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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 OF FINAL FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

The directors of Media Chinese International Limited (the “Company”) hereby announce that the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2021, together with comparative figures for the year ended 31 March 2020 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Year ended 31 March	
		2021	2020
	Note	US\$'000	US\$'000
Turnover	4	115,679	239,217
Cost of goods sold		(77,284)	(165,772)
Gross profit		38,395	73,445
Other income	5	17,638	9,197
Other gains/(losses), net	6	2,833	(146)
Selling and distribution expenses		(29,387)	(41,834)
Administrative expenses		(23,787)	(25,710)
Provision for loss allowance of trade receivables		(387)	(115)
Other operating expenses		(6,175)	(4,852)
Operating (loss)/profit	7	(870)	9,985
Finance costs	8	(489)	(702)
Share of results of an associate and a joint venture		(8)	–
(Loss)/profit before income tax		(1,367)	9,283
Income tax expense	9	(546)	(3,164)
(Loss)/profit for the year		(1,913)	6,119
(Loss)/profit attributable to:			
Owners of the Company		(1,303)	7,055
Non-controlling interests		(610)	(936)
		(1,913)	6,119
(Loss)/earnings per share attributable to owners of the Company			
Basic (US cents)	10	(0.08)	0.42
Diluted (US cents)	10	(0.08)	0.42

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March	
	2021	2020
	<i>US\$'000</i>	<i>US\$'000</i>
(Loss)/profit for the year	(1,913)	6,119
Other comprehensive income/(loss)		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	5,585	(7,615)
Items that will not be reclassified subsequently to profit or loss:		
Fair value change on financial assets at fair value through other comprehensive income	1,267	(1,813)
Remeasurements of post-employment benefit obligations	372	56
Revaluation of land and buildings upon transfer to investment properties	–	618
	<hr/>	<hr/>
Other comprehensive income/(loss) for the year, net of tax	7,224	(8,754)
	<hr/>	<hr/>
Total comprehensive income/(loss) for the year	5,311	(2,635)
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Total comprehensive income/(loss) for the year attributable to:		
Owners of the Company	5,575	(1,219)
Non-controlling interests	(264)	(1,416)
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	5,311	(2,635)
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March 2021 <i>US\$'000</i>	As at 31 March 2020 <i>US\$'000</i>
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		65,218	70,669
Investment properties		24,711	21,864
Intangible assets		8,560	9,146
Deferred income tax assets		94	120
Investments accounted for using the equity method		31	–
Financial assets at fair value through other comprehensive income		942	1,267
		99,556	103,066
Current assets			
Inventories		16,996	20,039
Trade and other receivables	12	20,422	25,252
Financial assets at fair value through profit or loss		1,310	425
Income tax recoverable		914	447
Short-term bank deposits		25,252	13,430
Cash and cash equivalents		69,181	60,452
		134,075	120,045
Current liabilities			
Trade and other payables	13	20,217	22,328
Contract liabilities		7,160	8,889
Income tax liabilities		404	564
Bank and other borrowings	14	32,104	19,362
Lease liabilities		870	839
Current portion of other non-current liabilities		46	60
		60,801	52,042
Net current assets		73,274	68,003
Total assets less current liabilities		172,830	171,069

	As at 31 March 2021 US\$'000	As at 31 March 2020 US\$'000
	<i>Note</i>	
EQUITY		
Equity attributable to owners of the Company		
Share capital	21,715	21,715
Share premium	54,664	54,664
Other reserves	(115,228)	(121,506)
Retained earnings	204,890	207,280
	<u>166,041</u>	<u>162,153</u>
Non-controlling interests	380	645
	<u>166,421</u>	<u>162,798</u>
Non-current liabilities		
Lease liabilities	501	1,354
Deferred income tax liabilities	5,149	5,533
Other non-current liabilities	759	1,384
	<u>6,409</u>	<u>8,271</u>
	<u><u>172,830</u></u>	<u><u>171,069</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

For the Year ended 31 March 2021

1 BASIS OF PREPARATION

The consolidated financial information of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2021 (this “consolidated financial information”) has been prepared in accordance with the International Financial Reporting Standards (“IFRSs”) and under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss, which are carried at fair value. This consolidated financial information also included applicable disclosure requirements of the Hong Kong Companies Ordinance (Cap.622) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HK Listing Rules”).

