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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 INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

The directors of Media Chinese International Limited (the “Company”) hereby announce that the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2021, together with comparative figures for the corresponding period in 2020 are as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	(Unaudited)	
		Six months ended 30 September	
		2021	2020
		US\$'000	US\$'000
Turnover	4	58,768	54,591
Cost of goods sold		(37,467)	(39,712)
<b>Gross profit</b>		<b>21,301</b>	14,879
Other income	5	5,867	9,894
Other gains, net	6	92	41
Selling and distribution expenses		(14,382)	(14,994)
Administrative expenses		(10,802)	(12,319)
Provision for loss allowance of trade receivables		(52)	(108)
Other operating expenses		(1,957)	(2,459)
<b>Operating profit/(loss)</b>	7	<b>67</b>	(5,066)
Finance costs	8	(216)	(289)
Share of results of an associate and a joint venture		(4)	–
<b>Loss before income tax</b>		<b>(153)</b>	(5,355)
Income tax (expense)/credit	9	(507)	117
<b>Loss for the period</b>		<b>(660)</b>	(5,238)
<b>Loss attributable to:</b>			
Owners of the Company		(511)	(4,899)
Non-controlling interests		(149)	(339)
		<b>(660)</b>	(5,238)
<b>Loss per share attributable to owners of the Company</b>			
Basic (US cents)	10	(0.03)	(0.29)
Diluted (US cents)	10	(0.03)	(0.29)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>(Unaudited)</b>	
	<b>Six months ended 30 September</b>	
	<b>2021</b>	<b>2020</b>
	<i>US\$'000</i>	<i>US\$'000</i>
<b>Loss for the period</b>	<b>(660)</b>	<b>(5,238)</b>
<b>Other comprehensive (loss)/income</b>		
<b>Item that may be reclassified subsequently to profit or loss:</b>		
Currency translation differences	<b>(1,419)</b>	5,251
<b>Item that will not be reclassified subsequently to profit or loss:</b>		
Fair value change on financial assets at fair value through other comprehensive income	<b>(76)</b>	1,172
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(1,495)</b>	6,423
<b>Total comprehensive (loss)/income for the period</b>	<b>(2,155)</b>	1,185
<b>Total comprehensive (loss)/income for the period attributable to:</b>		
Owners of the Company	<b>(1,983)</b>	1,201
Non-controlling interests	<b>(172)</b>	(16)
	<b>(2,155)</b>	1,185

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(Unaudited) As at 30 September 2021 US\$'000	(Audited) As at 31 March 2021 US\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		61,735	65,218
Investment properties		24,508	24,711
Intangible assets		8,161	8,560
Deferred income tax assets		91	94
Investments accounted for using the equity method		26	31
Financial assets at fair value through other comprehensive income		863	942
		<b>95,384</b>	99,556
<b>Current assets</b>			
Inventories		15,180	16,996
Trade and other receivables	12	20,773	20,422
Financial assets at fair value through profit or loss		1,301	1,310
Income tax recoverable		711	914
Short-term bank deposits		28,849	25,252
Cash and cash equivalents		64,467	69,181
		<b>131,281</b>	134,075
<b>Current liabilities</b>			
Trade and other payables	13	22,024	20,217
Contract liabilities		7,668	7,160
Income tax liabilities		400	404
Bank and other borrowings	14	27,614	32,104
Lease liabilities		365	870
Current portion of other non-current liabilities		46	46
		<b>58,117</b>	60,801
<b>Net current assets</b>		<b>73,164</b>	73,274
<b>Total assets less current liabilities</b>		<b>168,548</b>	172,830

	(Unaudited) As at 30 September 2021 <i>Note</i> <i>US\$'000</i>	(Audited) As at 31 March 2021 <i>US\$'000</i>
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	21,715	21,715
Share premium	54,664	54,664
Other reserves	(116,700)	(115,228)
Retained earnings	202,692	204,890
	<hr/>	<hr/>
	162,371	166,041
<b>Non-controlling interests</b>	<b>208</b>	<b>380</b>
	<hr/>	<hr/>
<b>Total equity</b>	<b>162,579</b>	<b>166,421</b>
	<hr/>	<hr/>
<b>Non-current liabilities</b>		
Lease liabilities	378	501
Deferred income tax liabilities	4,843	5,149
Other non-current liabilities	748	759
	<hr/>	<hr/>
	5,969	6,409
	<hr/>	<hr/>
	<b>168,548</b>	<b>172,830</b>
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## **NOTES TO THE INTERIM FINANCIAL INFORMATION**

*For the six months ended 30 September 2021*

### **1 BASIS OF PREPARATION**

The unaudited condensed consolidated interim financial information of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2021 (this “interim financial information”) has been prepared in accordance with the International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”) and applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (the “HK Listing Rules”) on The Stock Exchange of Hong Kong Limited (“HK Stock Exchange”).

