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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 FIRST QUARTER ENDED 30 JUNE 2021

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 30 June 2021 to Bursa Securities on 27 August 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).

27 August 2021

As at the date of this announcement, the Board comprises Ms. TIONG Choon, Mr. TIONG Kiew Chiong, Ms. TIONG Yijia, Mr. WONG Khang Yen and Mr. LIEW Sam Ngan, being executive directors; Dato’ Sri Dr. TIONG Ik King, being non-executive director; and Datuk CHONG Kee Yuon, Mr. KHOO Kar Khoon and Mr IP Koon Wing, Ernest, being independent non-executive directors.

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Three months ended 30 June		(Unaudited) Three months ended 30 June	
	2021 US\$'000	2020 US\$'000	2021 RM'000 <i>(Note)</i>	2020 RM'000 <i>(Note)</i>
Turnover	28,693	24,220	119,133	100,561
Cost of goods sold	(18,450)	(19,706)	(76,604)	(81,819)
Gross profit	10,243	4,514	42,529	18,742
Other income	2,185	4,466	9,072	18,543
Other (losses)/gains, net	(8)	87	(33)	361
Selling and distribution expenses	(7,503)	(7,310)	(31,153)	(30,351)
Administrative expenses	(5,628)	(6,186)	(23,367)	(25,684)
Provision for loss allowance of trade receivables	(88)	(129)	(365)	(536)
Other operating expenses	(1,001)	(1,231)	(4,157)	(5,111)
Operating loss	(1,800)	(5,789)	(7,474)	(24,036)
Finance costs	(115)	(160)	(477)	(664)
Share of results of an associate and a joint venture	-*	-	-*	-
Loss before income tax	(1,915)	(5,949)	(7,951)	(24,700)
Income tax (expense)/credit	(138)	67	(573)	278
Loss for the quarter	(2,053)	(5,882)	(8,524)	(24,422)
Loss attributable to:				
Owners of the Company	(1,904)	(5,682)	(7,905)	(23,592)
Non-controlling interests	(149)	(200)	(619)	(830)
	(2,053)	(5,882)	(8,524)	(24,422)
Loss per share attributable to owners of the Company				
Basic (US cents/sen) #	(0.11)	(0.34)	(0.46)	(1.41)
Diluted (US cents/sen) #	(0.11)	(0.34)	(0.46)	(1.41)

* *negligible*

Refer to B11 for calculations of basic and diluted loss 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 30 June 2021 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.1520 ruling at 30 June 2021. 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 30 June		(Unaudited) Three months ended 30 June	
	2021 US\$'000	2020 US\$'000	2021 RM'000 <i>(Note)</i>	2020 RM'000 <i>(Note)</i>
Loss for the quarter	(2,053)	(5,882)	(8,524)	(24,422)
Other comprehensive (loss)/ income				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences	(113)	1,052	(469)	4,368
Item that will not be reclassified subsequently to profit or loss:				
Fair value change on financial assets at fair value through other comprehensive income	818	143	3,396	594
Other comprehensive income for the quarter, net of tax	705	1,195	2,927	4,962
Total comprehensive loss for the quarter	(1,348)	(4,687)	(5,597)	(19,460)
Total comprehensive (loss)/ income for the quarter attributable to:				
Owners of the Company	(1,421)	(4,525)	(5,900)	(18,788)
Non-controlling interests	73	(162)	303	(672)
	(1,348)	(4,687)	(5,597)	(19,460)

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the quarter ended 30 June 2021 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.1520 ruling at 30 June 2021. 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 FINANCIAL POSITION

