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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 2022

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 2022 to Bursa Securities on 29 August 2022.

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).

29 August 2022

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.

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(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the first quarter ended 30 June 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Three months ended 30 June		(Unaudited) Three months ended 30 June	
	2022 US\$'000	2021 US\$'000	2022 RM'000 <i>(Note)</i>	2021 RM'000 <i>(Note)</i>
Turnover	30,251	28,693	133,346	126,479
Cost of goods sold	(19,296)	(18,450)	(85,056)	(81,328)
Gross profit	10,955	10,243	48,290	45,151
Other income	2,667	2,185	11,756	9,631
Other losses, net	(349)	(8)	(1,538)	(35)
Selling and distribution expenses	(6,813)	(7,503)	(30,033)	(33,073)
Administrative expenses	(5,421)	(5,628)	(23,896)	(24,808)
Net provision for loss allowance on financial assets	(28)	(88)	(123)	(388)
Other operating expenses	(780)	(1,001)	(3,438)	(4,412)
Operating profit/(loss)	231	(1,800)	1,018	(7,934)
Finance costs	(102)	(115)	(449)	(507)
Share of results of an associate and a joint venture	(2)	-*	(9)	-*
Profit/(loss) before income tax	127	(1,915)	560	(8,441)
Income tax expense	(502)	(138)	(2,213)	(609)
Loss for the quarter	(375)	(2,053)	(1,653)	(9,050)
Loss attributable to:				
Owners of the Company	(303)	(1,904)	(1,336)	(8,393)
Non-controlling interests	(72)	(149)	(317)	(657)
	(375)	(2,053)	(1,653)	(9,050)
Loss per share attributable to owners of the Company				
Basic (US cents/sen) #	(0.02)	(0.11)	(0.09)	(0.48)
Diluted (US cents/sen) #	(0.02)	(0.11)	(0.09)	(0.48)

* 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 2022 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.4080 ruling at 30 June 2022. 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	
	2022 US\$'000	2021 US\$'000	2022 RM'000 <i>(Note)</i>	2021 RM'000 <i>(Note)</i>
Loss for the quarter	(375)	(2,053)	(1,653)	(9,050)
Other comprehensive (loss)/ income				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences	(6,679)	(113)	(29,441)	(498)
Item that will not be reclassified subsequently to profit or loss:				
Fair value change on financial assets at fair value through other comprehensive income	743	818	3,275	3,606
Other comprehensive (loss)/ income for the quarter, net of tax	(5,936)	705	(26,166)	3,108
Total comprehensive loss for the quarter	(6,311)	(1,348)	(27,819)	(5,942)
Total comprehensive (loss)/ income for the quarter attributable to:				
Owners of the Company	(6,439)	(1,421)	(28,383)	(6,264)
Non-controlling interests	128	73	564	322
	(6,311)	(1,348)	(27,819)	(5,942)

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the quarter ended 30 June 2022 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.4080 ruling at 30 June 2022. 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 2022 US\$'000	(Audited) As at 31 March 2022 US\$'000	(Unaudited) As at 30 June 2022 RM'000 <i>(Note)</i>	(Unaudited) As at 31 March 2022 RM'000 <i>(Note)</i>
ASSETS				
Non-current assets				
Property, plant and equipment and right-of-use assets	55,309	58,809	243,802	259,231
Investment properties	23,781	24,721	104,827	108,970
Intangible assets	7,341	7,876	32,359	34,717
Deferred income tax assets	87	89	383	392
Investments accounted for using the equity method	22	24	97	106
Financial assets at fair value through other comprehensive income	1,377	636	6,070	2,803
	87,917	92,155	387,538	406,219
Current assets				
Inventories	10,175	11,448	44,852	50,464
Trade and other receivables	18,589	18,747	81,940	82,637
Financial assets at fair value through profit or loss	2,156	1,209	9,504	5,329
Income tax recoverable	416	687	1,834	3,028
Short-term bank deposits	24,692	30,327	108,842	133,681
Cash and cash equivalents	71,765	64,952	316,340	286,308
	127,793	127,370	563,312	561,447
Current liabilities				
Trade and other payables	19,433	19,991	85,661	88,120
Contract liabilities	10,880	7,780	47,959	34,294
Dividend payable	2,531	-	11,157	-
Income tax liabilities	705	799	3,108	3,522
Bank and other borrowings	23,047	22,655	101,591	99,863
Lease liabilities	228	286	1,005	1,261
Current portion of other non-current liabilities	47	49	207	216
	56,871	51,560	250,688	227,276
Net current assets	70,922	75,810	312,624	334,171
Total assets less current liabilities	158,839	167,965	700,162	740,390