This interim 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 interim financial information has not been audited.

### **2 ACCOUNTING POLICIES**

(a) The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the following:

(i) The adoption of the following new and amended standards that are effective for the Group’s 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 has no significant impact on this interim financial information and there have been no significant changes to the accounting policies applied in this interim financial information.

(ii) Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(b) The Group has not early adopted new and amended standards that have been issued but are not mandatory for 30 September 2021 reporting periods. None of the new standards and interpretations are expected to have a significant 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\$.

#### 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 six months ended 30 September 2021, analysed by operating segment, are as follows:

	(Unaudited)					Total US\$'000
	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		
<b>Turnover</b>	<u>33,390</u>	<u>21,108</u>	<u>3,728</u>	<u>58,226</u>	<u>542</u>	<u>58,768</u>
<b>Segment profit/(loss) before income tax</b>	<u>403</u>	<u>917</u>	<u>(501)</u>	<u>819</u>	<u>(631)</u>	<u>188</u>
Other net unallocated expenses						<u>(341)</u>
Loss before income tax						<u>(153)</u>
Income tax expense						<u>(507)</u>
<b>Loss for the period</b>						<u><u>(660)</u></u>
<b>Other segmental information:</b>						
Interest income	501	2	2	505	2	507
Finance costs	(8)	(192)	-	(200)	(16)	(216)
Depreciation of property, plant and equipment	(2,400)	(569)	(87)	(3,056)	(8)	(3,064)
Amortisation of intangible assets	(362)	(23)	(3)	(388)	(2)	(390)
Share of results of an associate and a joint venture	-	(4)	-	(4)	-	(4)

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

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

### Disaggregation of revenue

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

Turnover recognised during the period is disaggregated as follows:

	(Unaudited)	
	Six months ended 30 September	
	2021	2020
	US\$'000	US\$'000
<b>By major products or service lines</b>		
<b>Timing of revenue recognition</b>		
<b>At a point in time</b>		
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	23,524	24,756
Travel and travel related services income	80	16
<b>Over time</b>		
Advertising income, net of trade discounts	34,702	29,767
Travel and travel related services income	462	52
	<u>58,768</u>	<u>54,591</u>

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

	Publishing and printing					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	Travel and travel related services US\$'000		
<b>Segment assets</b>	<b>158,413</b>	<b>48,089</b>	<b>11,676</b>	<b>218,178</b>	<b>11,244</b>	<b>(3,666)</b>	<b>225,756</b>
Unallocated assets							909
<b>Total assets</b>							<b>226,665</b>
<b>Total assets include:</b>							
Investments accounted for using the equity method	-	26	-	26	-	-	26
Additions to non-current assets (other than deferred income tax assets)	161	22	10	193	1	-	194
<b>Segment liabilities</b>	<b>(11,077)</b>	<b>(38,557)</b>	<b>(7,883)</b>	<b>(57,517)</b>	<b>(3,723)</b>	<b>3,666</b>	<b>(57,574)</b>
Unallocated liabilities							(6,512)
<b>Total liabilities</b>							<b>(64,086)</b>

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

	Publishing and printing					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	Travel and travel related services US\$'000		
<b>Segment assets</b>	<b>161,408</b>	<b>49,845</b>	<b>10,625</b>	<b>221,878</b>	<b>10,895</b>	<b>(271)</b>	<b>232,502</b>
Unallocated assets							1,129
<b>Total assets</b>							<b>233,631</b>
<b>Total assets include:</b>							
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
<b>Segment liabilities</b>	<b>(10,371)</b>	<b>(41,296)</b>	<b>(6,177)</b>	<b>(57,844)</b>	<b>(2,820)</b>	<b>271</b>	<b>(60,393)</b>
Unallocated liabilities							(6,817)
<b>Total liabilities</b>							<b>(67,210)</b>