	(Unaudited) As at 30 June 2021 US\$'000	(Audited) As at 31 March 2021 US\$'000	(Unaudited) As at 30 June 2021 RM'000 <i>(Note)</i>	(Unaudited) As at 31 March 2021 RM'000 <i>(Note)</i>
ASSETS				
Non-current assets				
Property, plant and equipment	63,784	65,218	264,830	270,786
Investment properties	24,681	24,711	102,476	102,600
Intangible assets	8,357	8,560	34,698	35,541
Deferred income tax assets	92	94	382	390
Investments accounted for using the equity method	31	31	129	129
Financial assets at fair value through other comprehensive income	1,761	942	7,312	3,911
	98,706	99,556	409,827	413,357
Current assets				
Inventories	15,724	16,996	65,286	70,567
Trade and other receivables	20,212	20,422	83,920	84,792
Financial assets at fair value through profit or loss	1,284	1,310	5,331	5,439
Income tax recoverable	917	914	3,807	3,795
Short-term bank deposits	27,708	25,252	115,044	104,846
Cash and cash equivalents	62,577	69,181	259,820	287,240
	128,422	134,075	533,208	556,679
Current liabilities				
Trade and other payables	20,312	20,217	84,335	83,942
Contract liabilities	7,414	7,160	30,783	29,728
Dividend payable	1,687	-	7,004	-
Income tax liabilities	203	404	843	1,677
Bank and other borrowings	27,059	32,104	112,349	133,296
Lease liabilities	739	870	3,068	3,612
Current portion of other non-current liabilities	46	46	191	191
	57,460	60,801	238,573	252,446
Net current assets	70,962	73,274	294,635	304,233
Total assets less current liabilities	169,668	172,830	704,462	717,590

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	(Unaudited) As at 30 June 2021 US\$'000	(Audited) As at 31 March 2021 US\$'000	(Unaudited) As at 30 June 2021 RM'000 (Note)	(Unaudited) As at 31 March 2021 RM'000 (Note)
EQUITY				
Equity attributable to owners of the Company				
Share capital	21,715	21,715	90,161	90,161
Share premium	54,664	54,664	226,965	226,965
Other reserves	(114,745)	(115,228)	(476,422)	(478,427)
Retained earnings	201,299	204,890	835,794	850,703
	162,933	166,041	676,498	689,402
Non-controlling interests	453	380	1,881	1,578
Total equity	163,386	166,421	678,379	690,980
Non-current liabilities				
Lease liabilities	419	501	1,740	2,080
Deferred income tax liabilities	5,104	5,149	21,192	21,379
Other non-current liabilities	759	759	3,151	3,151
	6,282	6,409	26,083	26,610
	169,668	172,830	704,462	717,590
Net assets per share attributable to owners of the Company (US cents /sen)	9.66	9.84	40.11	40.86

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(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	-	-	-	(5,682)	(5,682)	(200)	(5,882)
Other comprehensive income/(loss)							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	1,053	-	1,053	(1)	1,052
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	104	-	104	39	143
Other comprehensive income, net of tax	-	-	1,157	-	1,157	38	1,195
Total comprehensive income/(loss) for the period ended 30 June 2020	-	-	1,157	(5,682)	(4,525)	(162)	(4,687)
Total transactions with owners, recognised directly in equity							
2019/2020 second interim dividend	-	-	-	(1,687)	(1,687)	-	(1,687)
	-	-	-	(1,687)	(1,687)	-	(1,687)
At 30 June 2020	21,715	54,664	(120,349)	199,911	155,941	483	156,424

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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 2021	21,715	54,664	(115,228)	204,890	166,041	380	166,421
Loss for the period	-	-	-	(1,904)	(1,904)	(149)	(2,053)
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(114)	-	(114)	1	(113)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	597	-	597	221	818
Other comprehensive income, net of tax	-	-	483	-	483	222	705
Total comprehensive income/(loss) for the period ended 30 June 2021	-	-	483	(1,904)	(1,421)	73	(1,348)
Total transactions with owners, recognised directly in equity							
2020/2021 interim dividend	-	-	-	(1,687)	(1,687)	-	(1,687)
	-	-	-	(1,687)	(1,687)	-	(1,687)
At 30 June 2021	21,715	54,664	(114,745)	201,299	162,933	453	163,386