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	(Unaudited) As at 30 June 2022 US\$'000	(Audited) As at 31 March 2022 US\$'000	(Unaudited) As at 30 June 2022 RM'000 (Note)	(Unaudited) As at 31 March 2022 RM'000 (Note)
EQUITY				
Equity attributable to owners of the Company				
Share capital	21,715	21,715	95,720	95,720
Share premium	54,664	54,664	240,959	240,959
Other reserves	(123,719)	(117,583)	(545,353)	(518,306)
Retained earnings	200,844	203,678	885,320	897,813
	153,504	162,474	676,646	716,186
Non-controlling interests	(151)	(279)	(666)	(1,230)
Total equity	153,353	162,195	675,980	714,956
Non-current liabilities				
Lease liabilities	414	473	1,825	2,085
Deferred income tax liabilities	4,597	4,794	20,263	21,132
Other non-current liabilities	475	503	2,094	2,217
	5,486	5,770	24,182	25,434
	158,839	167,965	700,162	740,390
Net assets per share attributable to owners of the Company (US cents /sen)	9.10	9.63	40.11	42.45

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)						
	<u>Attributable to owners of the Company</u>					Non-	
	Share capital	Share premium	Other reserves	Retained earnings	Sub-total	controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	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)
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 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 2022	21,715	54,664	(117,583)	203,678	162,474	(279)	162,195
Loss for the period	-	-	-	(303)	(303)	(72)	(375)
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(6,679)	-	(6,679)	-	(6,679)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	543	-	543	200	743
Other comprehensive (loss)/income, net of tax	-	-	(6,136)	-	(6,136)	200	(5,936)
Total comprehensive (loss)/income for the period ended 30 June 2022	-	-	(6,136)	(303)	(6,439)	128	(6,311)
Total transactions with owners, recognised directly in equity							
2021/2022 interim dividend	-	-	-	(2,531)	(2,531)	-	(2,531)
At 30 June 2022	21,715	54,664	(123,719)	200,844	153,504	(151)	153,353

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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	95,720	240,959	(507,925)	903,155	731,909	1,675	733,584
Loss for the period	-	-	-	(8,393)	(8,393)	(657)	(9,050)
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(503)	-	(503)	5	(498)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	2,632	-	2,632	974	3,606
Other comprehensive income, net of tax	-	-	2,129	-	2,129	979	3,108
Total comprehensive income/(loss) for the period ended 30 June 2021	-	-	2,129	(8,393)	(6,264)	322	(5,942)
Total transactions with owners, recognised directly in equity							
2020/2021 interim dividend	-	-	-	(7,436)	(7,436)	-	(7,436)
At 30 June 2021	95,720	240,959	(505,796)	887,326	718,209	1,997	720,206

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2022 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.4080 ruling at 30 June 2022. 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 CHANGES IN EQUITY (Continued)

	(Unaudited)						Total equity
	Attributable to owners of the Company					Non-	
	Share capital	Share premium	Other reserves	Retained earnings	Sub-total	controlling interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	<i>(Note)</i>	<i>(Note)</i>	<i>(Note)</i>	<i>(Note)</i>	<i>(Note)</i>	<i>(Note)</i>	<i>(Note)</i>
At 1 April 2022	95,720	240,959	(518,306)	897,813	716,186	(1,230)	714,956
Loss for the period	-	-	-	(1,336)	(1,336)	(317)	(1,653)
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(29,441)	-	(29,441)	-	(29,441)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	2,394	-	2,394	881	3,275
Other comprehensive (loss)/income, net of tax	-	-	(27,047)	-	(27,047)	881	(26,166)
Total comprehensive (loss)/income for the period ended 30 June 2022	-	-	(27,047)	(1,336)	(28,383)	564	(27,819)
Total transactions with owners, recognised directly in equity							
2021/2022 interim dividend	-	-	-	(11,157)	(11,157)	-	(11,157)
At 30 June 2022	95,720	240,959	(545,353)	885,320	676,646	(666)	675,980

