

世界 華文

媒體 MEDIA CHINESE

Interim Report 2022/23

世界華文媒體有限公司
Media Chinese International Limited

明報
MING PAO DAILY NEWS

星洲日報
SIN CHEW DAILY

南洋商報
NANYANG SIANG PAU

中國報

光明日報

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2022

	Note	(Unaudited)	
		Six months ended 30 September	
		2022	2021
		US\$'000	US\$'000
Turnover	7	66,666	58,768
Cost of goods sold		(41,548)	(37,467)
Gross profit		25,118	21,301
Other income	8	4,578	5,867
Other (losses)/gains, net	9	(403)	92
Selling and distribution expenses		(15,117)	(14,382)
Administrative expenses		(10,840)	(10,802)
Net reversal of/(provision for) loss allowance on financial assets		32	(52)
Other operating expenses		(947)	(1,957)
Operating profit	10	2,421	67
Finance costs	11	(262)	(216)
Share of results of an associate and a joint venture		(4)	(4)
Profit/(loss) before income tax		2,155	(153)
Income tax expense	12	(1,352)	(507)
Profit/(loss) for the period		803	(660)
Profit/(loss) attributable to:			
Owners of the Company		1,044	(511)
Non-controlling interests		(241)	(149)
		803	(660)
Earnings/(loss) per share attributable to owners of the Company			
Basic (US cents)	13	0.06	(0.03)
Diluted (US cents)	13	0.06	(0.03)

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2022

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	US\$'000	US\$'000
Profit/(loss) for the period	803	(660)
Other comprehensive (loss)/income		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	(13,216)	(1,419)
Item that will not be reclassified subsequently to profit or loss:		
Fair value change on financial assets at fair value through other comprehensive income	133	(76)
Other comprehensive loss for the period, net of tax	(13,083)	(1,495)
Total comprehensive loss for the period	(12,280)	(2,155)
Total comprehensive loss for the period attributable to:		
Owners of the Company	(12,071)	(1,983)
Non-controlling interests	(209)	(172)
	(12,280)	(2,155)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

		(Unaudited) As at 30 September 2022 US\$'000	(Audited) As at 31 March 2022 US\$'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment and right-of-use assets	15	51,866	58,809
Investment properties		22,826	24,721
Intangible assets		6,822	7,876
Deferred income tax assets		96	89
Investments accounted for using the equity method		52	24
Financial assets at fair value through other comprehensive income		764	636
		82,426	92,155
Current assets			
Inventories		11,423	11,448
Trade and other receivables	16	20,040	18,747
Financial assets at fair value through profit or loss		2,514	1,209
Income tax recoverable		262	687
Short-term bank deposits		25,134	30,327
Cash and cash equivalents		65,760	64,952
		125,133	127,370
Current liabilities			
Trade and other payables	17	21,024	19,991
Contract liabilities		9,979	7,780
Income tax liabilities		1,479	799
Bank and other borrowings	18	22,542	22,655
Lease liabilities		217	286
Current portion of other non-current liabilities	19	44	49
		55,285	51,560
Net current assets		69,848	75,810
Total assets less current liabilities		152,274	167,965

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

		(Unaudited) As at 30 September 2022 US\$'000	(Audited) As at 31 March 2022 US\$'000
	Note		
EQUITY			
Equity attributable to owners of the Company			
Share capital	20	21,715	21,715
Share premium	20	54,664	54,664
Other reserves		(130,698)	(117,583)
Retained earnings		202,191	203,678
		147,872	162,474
Non-controlling interests		(488)	(279)
		147,384	162,195
Non-current liabilities			
Lease liabilities		352	473
Deferred income tax liabilities		4,078	4,794
Other non-current liabilities	19	460	503
		4,890	5,770
		152,274	167,965

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

(Unaudited)

	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Sub-total			
Note	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	-	-	-	(511)	(511)	(149)	(660)	
Other comprehensive loss								
Item that may be reclassified subsequently to profit or loss:								
Currency translation differences	-	-	(1,417)	-	(1,417)	(2)	(1,419)	
Item that will not be reclassified subsequently to profit or loss:								
Fair value change on financial assets at fair value through other comprehensive income	-	-	(55)	-	(55)	(21)	(76)	
Other comprehensive loss, net of tax	-	-	(1,472)	-	(1,472)	(23)	(1,495)	
Total comprehensive loss for the period ended 30 September 2021	-	-	(1,472)	(511)	(1,983)	(172)	(2,155)	
Total transactions with owners, recognised directly in equity								
2020/2021 interim dividend	14	-	-	(1,687)	(1,687)	-	(1,687)	
At 30 September 2021	21,715	54,664	(116,700)	202,692	162,371	208	162,579	

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	(Unaudited)							
	Attributable to owners of the Company					Non- controlling interests	Total equity	
	Share capital	Share premium	Other reserves	Retained earnings	Sub-total			US\$'000
Note	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
At 1 April 2022		21,715	54,664	(117,583)	203,678	162,474	(279)	162,195
Profit/(loss) for the period		-	-	-	1,044	1,044	(241)	803
Other comprehensive (loss)/income								
Item that may be reclassified								
subsequently to profit or loss:								
Currency translation differences		-	-	(13,213)	-	(13,213)	(3)	(13,216)
Item that will not be reclassified								
subsequently to profit or loss:								
Fair value change on financial assets at fair value through other comprehensive income		-	-	98	-	98	35	133
Other comprehensive (loss)/income, net of tax		-	-	(13,115)	-	(13,115)	32	(13,083)
Total comprehensive (loss)/ income for the period ended 30 September 2022		-	-	(13,115)	1,044	(12,071)	(209)	(12,280)
Total transactions with owners, recognised directly in equity								
2021/2022 interim dividend	14	-	-	-	(2,531)	(2,531)	-	(2,531)
2021/2022 interim dividend paid by an unlisted subsidiary		-	-	-	-	-	-*	-*
		-	-	-	(2,531)	(2,531)	-*	(2,531)
At 30 September 2022		21,715	54,664	(130,698)	202,191	147,872	(488)	147,384