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(Unaudited)						Total equity RM'000 <i>(Note)</i>
	Attributable to owners of the Company					Non- controlling interests RM'000 <i>(Note)</i>	
	Share capital RM'000 <i>(Note)</i>	Share premium RM'000 <i>(Note)</i>	Other reserves RM'000 <i>(Note)</i>	Retained earnings RM'000 <i>(Note)</i>	Sub-total RM'000 <i>(Note)</i>		
At 1 April 2020	90,161	226,965	(504,493)	860,626	673,259	2,678	675,937
Loss for the period	-	-	-	(23,592)	(23,592)	(830)	(24,422)
Other comprehensive income/(loss)							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	4,372	-	4,372	(4)	4,368
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	432	-	432	162	594
Other comprehensive income, net of tax	-	-	4,804	-	4,804	158	4,962
Total comprehensive income/(loss) for the period ended 30 June 2020	-	-	4,804	(23,592)	(18,788)	(672)	(19,460)
Total transactions with owners, recognised directly in equity							
2019/2020 second interim dividend	-	-	-	(7,004)	(7,004)	-	(7,004)
	-	-	-	(7,004)	(7,004)	-	(7,004)
At 30 June 2020	90,161	226,965	(499,689)	830,030	647,467	2,006	649,473

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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	
	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)	RM'000 (Note)	
At 1 April 2021	90,161	226,965	(478,427)	850,703	689,402	1,578	690,980
Loss for the period	-	-	-	(7,905)	(7,905)	(619)	(8,524)
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(473)	-	(473)	4	(469)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	2,478	-	2,478	918	3,396
Other comprehensive income, net of tax	-	-	2,005	-	2,005	922	2,927
Total comprehensive income/(loss) for the period ended 30 June 2021	-	-	2,005	(7,905)	(5,900)	303	(5,597)
Total transactions with owners, recognised directly in equity							
2020/2021 interim dividend	-	-	-	(7,004)	(7,004)	-	(7,004)
	-	-	-	(7,004)	(7,004)	-	(7,004)
At 30 June 2021	90,161	226,965	(476,422)	835,794	676,498	1,881	678,379

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2021 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.1520 ruling at 30 June 2021. 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 CASH FLOWS

	(Unaudited) Three months ended 30 June		(Unaudited) Three months ended 30 June	
	2021 US\$'000	2020 US\$'000	2021 RM'000 <i>(Note)</i>	2020 RM'000 <i>(Note)</i>
Cash flows from operating activities				
Cash generated from/(used in) operations	1,508	(229)	6,261	(951)
Interest paid	(115)	(160)	(477)	(664)
Income tax paid	(381)	(892)	(1,582)	(3,704)
Net cash generated from/(used in) operating activities	1,012	(1,281)	4,202	(5,319)
Cash flows from investing activities				
Dividends received	21	12	87	50
Increase in short-term bank deposits with original maturity over three months	(2,456)	(5,594)	(10,198)	(23,226)
Interest received	251	306	1,042	1,271
Proceeds from disposal of property, plant and equipment	5	1	21	4
Purchases of intangible assets	(6)	(11)	(25)	(46)
Purchases of property, plant and equipment	(141)	(146)	(585)	(606)
Payment for acquisition of financial assets at fair value through profit or loss	-	(761)	-	(3,160)
Net cash used in investing activities	(2,326)	(6,193)	(9,658)	(25,713)
Cash flows from financing activities				
Proceeds from bank and other borrowings	4,171	3,917	17,318	16,263
Repayments of bank and other borrowings	(9,252)	(1,376)	(38,414)	(5,713)
Principal elements of lease liabilities	(216)	(212)	(897)	(880)
Net cash (used in)/generated from financing activities	(5,297)	2,329	(21,993)	9,670
Net decrease in cash and cash equivalents	(6,611)	(5,145)	(27,449)	(21,362)
Cash and cash equivalents at beginning of period	69,181	60,452	287,240	250,997
Exchange adjustments on cash and cash equivalents	7	354	29	1,469
Cash and cash equivalents at end of period	62,577	55,661	259,820	231,104

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2021 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.1520 ruling at 30 June 2021. 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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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 ended 30 June 2021 (“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 2021 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.

(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 2021:

- Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16, “Interest rate benchmark reform – phase 2”
- Amendments to IFRS 16, “COVID-19 – related rent concessions beyond 30 June 2021”

The adoption of the above amendments to IFRSs has no significant financial effect on this financial information and there have been no significant changes to the accounting policies applied in this financial information.

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 30 June 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 8	Definition of accounting estimates	1 January 2023
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	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 1 and IFRS Practice Statement 2	Disclosure of accounting policies with amendments	1 January 2023
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
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.

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 quarter ended 30 June 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.

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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 2021 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.

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

There was no dividend paid during the current quarter.