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

	(Unaudited) As at 30 September 2021 US\$’000	(Audited) As at 31 March 2021 US\$’000
Main operating countries		
Malaysia and other Southeast Asian countries	77,014	80,399
Hong Kong and Taiwan	11,839	12,516
Other countries	6,440	6,547
	<u>95,293</u>	<u>99,462</u>

## 5 OTHER INCOME

	(Unaudited) Six months ended 30 September 2021 US\$’000	2020 US\$’000
Dividend income	21	25
Government grant and subsidies ( <i>note</i> )	2,812	7,520
Interest income	507	550
Licence fee and royalty income	34	94
Other media-related income	1,282	250
Rental and management fee income	402	393
Scrap sales of old newspapers and magazines	715	482
Others	94	580
	<u>5,867</u>	<u>9,894</u>

*Note:* Government grant and subsidies included a grant amounted to US\$1,446,000 (2020: US\$1,722,000) from a government for supporting the Group’s operation of eligible publications and wage subsidies amounted to US\$1,277,000 (2020: US\$5,798,000) from governments in countries/jurisdiction in which the Group operates.

## 6 OTHER GAINS, NET

	<b>(Unaudited)</b>	
	<b>Six months ended 30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	2	(136)
Gain on lease modification	93	–
Net exchange (losses)/gains	(3)	177
	<u>92</u>	<u>41</u>

## 7 OPERATING PROFIT/(LOSS)

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

	<b>(Unaudited)</b>	
	<b>Six months ended 30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Amortisation of intangible assets	390	451
Depreciation of property, plant and equipment	3,064	3,484
Direct costs of travel and travel related services	387	59
Employee benefit expense (including directors' emoluments)	33,730	37,874
(Gains)/losses on disposal of property, plant and equipment, net	(3)	6
Provision for impairment and write-off of inventories	77	125
Raw materials and consumables used	9,011	9,819
	<u>9,011</u>	<u>9,819</u>

## 8 FINANCE COSTS

	<b>(Unaudited)</b>	
	<b>Six months ended 30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Interest expense on short-term bank borrowings	198	256
Interest expense on lease liabilities	18	33
	<u>216</u>	<u>289</u>

## 9 INCOME TAX EXPENSE/(CREDIT)

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% for the six months ended 30 September 2021 (the tax rate for the six months ended 30 September 2020 was 16.5%) on the estimated assessable profit derived from Hong Kong for the period. Income tax for the Group's Malaysian operations is calculated at the rate of 24% for the six months ended 30 September 2021 (the tax rate for the six months ended 30 September 2020 was 24%) on the estimated assessable profit derived from Malaysia for the period. Taxation on other countries' profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

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

	<b>(Unaudited)</b>	
	<b>Six months ended 30 September</b>	
	<b>2021</b>	<b>2020</b>
	<i>US\$'000</i>	<i>US\$'000</i>
Hong Kong taxation		
Current period	35	40
Malaysian taxation		
Current period	744	340
Other countries' taxation		
Current period	–	51
Over provision in prior years	–	(1)
Deferred income tax credit	<u>(272)</u>	<u>(547)</u>
	<u><b>507</b></u>	<u><b>(117)</b></u>

## 10 LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	<b>(Unaudited)</b>	
	<b>Six months ended 30 September</b>	
	<b>2021</b>	<b>2020</b>
Loss attributable to owners of the Company ( <i>US\$'000</i> )	<u>(511)</u>	<u>(4,899)</u>
Weighted average number of ordinary shares in issue	<u><b>1,687,236,241</b></u>	<u>1,687,236,241</u>
Basic loss per share ( <i>US cents</i> )	<u><b>(0.03)</b></u>	<u>(0.29)</u>
Diluted loss per share ( <i>US cents</i> )	<u><b>(0.03)</b></u>	<u>(0.29)</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 six months ended 30 September 2021 and 2020.