2 ACCOUNTING POLICIES

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

(i) New and amended standards 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 IAS 39, IFRS 7 and IFRS 9, “Interest rate benchmark reform”
- Amendments to IFRS 3, “Definition of a business”
- 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.

(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 March 2021 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 IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16	Interest rate benchmark reform — phase 2	1 January 2021
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 and the related amendments	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.

3 FUNCTIONAL CURRENCY AND TRANSLATION TO PRESENTATION CURRENCY

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

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

During the year ended 31 March 2021, 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.

4 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 year ended 31 March 2021, analysed by operating segment, are as follows:

	Publishing and printing				Travel and travel related services US\$'000	Total 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	<u>71,726</u>	<u>37,025</u>	<u>6,800</u>	<u>115,551</u>	<u>128</u>	<u>115,679</u>
Segment profit/(loss) before income tax	<u>3,306</u>	<u>(1,287)</u>	<u>651</u>	<u>2,670</u>	<u>(3,427)</u>	(757)
Other net unallocated expenses						<u>(610)</u>
Loss before income tax						(1,367)
Income tax expense						<u>(546)</u>
Loss for the year						<u>(1,913)</u>
Other segmental information:						
Interest income	971	5	35	1,011	17	1,028
Finance costs	(36)	(400)	-	(436)	(53)	(489)
Depreciation of property, plant and equipment	(4,884)	(1,190)	(164)	(6,238)	(792)	(7,030)
Amortisation of intangible assets	(798)	(86)	(8)	(892)	(4)	(896)
Provision for impairment of property, plant and equipment	-	-	-	-	(1,185)	(1,185)
Share of results of an associate and a joint venture	-	(8)	-	(8)	-	(8)

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

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

Disaggregation of revenue

Turnover is derived from publishing, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language, and provision of travel and travel related services.

Turnover recognised during the year is disaggregated as follows:

	Year ended 31 March	
	2021 US\$'000	2020 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	48,086	56,113
Travel and travel related services income	59	860
Over time		
Advertising income, net of trade discounts	67,465	105,143
Travel and travel related services income	69	77,101
	<u>115,679</u>	<u>239,217</u>

The segment assets and liabilities as at 31 March 2021 are as follows:

	Publishing and printing				Travel and travel related services US\$'000	Elimination US\$'000	Total US\$'000
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000			
Segment assets	<u>161,408</u>	<u>49,845</u>	<u>10,625</u>	<u>221,878</u>	<u>10,895</u>	<u>(271)</u>	232,502
Unallocated assets							<u>1,129</u>
Total assets							<u>233,631</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)	<u>387</u>	<u>137</u>	<u>52</u>	<u>576</u>	<u>10</u>	<u>-</u>	<u>586</u>
Segment liabilities	<u>(10,371)</u>	<u>(41,296)</u>	<u>(6,177)</u>	<u>(57,844)</u>	<u>(2,820)</u>	<u>271</u>	(60,393)
Unallocated liabilities							<u>(6,817)</u>
Total liabilities							<u>(67,210)</u>

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

	Publishing and printing				Travel and travel related services US\$'000	Elimination US\$'000	Total US\$'000
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000			
Segment assets	<u>158,529</u>	<u>35,575</u>	<u>10,688</u>	<u>204,792</u>	<u>17,854</u>	<u>(642)</u>	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)	<u>1,213</u>	<u>484</u>	<u>41</u>	<u>1,738</u>	<u>1,466</u>	<u>-</u>	<u>3,204</u>
Segment liabilities	<u>(12,458)</u>	<u>(28,872)</u>	<u>(6,063)</u>	<u>(47,393)</u>	<u>(6,126)</u>	<u>642</u>	(52,877)
Unallocated liabilities							<u>(7,436)</u>
Total liabilities							<u>(60,313)</u>

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.