* negligible

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Note	(Unaudited)	
		2022	2021
		US\$'000	US\$'000
Cash flows from operating activities			
Cash generated from operations		6,945	6,602
Interest paid		(262)	(216)
Income tax paid		(710)	(580)
Net cash generated from operating activities		5,973	5,806
Cash flows from investing activities			
Dividends received		26	21
Decrease/(increase) in short-term bank deposits with original maturity over three months		5,193	(3,597)
Proceeds from sales of financial assets at fair value through profit or loss		37	–
Interest received		667	507
Proceeds from disposal of property, plant and equipment		2	19
Purchases of intangible assets		(14)	(17)
Purchases of property, plant and equipment	15	(178)	(177)
Payment for acquisition of financial assets at fair value through profit or loss		(1,818)	–
Investment in a joint venture		(32)	–
Net cash generated from/(used in) investing activities		3,883	(3,244)
Cash flows from financing activities			
Dividends paid	14	(2,531)	(1,687)
Dividends paid to non-controlling interests by an unlisted subsidiary		–*	–
Proceeds from bank and other borrowings		887	8,947
Repayments of bank and other borrowings		(904)	(13,390)
Principal elements of lease liabilities		(172)	(532)
Net cash used in financing activities		(2,720)	(6,662)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of period		64,952	69,181
Exchange adjustments on cash and cash equivalents		(6,328)	(614)
Cash and cash equivalents at end of period		65,760	64,467

* negligible

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Media Chinese International Limited (the “Company”) is a limited liability company incorporated in Bermuda. Its registered address is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda.

The Company is an investment holding company. The principal activities of its subsidiaries are publishing, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language, and the provision of travel and travel related services in Hong Kong and Taiwan, North America and Malaysia. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “HK Stock Exchange”) since 22 March 1991 and subsequently dual-listed on Bursa Malaysia Securities Berhad (“Bursa Securities”) on 30 April 2008.

The condensed consolidated interim financial information of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2022 (this “interim financial information”) is presented in United States dollars (“US\$”) unless otherwise stated. This interim financial information has been approved for issue by the Board of Directors on 28 November 2022.

This interim financial information has not been audited or reviewed by the external auditor in accordance with International Standards on Auditing or International Standard on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity” issued by the International Auditing and Assurance Standards Board.

2 BASIS OF PREPARATION

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 HK Stock Exchange.

This interim 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”).

NOTES TO THE INTERIM FINANCIAL INFORMATION

3 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 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.

(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 yet effective for the Group’s reporting period commencing 1 April 2022. None of the new standards and interpretations are expected to have a significant impact on the Group’s consolidated financial statements.

4 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 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\$.

5 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2022.

NOTES TO THE INTERIM FINANCIAL INFORMATION

6 FINANCIAL RISK MANAGEMENT

6.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and foreign exchange risk), credit risk and liquidity risk.

This interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2022.

There have been no significant changes in the Group's risk management policy since 31 March 2022.

6.2 Liquidity risk

Compared to 31 March 2022, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

6.3 Fair value estimation

For financial instruments that are measured at fair value, the Group classifies fair value measurements using a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's assets that are measured at fair value at 30 September 2022:

	(Unaudited)			Total US\$'000
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	
Financial assets at fair value through profit or loss				
Listed equity securities	2,514	-	-	2,514
Financial assets at fair value through other comprehensive income				
Listed equity securities	764	-	-	764
	3,278	-	-	3,278

NOTES TO THE INTERIM FINANCIAL INFORMATION

6 FINANCIAL RISK MANAGEMENT (Continued)

6.3 Fair value estimation (Continued)

The following table presents the Group's assets that are measured at fair value at 31 March 2022:

	(Audited)			Total US\$'000
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	
Financial assets at fair value through profit or loss				
Listed equity securities	1,113	–	–	1,113
Unlisted club debentures	–	–	96	96
Financial assets at fair value through other comprehensive income				
Listed equity securities	636	–	–	636
	1,749	–	96	1,845

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the entity-specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There was no transfer between level 1, 2 and 3 of the fair value hierarchy during the period. There was a disposal of unlisted club debentures amounted to US\$96,000 during the period attributable to level 3 of the fair value hierarchy.

NOTES TO THE INTERIM FINANCIAL INFORMATION

7 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.

NOTES TO THE INTERIM FINANCIAL INFORMATION

7 TURNOVER AND SEGMENT INFORMATION (Continued)

The Group's turnover and results for the six months ended 30 September 2022, analysed by operating segment, are as follows:

	(Unaudited)					Travel and travel related services US\$'000	Total US\$'000
	Publishing and printing				Sub-total US\$'000		
	Malaysia US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000				
Turnover							
Sales of newspapers, magazines, books and digital contents	15,743	6,654	926	23,323	-	23,323	
Advertising income	20,911	14,876	2,554	38,341	-	38,341	
Travel and travel related services income	-	-	-	-	5,002	5,002	
	36,654	21,530	3,480	61,664	5,002	66,666	
Segment profit/(loss) before income tax	2,816	2,178	(2,173)	2,821	(344)	2,477	
Other net unallocated expenses						(322)	
Profit before income tax						2,155	
Income tax expense						(1,352)	
Profit for the period						803	
Other segmental information:							
Interest income	657	-	3	660	7	667	
Finance costs	(7)	(247)	-	(254)	(8)	(262)	
Depreciation of property, plant and equipment and right-of-use assets	(2,213)	(507)	(77)	(2,797)	(6)	(2,803)	
Amortisation of intangible assets	(341)	(19)	-	(360)	(2)	(362)	
Net reversal of/(provision for) loss allowance on financial assets	49	(12)	(5)	32	-	32	
Share of results of an associate and a joint venture	-	(4)	-	(4)	-	(4)	