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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 30 June 2021, analysed by operating segment, are as follows:

	(Unaudited)					Total US\$'000
	Three months ended 30 June 2021					
	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	17,075	9,658	1,899	28,632	61	28,693
Segment loss before income tax	(93)	(841)	(338)	(1,272)	(489)	(1,761)
Other net unallocated expenses						(154)
Loss before income tax						(1,915)
Income tax expense						(138)
Loss for the quarter						(2,053)
Other segmental information:						
Interest income	248	1	1	250	1	251
Finance costs	(3)	(103)	-	(106)	(9)	(115)
Depreciation of property, plant and equipment	(1,214)	(288)	(44)	(1,546)	(5)	(1,551)
Amortisation of intangible assets	(185)	(13)	(2)	(200)	(1)	(201)
Share of results of an associate and a joint venture	-	-*	-	-*	-	-*

* negligible

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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 30 June 2020, analysed by operating segment, are as follows:

	(Unaudited)					Total US\$'000
	Three months ended 30 June 2020					
	Publishing and printing				Travel and travel related services	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000	US\$'000	
Turnover	14,276	8,605	1,290	24,171	49	24,220
Segment (loss)/profit before income tax	(3,636)	(1,921)	124	(5,433)	(374)	(5,807)
Other net unallocated expenses						(142)
Loss before income tax						(5,949)
Income tax credit						67
Loss for the quarter						(5,882)
Other segmental information:						
Interest income	300	-	1	301	5	306
Finance costs	(13)	(130)	-	(143)	(17)	(160)
Depreciation of property, plant and equipment	(1,185)	(299)	(39)	(1,523)	(210)	(1,733)
Amortisation of intangible assets	(198)	(26)	(2)	(226)	(1)	(227)

Disaggregation of revenue

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

Turnover recognised during the quarter is disaggregated as follows:

	(Unaudited)	
	Three months ended 30 June	
	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	11,241	11,917
Travel and travel related services income	34	5
Over time		
Advertising income, net of trade discounts	17,391	12,254
Travel and travel related services income	27	44
	28,693	24,220

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

The segment assets and liabilities as at 30 June 2021 are as follows:

	(Unaudited)						Total US\$'000
	Publishing and printing				Travel and travel related services US\$'000	Elimination 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	161,679	44,719	10,050	216,448	10,086	(524)	226,010
Unallocated assets							<u>1,118</u>
Total assets							<u>227,128</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)	131	12	4	147	-	-	147
Segment liabilities	(13,000)	(36,660)	(5,589)	(55,249)	(2,479)	524	(57,204)
Unallocated liabilities							<u>(6,538)</u>
Total liabilities							<u>(63,742)</u>

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

	(Audited)						Total US\$'000
	Publishing and printing				Travel and travel related services US\$'000	Elimination 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	161,408	49,845	10,625	221,878	10,895	(271)	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)	387	137	52	576	10	-	586
Segment liabilities	(10,371)	(41,296)	(6,177)	(57,844)	(2,820)	271	(60,393)
Unallocated liabilities							<u>(6,817)</u>
Total liabilities							<u>(67,210)</u>

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 30 June 2021.

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 subsidiary of the Company, namely Charming Holidays International Limited, had been deregistered.
- (b) The dormant and indirect wholly-owned subsidiaries of One Media Group Limited, namely Loka Investment Limited, Best Gold Resources Limited, Enston Investment Limited, Top Plus Limited and Media Connect Investment Limited, had been deregistered.
- (c) 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 30 June 2021 are as follows:

	(Unaudited) US\$'000
Authorised and contracted for	
Property, plant and equipment	213
Intangible assets	1,354
	<u>1,567</u>

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A15. Related party transactions

	(Unaudited)	
	Three months ended	
	30 June	
	2021	2020
	US\$'000	US\$'000
Advertising income received from a director	(2)	–
Provision of administrative and content services to a joint venture	(5)	–
Provision of legal services by a related company (<i>note 2</i>)	9	6
Purchase of honey from a related company (<i>note 1</i>)	-	2
Rental expenses paid to related companies (<i>note 1</i>)	23	23

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 30 June		
	2021 US\$'000	2020 US\$'000	% Change
Turnover	28,693	24,220	18.5%
Loss before income tax	(1,915)	(5,949)	67.8%
EBITDA Loss	(299)	(4,135)	92.8%

For the quarter in review, the Group's turnover improved by 18.5% to US\$28,693,000 from US\$24,220,000 in the same quarter last year. This improvement was attributed to the increase in turnover for both its publishing and printing segment and travel segment, which grew by 18.5% and 24.5% year-on-year respectively. Driven by the improvement in turnover, the Group's overall performance improved by 67.8% as it narrowed its loss before income tax to US\$1,915,000 for the quarter under review from a loss of US\$5,949,000 recorded a year ago.