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2022 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.4080 ruling at 30 June 2022. 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)		(Unaudited)	
	Three months ended		Three months ended	
	30 June		30 June	
	2022	2021	2022	2021
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Cash flows from operating activities				
Cash generated from operations	5,524	1,508	24,349	6,647
Interest paid	(102)	(115)	(449)	(507)
Income tax paid	(388)	(381)	(1,710)	(1,679)
Net cash generated from operating activities	5,034	1,012	22,190	4,461
Cash flows from investing activities				
Dividends received	26	21	115	93
Decrease/(increase) in short-term bank deposits with original maturity over three months	5,635	(2,456)	24,837	(10,826)
Interest received	313	251	1,380	1,106
Proceeds from disposal of property, plant and equipment	2	5	9	22
Purchases of intangible assets	(5)	(6)	(22)	(26)
Purchases of property, plant and equipment	(87)	(141)	(383)	(622)
Payment for acquisition of financial assets at fair value through profit or loss	(1,199)	-	(5,285)	-
Net cash generated from/(used in) investing activities	4,685	(2,326)	20,651	(10,253)
Cash flows from financing activities				
Proceeds from bank and other borrowings	683	4,171	3,010	18,386
Repayments of bank and other borrowings	(228)	(9,252)	(1,005)	(40,783)
Principal elements of lease liabilities	(111)	(216)	(489)	(952)
Net cash generated from/(used in) financing activities	344	(5,297)	1,516	(23,349)
Net increase/(decrease) in cash and cash equivalents	10,063	(6,611)	44,357	(29,141)
Cash and cash equivalents at beginning of period	64,952	69,181	286,308	304,950
Exchange adjustments on cash and cash equivalents	(3,250)	7	(14,325)	30
Cash and cash equivalents at end of period	71,765	62,577	316,340	275,839

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2022 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.4080 ruling at 30 June 2022. 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.

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 2022 (“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 2022 which were prepared in accordance with International Financial Reporting Standards (“IFRSs”).

This financial information has not been audited.

A2. Accounting policies

(a) The Group has adopted the following amended standards for the first time for their annual reporting period commencing 1 April 2022:

- Amendments to IAS 16 “Property, plant and equipment: proceeds before intended use”
- Amendments to IAS 37 “Onerous contracts – costs of fulfilling a contract”
- Amendments to IFRS 3 “Reference to the conceptual framework”
- Amendments to IFRSs “Annual improvements to IFRS standards 2018–2020 cycle”

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

(b) The Group has not early adopted new and amended standards that have been issued but are not mandatory for 30 June 2022 reporting periods. None of the new standards and interpretations are expected to have a significant 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\$.

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 2022 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
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 2022, analysed by operating segment, are as follows:

	(Unaudited)					
	Three months ended 30 June 2022					
	Publishing and printing					
	Malaysia US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
Turnover						
Sales of newspapers, magazines, books and digital contents	8,008	2,772	430	11,210	-	11,210
Advertising income	9,674	6,680	1,272	17,626	-	17,626
Travel and travel related services income	-	-	-	-	1,415	1,415
	<u>17,682</u>	<u>9,452</u>	<u>1,702</u>	<u>28,836</u>	<u>1,415</u>	<u>30,251</u>
Segment profit/(loss) before income tax	<u>848</u>	<u>848</u>	<u>(1,105)</u>	<u>591</u>	<u>(304)</u>	<u>287</u>
Other net unallocated expenses						<u>(160)</u>
Profit before income tax						127
Income tax expense						<u>(502)</u>
Loss for the quarter						<u>(375)</u>
Other segmental information:						
Interest income	309	-	2	311	2	313
Finance costs	(4)	(94)	-	(98)	(4)	(102)
Depreciation of property, plant and equipment and right-of-use assets	(1,123)	(254)	(42)	(1,419)	(3)	(1,422)
Amortisation of intangible assets	(176)	(8)	-	(184)	(1)	(185)
Net (provision for)/reversal of loss allowance on financial assets	(25)	4	(7)	(28)	-	(28)
Share of results of an associate and a joint venture	-	(2)	-	(2)	-	(2)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