NOTES TO THE INTERIM FINANCIAL INFORMATION

7 TURNOVER AND SEGMENT INFORMATION (Continued)

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

	(Unaudited)					Travel and travel related services US\$'000	Total US\$'000
	Publishing and printing			Sub-total			
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	US\$'000			
Turnover							
Sales of newspapers, magazines, books and digital contents	16,084	6,595	845	23,524	–		23,524
Advertising income	17,306	14,513	2,883	34,702	–		34,702
Travel and travel related services income	–	–	–	–	542		542
	33,390	21,108	3,728	58,226	542		58,768
Segment profit/(loss) before income tax	403	917	(501)	819	(631)		188
Other net unallocated expenses							(341)
Loss before income tax							(153)
Income tax expense							(507)
Loss for the period							(660)
Other segmental information:							
Interest income	501	2	2	505	2		507
Finance costs	(8)	(192)	–	(200)	(16)		(216)
Depreciation of property, plant and equipment and right-of-use assets	(2,400)	(569)	(87)	(3,056)	(8)		(3,064)
Amortisation of intangible assets	(362)	(23)	(3)	(388)	(2)		(390)
Net reversal of/(provision for) loss allowance on financial assets	17	(78)	9	(52)	–		(52)
Share of results of an associate and a joint venture	–	(4)	–	(4)	–		(4)

NOTES TO THE INTERIM FINANCIAL INFORMATION

7 TURNOVER AND SEGMENT INFORMATION (Continued)

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	
	2022	2021
	US\$'000	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	23,323	23,524
Travel and travel related services income	258	80
Over time		
Advertising income, net of trade discounts	38,341	34,702
Travel and travel related services income	4,744	462
	66,666	58,768

NOTES TO THE INTERIM FINANCIAL INFORMATION

7 TURNOVER AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue (Continued)

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

	(Unaudited)						Total US\$'000
	Publishing and printing				Travel and travel related services US\$'000	Elimination US\$'000	
	Malaysia US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000			
Segment assets	147,319	42,590	8,734	198,643	11,296	(2,844)	207,095
Unallocated assets							464
Total assets							207,559
Total assets include:							
Investments accounted for using the equity method	-	52	-	52	-	-	52
Additions to non-current assets (other than deferred income tax assets)	148	37	7	192	-	-	192
Segment liabilities	(11,923)	(33,654)	(5,977)	(51,554)	(4,627)	2,844	(53,337)
Unallocated liabilities							(6,838)
Total liabilities							(60,175)

NOTES TO THE INTERIM FINANCIAL INFORMATION

7 TURNOVER AND SEGMENT INFORMATION (Continued)

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

	(Audited)						Total US\$'000
	Publishing and printing			Sub-total US\$'000	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					
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)

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.

NOTES TO THE INTERIM FINANCIAL INFORMATION

7 TURNOVER AND SEGMENT INFORMATION (Continued)

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

As at 30 September 2022 and 31 March 2022, the Group’s total non-current assets, other than deferred income tax assets, analysed by operating regions, are as follows:

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2022	2022
	US\$’000	US\$’000
Main operating regions		
Malaysia	64,782	74,124
Hong Kong and Taiwan	10,853	11,220
Other regions	6,695	6,722
	82,330	92,066

8 OTHER INCOME

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	US\$’000	US\$’000
Dividend income	26	21
Government grant and subsidies (<i>note</i>)	1,875	2,812
Interest income	667	507
Licence fee and royalty income	54	34
Other media-related income	582	1,282
Rental and management fee income	489	402
Scrap sales of old newspapers and magazines	879	715
Others	6	94
	4,578	5,867

Note: Government grant and subsidies included a grant amounted to US\$81,000 (2021: US\$1,446,000) from a government for supporting the Group’s operation of eligible publications and wage subsidies amounted to US\$1,764,000 (2021: US\$1,277,000) from governments in countries/jurisdiction in which the Group operates.

NOTES TO THE INTERIM FINANCIAL INFORMATION

9 OTHER (LOSSES)/GAINS, NET

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	<i>US\$'000</i>	<i>US\$'000</i>
Fair value (losses)/gains on financial assets at fair value through profit or loss, net	(290)	2
Gain on lease modification	-	93
Net exchange losses	(113)	(3)
	(403)	92

10 OPERATING PROFIT

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

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	<i>US\$'000</i>	<i>US\$'000</i>
Amortisation of intangible assets	362	390
Depreciation of property, plant and equipment and right-of-use assets	2,803	3,064
Direct costs of travel and travel related services	4,153	387
Distribution expenses	2,201	2,317
Employee benefit expense (including directors' emoluments)	31,670	33,730
Losses/(gains) on disposal of property, plant and equipment, net	11	(3)
Marketing and advertising expenses	1,978	1,177
Provision for impairment and write-off of inventories	111	77
Raw materials and consumables used	9,569	9,011
Utilities expenses	1,017	970

NOTES TO THE INTERIM FINANCIAL INFORMATION

11 FINANCE COSTS

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	US\$'000	US\$'000
Interest expense on bank borrowings	252	198
Interest expense on lease liabilities	10	18
	262	216

12 INCOME TAX EXPENSE

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 2022 (the tax rate for the six months ended 30 September 2021 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 2022 (the tax rate for the six months ended 30 September 2021 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 in the condensed consolidated statement of profit or loss represents:

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	US\$'000	US\$'000
Hong Kong taxation		
Current period	471	35
Over provision in prior years	(18)	–
Malaysian taxation		
Current period	1,365	744
Other countries' taxation		
Current period	1	–
Under provision in prior years	24	–
Deferred income tax credit	(491)	(272)
	1,352	507

NOTES TO THE INTERIM FINANCIAL INFORMATION

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

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
Profit/(loss) attributable to owners of the Company (US\$'000)	1,044	(511)
Weighted average number of ordinary shares in issue	1,687,236,241	1,687,236,241
Basic earnings/(loss) per share (US cents)	0.06	(0.03)
Diluted earnings/(loss) per share (US cents)	0.06	(0.03)

The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share as there were no dilutive potential shares in issue during the six months ended 30 September 2022 and 2021.