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

As at 31 March 2021 and 2020, the Group’s total non-current assets, other than deferred income tax assets, analysed by operating countries, are as follows:

	As at 31 March	
	2021 US\$'000	2020 US\$'000
Main operating countries		
Malaysia and other Southeast Asian countries	80,399	80,493
Hong Kong and Taiwan	12,516	16,015
Other countries	6,547	6,438
	<u>99,462</u>	<u>102,946</u>

5 OTHER INCOME

	Year ended 31 March	
	2021	2020
	US\$'000	US\$'000
Dividend income	117	152
Government grant and subsidies (<i>note</i>)	12,599	2,786
Interest income	1,028	1,546
Licence fee and royalty income	226	210
Other media-related income	1,205	1,724
Rental and management fee income	816	854
Scrap sales of old newspapers and magazines	1,050	1,836
Others	597	89
	<u>17,638</u>	<u>9,197</u>

Note: Government grant and subsidies included a grant amounted to US\$3,606,000 (2020: US\$2,786,000) from an overseas government for supporting the Group's operation of eligible publications and wage subsidies amounted to US\$8,758,000 (2020: nil) from governments in countries/judications in which the Group operates.

6 OTHER GAINS/(LOSSES), NET

	Year ended 31 March	
	2021	2020
	US\$'000	US\$'000
Fair value gains on investment properties, net	2,141	189
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	415	(26)
Net exchange gains/(losses)	277	(309)
	<u>2,833</u>	<u>(146)</u>

7 OPERATING (LOSS)/PROFIT

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

	Year ended 31 March	
	2021	2020
	US\$'000	US\$'000
Amortisation of intangible assets	896	811
Depreciation of property, plant and equipment	7,030	7,225
Direct costs of travel and travel related services	122	65,947
Employee benefit expense (including directors' emoluments)	71,924	80,870
Gains on disposal of property, plant and equipment, net	(10)	(301)
Provision for impairment of property, plant and equipment	1,185	100
Provision for impairment of intangible assets	–	11
Provision for impairment and write-off of inventories	232	185
Raw materials and consumables used	18,162	31,947
	<u>18,162</u>	<u>31,947</u>

8 FINANCE COSTS

	Year ended 31 March	
	2021 US\$'000	2020 US\$'000
Interest expense on short-term bank borrowings	431	649
Interest expense on lease liabilities	58	53
	<u>489</u>	<u>702</u>

9 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profit derived from Hong Kong for the year. Income tax for the Group's Malaysian operations is calculated at the rate of 24% (2020: 24%) on the estimated assessable profit derived from Malaysia for the year. Taxation on other countries' profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

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

	Year ended 31 March	
	2021 US\$'000	2020 US\$'000
Hong Kong taxation		
Current year	70	501
Over provision in prior years	(26)	(5)
Malaysian taxation		
Current year	1,692	3,893
(Over)/under provision in prior years	(277)	213
Other countries' taxation		
Current year (<i>note</i>)	(385)	(1,257)
Over provision in prior years	(41)	(4)
Deferred income tax credit	<u>(487)</u>	<u>(177)</u>
	<u>546</u>	<u>3,164</u>

Note: During the year ended 31 March 2021, certain overseas subsidiaries recognised tax refunds amounted to US\$411,000 from the local tax authorities for losses carryback (2020: an overseas subsidiary received a tax refund amounted to US\$1,620,000 from the local tax authority upon the successful application for a tax incentive scheme.)

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

	Year ended 31 March	
	2021	2020
(Loss)/profit attributable to owners of the Company (<i>US\$'000</i>)	<u>(1,303)</u>	<u>7,055</u>
Weighted average number of ordinary shares in issue	<u>1,687,236,241</u>	<u>1,687,236,241</u>
Basic (loss)/earnings per share (<i>US cents</i>)	<u>(0.08)</u>	<u>0.42</u>
Diluted (loss)/earnings per share (<i>US cents</i>)	<u>(0.08)</u>	<u>0.42</u>

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 years ended 31 March 2021 and 2020.