The Group's turnover and results for the quarter ended 30 June 2021, analysed by operating segment, are as follows:

	(Unaudited)				Travel and travel related services US\$'000	Total US\$'000
	Three months ended 30 June 2021					
	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		
Turnover						
Sales of newspapers, magazines, books and digital contents	8,155	2,657	429	11,241	-	11,241
Advertising income	8,920	7,001	1,470	17,391	-	17,391
Travel and travel related services income	-	-	-	-	61	61
	<u>17,075</u>	<u>9,658</u>	<u>1,899</u>	<u>28,632</u>	<u>61</u>	<u>28,693</u>
Segment loss before income tax	<u>(93)</u>	<u>(841)</u>	<u>(338)</u>	<u>(1,272)</u>	<u>(489)</u>	<u>(1,761)</u>
Other net unallocated expenses						<u>(154)</u>
Loss before income tax						<u>(1,915)</u>
Income tax expense						<u>(138)</u>
Loss for the quarter						<u><u>(2,053)</u></u>
Other segmental information:						
Interest income	248	1	1	250	1	251
Finance costs	(3)	(103)	-	(106)	(9)	(115)
Depreciation of property, plant and equipment and right-of-use assets	(1,214)	(288)	(44)	(1,546)	(5)	(1,551)
Amortisation of intangible assets	(185)	(13)	(2)	(200)	(1)	(201)
Net provision for loss allowance on financial assets	(31)	(49)	(8)	(88)	-	(88)
Share of results of an associate and a joint venture	-	-*	-	-*	-	-*

* negligible

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	
	2022 US\$'000	2021 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	11,210	11,241
Travel and travel related services income	96	34
Over time		
Advertising income, net of trade discounts	17,626	17,391
Travel and travel related services income	1,319	27
	<u>30,251</u>	<u>28,693</u>

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the first quarter ended 30 June 2022

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

The segment assets and liabilities as at 30 June 2022 are as follows:

	(Unaudited) Publishing and printing				Travel and travel related services US\$'000	Elimination US\$'000	Total US\$'000
	Malaysia US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000			
Segment assets	155,739	41,870	9,262	206,871	11,235	(3,008)	215,098
Unallocated assets							612
Total assets							215,710
Total assets include:							
Investments accounted for using the equity method	-	22	-	22	-	-	22
Additions to non-current assets (other than deferred income tax assets)	66	21	5	92	-	-	92
Segment liabilities	(14,925)	(33,397)	(5,923)	(54,245)	(4,592)	3,008	(55,829)
Unallocated liabilities							(6,528)
Total liabilities							(62,357)

The segment assets and liabilities as at 31 March 2022 are as follows:

	(Audited) 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	160,720	40,505	10,465	211,690	10,051	(3,110)	218,631
Unallocated assets							894
Total assets							219,525
Total assets include:							
Investments accounted for using the equity method	-	24	-	24	-	-	24
Additions to non-current assets (other than deferred income tax assets)	346	285	35	666	109	-	775
Segment liabilities	(10,850)	(33,208)	(6,178)	(50,236)	(3,335)	3,110	(50,461)
Unallocated liabilities							(6,869)
Total liabilities							(57,330)

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 and right-of-use assets, 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 2022.

A12. Subsequent material events

There were no subsequent material events of the Group.

A13. Changes in the composition of the Group

There were no significant changes in the composition of the Group during the quarter under review.