14 DIVIDENDS

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	US\$'000	US\$'000
Dividends paid during the period:		
Interim, 2021/2022, US0.15 cents (2020/2021: US0.10 cents) per ordinary share (note)	2,531	1,687

The Board of Directors does not recommend any distribution of dividend for the six months ended 30 September 2022 (2021/2022: nil).

Note: 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.

NOTES TO THE INTERIM FINANCIAL INFORMATION

15 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 September 2022, the Group acquired property, plant and equipment at a cost of US\$178,000 (six months ended 30 September 2021: US\$177,000) and disposed of property, plant and equipment with a carrying amount of US\$13,000 (six months ended 30 September 2021: US\$16,000).

16 TRADE AND OTHER RECEIVABLES

	(Unaudited) As at 30 September 2022 US\$'000	(Audited) As at 31 March 2022 US\$'000
Trade receivables (<i>note</i>)	17,930	17,046
Less: provision for loss allowance of trade receivables	(1,808)	(1,928)
Trade receivables, net	16,122	15,118
Deposits and prepayments	2,695	2,300
Other receivables	1,261	1,376
Less: provision for loss allowance of other receivables	(38)	(47)
	20,040	18,747

As at 30 September 2022 and 31 March 2022, 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 2022 and 31 March 2022, the ageing analysis of the trade receivables based on invoice date is as follows:

	(Unaudited) As at 30 September 2022 US\$'000	(Audited) As at 31 March 2022 US\$'000
1 to 60 days	12,923	9,807
61 to 120 days	2,406	3,536
121 to 180 days	456	776
Over 180 days	2,145	2,927
	17,930	17,046

NOTES TO THE INTERIM FINANCIAL INFORMATION

17 TRADE AND OTHER PAYABLES

	(Unaudited) As at 30 September 2022 US\$'000	(Audited) As at 31 March 2022 US\$'000
Trade payables (<i>note</i>)	5,776	5,195
Accrued charges and other payables	15,248	14,796
	21,024	19,991

As at 30 September 2022 and 31 March 2022, the fair values of trade and other payables approximated the carrying amounts.

Note: As at 30 September 2022 and 31 March 2022, the ageing analysis of the trade payables based on invoice date is as follows:

	(Unaudited) As at 30 September 2022 US\$'000	(Audited) As at 31 March 2022 US\$'000
1 to 60 days	5,039	4,842
61 to 120 days	517	127
121 to 180 days	103	34
Over 180 days	117	192
	5,776	5,195

18 BANK AND OTHER BORROWINGS

	(Unaudited) As at 30 September 2022 US\$'000	(Audited) As at 31 March 2022 US\$'000
Current		
Bank borrowings — secured (<i>Note 22</i>)	22,218	22,298
Bank borrowings — unsecured	324	357
	22,542	22,655

NOTES TO THE INTERIM FINANCIAL INFORMATION

19 OTHER NON-CURRENT LIABILITIES

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2022	2022
	US\$'000	US\$'000
Retirement benefit obligations	504	552
Current portion of other non-current liabilities	(44)	(49)
	460	503

20 SHARE CAPITAL AND PREMIUM

	Number of ordinary shares	Issued share capital US\$'000	Share premium US\$'000	Total US\$'000
At 1 April 2022 and 30 September 2022	1,687,236,241	21,715	54,664	76,379

The number of authorised ordinary shares is 2,500 million shares (31 March 2022: 2,500 million shares) with a par value of HK\$0.10 per share. All issued shares are fully paid.

NOTES TO THE INTERIM FINANCIAL INFORMATION

21 CAPITAL COMMITMENTS

Capital commitments outstanding as at 30 September 2022 and 31 March 2022 are as follows:

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2022	2022
	US\$'000	US\$'000
Property, plant and equipment		
Authorised and contracted for	133	21
Intangible assets		
Authorised and contracted for	161	468

22 PLEDGE OF ASSETS

As at 30 September 2022, 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\$4,297,000 as at 30 September 2022 (At 31 March 2022: US\$4,430,000) and assignment of rental income derived therefrom; and
- (b) corporate guarantees issued by the Company.

As at 30 September 2022, the Group had no short-term bank deposits pledged (At 31 March 2022: short-term bank deposits of US\$131,000 were pledged to a bank for a bank guarantee issued).

23 CONTINGENT LIABILITIES

As at 30 September 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 unaudited 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 upon the Group's financial position.

NOTES TO THE INTERIM FINANCIAL INFORMATION

24 RELATED PARTY TRANSACTIONS

(a) *Related party transactions*

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	<i>US\$'000</i>	<i>US\$'000</i>
Advertising income received from a director	-	(2)
Advertising income received from an associate	(98)	(71)
Advertising income received from an employee	-	(2)
Provision of administrative and content services to a joint venture	(10)	(9)
Provision of air ticketing and accommodation arrangement services to a related company (<i>note 1</i>)	-	(2)
Provision of legal services by a related company (<i>note 2</i>)	40	17
Purchase of mineral water from a related company (<i>note 1</i>)	1	-
Rental expenses paid to related companies (<i>note 1</i>)	46	47

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.

NOTES TO THE INTERIM FINANCIAL INFORMATION

24 RELATED PARTY TRANSACTIONS (Continued)

(b) Key management compensation

Key management comprised members of the Group's executive committees, some of whom are directors of the Company. The compensation paid or payable to the key management for employee services is shown below:

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	US\$'000	US\$'000
Directors' fees, basic salaries, bonuses, other allowances and benefits in kind <i>(note)</i>	904	872
Employer's contribution to pension schemes	51	51
	955	923

Note: Other benefits in kind included housing, use of company cars, air tickets for home trips, insurance coverage and club membership.

(c) Ultimate controlling party

The ultimate controlling party of the Group is Tan Sri Datuk Sir TIONG Hiew King, who is the controlling shareholder holding an aggregate equity of 64.85% in the Company as at 30 September 2022. Details of interests held by Tan Sri Datuk Sir TIONG Hiew King in the Company is set out in "Substantial shareholders' interests and short positions in the shares and underlying shares of the Company" on page 34.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

	(Unaudited)		
	Six months ended 30 September		
	2022	2021	
	US\$'000	US\$'000	% Change
Turnover	66,666	58,768	13.4%
Profit/(loss) before income tax	2,155	(153)	1,508.5%
EBITDA	4,919	3,014	63.2%
Basic earnings/(loss) per share (US cents)	0.06	(0.03)	300.0%

OVERALL REVIEW OF OPERATIONS

In 2022, many countries had opened up their borders and started to transition to the endemic phase. This has spurred global economic activities and international travel.

