MEDIA CHINESE INTERNATIONAL LIMITED
世界華文媒體有限公司

(Incorporated in Bermuda with limited liability)
(Malaysia Company No. 995098-A)
(Hong Kong Stock Code: 685)
(Malaysia Stock Code: 5090)

ANNOUNCEMENT

FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2018

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 September 2018 to Bursa Securities on 29 November 2018.

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 November 2018

As at the date of this announcement, the Board comprises Ms TIONG Choon, Mr TIONG Kiew Chiong and Mr LEONG Chew Meng, being executive directors; Dato' Sri Dr TIONG Ik King and Tan Sri Datuk Sir TIONG Hiew King, being non-executive directors; and Mr YU Hon To, David, Datuk CHONG Kee Yuon and Mr KHOO Kar Khoon, being independent non-executive directors.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 995098-A)
Financial report for the second quarter ended 30 September 2018

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Three months ended 30 September		(Unaudited) Three months ended 30 September	
	2018	2017	**2018**	2017
	US$'000	US$'000	**RM'000** *(Note)*	RM'000 *(Note)*
Turnover	**85,669**	79,875	**354,370**	330,403
Cost of goods sold	**(60,290)**	(53,685)	**(249,390)**	(222,068)
Gross profit	**25,379**	26,190	**104,980**	108,335
Other income	**2,072**	1,904	**8,571**	7,876
Other losses, net	**(255)**	(139)	**(1,055)**	(575)
Selling and distribution expenses	**(13,300)**	(13,024)	**(55,015)**	(53,874)
Administrative expenses	**(7,711)**	(7,988)	**(31,897)**	(33,042)
Other operating expenses	**(1,122)**	(1,198)	**(4,641)**	(4,956)
Operating profit	**5,063**	5,745	**20,943**	23,764
Finance costs	**(715)**	(672)	**(2,957)**	(2,780)
Share of post-tax results of joint ventures and associates	**-**	37	**-**	153
Profit before income tax	**4,348**	5,110	**17,986**	21,137
Income tax expense	**(1,624)**	(2,042)	**(6,718)**	(8,447)
Profit for the quarter	**2,724**	3,068	**11,268**	12,690
Profit/(loss) attributable to:				
Owners of the Company	**2,996**	3,376	**12,393**	13,964
Non-controlling interests	**(272)**	(308)	**(1,125)**	(1,274)
	2,724	3,068	**11,268**	12,690
Earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	**0.18**	0.20	**0.74**	0.83
Diluted (US cents/sen) #	**0.18**	0.20	**0.74**	0.83

\# *Refer to B11 for calculations of basic and diluted earnings 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 September 2018 with comparatives is shown for reference only and has been made at the same exchange rate of US$1 to RM4.1365 ruling at 30 September 2018. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	(Unaudited) Three months ended 30 September		(Unaudited) Three months ended 30 September	
	2018	2017	**2018**	2017
	US$'000	US$'000	**RM'000**	RM'000
			(Note)	*(Note)*
Profit for the quarter	**2,724**	3,068	**11,268**	12,690
Other comprehensive (loss)/income				
Items that have been reclassified or may be reclassified subsequently to profit or loss:				
Currency translation differences	**(3,441)**	2,631	**(14,234)**	10,883
Currency translation differences released upon disposal of subsidiaries	**215**	-	**889**	-
Item that will not be reclassified subsequently to profit or loss:				
Changes in the fair value of equity investments at fair value through other comprehensive income	**(2,019)**	-	**(8,351)**	-
Other comprehensive (loss)/ income for the quarter, net of tax	**(5,245)**	2,631	**(21,696)**	10,883
Total comprehensive (loss)/income for the quarter	**(2,521)**	5,699	**(10,428)**	23,573
Total comprehensive (loss)/ income for the quarter attributable to:				
Owners of the Company	**(1,753)**	5,994	**(7,251)**	24,793
Non-controlling interests	**(768)**	(295)	**(3,177)**	(1,220)
	(2,521)	5,699	**(10,428)**	23,573

Note: The presentation currency of this unaudited financial information is US$. Supplementary information in RM for the quarter ended 30 September 2018 with comparatives is shown for reference only and has been made at the same exchange rate of US$1 to RM4.1365 ruling at 30 September 2018. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Six months ended 30 September		(Unaudited) Six months ended 30 September	
	2018	2017	**2018**	2017
	US$'000	US$'000	**RM'000** *(Note)*	RM'000 *(Note)*
Turnover	**167,701**	153,643	**693,696**	635,544
Cost of goods sold	**(116,613)**	(103,365)	**(482,370)**	(427,569)
Gross profit	**51,088**	50,278	**211,326**	207,975
Other income	**4,080**	3,758	**16,877**	15,545
Other losses, net	**(346)**	(99)	**(1,431)**	(410)
Selling and distribution expenses	**(26,467)**	(25,649)	**(109,481)**	(106,097)
Administrative expenses	**(15,360)**	(15,646)	**(63,537)**	(64,720)
Other operating expenses	**(2,295)**	(2,419)	**(9,493)**	(10,006)
Operating profit	**10,700**	10,223	**44,261**	42,287
Finance costs	**(1,464)**	(1,311)	**(6,056)**	(5,423)
Share of post-tax results of joint ventures and associates	**-**	84	**-**	347
Profit before income tax	**9,236**	8,996	**38,205**	37,211
Income tax expense	**(3,654)**	(3,848)	**(15,115)**	(15,916)
Profit for the period	**5,582**	5,148	**23,090**	21,295
Profit/(loss) attributable to:				
Owners of the Company	**6,038**	5,724	**24,976**	23,678
Non-controlling interests	**(456)**	(576)	**(1,886)**	(2,383)
	5,582	5,148	**23,090**	21,295
Earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	**0.36**	0.34	**1.49**	1.41
Diluted (US cents/sen) #	**0.36**	0.34	**1.49**	1.41