A14. Capital commitments

Capital commitments not provided for as at 30 June 2022 are as follows:

	(Unaudited) US\$'000
Authorised and contracted for	
Property, plant and equipment	142
Intangible assets	169
	<hr/> 311 <hr/>

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the first quarter ended 30 June 2022

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A15. Related party transactions

	(Unaudited)	
	Three months ended	
	30 June	
	2022	2021
	US\$'000	US\$'000
Advertising income received from a director	-	(2)
Advertising income received from an associate	(31)	-
Provision of administrative and content services to a joint venture	(5)	(5)
Provision of legal services by a related company (<i>note 2</i>)	1	9
Rental expenses paid to related companies (<i>note 1</i>)	22	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.

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

B1. Analysis of performance

	(Unaudited) Three months ended 30 June		
	2022 US\$'000	2021 US\$'000	% Change
Turnover	30,251	28,693	5.4%
Profit/(loss) before income tax	127	(1,915)	106.6%
EBITDA/(EBITDA loss)	1,525	(299)	610.0%

The Group's turnover for the quarter under review improved by 5.4% to US\$30,251,000 from US\$28,693,000 in the prior year quarter. This improvement was mainly attributed to the increase in turnover for its travel segment. The growth in turnover, together with the increase in other income, resulted in the Group recording a profit before income tax of US\$127,000 as opposed to a loss before income tax of US\$1,915,000 in the prior year quarter.

EBITDA for the quarter was US\$1,525,000, compared to an EBITDA loss of US\$299,000 in the corresponding quarter last year.

During the current quarter, both the Malaysian Ringgit ("RM") and the Canadian dollar ("C\$") weakened against the US dollar, resulting in a negative currency impact of approximately US\$1,052,000 on the Group's turnover and a positive currency impact of approximately US\$11,000 on the Group's profit before income tax.

Publishing and Printing

The Group's turnover for its publishing and printing segment improved marginally by 0.7% year-on-year in its first quarter of 2022/2023 to US\$28,836,000 from last year's US\$28,632,000 with only its Malaysia operations achieving an improvement. Despite the flat turnover, the segment recorded a profit before income tax of US\$591,000 for the quarter under review, which was a turnaround from a loss before income tax of US\$1,272,000 in the same quarter last year.

The turnover for the Group's Malaysia segment improved by 3.6% to US\$17,682,000 as compared to US\$17,075,000 in the prior year quarter. The increase was 9.2% in original currency, Malaysian Ringgit (RM). The segment saw growth in both its advertising and digital revenues, mainly driven by Malaysia's improving economy and the segment's aggressive marketing of its combined product packages. The growth was also contributed by the increase in the cover price of the segment's newspapers during the quarter. The segment reported a turnaround with a profit before income tax of US\$848,000 for the current quarter, compared with a loss before income tax of US\$93,000 a year ago. Besides the growth in revenue, the improved performance was also attributed to the segment's continued cost control efforts, especially on its manpower costs. However, the rising newsprint prices has caused the newsprint cost for the Malaysia operations to trend upwards albeit cushioned by its existing stock and will adversely affect the segment's profit margin in the coming quarters.

Hong Kong's economy contracted 1.3% in the second quarter of 2022 from a year earlier as the city continued to pursue its zero-COVID policy and strict quarantine measures. Affected by the slow economy, the turnover of the Group's Hong Kong and Taiwan segment fell by 2.1% to US\$9,452,000 from US\$9,658,000 in the same quarter of the previous year. Despite this decline in turnover, the segment reported a profit before income tax of US\$848,000, as opposed to a loss before income tax of US\$841,000 a year ago. This improvement was mainly attributed to the savings achieved from tight controls on expenditure, as well as the wage subsidies received from the Hong Kong government under the "2022 Employment Support Scheme". Furthermore, the segment saw improvement in its circulation revenue and traction in revenue generating events such as the "Ming Pao Awards for Excellence in Finance 2022" which also contributed to the segment's improved year-on-year performance.

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

B1. Analysis of performance (Continued)

The turnover for the Group’s North America segment fell by 10.4% to US\$1,702,000 from US\$1,899,000 recorded in the prior year quarter. The segment’s loss before income tax widened to US\$1,105,000 from US\$338,000 a year ago. Besides the decline in turnover, the increase in loss was also due to less subsidies from the local government in the current quarter.