EBITDA loss for the quarter reduced to US\$299,000 from US\$4,135,000 in the corresponding quarter last year.

During the current quarter, both the Malaysian Ringgit ("RM") and the Canadian dollar ("C\$") strengthened against the US dollar, resulting in a positive currency impact of approximately US\$1,002,000 on the Group's turnover and a negative currency impact of approximately US\$46,000 on the Group's loss before income tax.

Publishing and Printing

The Group's publishing and printing segment recorded a turnover of US\$28,632,000 for the quarter under review, an increase of 18.5% over the same quarter in 2020, with improvement in all its markets. The segment succeeded in reducing its loss before income tax to US\$1,272,000 from US\$5,433,000 recorded in the same quarter last year.

The turnover for its Malaysian market improved by 19.6% to US\$17,075,000 as compared to a lower base of US\$14,276,000 in the previous year when the Movement Control Order was first implemented in March 2020. The improvement for this market segment was due to the relaxation of movement restrictions in Malaysia with the introduction of the Conditional Movement Control Order (CMCO) in early March 2021 which continued until early May 2021. During the CMCO, business activities were allowed with continued observation of the stringent standard operating procedures. The gradual return of economic activities in Malaysia was partly stimulated by improved consumer sentiments with the commencement of National COVID-19 Immunisation Programme at the end of February 2021. This helped narrow the segment's loss before income tax to US\$93,000 from US\$3,636,000 in the same quarter last year. During the quarter, the operations in Malaysia achieved some cost savings mainly from its manpower cost due primarily to natural attrition and newsprint cost savings in tandem with the lower consumption volume and price.

Hong Kong's GDP for the second quarter of 2021 increased by 7.6% over a year earlier, following an increase of 8.0% in the first quarter. This was reflective of the improving COVID-19 situation and rising vaccination rate in Hong Kong which led to the city's relaxation of social distancing rules and gradual return to normality. As a result of the improved market conditions, the turnover of the Group's Hong Kong and Taiwan segment increased by 12.2% to US\$9,658,000 when compared with the same quarter of the previous year. This growth in revenue reduced the segment's loss before income tax to US\$841,000 from US\$1,921,000 a year ago, reflecting an improvement of 56.2%.

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

B1. Analysis of performance (Continued)

The Group's North America segment saw improvement in its turnover which increased by 47.2% to US\$1,899,000 from US\$1,290,000 in the prior year quarter. Despite the revenue increase, it recorded a loss before income tax of US\$338,000 as opposed to a profit before income tax of US\$124,000 a year ago. This was mainly due to the decrease in the subsidies received from the Canadian government.

The Group's digital business has been experiencing continual growth, as advertisers spend more money on web-based campaigns while readers shift to digital platforms for media consumption and shopping. This trend has been fostered by the new normal emerged from the COVID-19 pandemic. The Group has been leveraging its resources in enhancing its digital content and developing more cross platform advertising solutions for its audience and advertisers.

Travel and travel related services

The Group's travel segment continued to suffer from the impact of COVID-19 as a result of international border closures and quarantine restrictions. As such, the Group's travel segment recorded a minimal turnover of US\$61,000 for the current quarter, a marginal improvement from the US\$49,000 recorded a year ago. However, the segment's loss before income tax widened to US\$489,000 from US\$374,000 recorded in the same quarter last year, mainly due to less government subsidies received.