11 DIVIDENDS

	Year ended 31 March	
	2021 <i>US\$'000</i>	2020 <i>US\$'000</i>
Dividends attributable to the year:		
Interim, declared after the end of the reporting period of US0.10 cents (2019/2020: US0.16 cents, paid) per ordinary share	1,687	2,700
Second interim, Nil (2019/2020: US0.10 cents, declared after the end of the reporting period) per ordinary share	<u>–</u>	<u>1,687</u>
	<u>1,687</u>	<u>4,387</u>
Dividends paid during the year:		
Second interim, 2019/2020, US0.10 cents (2018/2019: US0.10 cents) per ordinary share (<i>note a</i>)	1,687	1,687
Interim, 2020/2021, Nil (2019/2020: US0.16 cents) per ordinary share	<u>–</u>	<u>2,700</u>
	<u>1,687</u>	<u>4,387</u>

The Board of Directors has declared an interim dividend of US0.10 cents (2019/2020: US0.26 cents) per ordinary share in respect of the year ended 31 March 2021. The dividend will be payable on 8 July 2021 to shareholders whose names appear on the register of members of the Company at the close of business on 21 June 2021 in cash in RM or in Hong Kong Dollar (“HK\$”) at the average exchange rates used during the year ended 31 March 2021 for the translation of the results of the subsidiaries whose functional currencies are not US\$. No tax is payable on the dividend declared by the Company to be received by shareholders in Malaysia as it is income from foreign source in accordance with paragraph 28 of Schedule 6 of Malaysian Income Tax Act 1967. This interim dividend has not been recognised as a dividend payable in this consolidated financial information.

The average exchange rates used during the year ended 31 March 2021 of US\$ to RM and US\$ to HK\$, and the amount of the interim dividend payable are as follows:

	Exchange rates	Dividend per ordinary share
US\$ to RM	4.1741	0.417 sen
US\$ to HK\$	7.7503	HK0.775 cents

Note:

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

12 TRADE AND OTHER RECEIVABLES

	As at 31 March	
	2021	2020
	<i>US\$'000</i>	<i>US\$'000</i>
Trade receivables (<i>note</i>)	18,430	21,730
Less: provision for loss allowance of trade receivables	(2,272)	(1,844)
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Trade receivables, net	16,158	19,886
Deposits and prepayments	2,692	4,157
Other receivables	1,572	1,209
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	20,422	25,252
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As at 31 March 2021 and 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 31 March 2021 and 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:

	As at 31 March	
	2021	2020
	<i>US\$'000</i>	<i>US\$'000</i>
1 to 60 days	10,899	11,819
61 to 120 days	2,976	5,631
121 to 180 days	829	1,423
Over 180 days	3,726	2,857
	<hr/>	<hr/>
	18,430	21,730
	<hr/> <hr/>	<hr/> <hr/>

13 TRADE AND OTHER PAYABLES

	As at 31 March	
	2021	2020
	US\$'000	US\$'000
Trade payables (<i>note</i>)	4,825	5,419
Accrued charges and other payables	15,392	16,909
	<u>20,217</u>	<u>22,328</u>

As at 31 March 2021 and 2020, the fair values of trade and other payables approximated the carrying amounts.

Note: As at 31 March 2021 and 2020, the ageing analysis of the trade payables based on invoice date is as follows:

	As at 31 March	
	2021	2020
	US\$'000	US\$'000
1 to 60 days	3,839	4,420
61 to 120 days	742	798
121 to 180 days	11	25
Over 180 days	233	176
	<u>4,825</u>	<u>5,419</u>

14 BANK AND OTHER BORROWINGS

	As at 31 March	
	2021	2020
	US\$'000	US\$'000
Current		
Short-term bank borrowings (secured)	31,778	17,650
Short-term bank borrowings (unsecured)	326	1,712
	<u>32,104</u>	<u>19,362</u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

	Year ended 31 March		
	2021	2020	% Change
	US\$'000	US\$'000	
Turnover	115,679	239,217	-51.6%
(Loss)/profit before income tax	(1,367)	9,283	-114.7%
EBITDA	7,294	16,586	-56.0%
Basic (loss)/earnings per share (US cents)	(0.08)	0.42	-119.0%

OVERALL REVIEW OF OPERATIONS

The Group's turnover for the year ended 31 March 2021 declined by 51.6% to US\$115,679,000 from US\$239,217,000 in the previous year. Turnover for its publishing and printing segment fell 28.3% to US\$115,551,000 from US\$161,256,000 recorded last year. Meanwhile, turnover for the Group's travel segment fell sharply by 99.8% to US\$128,000 from last year's US\$77,961,000.