The Group's business in Malaysia has been on a steady recovery during the period since the country's entry into the endemic phase on 1 April 2022. The Hong Kong operation, however, experienced a slower recovery as the city was hit by its fifth COVID-19 wave in early 2022 and strict social distancing measures were only gradually relaxed since late April 2022. The Group's travel segment also started to see a rebound in its business during the period.

The Group achieved a 13.4% increase in its turnover for the six-month period ended 30 September 2022 to US\$66,666,000 from US\$58,768,000 a year ago. The growth was contributed by the increase in the turnover of both the Group's publishing and printing segment and the travel segment. This resulted in the Group achieving a profit before income tax of US\$2,155,000, which was a turnaround from a loss before income tax of US\$153,000 for the same period in the previous year.

The turnover of the Group's publishing and printing segment increased by 5.9% year-on-year to US\$61,664,000 from US\$58,226,000, while the segment's profit before income tax grew to US\$2,821,000 from US\$819,000 in the same period last year.

With the resumption of international travel, the Group's travel segment saw a surge in its turnover to US\$5,002,000 for the period under review from US\$542,000 recorded a year ago. This resulted in the segment reducing its loss before income tax to US\$344,000 from US\$631,000 in the same period last year.

The Group reported an EBITDA of US\$4,919,000 for the six months ended 30 September 2022, reflecting a 63.2% growth compared to the same period a year ago.

Basic earnings per share for the six-month period was US0.06 cents, representing an increase of 300.0% over the basic loss per share of US0.03 cents recorded in the prior year period.

As at 30 September 2022, the Group's cash and cash equivalents and short term bank deposits totalled US\$90,894,000 and the Group's net assets per share attributable to owners of the Company was US8.76 cents.

MANAGEMENT DISCUSSION AND ANALYSIS

Publishing and Printing

Malaysia

With the country moving into the endemic phase on 1 April 2022, economic activities in Malaysia has since been on a steady recovery path. The Group's Malaysia operation saw a growth in its business during the period under review, however, at the same time it has to face macro-economic headwinds such as rising interest rates and inflation, as well as change of business environment arising from the country's political uncertainty.

The Malaysia operation managed to weather the headwinds and challenges by diversifying its revenue streams and strengthening its cost efficiencies which helped mitigate the impact of rising newsprint price that affected the operation's profitability.

For the period in review, the Malaysia operation achieved a 9.8% growth in its turnover to US\$36,654,000 from US\$33,390,000 in the prior year period. It reported a profit before income tax of US\$2,816,000 for the period, a significant improvement from the US\$403,000 recorded a year ago.

Content has been at the heart of the Group's success in Malaysia. The Group remains focused on enriching its content offering to meet the changing audience preferences, and creating well-accepted content to expand its offerings across platforms to reach a wide spectrum of audience segments.

To expand its revenue stream, the Malaysia operation has developed a one-stop advertising solution for customers who want to promote their products and services. Customers are offered an array of media options incorporating print, digital, ground events and magazine titles to enhance the effectiveness and efficiency of advertising buys.

Hong Kong and Taiwan

Hong Kong had to struggle with its fifth COVID-19 wave which hit the city in late December 2021. Economic activities only started to pick up in late April 2022 upon the progressive relaxation of social distancing measures. Advertising spending and consumption demand started to recover amid the easing of movement restrictions. However, rising inflationary pressures and the uncertain COVID-19 situation in China prompted businesses to defer new launches and limit their advertising spending.

The Hong Kong and Taiwan operations managed to grow its revenue marginally by 2.0% to US\$21,530,000 for the period in review. The segment's profit before income tax for the period increased by more than twofold to US\$2,178,000 from US\$917,000 a year ago. In addition to the revenue growth, this improvement in result was also due to the subsidies received under the Hong Kong government's 2022 Employment Support Scheme.

This segment's recruitment advertisements section continued to trend up and the Group continued to work on government communication projects such as the HKSAR 25th Anniversary Competitions and the "In Love With Town, Filming From Heart" Youth Photo and Short Video Competition. Ground events such as the bookfair held in July 2022 also contributed positively to this segment's performance.

MANAGEMENT DISCUSSION AND ANALYSIS

North America

Canada was hit by a sixth wave of the pandemic in April 2022 which had negatively affected its still weak economy. The country's rising inflation and interest rates during the period under review also had adverse impact on the market's purchasing power and put downward pressure on its housing market.

The subdued economic conditions have adversely impacted the segment's business, in addition to the pressure it was under from the challenges facing the newspaper industry.

The turnover of the Group's publishing and printing operations in North America fell by 6.7% to US\$3,480,000 when compared with US\$3,728,000 recorded in the same period last year. The decline in turnover, together with less government subsidies received in the current period, resulted in the segment's loss before income tax to widen to US\$2,173,000 from US\$501,000 recorded in the prior year period.

Travel and travel related services

The first half of FY2022/2023 has seen some positive momentum in the travel industry compared to the very challenging conditions in the same period last year.

With the opening of borders by many countries which led to an increase in international travel, the turnover of the Group's travel segment increased to US\$5,002,000 for the period in review from US\$542,000 a year ago. The revenue growth helped narrow this segment's loss before income tax by 45.5% to US\$344,000 from US\$631,000 recorded in last year. The improvement in turnover was mainly contributed by the segment's operations in North America which have started to operate both inbound and outbound tours following the relaxation of travel restrictions.

Digital business

During the financial period under review, the Group expanded its digital activities by growing revenue both from the existing business and from new products and revenue streams; and building on its competencies, market position and customer relationships.

