						Total US\$'000
	Publishing and printing						
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Elimination US\$'000	
Segment assets	165,453	40,227	11,860	217,540	13,255	(319)	230,476
Unallocated assets							<u>747</u>
Total assets							<u>231,223</u>
Total assets include:							
Investments accounted for using the equity method	-	31	-	31	-	-	31
Additions to non-current assets (other than deferred income tax assets)	245	117	45	407	9	-	416
Segment liabilities	(14,260)	(31,689)	(7,205)	(53,154)	(3,193)	319	(56,028)
Unallocated liabilities							<u>(6,587)</u>
Total liabilities							<u>(62,615)</u>

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

	(Audited)						Total US\$'000
	Publishing and printing						
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Elimination US\$'000	
Segment assets	158,529	35,575	10,688	204,792	17,854	(642)	222,004
Unallocated assets							<u>1,107</u>
Total assets							<u>223,111</u>
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							<u>(7,436)</u>
Total liabilities							<u>(60,313)</u>

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

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.

A11. Valuation of property, plant and equipment

There was no revaluation of the Group's property, plant and equipment during the quarter ended 31 December 2020.

A12. Subsequent material events

There were no subsequent material events of the Group.

A13. Changes in the composition of the Group

There were no material changes in the composition of the Group during the quarter under review, except the following:

- (a) The dormant and indirect wholly-owned subsidiaries of the Company namely, MediaNet Investment Limited and MediaNet Resources Limited had been deregistered. Ming Pao Enterprise Corporation Limited and Ming Pao Secretarial Services Limited are under the deregistration process.
- (b) The dormant and indirect wholly-owned subsidiaries of One Media Group Limited namely, One Media (HK) Limited, ByRead Inc., Million Fortune Resources Limited, 掌富科技(南京)有限公司 and 南京掌門科技有限公司 are under the deregistration process.

A14. Capital commitments

Capital commitments not provided for as at 31 December 2020 are as follows:

	(Unaudited) US\$'000
Authorised and contracted for	
Property, plant and equipment	191
Intangible assets	479
	<hr/> 670 <hr/>

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A15. Related party transactions

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000
Advertising income received from related companies (<i>note 1</i>)	-	-	-	(1)
Commission received from sales of honey from a related company (<i>note 1</i>)	-	-	-	(1)
Gain on disposal of a motor vehicle to a member of the Company's senior management team	-	(11)	-	(11)
Provision of accounting and administrative services to related companies (<i>note 1</i>)	-	-	-	(5)
Provision of accounting and professional services to a joint venture	(3)	-	(3)	-
Provision of engineering professional services by a related company (<i>note 1</i>)	-	14	-	35
Provision of legal services by a related company (<i>note 2</i>)	16	19	35	69
Purchase of air tickets from a related company (<i>note 1</i>)	-	-	-	9
Purchase of honey from a related company (<i>note 1</i>)	-	-	3	-
Purchase of mineral water from a related company (<i>note 1</i>)	-	-	-	1
Rental expenses paid to related companies (<i>note 1</i>)	21	24	68	71

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.

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'
MAIN MARKET LISTING REQUIREMENTS**

B1. Analysis of performance

	(Unaudited) Three months ended 31 December			(Unaudited) Nine months ended 31 December		
	2020 US\$'000	2019 US\$'000	% Change	2020 US\$'000	2019 US\$'000	% Change
Turnover	31,463	56,230	-44.0%	86,054	200,760	-57.1%
Profit/(loss) before income tax	1,384	4,819	-71.3%	(3,971)	10,820	-136.7%
EBITDA	3,241	6,582	-50.8%	1,560	16,235	-90.4%

The Group's turnover for the quarter ended 31 December 2020 amounted to US\$31,463,000, a decrease of 44.0% or US\$24,767,000 from US\$56,230,000 in the corresponding quarter last year, as the COVID-19 pandemic continued to weigh on the Group's operations, especially its travel business. The decrease in turnover led to a corresponding drop in the Group's profit before income tax, which fell by 71.3% or US\$3,435,000 to US\$1,384,000 from US\$4,819,000 in the prior year quarter.

EBITDA for the quarter fell 50.8% to US\$3,241,000, compared with US\$6,582,000 in the third quarter of 2019/2020.

There was no significant currency impact on the Group's financial results for the quarter under review.