## 11 DIVIDENDS

	(Unaudited)	
	Six months ended 30 September	
	2021	2020
	US\$'000	US\$'000
<b>Dividends paid during the period:</b>		
Interim, 2020/2021, US0.10 cents (2019/2020: US0.10 cents) per ordinary share ( <i>note</i> )	<u>1,687</u>	<u>1,687</u>

The Board of Directors does not recommend any distribution of dividend for the six months ended 30 September 2021 (2020/2021: nil).

*Note:* 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.

## 12 TRADE AND OTHER RECEIVABLES

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2021	2021
	US\$'000	US\$'000
Trade receivables ( <i>note</i> )	19,017	18,430
Less: provision for loss allowance of trade receivables	<u>(2,311)</u>	<u>(2,272)</u>
Trade receivables, net	16,706	16,158
Deposits and prepayments	2,348	2,692
Other receivables	<u>1,719</u>	<u>1,572</u>
	<u>20,773</u>	<u>20,422</u>

As at 30 September 2021 and 31 March 2021, the fair values of trade and other receivables approximated the carrying amounts.

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

As at 30 September 2021 and 31 March 2021, the ageing analysis of the trade receivables based on invoice date is as follows:

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2021	2021
	US\$'000	US\$'000
1 to 60 days	11,457	10,899
61 to 120 days	2,994	2,976
121 to 180 days	791	829
Over 180 days	<u>3,775</u>	<u>3,726</u>
	<u>19,017</u>	<u>18,430</u>

### 13 TRADE AND OTHER PAYABLES

	(Unaudited) As at 30 September 2021 US\$'000	(Audited) As at 31 March 2021 US\$'000
Trade payables ( <i>note</i> )	4,881	4,825
Accrued charges and other payables	15,542	15,392
Deferred government grant	1,601	–
	<u>22,024</u>	<u>20,217</u>

As at 30 September 2021 and 31 March 2021, the fair values of trade and other payables approximated the carrying amounts.

*Note:* As at 30 September 2021 and 31 March 2021, the ageing analysis of the trade payables based on invoice date is as follows:

	(Unaudited) As at 30 September 2021 US\$'000	(Audited) As at 31 March 2021 US\$'000
1 to 60 days	4,324	3,839
61 to 120 days	324	742
121 to 180 days	37	11
Over 180 days	196	233
	<u>4,881</u>	<u>4,825</u>

### 14 BANK AND OTHER BORROWINGS

	(Unaudited) As at 30 September 2021 US\$'000	(Audited) As at 31 March 2021 US\$'000
<b>Current</b>		
Short-term bank borrowings (secured)	26,936	31,778
Short-term bank borrowings (unsecured)	678	326
	<u>27,614</u>	<u>32,104</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL HIGHLIGHTS

	<b>(Unaudited)</b>		
	<b>Six months ended 30 September</b>		
	<b>2021</b>	<b>2020</b>	
	<b>US\$'000</b>	<b>US\$'000</b>	<b>% Change</b>
Turnover	<b>58,768</b>	54,591	7.7%
Loss before income tax	<b>(153)</b>	(5,355)	97.1%
EBITDA/(EBITDA loss)	<b>3,014</b>	(1,681)	279.3%
Basic loss per share (US cents)	<b>(0.03)</b>	(0.29)	89.7%

### OVERALL REVIEW OF OPERATIONS

Year 2021 was anticipated to be a year of recovery. However, the highly infectious new Delta coronavirus variant kept borders closed whilst movement controls have to be imposed again by many countries. This resulted in weak economic sentiments in the Group's key markets.

Nevertheless, the Group recorded a turnover of US\$58,768,000 for the six-month period ended 30 September 2021, which reflected an increase of 7.7% over the US\$54,591,000 reported a year ago. This improvement was contributed by both the publishing and printing and travel segments. Through improved revenues and continued cost control, the Group managed to reduce its loss before income tax to US\$153,000 from US\$5,355,000 in the same period last year.

The turnover of the Group's publishing and printing segment increased by 6.8% or US\$3,703,000 from US\$54,523,000 in the same period last year to US\$58,226,000. This resulted in the segment reporting a profit before income tax of US\$819,000 for the current period as opposed to a loss before income tax of US\$4,248,000 in the prior year period.

Meanwhile, turnover of the travel segment rose to US\$542,000 from US\$68,000 recorded in the same period last year. This helped reduce the segment's loss before income tax to US\$631,000 from US\$803,000 recorded a year earlier.