The Group has taken a new approach to its marketing strategy by providing a "M-Lab" platform through its Malaysia operation, a one-stop solution to reap gains from integrated marketing and analytics capabilities. This reflected the Group's efforts to broaden the range and scale of data-led revenues, which can deliver stronger yields due to better pricing than that on the open market. This marketing strategy will drive business growth amid the growing trend of advertisers' preference for performance-based marketing and the upcoming removal of third-party cookies.

The Group continues to build up the registered reader base for its websites and Apps. By doing this, it expects to reach a wide spectrum of readers which will allow the Group to expand its data capabilities and create a critical mass of audience for advertisers.

Going forward, the Group will continue to monetise the content and other digital products it offers and uses its media assets and audiences to drive the future development of its digital businesses.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

With the easing of social distancing rules and the opening of borders by many countries in 2022, global economy has started to recover and international trade and travels have been picking up. However, the continuing geopolitical tensions have impacted supply chains and increased logistics costs. This, coupled with rising inflation and weakening of currencies in many countries, may dampen the global economy's recovery.

Nevertheless, barring any unforeseen circumstances, the Group expects that the economy in the Group's core markets will likely to continue to improve in the second half of the financial year 2022/2023. With Hong Kong relaxing its quarantine rules which will be conducive to the Group's tour and travel business; and Malaysia holding its 15th general election in the last quarter of 2022 which will likely ramp up the market's advertising spending, the Group anticipates that business in these markets will benefit from these market opportunities in the coming quarters. At the same time, the Group will remain vigilant in monitoring its costs whilst intensifying its efforts to roll out more curated content and multi-platform advertisement solutions.

LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING RATIO

As at 30 September 2022, the Group's cash and cash equivalents and short-term bank deposits amounted to US\$90,894,000 (31 March 2022: US\$95,279,000) and total bank and other borrowings were US\$22,542,000 (31 March 2022: US\$22,655,000). The net cash position was US\$68,352,000 (31 March 2022: US\$72,624,000). Owners' equity was US\$147,872,000 (31 March 2022: US\$162,474,000).

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

OTHER INFORMATION

INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS HELD BY THE DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES

As at 30 September 2022, the interests and short positions of the directors, chief executives and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the HK Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “HK Model Code”) contained in Appendix 10 of the HK Listing Rules are as follows:

(a) *Interests and short positions in the shares, underlying shares and debentures of the Company*

Name of director	Number of shares held			Total interests in shares	Percentage of issued ordinary shares
	Personal interests	Family interests	Corporate interests		
Dato’ Sri Dr TIONG Ik King	35,144,189	–	253,987,700 ⁽¹⁾	289,131,889	17.14%
Ms TIONG Choon	2,654,593	1,023,632 ⁽²⁾	653,320 ⁽³⁾	4,331,545	0.26%
Mr TIONG Kiew Chiong	5,228,039	–	–	5,228,039	0.31%
Mr WONG Khang Yen	83	–	–	83	–*

All the interests stated above represent long positions in the shares of the Company.

* *negligible*

Notes:

- (1) Conch Company Limited (“Conch”) holds 253,987,700 shares of the Company. 40% of the interest in Conch is held by Seaview Global Company Limited, a company jointly owned by Dato’ Sri Dr TIONG Ik King and Tan Sri Datuk Sir TIONG Hiew King. In addition, Dato’ Sri Dr TIONG Ik King and Tan Sri Datuk Sir TIONG Hiew King directly hold 22% and 25% of the interest in Conch respectively.
- (2) Ms TIONG Choon is deemed to be interested in the shares by virtue of her spouse’s interest in 1,023,632 shares.
- (3) The corporate interests of 653,320 shares are held by TC Blessed Holdings Sdn Bhd, in which Ms TIONG Choon holds 99% equity interest.

OTHER INFORMATION

INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS HELD BY THE DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES (Continued)

(b) *Interests and short positions in the shares, underlying shares and debentures of One Media Group Limited (“One Media”)*

Name of director	Number of shares held			Percentage of issued ordinary shares of One Media
	Personal interests	Corporate interests (note)	Total interests in shares	
Dato' Sri Dr TIONG Ik King	–	292,700,000	292,700,000	73.01%
Ms TIONG Choon	26,000	–	26,000	0.01%

All the interests stated above represent long positions in the shares of One Media.

Note: Dato' Sri Dr TIONG Ik King is deemed interested in 292,700,000 shares in One Media held by Comwell Investment Limited which is an indirect wholly-owned subsidiary of the Company. Dato' Sri Dr TIONG Ik King is deemed interested in 17.14% of the Company's shares. Details of his shareholdings in the Company are set out in paragraph (a) “Interests and short positions in the shares, underlying shares and debentures of the Company” on page 32.

Save as disclosed above, as at 30 September 2022, none of the directors, chief executives and their associates had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO), which are required to be recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the HK Stock Exchange pursuant to the HK Model Code.

At no time during the six months ended 30 September 2022 were rights to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company granted to any directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company or its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire such rights in any other body corporate.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2022, the following persons (other than the directors and chief executives of the Company) had interests of 5% or more in the shares of the Company as recorded in the register required to be kept under Section 336 of Part XV of the SFO:

Name of shareholder	Number of ordinary shares held	Percentage of issued ordinary shares
Tan Sri Datuk Sir TIONG Hiew King (<i>note 1</i>)	1,094,187,814	64.85%
Tiong Toh Siong Holdings Sdn Bhd ("TTSH")	378,998,616	22.46%
Conch Company Limited ("Conch") (<i>note 2</i>)	253,987,700	15.05%
Teck Sing Lik Enterprise Sdn Bhd ("TSL") (<i>note 3</i>)	196,487,646	11.65%
Tiong Toh Siong Enterprises Sdn Bhd ("TTSE") (<i>note 3</i>)	131,168,460	7.77%
Kinta Hijau Sdn Bhd ("Kinta Hijau")	129,424,143	7.67%

All the interests stated above represent long positions in the shares of the Company.