Publishing and Printing

For the current quarter, the turnover of the publishing and printing segment declined by 25.5% to US\$31,432,000 from US\$42,199,000 in the same quarter last year, with all of the Group's market segments reporting lower revenues. This resulted in a decrease in the segment's profit before income tax which fell by 54.7% to US\$2,174,000 from US\$4,803,000 a year earlier.

In Malaysia, the implementation of movement control orders to curb the spread of the coronavirus has impacted most businesses and weakened retail spending. The country's GDP dropped by 2.7% year-on-year in the third quarter of 2020, a milder contraction compared to the 17.1% in the second quarter.

The turnover of the Group's Malaysia and other Southeast Asian segment fell by 29.2% to US\$19,878,000 when compared to the same quarter in the previous year. The decline in turnover resulted in a 65.8% drop in this segment's profit before income tax from last year's US\$5,144,000 to US\$1,758,000.

As most people stayed at home during the pandemic, the operations in Malaysia has focused on using its digital platforms to drive revenue with virtual fairs, seminars and events; leveraging its cross-platform marketing initiatives including video production and broadcasting; as well as offering customised digital advertising and advertorial packages to its customers. Meantime, the Group has continued its efforts in cost rationalisation and optimisation to compensate for the declining revenue. Stringent pagination and print order controls contributed to satisfactory production and raw materials cost savings while headcount controls helped reduce fixed operating expenses.

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'
MAIN MARKET LISTING REQUIREMENTS (Continued)

B1. Analysis of performance (Continued)

The economy of Hong Kong has also been greatly impacted by the lingering coronavirus pandemic as the restrictive measures dampened social and economic activities, with the retail and tourism industries particularly hard hit. For the quarter under review, the turnover of the Hong Kong and Taiwan segment fell by 15.5% to US\$9,662,000 from US\$11,431,000 recorded in the prior year quarter. Despite the decline in revenue, this segment posted a profit before income tax of US\$356,000 for the current quarter as opposed to a segment loss of US\$462,000 a year ago. The Group's continued cost controls and the wage subsidies received under the Hong Kong government's Employment Support Scheme contributed to the improvement in this segment's results.

The performance of the North America segment remained subdued amid the weak economic conditions caused by the pandemic. The turnover for this segment decreased by 29.2% year-on-year to US\$1,892,000 which resulted in a 50.4% drop in its profit before income tax to US\$60,000 from US\$121,000 in the corresponding quarter of the previous year. This segment continued to benefit from the Canadian government's grant and wage subsidies which helped mitigate the impact of revenue drop.

Travel and travel related services

The tourism industry remained at a standstill amid worldwide travel restrictions. As such, the Group's travel segment reported a turnover of US\$31,000 only for the current quarter as compared to US\$14,031,000 a year earlier. This resulted in the segment reporting a loss of US\$645,000, as opposed to a segment profit before income tax of US\$172,000 recorded in the same quarter last year.

Nine months of FY 2020/2021

For the nine months ended 31 December 2020, the Group's turnover fell by 57.1% to US\$86,054,000 when compared to the corresponding period last year. This was attributed to decreases in turnover of 32.6% and 99.9% from the Group's publishing and printing segment and the travel segment respectively.

The Group recorded a loss before income tax of US\$3,971,000 for the current period as opposed to a profit before income tax of US\$10,820,000 achieved in the same period last year.

EBITDA for the nine-month period was US\$1,560,000, 90.4% below last year's US\$16,235,000.

During the nine months ended 31 December 2020, both the RM and the C\$ weakened against the US dollar which resulted in a negative currency impact of approximately US\$491,000 on the Group's turnover and a positive currency impact of approximately US\$188,000 on the Group's loss before income tax.

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'
 MAIN MARKET LISTING REQUIREMENTS (Continued)**

B2. Variation of results against immediate preceding quarter

	(Unaudited) Three months ended 31 December 2020 US\$'000	(Unaudited) Three months ended 30 September 2020 US\$'000	% Change
Turnover	31,463	30,371	3.6%
Profit before income tax	1,384	594	133.0%

The Group's turnover for the current quarter improved by 3.6% to US\$31,463,000 when compared with the immediate preceding quarter. This was mainly due to an increase of 3.6% in the publishing and printing segment's turnover as economic conditions in Malaysia improved slightly following the country's easing of control measures during the quarter under review.