The Group recorded a loss before income tax of US\$1,367,000 as opposed to last year's profit before income tax of US\$9,283,000, primarily driven by the decline in revenue from all market segments.

During the year ended 31 March 2021, the RM weakened against the US\$ while the Canadian Dollar (C\$) strengthened against the US\$, resulted in net positive currency impacts of approximately US\$132,000 and US\$350,000 on the Group's turnover and loss before income tax for the year respectively.

Basic loss per share for the year ended 31 March 2021 was US0.08 cents, as opposed to last year's basic earnings per share of US0.42 cents. As at 31 March 2021, the Group's cash and cash equivalents and short-term bank deposits totalled US\$94,433,000 and the Group's net assets per share attributable to owners of the Company was US9.84 cents.

Publishing and printing

Malaysia and other Southeast Asian Countries

With the emergence of COVID-19 virus in late 2019 which then spread quickly across the globe, Malaysia like most other countries in the world had to close its borders and impose movement control orders to curb the spread of infection in the country. The restrictions for operation of businesses and movement of people, as well as the decline in international trade for most of the year 2020 had an adverse impact on the Malaysian economy which resulted in Malaysia recording a 5.6% contraction in its GDP for 2020 as opposed to a growth of 4.9% in 2019.

The bleak economic situation in Malaysia caused the turnover of the Group's operations in Malaysia to drop by 32.5% to US\$71,726,000 for the year ended 31 March 2021 from US\$106,294,000 recorded in the previous year. This turnover decline resulted in the segment recording a 73.4% drop in its profit before income tax from last year's US\$12,447,000 to US\$3,306,000.

The Group is the leading Chinese media group in Malaysia with 4 major daily newspapers and a suite of magazine titles. COVID-19 has changed not only the way individuals interact with each other but also how businesses operate in this unprecedented global pandemic. With many businesses switching to digital means to continue their operations, the Group has leveraged on this "new norm" by combining its integrated print and digital advertisement packages with other platforms and market activation to meet marketers' objectives as well as to penetrate untapped markets in order to reach out to targeted audience groups. To overcome the restriction on holding physical events, the Group launched the "Celebrate Responsibly" campaign, in partnership with the Ministry of Transport Malaysia and Carlsberg Malaysia, to raise awareness on the importance of not driving after consuming alcohol through a two-month-long hybrid digital campaign; and other virtual events such as Sin Chew Four Seasons E-Celebrations and Sin Chew E-Filial Piety during the Chinese New Year.

In the meantime, the Group continued to strengthen its cost control and expenses reduction measures.

Hong Kong and Taiwan

The COVID-19 pandemic has also dealt a severe blow to the economy of Hong Kong where closure of its borders and restrictions in movements were implemented to curb the spread of the virus. The Hong Kong economy contracted by 6.1% for 2020 as a whole, the sharpest annual decline on record.

The Group's operations in Hong Kong and Taiwan recorded a total turnover of US\$37,025,000 for the year in review, which reflected a decline of 16.2% if compared to the US\$44,198,000 a year ago. Despite the decline in revenue, the segment's loss before income tax narrowed to US\$1,287,000 from US\$5,275,000 recorded in last year. This improvement was mainly attributed to cost savings and the wage subsidies received under Hong Kong's Employment Support Scheme which was part of the government's efforts to help ease the financial burden of businesses in Hong Kong during the pandemic.

Ming Pao Daily News, a renowned independent paper, has enhanced and rolled out more digital services and programs to overcome the lack of physical events to reach out to its readers. The daily has also continued to enhance its reach in the education sector by holding virtual education fairs and seminars to avoid physical interactions which help curb the spread of COVID-19. In addition, it continued to take on government reach out projects such as the "Young Writers Training Programme".

One Media Group, the Group's listed subsidiary providing Chinese language lifestyle publications in Hong Kong and Taiwan, reported a turnover of US\$5,926,000 for the year ended 31 March 2021, a decline of 34.0% when compared to the previous year. The weak retail spending had adversely affected One Media Group whose main advertisers are from the luxury goods sector. It recorded a loss before income tax of US\$2,220,000 for the financial year in review which was an improvement from the loss of US\$3,417,000 reported in last year.