Notes:

- (1) Of these shares, 87,109,058 shares are held by Tan Sri Datuk Sir TIONG Hiew King personally, 234,566 shares are deemed to be interested in by virtue of his spouse's interest, and corporate interests of 1,006,844,190 which comprise:
- (i) 378,998,616 shares held by TTSH;
 - (ii) 253,987,700 shares held by Conch;
 - (iii) 75,617,495 shares held by Ezywood Options Sdn Bhd ("Ezywood");
 - (iv) 65,319,186 shares held by TSL;
 - (v) 52,875,120 shares held by Madigreen Sdn Bhd ("Madigreen");
 - (vi) 15,536,696 shares held by Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS");
 - (vii) 6,532,188 shares held by Rimbunan Hijau Southeast Asia Sdn Bhd ("RHSA");
 - (viii) 26,808,729 shares held by Pertumbuhan Abadi Asia Sdn Bhd ("PAA");
 - (ix) 1,744,317 shares held TTSE;
 - (x) 129,424,143 shares held by Kinta Hijau.

Tan Sri Datuk Sir TIONG Hiew King directly holds 84% interest in TSL and 99.99% interest in PAA. In addition, Tan Sri Datuk Sir TIONG Hiew King, TSL and PAA directly and indirectly hold 52.38% interest in both RHS and RHSA, 75% interest in Madigreen and 70% interest in Ezywood. Tan Sri Datuk Sir TIONG Hiew King and TSL directly holds 26% interest in TTSH.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

Notes: (Continued)

- (2) The details of shares held by Conch are set out in note to paragraph (a) "Interests and short positions in the shares, underlying shares and debentures of the Company" on page 32.
- (3) Of these shares, 129,424,143 shares are held by Kinta Hijau (a company wholly owned by TTSE), TTSE is deemed to be interested in shares in which Kinta Hijau is interested. TTSE holds 1,744,317 shares. TSL is deemed to be interested in shares in which Kinta Hijau and TTSE is interested. Tan Sri Datuk Sir TIONG Hiew King directly holds 84% interest in TSL and TSL directly holds 30% interest in TTSE.

Save as disclosed above and those disclosed under "Interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations held by the directors, chief executives and their associates", the Company had not been notified of any other persons or corporations who had interests or short positions representing 5% or more of the issued share capital of the Company as at 30 September 2022.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the six months ended 30 September 2022, neither the Company nor any of its subsidiaries had purchased, sold or the Company had redeemed any of the Company's listed securities.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 September 2022, the Group had 2,795 employees (31 March 2022: 2,877 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.

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.

OTHER INFORMATION

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; and (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. On 1 July 2022, the Company has also complied with the recommendation that requires a former partner of the external audit firm of the Company to observe a cooling-off period of at least 3 years before being appointed as a member of the Audit Committee. 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.

AUDIT COMMITTEE

The Audit Committee was established on 30 March 1999. It currently has three members, namely, Mr IP Koon Wing, Ernest (Chairman), Datuk CHONG Kee Yuon and Mr KHOO Kar Khoon, all of them are independent non-executive directors ("INEDs"). The Audit Committee meets regularly with the management and the external auditor to discuss the audit process and accounting issues, and reviews the effectiveness of the Group's risk management and internal control systems.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 25 May 2005 with specific terms of reference that specify its authorities and duties. It currently has three members, namely, Datuk CHONG Kee Yuon (Chairman), Mr KHOO Kar Khoon and Mr IP Koon Wing, Ernest, all of them are INEDs. The Remuneration Committee is responsible for the review of the Company's policies for the remuneration of its directors and senior management and the making of any recommendations in relation to such policies to the Board.

NOMINATION COMMITTEE

The Nomination Committee was established on 25 May 2005 with specific terms of reference that specify its authorities and duties. It currently has three members, namely, Mr KHOO Kar Khoon (Chairman), Datuk CHONG Kee Yuon and Mr IP Koon Wing, Ernest, all of them are INEDs. The Nomination Committee's responsibilities include reviewing the structure, size and composition of the Board on a regular basis and making recommendations to the Board regarding any proposed changes.

OTHER INFORMATION

REVIEW OF INTERIM FINANCIAL INFORMATION

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

28 November 2022

As at the date of this report, 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 Khoo, being independent non-executive directors.

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2022

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	<i>RM'000</i>	<i>RM'000</i>
	<i>(note)</i>	<i>(note)</i>
Turnover	308,930	272,331
Cost of goods sold	(192,533)	(173,622)
Gross profit	116,397	98,709
Other income	21,214	27,188
Other (losses)/gains, net	(1,868)	426
Selling and distribution expenses	(70,052)	(66,646)
Administrative expenses	(50,232)	(50,057)
Net reversal of/(provision for) loss allowance on financial assets	148	(241)
Other operating expenses	(4,388)	(9,069)
Operating profit	11,219	310
Finance costs	(1,214)	(1,000)
Share of results of an associate and a joint venture	(19)	(19)
Profit/(loss) before income tax	9,986	(709)
Income tax expense	(6,265)	(2,349)
Profit/(loss) for the period	3,721	(3,058)
Profit/(loss) attributable to:		
Owners of the Company	4,838	(2,368)
Non-controlling interests	(1,117)	(690)
	3,721	(3,058)
Earnings/(loss) per share attributable to owners of the Company		
Basic (sen)	0.28	(0.14)
Diluted (sen)	0.28	(0.14)

Note: The presentation currency of this unaudited interim financial information is US\$. Supplementary information in RM for the period ended 30 September 2022 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.6340 ruling at 30 September 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.