The Group reported an EBITDA of US\$3,014,000 for the six months ended 30 September 2021, as opposed to an EBITDA loss of US\$1,681,000 in the corresponding period last year.

Basic loss per share for the period ended 30 September 2021 was US0.03 cents, representing an improvement of 89.7% from US0.29 cents in the prior year period.

As at 30 September 2021, the Group's cash and cash equivalents and short term bank deposits totalled US\$93,316,000 and the Group's net assets per share attributable to owners of the Company was US9.62 cents.

## **Publishing and Printing**

### ***Malaysia and other Southeast Asian countries***

Malaysia's imposition of a nationwide total lockdown in May 2021 in response to rising COVID-19 cases caused an immediate disruption to businesses and an adverse impact on the segment's business performance during the current period.

Despite a difficult economic environment amid a third wave of the COVID-19 and the enforcement of a new lockdown, the segment's turnover increased marginally by 0.9% or US\$311,000 from US\$33,079,000 in the same period last year to US\$33,390,000.

While revenue growth was muted during the period under review, the segment's performance improved to a profit before income tax of US\$403,000 from a loss before income tax of US\$3,619,000 in the same period last year. This was primarily driven by the Group's cost optimisation efforts and reduced newsprint consumption.

### ***Hong Kong and Taiwan***

Hong Kong's economy has gradually improved during the period under review on the back of subsiding virus cases and a rising vaccination rate. The government's launch of a digital consumption voucher scheme also helped stimulate local consumption and boost the retail sector. However, its borders remained closed as a measure to prevent another wave of the coronavirus.

As life has returned to some semblance of normality in Hong Kong, the Group has sought to increase its revenue by rolling out more multi-platform marketing campaigns which combined print and digital platforms with physical events for its clients. Adding to this, the segment saw strong performance in its recruitment advertisements driven by the improvement in Hong Kong's labour market conditions.

The Hong Kong and Taiwan segment recorded a turnover of US\$21,108,000 for the period in review, an increase of 14.3% when compared to US\$18,464,000 in the prior year period. This was driven by improved business conditions as the pandemic restrictions in Hong Kong have been progressively eased during the period under review. The revenue growth, complemented with cost savings, resulted in the segment reporting a profit before income tax of US\$917,000 for the period in review as opposed to a loss before income tax of US\$985,000 a year ago.

## ***North America***

Canada's massive vaccination rollout has been quite successful and it has become one of the highest vaccinated countries in the world. This enabled the Canadian government to ease lockdown measures and allow more businesses to resume operations. The Group's publishing and printing operations in North America recorded a turnover of US\$3,728,000 for the current period, an increase of 25.1% when compared with the US\$2,980,000 recorded in the same period last year. However, the segment recorded a loss before income tax of US\$501,000 for the period under review as opposed to a profit before income tax of US\$356,000 in the prior year period. This was mainly due to less subsidies received from the Canadian government which had phased out its subsidy programs in light of the improved economic situation.

## **Travel and travel related services**

As the borders of many countries remained closed and international travel was still depressed due to the still high infection rates in most countries and the highly infectious variant of the coronavirus, the travel industry seemed far from recovery.

The Group's turnover of the travel segment for the six months ended 30 September 2021 was US\$542,000. This was an encouraging improvement when compared to the US\$68,000 recorded in the same period last year. As a result, the travel segment's loss before income tax narrowed to US\$631,000 for the period under review from US\$803,000 a year ago.

## **Digital business**

With the absence of full physical events to reach out to its customers and prospects, the Group has to rely on its digital and social network platforms to achieve its reach. As readers and advertisers have grown accustomed to relying on digital platforms not only for work but also for entertainment and for connecting with friends and family members, the Group has leveraged on this trend by driving more advertising campaigns on its websites and social media sites.

In Malaysia, *Sin Chew Daily* had successfully organised a number of online Education Fairs and family theme events such as the Parents Appreciation Day. It also intensified its membership recruitment efforts through its digital platforms and increased its digital and print subscriptions. Meanwhile *Nanyang Siang Pau* launched its Nanyang Property Web online portal in August 2021 to provide online advertisement services and at the same time a platform with comprehensive resources for property buyers.