North America

The Group's publishing and printing operations in North America reported a turnover of US\$6,800,000 in the financial year under review. This represented a decline of 36.8% from the US\$10,764,000 recorded in the previous year. Canada's economy shrank by 5.4% in 2020 as its economic activities came to a standstill due to the country-wide lockdowns imposed to contain the spread of COVID-19. The Group's business in this segment was thus negatively impacted. Nevertheless, this segment managed to record a profit before income tax of US\$651,000 as opposed to a loss before income tax of US\$518,000 recorded last year. This improvement was mainly due to cost savings as well as the receipt of a grant and wage subsidies from the Canadian government.

Travel and travel related services

As international travel came to a halt with the closure of borders by many countries due to the COVID-19 pandemic, turnover for the Group's travel segment fell sharply by 99.8% to US\$128,000 in the year under review from US\$77,961,000 recorded in the previous year. This drastic decline in turnover resulted in the segment recording a loss before income tax of US\$3,427,000 as opposed to a profit before income tax of US\$3,397,000 a year ago. The travel industry awaits with bated breath for international travel to resume with the roll-out of vaccination programs across the world.

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 sped up its digital transformation process and intensified its search for advertisers for its digital offerings. As readers and advertisers turned to digital platforms and solutions to continue their daily activities from education, shopping to meetings, the Group has leveraged on this new shift by introducing more digital products to suit the needs of a wider range of audience and advertisers. Self curated videos, customised story boards and specially bespoke programmes/series have helped win more advertisers. These digital marketing efforts resulted in an 8.8% increase in the Group's turnover from its digital platforms for the financial year under review.

Knowing the challenge the local tour businesses faced during the pandemic, *Sin Chew Daily* launched the "Sin Chew Go Lokal Online Fair" for the tour operators to promote their businesses. This online fair was conducted twice during the year, in August 2020 and March 2021, and was respectively supported by the Sabah and Malacca Tourism Boards. During the fair, the audience on *Sin Chew Daily's* digital platform were able to contact the participating tour operators directly to enjoy the flash deals offered.

The Group also organised a virtual education fair, the “Sin Chew E Fair”, which provided our business partners from the education sector an opportunity to reach out to their prospects as physical fairs were not possible because of the pandemic. The fair was held twice, in June and December 2020, with more than 50 participating local and overseas universities and colleges, and attracting more than 200,000 unique visitors. Given the overwhelming response from participating institutions and visitors, the Sin Chew E Fair is scheduled to be held again in May 2021.

After successfully organised the virtual “Overseas Education Fair” in Hong Kong in March 2020, the Group continued to roll out different virtual and hybrid programs including webinars, facebook live and zoom events to generate new sources of revenue. At the same time, the Group has continued to develop high value creative advertising solutions to drive value for existing and potential advertisers; and strengthen its SEO (search engine optimisation) and video capabilities to stretch its digital business arms in content marketing arena. In view of the acceleration of e-commerce during the pandemic, the Group continued to scale up its e-commerce platform “PowerUp” to serve, retain and strength its customer database as well as to provide its business partners with more business opportunities.

OUTLOOK

The COVID-19 pandemic has halted the economy of many countries around the world with closure of borders and movement control restrictions. With the roll-out of vaccination programs, the world is hopeful that the global economy will recover in tandem.

The Group had in the financial year under review adapted to the challenges caused by the pandemic to ensure the sustainability of its businesses. For the financial year ahead, the Group is of the view that it will continue to be challenging until the vaccination globally has proven to be effective and the re-opening of borders by most countries has taken place.

With most businesses switching to digitalisation as the “new norm” to minimise the spread of COVID-19, the Group will continue to focus on rolling out more creative digital advertisement solutions for its advertisers. For the travel segment, the Group expects that, with the vaccination programs being rolled out worldwide, international travel will resume albeit at a slower pace. Meanwhile, the Group will continue to exercise prudent cost controls across all business units to achieve optimisation of resources.

PLEDGE OF ASSETS

As at 31 March 2021, 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\$4,707,000 at 31 March 2021 (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 31 March 2021, the Group had short-term bank deposits of US\$542,000 (At 31 March 2020: US\$516,000) pledged to a bank for a bank guarantee issued.