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2022

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	<i>RM'000</i>	<i>RM'000</i>
	<i>(note)</i>	<i>(note)</i>
Profit/(loss) for the period	3,721	(3,058)
Other comprehensive (loss)/income		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	(61,243)	(6,576)
Item that will not be reclassified subsequently to profit or loss:		
Fair value change on financial assets at fair value through other comprehensive income	616	(352)
Other comprehensive loss for the period, net of tax	(60,627)	(6,928)
Total comprehensive loss for the period	(56,906)	(9,986)
Total comprehensive loss for the period attributable to:		
Owners of the Company	(55,937)	(9,189)
Non-controlling interests	(969)	(797)
	(56,906)	(9,986)

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ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	(Unaudited) As at 30 September 2022 RM'000 (note)	(Unaudited) As at 31 March 2022 RM'000 (note)
ASSETS		
Non-current assets		
Property, plant and equipment and right-of-use assets	240,347	272,522
Investment properties	105,776	114,557
Intangible assets	31,613	36,497
Deferred income tax assets	445	412
Investments accounted for using the equity method	241	111
Financial assets at fair value through other comprehensive income	3,540	2,947
	381,962	427,046
Current assets		
Inventories	52,934	53,049
Trade and other receivables	92,865	86,874
Financial assets at fair value through profit or loss	11,650	5,603
Income tax recoverable	1,214	3,184
Short-term bank deposits	116,471	140,535
Cash and cash equivalents	304,732	300,988
	579,866	590,233
Current liabilities		
Trade and other payables	97,424	92,638
Contract liabilities	46,243	36,053
Income tax liabilities	6,854	3,703
Bank and other borrowings	104,460	104,983
Lease liabilities	1,006	1,325
Current portion of other non-current liabilities	204	227
	256,191	238,929
Net current assets	323,675	351,304
Total assets less current liabilities	705,637	778,350

ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	(Unaudited)	(Unaudited)
	As at	As at
	30 September	31 March
	2022	2022
	RM'000	RM'000
	(note)	(note)
EQUITY		
Equity attributable to owners of the Company		
Share capital	100,627	100,627
Share premium	253,313	253,313
Other reserves	(605,655)	(544,880)
Retained earnings	936,953	943,844
	685,238	752,904
Non-controlling interests	(2,261)	(1,292)
	682,977	751,612
Non-current liabilities		
Lease liabilities	1,631	2,192
Deferred income tax liabilities	18,897	22,215
Other non-current liabilities	2,132	2,331
	22,660	26,738
	705,637	778,350

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ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	(Unaudited)						Total equity RM'000 (note)
	Attributable to owners of the Company					Non-controlling interests RM'000 (note)	
	Share capital RM'000 (note)	Share premium RM'000 (note)	Other reserves RM'000 (note)	Retained earnings RM'000 (note)	Sub-total RM'000 (note)		
At 1 April 2021	100,627	253,313	(533,967)	949,461	769,434	1,761	771,195
Loss for the period	-	-	-	(2,368)	(2,368)	(690)	(3,058)
Other comprehensive loss							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(6,566)	-	(6,566)	(10)	(6,576)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	(255)	-	(255)	(97)	(352)
Other comprehensive loss, net of tax	-	-	(6,821)	-	(6,821)	(107)	(6,928)
Total comprehensive loss for the period ended 30 September 2021	-	-	(6,821)	(2,368)	(9,189)	(797)	(9,986)
Total transactions with owners, recognised directly in equity							
2020/2021 interim dividend	-	-	-	(7,818)	(7,818)	-	(7,818)
At 30 September 2021	100,627	253,313	(540,788)	939,275	752,427	964	753,391

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ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	(Unaudited) Attributable to owners of the Company					Non- controlling interests RM'000 (note)	Total equity RM'000 (note)
	Share capital RM'000 (note)	Share premium RM'000 (note)	Other reserves RM'000 (note)	Retained earnings RM'000 (note)	Sub-total RM'000 (note)		
At 1 April 2022	100,627	253,313	(544,880)	943,844	752,904	(1,292)	751,612
Profit/(loss) for the period	-	-	-	4,838	4,838	(1,117)	3,721
Other comprehensive (loss)/income							
Item that may be reclassified							
subsequently to profit or loss:							
Currency translation differences	-	-	(61,229)	-	(61,229)	(14)	(61,243)
Item that will not be reclassified							
subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	454	-	454	162	616
Other comprehensive (loss)/income, net of tax	-	-	(60,775)	-	(60,775)	148	(60,627)
Total comprehensive (loss)/income for the period ended 30 September 2022	-	-	(60,775)	4,838	(55,937)	(969)	(56,906)
Total transactions with owners, recognised directly in equity							
2021/2022 interim dividend	-	-	-	(11,729)	(11,729)	-	(11,729)
2021/2022 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	-*	-*
	-	-	-	(11,729)	(11,729)	-*	(11,729)
At 30 September 2022	100,627	253,313	(605,655)	936,953	685,238	(2,261)	682,977

* negligible

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ADDITIONAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	RM'000	RM'000
	(note)	(note)
Cash flows from operating activities		
Cash generated from operations	32,183	30,593
Interest paid	(1,214)	(1,000)
Income tax paid	(3,290)	(2,688)
Net cash generated from operating activities	27,679	26,905
Cash flows from investing activities		
Dividends received	120	97
Decrease/(increase) in short-term bank deposits with original maturity over three months	24,066	(16,668)
Proceeds from sales of financial assets at fair value through profit or loss	171	–
Interest received	3,091	2,349
Proceeds from disposal of property, plant and equipment	9	88
Purchases of intangible assets	(65)	(79)
Purchases of property, plant and equipment	(825)	(820)
Payment for acquisition of financial assets at fair value through profit or loss	(8,425)	–
Investment in a joint venture	(148)	–
Net cash generated from/(used in) investing activities	17,994	(15,033)
Cash flows from financing activities		
Dividends paid	(11,729)	(7,818)
Dividends paid to non-controlling interests by an unlisted subsidiary	–*	–
Proceeds from bank and other borrowings	4,111	41,460
Repayments of bank and other borrowings	(4,189)	(62,049)
Principal elements of lease liabilities	(797)	(2,465)
Net cash used in financing activities	(12,604)	(30,872)
Net increase/(decrease) in cash and cash equivalents	33,069	(19,000)
Cash and cash equivalents at beginning of period	300,988	320,585
Exchange adjustments on cash and cash equivalents	(29,325)	(2,845)
Cash and cash equivalents at end of period	304,732	298,740

* negligible

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