B2. Variation of results against immediate preceding quarter

	(Unaudited) Three months ended 30 June 2021 US\$'000	(Unaudited) Three months ended 31 March 2021 US\$'000	% Change
Turnover	28,693	29,625	-3.1%
(Loss)/profit before income tax	(1,915)	2,604	-173.5%

In the current quarter, the Group recorded a total turnover of US\$28,693,000, representing a marginal decline of 3.1% from the immediate preceding quarter. This was mainly due to a decrease in the turnover for the Group's publishing and printing segment in Malaysia, as the operations were adversely impacted by another full lockdown imposed since 1 June 2021. The turnover for the Group's publishing and printing segment fell by 3.3% to US\$28,632,000 from US\$29,596,000 in the previous quarter. Meanwhile, the turnover for the travel segment increased from US\$29,000 to US\$61,000 for the current quarter.

The Group recorded a loss before income tax of US\$1,915,000, as opposed to a profit before income tax of US\$2,604,000 in the immediate preceding quarter.

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

B3. Current year prospects

The year 2021 started on an encouraging note with improvement in the COVID-19 situation in Malaysia and Hong Kong where businesses were allowed to operate albeit with social distancing conditions. The emergence of the new Delta variant ended this brief respite in Malaysia as the virus spread quickly across the country, resulting in a total lockdown being imposed in Malaysia on 1 June 2021 and this critical situation continues as at to date.

With the world still plagued by the pandemic, the Group expects the remaining quarters of the financial year 2021/2022 to remain uncertain and challenging. Not until most of the population in the markets the Group operates in is fully vaccinated will there be a recovery of the economy and re-opening of borders.

Furthermore, newsprint price is poised to rise significantly in the second half of 2021 which will put further pressure on the Group's operating margins. The Group will continue its efforts to minimise the impact on its earnings with strict cost containment measures and look at ways to adapt its operations and marketing efforts to meet the new normal.

B4. Profit forecast and profit guarantee

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

B5. Loss before income tax

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

	(Unaudited)	
	Three months ended	
	30 June	
	2021	2020
	US\$'000	US\$'000
Exchange gains - net	16	84
Government grant and subsidies	1,013	3,073
Provision for loss allowance and write-off of trade and other receivables	(148)	(132)
Provision for impairment and write-off of inventories	(39)	(40)
Losses on disposal of property, plant and equipment	(3)	(2)
Fair value (losses)/gains on financial assets at fair value through profit or loss, net	(24)	3

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.

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

B6. Income tax expense/(credit)

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

	(Unaudited) Three months ended 30 June	
	2021 US\$'000	2020 US\$'000
Current period income tax expense	179	64
Deferred income tax credit	(41)	(131)
	<u>138</u>	<u>(67)</u>

The effective tax rate of the Group for the current quarter under review was higher than the Malaysian statutory tax rate of 24% mainly due to losses incurred by certain subsidiaries.

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 30 June 2021 are as follows:

	Secured US\$'000	(Unaudited) Unsecured US\$'000	Total US\$'000
Current			
Bank borrowings	<u>26,547</u>	<u>512</u>	<u>27,059</u>

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

	(Unaudited) US\$'000
Malaysian Ringgit	512
Hong Kong dollars	26,427
United States dollars	120
	<u>27,059</u>

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 30 June 2021 and 31 March 2021.

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

B9. Material litigation

As at 30 June 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 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.

B10. Dividend payable

The tax-exempt interim dividend of US0.10 cents per ordinary share totaling US\$1,687,000 in respect of the year ended 31 March 2021 was paid on 8 July 2021.

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

B11. Loss per share attributable to owners of the Company

	(Unaudited)	
	Three months ended	
	30 June	
	2021	2020
Loss attributable to owners of the Company (US\$'000)	<u>(1,904)</u>	<u>(5,682)</u>
Weighted average number of ordinary shares in issue	<u>1,687,236,241</u>	<u>1,687,236,241</u>
Basic loss per share (US cents)	<u>(0.11)</u>	<u>(0.34)</u>
Diluted loss per share (US cents)	<u>(0.11)</u>	<u>(0.34)</u>

The diluted loss per share is the same as the basic loss per share as there were no dilutive potential shares in issue during the quarters ended 30 June 2021 and 2020.

B12. Contingencies

As at 30 June 2021, the Group had short-term bank deposits of US\$131,000 (At 31 March 2021: US\$542,000) pledged to a bank for a bank guarantee issued.

On behalf of the Board
 Media Chinese International Limited

Tong Siew Kheng
 Yeung Ying Fat
 Joint Company Secretaries
 27 August 2021