CONTINGENT LIABILITIES

As at 31 March 2021, there were several libel suits which involved claims against some companies in the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings is still uncertain as of the date this consolidated financial information is authorised for issue, the directors of the Company are of the opinion that the respective ultimate liability, if any, will not have a material adverse impact on the Group's financial position.

CAPITAL COMMITMENTS

As at 31 March 2021, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in this consolidated financial information amounted to US\$99,000 (At 31 March 2020: US\$509,000).

The Group's authorised capital expenditure for intangible assets contracted but not provided for in this consolidated financial information amounted to US\$464,000 (At 31 March 2020: US\$1,000).

LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING RATIO

As at 31 March 2021, the Group's cash and cash equivalents and short-term bank deposits amounted to US\$94,433,000 (31 March 2020: US\$73,882,000) and total bank and other borrowings were US\$32,104,000 (31 March 2020: US\$19,362,000). The net cash position was US\$62,329,000 (31 March 2020: US\$54,520,000). Owners' equity was US\$166,041,000 (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 31 March 2021 and 2020.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 March 2021, the Group had 3,084 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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31 March 2021, neither the Company nor any of its subsidiaries had purchased, sold or the Company had redeemed any of the Company's listed securities.

CLOSURE OF THE REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on Wednesday, 25 August 2021. The register of members in Hong Kong will be closed on Thursday, 19 August 2021 to Wednesday, 25 August 2021, both days inclusive, during which no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 18 August 2021. In respect of the shareholders in Malaysia, a depositor in Malaysia shall qualify for the entitlement to attend the annual general meeting only in respect of shares transferred into the depositor's securities account before 4:00p.m. on Wednesday, 18 August 2021.

Shareholders who wish to request for transmission of their shares between the Malaysia Register and Hong Kong Register are advised to take note that request for transmission will be suspended from Thursday, 19 August 2021 to Wednesday, 25 August 2021, both days inclusive.

CLOSURE OF THE REGISTER OF MEMBERS FOR INTERIM DIVIDEND

The register of members in Hong Kong will be closed on 21 June 2021 whereby no transfer of shares will be registered on that date. In order to qualify for the interim dividend of US0.10 cents per ordinary share, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 18 June 2021. In respect of the shareholders in Malaysia, a depositor in Malaysia shall qualify for the entitlement to the dividend only in respect of: (i) shares transferred into the depositor's securities account before 4:00 p.m. on 21 June 2021 in respect of transfers; and (ii) shares bought on Bursa Securities on a cum entitlement basis according to the rules of Bursa Securities. The interim dividend will be payable to the shareholders on 8 July 2021.

Shareholders who wish to request for transmission of their shares between the Malaysia Register and Hong Kong Register are advised to take note that request for transmission will be suspended from 15 June 2021 to 21 June 2021, both days inclusive.

CORPORATE GOVERNANCE

The Board of Directors (the "Board") is committed to practising the highest standards of corporate governance and operating within a governance framework that is formulated based on the Malaysian Code on Corporate Governance 2017 (the "Malaysian Code") and the Corporate Governance Code (the "Hong Kong Code") contained in Appendix 14 of the HK Listing Rules. The Company has adopted the principles and recommendations of the Malaysian Code and all the code provisions in the Hong Kong Code as its own code on corporate governance practices.

During the year under review, the Company has met the code provisions as set out in the Hong Kong Code.

In respect of the Malaysian Code, the Company has complied with the principles and recommendations set out in the Malaysian Code wherever possible save for (i) at least half of the Board should comprise independent directors; (ii) the Board should seek annual shareholders' approval through a 2-tier voting process, if to retain an independent director who serves more than 12 years; (iii) the Board must have at least 30% women directors; (iv) the disclosure on a named basis of top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000; and (v) the Company is encouraged to adopt integrated reporting based on a globally recognised framework. The Board will continue to review and evaluate such recommendations under the Malaysian Code and is committed to achieving and sustaining high standards of corporate governance.

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 year under review.

SCOPE OF WORK OF MESSRS. PRICEWATERHOUSECOOPERS

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2021 as set out in this preliminary announcement have been agreed by the Group’s auditor, Messrs. PricewaterhouseCoopers, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by Messrs. PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. PricewaterhouseCoopers on this preliminary announcement.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has reviewed with management this consolidated 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

27 May 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.