The Group achieved a 133.0% increase in its profit before income tax when compared to the immediate preceding quarter, mainly contributed by the improvement in the operating results of its Malaysia and other South East Asia segment.

B3. Current year prospects

With the recent resurgence of the coronavirus in many parts of the world, the Group expects the remaining quarter of the financial year 2020/2021 to be immensely challenging in all its markets. The impact of a traditionally slow season for the Group's publishing business in the fourth quarter is likely to make the operating environment more difficult. On the other hand, as countries around the world have started to embark on vaccination programs to curb the COVID-19 pandemic, the Group sees this as a positive light for the tour and travel industry which has been paralysed since the virus outbreak, though improvement is expected to start in the second half of 2021.

The Group has and will continue to take all necessary precautionary measures to ensure its employees' safety and to minimise the risk of operation disruption. Meantime, it will continue to focus on monetising its digital assets to expand its revenue base while at the same time maintain its tight cost control strategy.

B4. Profit forecast and profit guarantee

The Group has not provided any profit forecast or profit guarantee in any public document.

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'
MAIN MARKET LISTING REQUIREMENTS (Continued)**

B5. Profit before income tax

Profit before income tax has been arrived at after (charging) /crediting:

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000
Exchange gains/(losses), net	138	6	315	(102)
Government grant and wage subsidies	3,170	648	10,690	1,938
Reversal of provision/(provision) for loss allowance and write-off of trade and other receivables	46	(34)	(159)	(473)
Provision for impairment and write-off of inventories	(36)	(37)	(161)	(116)
Write-off of intangible assets	-	-	-	(40)
Gain on disposal of property, plant and equipment	6	286	-	278
Gain on disposal of financial assets at fair value through profit or loss	60	-	60	-

Save as disclosed above and in A10, the other items as required under Part A(16) of Appendix 9B of the Bursa Securities' Listing Requirements are not applicable.

B6. Income tax expense/(credit)

Income tax expense/(credit) in the condensed consolidated statement of profit or loss represents:

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000
Current period income tax expense	159	1,448	590	2,784
(Over)/under provision in prior years	(12)	64	(13)	65
Deferred income tax credit	(91)	(65)	(638)	(545)
	56	1,447	(61)	2,304

The effective tax rate of the Group for the current quarter and period under review was lower than the Malaysian statutory tax rate of 24% mainly due to certain non-taxable income and losses incurred by certain subsidiaries.

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' MAIN MARKET LISTING REQUIREMENTS (Continued)

B7. Status of corporate proposal

There were no corporate proposals announced but not completed at the latest practicable date, which is not earlier than seven days from the date of issue of this financial information.

B8. Group borrowings

The Group's borrowings as at 31 December 2020 are as follows:

	Secured US\$'000	(Unaudited) Unsecured US\$'000	Total US\$'000
Current			
Bank borrowings	<u>20,098</u>	<u>585</u>	<u>20,683</u>

The Group's borrowings were denominated in the following currencies:

	(Unaudited) US\$'000
Malaysian Ringgit	585
Hong Kong dollars	19,686
United States dollars	412
	<u>20,683</u>

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

B9. Material litigation

As at 31 December 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 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.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the third quarter ended 31 December 2020

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'
MAIN MARKET LISTING REQUIREMENTS (Continued)

B10. Dividend payable

The Board of Directors does not recommend any distribution of dividend for the quarter under review.

B11. Earnings/(loss) per share attributable to owners of the Company

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2020	2019	2020	2019
Profit/(loss) attributable to owners of the Company(US\$'000)	<u>1,388</u>	3,400	<u>(3,511)</u>	8,849
Weighted average number of ordinary shares in issue	<u>1,687,236,241</u>	1,687,236,241	<u>1,687,236,241</u>	1,687,236,241
Basic earnings/(loss) per share (US cents)	<u>0.08</u>	0.20	<u>(0.21)</u>	0.52
Diluted earnings/(loss) per share (US cents)	<u>0.08</u>	0.20	<u>(0.21)</u>	0.52

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

B12. Contingencies

As at 31 December 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.

On behalf of the Board
Media Chinese International Limited

Tin Suk Han
Tong Siew Kheng
Joint Company Secretaries
25 February 2021