In Hong Kong, *Ming Pao Daily News* continued to organise topical webinars and Facebook Live sessions on a regular basis to generate revenue and to keep its audience with up-to-date and relevant information. Webinars covering different topics including finance, property and education were all well attended and generated positive feedback. *Ming Pao Daily News* also held regular Facebook Live events on different health topics with doctors giving health tips and advice. Its e-commerce platform "PowerUp", which sells a wide range of lifestyle products, continued to help expand its customer database while providing its business partners with more business opportunities.



## **OUTLOOK**

With the continuation of the highly contagious Delta variant of the coronavirus, many countries have intensified their movement control restrictions, thereby slowing down the pace of economic recovery and normalisation of activities in the Group's markets. Also, as many countries are cautious and still reluctant to open their borders, it is unlikely that the Group's travel business can resume soon. Therefore, the Group expects the prospects for the second half of the financial year 2021/2022 to remain challenging.

Further, the Group has started to experience increases in its costs especially paper costs as newsprint price has started to spike as a result of increasing materials and shipping costs. In addition, government subsidies which helped mitigate the pandemic's impact on the Group's operations in most of its markets had been discontinued. However, the Group will remain vigilant in monitoring its costs whilst intensifying its efforts to roll out more cross platform activities to increase revenue.

## **PLEDGE OF ASSETS**

As at 30 September 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\$4,576,000 at 30 September 2021 (At 31 March 2021: US\$4,707,000) and assignment of rental income derived therefrom; and
- (b) corporate guarantees issued by the Company.

## **CONTINGENT LIABILITIES**

- (a) As at 30 September 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 interim financial information is authorised for issue, the directors of the Company are of the opinion that the respective ultimate liability, if any, will not have a material adverse impact on the Group's financial position.
- (b) As at 30 September 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.

## **CAPITAL COMMITMENTS**

As at 30 September 2021, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in this interim financial information amounted to US\$51,000 (At 31 March 2021: US\$99,000).

The Group's authorised capital expenditure for intangible assets contracted but not provided for in this interim financial information amounted to US\$485,000 (At 31 March 2021: US\$464,000).

## **LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING RATIO**

As at 30 September 2021, the Group's cash and cash equivalents and short-term bank deposits amounted to US\$93,316,000 (31 March 2021: US\$94,433,000) and total bank and other borrowings were US\$27,614,000 (31 March 2021: US\$32,104,000). The net cash position was US\$65,702,000 (31 March 2021: US\$62,329,000). Owners' equity was US\$162,371,000 (31 March 2021: US\$166,041,000).

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

## **EMPLOYEES AND EMOLUMENT POLICY**

As at 30 September 2021, the Group had 2,986 employees (31 March 2021: 3,084 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 six months ended 30 September 2021, neither the Company nor any of its subsidiaries had purchased, sold or the Company had redeemed any of the Company's listed securities.

## **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 2021 (the "Malaysian Code") and the Corporate Governance Code (the "Hong Kong Code") contained in Appendix 14 of the HK Listing Rules. The Company has adopted the principles and recommendations of the Malaysian Code and all the code provisions in the Hong Kong Code as its own code on corporate governance practices.

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

In respect of the Malaysian Code, the Company has complied with the principles and recommendations set out in the Malaysian Code wherever possible save for (i) at least half of the Board should comprise independent directors; (ii) the Board must have at least 30% women directors; (iii) the disclosure on a named basis of top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000; (iv) a former partner of the external audit firm of the Company should observe a cooling-off period of at least 3 years before being appointed as a member of the Audit Committee and (v) the Company is encouraged to adopt integrated reporting based on a globally recognised framework. The Board will continue to review and evaluate such recommendations under the Malaysian Code and is committed to achieving and sustaining high standards of corporate governance.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the requirements and code as set out in (i) Chapter 14 (Dealings in Listed Securities) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Chapter 14 of the Listing Requirements of Bursa Securities") and (ii) the HK Model Code contained in Appendix 10 of the HK Listing Rules. All directors of the Company have confirmed, following specific enquiry by the Company, their compliance with the required standards as set out in (i) Chapter 14 of the Listing Requirements of Bursa Securities and (ii) the HK Model Code during the period under review.

## **REVIEW OF FINANCIAL STATEMENTS**

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

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

24 November 2021

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