Travel and travel related services

With many countries transitioning to the endemic phase and opening up their borders, the travel industry has slowly resumed operations. The Group’s travel segment saw an encouraging increase in its turnover to US\$1,415,000 from US\$61,000 recorded a year ago. The growth in turnover was mainly contributed by the segment’s operations in North America where travel restrictions have been largely lifted. Driven by the improvement in turnover, the segment’s loss before income tax narrowed by 37.8% to US\$304,000 from US\$489,000 recorded in the same quarter last year.

B2. Variation of results against immediate preceding quarter

	(Unaudited) Three months ended 30 June 2022 US\$’000	(Unaudited) Three months ended 31 March 2022 US\$’000	% Change
Turnover	30,251	29,841	1.4%
Profit/(loss) before income tax	127	(199)	163.8%

For the current quarter, the Group recorded a total turnover of US\$30,251,000, reflecting a marginal increase of 1.4% over the US\$29,841,000 recorded in the immediate preceding quarter. This was mainly due to the increase in the turnover for the Group’s travel segment from US\$233,000 in the immediate preceding quarter to US\$1,415,000 in the quarter under review. Meanwhile, the turnover for the Group’s publishing and printing segment fell by 2.6% to US\$28,836,000 from US\$29,608,000.

The Group recorded a profit before income tax of US\$127,000 for the current quarter, as opposed to a loss before income tax of US\$199,000 in the immediate preceding quarter. This was mainly attributed to improved performance of the travel segment and the receipt of subsidies under Hong Kong government’s “2022 Employment Support Scheme”.

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

B3. Current year prospects

In 2022, many countries like Malaysia have moved to the endemic phase with relaxed COVID-19 restrictions and border openings, hence leading to an increase in economic activities and international travelling. However, Hong Kong continued to follow its zero-COVID policy with social distancing restrictions and strict quarantine requirements for inbound visitors. Meanwhile, the escalation of tension between Russia and Ukraine has led to supply chain disruptions and rising inflation in many countries.

Against a backdrop of economic uncertainty and rising operating costs, the Group expects the remaining quarters of the financial year 2022/2023 to remain challenging and uncertain. Unless the markets where the Group operates have fully opened up and consumer sentiment improved, the Group expects its growth to be muted.

In addition, the current high newsprint price 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 target new revenue streams.

B4. Profit forecast and profit guarantee

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

B5. Profit/(loss) before income tax

Profit/(loss) before income tax has been arrived at after (charging)/crediting the following items:

	(Unaudited)	
	Three months ended	
	30 June	
	2022	2021
	US\$’000	US\$’000
Exchange (losses)/gains - net	(164)	16
Fair value losses on financial assets at fair value through profit or loss, net	(185)	(24)
Government grant and subsidies	1,353	1,013
Losses on disposal of property, plant and equipment, net	(8)	(3)
Provision for impairment and write-off of inventories	(67)	(39)
Provision for loss allowance and write-off of trade and other receivables	(24)	(148)

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

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

	(Unaudited)	
	Three months ended	
	30 June	
	2022	2021
	US\$'000	US\$'000
Current period income tax expense	577	179
Deferred income tax credit	(75)	(41)
	502	138

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 2022 are as follows:

	Secured	(Unaudited) Unsecured	Total
	US\$'000	US\$'000	US\$'000
Current			
Bank borrowings	22,480	567	23,047

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

	(Unaudited)
	US\$'000
Malaysian Ringgit	567
Hong Kong dollars	22,027
United States dollars	453
	23,047

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 30 June 2022 and 31 March 2022.

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

B9. Material litigation

As at 30 June 2022, 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 US0.15 cents per ordinary share totaling US\$2,531,000 in respect of the year ended 31 March 2022 was paid on 8 July 2022.

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	
	2022	2021
Loss attributable to owners of the Company (US\$'000)	<u>(303)</u>	<u>(1,904)</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>(0.02)</u>	<u>(0.11)</u>
Diluted loss per share (US cents)	<u>(0.02)</u>	<u>(0.11)</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 2022 and 2021.

B12. Pledge of assets

The Group had no assets pledged as at 30 June 2022 (At 31 March 2022: short-term bank deposits of US\$131,000 were 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
 29 August 2022