Refer to B11 for calculations of basic and diluted earnings per share

Note: The presentation currency of this unaudited financial information is US$. Supplementary information in RM for the period ended 30 September 2018 with comparatives is shown for reference only and has been made at the same exchange rate of US$1 to RM4.1365 ruling at 30 September 2018. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	(Unaudited) Six months ended 30 September		(Unaudited) Six months ended 30 September	
	2018	2017	**2018**	2017
	US$'000	US$'000	**RM'000**	RM'000
			(Note)	*(Note)*
Profit for the period	**5,582**	5,148	**23,090**	21,295
Other comprehensive (loss)/income				
Items that have been reclassified or may be reclassified subsequently to profit or loss:				
Currency translation differences	**(10,396)**	7,211	**(43,003)**	29,828
Currency translation differences released upon disposal of subsidiaries	**215**	-	**889**	-
Item that will not be reclassified subsequently to profit or loss:				
Changes in the fair value of equity investments at fair value through other comprehensive income	**(5,759)**	-	**(23,822)**	-
Other comprehensive (loss)/ income for the period, net of tax	**(15,940)**	7,211	**(65,936)**	29,828
Total comprehensive (loss)/income for the period	**(10,358)**	12,359	**(42,846)**	51,123
Total comprehensive (loss)/ income for the period attributable to:				
Owners of the Company	**(8,370)**	12,918	**(34,623)**	53,435
Non-controlling interests	**(1,988)**	(559)	**(8,223)**	(2,312)
	(10,358)	12,359	**(42,846)**	51,123

Note: The presentation currency of this unaudited financial information is US$. Supplementary information in RM for the period ended 30 September 2018 with comparatives is shown for reference only and has been made at the same exchange rate of US$1 to RM4.1365 ruling at 30 September 2018. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at 30 September 2018 US$'000	(Audited) As at 31 March 2018 US$'000	**(Unaudited) As at 30 September 2018 RM'000 *(Note)***	(Unaudited) As at 31 March 2018 RM'000 *(Note)*
ASSETS				
Non-current assets				
Property, plant and equipment	**86,426**	94,253	**357,501**	389,878
Investment properties	**15,589**	16,437	**64,484**	67,992
Intangible assets	**24,701**	26,863	**102,176**	111,119
Deferred income tax assets	**242**	243	**1,001**	1,005
Investments accounted for using the equity method	**143**	143	**592**	592
Financial assets at fair value through other comprehensive income	**3,234**	-	**13,377**	-
Available-for-sale financial assets	**-**	8,979	**-**	37,140
Other non-current financial assets	**-**	129	**-**	534
	130,335	147,047	**539,131**	608,260
Current assets				
Inventories	**18,495**	17,648	**76,505**	73,001
Available-for-sale financial assets	**-**	96	**-**	397
Financial assets at fair value through profit or loss	**463**	361	**1,915**	1,493
Trade and other receivables	**39,088**	44,820	**161,688**	185,398
Income tax recoverable	**635**	1,550	**2,627**	6,412
Short-term bank deposits	**12,691**	18,312	**52,496**	75,748
Cash and cash equivalents	**111,921**	101,923	**462,961**	421,604
	183,293	184,710	**758,192**	764,053
Current liabilities				
Trade and other payables	**41,789**	51,753	**172,860**	214,075
Contract liabilities	**14,755**	-	**61,034**	-
Income tax liabilities	**1,250**	773	**5,171**	3,198
Bank and other borrowings	**59,228**	68,447	**244,997**	283,131
Current portion of other non-current liabilities	**73**	78	**302**	323
	117,095	121,051	**484,364**	500,727
Net current assets	**66,198**	63,659	**273,828**	263,326
Total assets less current liabilities	**196,533**	210,706	**812,959**	871,586

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	(Unaudited) As at 30 September 2018 US$'000	(Audited) As at 31 March 2018 US$'000	**(Unaudited) As at 30 September 2018 RM'000 *(Note)***	(Unaudited) As at 31 March 2018 RM'000 *(Note)*
EQUITY				
Equity attributable to owners of the Company				
Share capital	**21,715**	21,715	**89,824**	89,824
Share premium	**54,664**	54,664	**226,118**	226,118
Other reserves	**(114,788)**	(100,380)	**(474,821)**	(415,222)
Retained earnings	**224,677**	221,670	**929,376**	916,938
	186,268	197,669	**770,497**	817,658
Non-controlling interests	**2,110**	4,099	**8,729**	16,956
Total equity	**188,378**	201,768	**779,226**	834,614
Non-current liabilities				
Deferred income tax liabilities	**6,563**	7,405	**27,148**	30,631
Other non-current liabilities	**1,592**	1,533	**6,585**	6,341
	8,155	8,938	**33,733**	36,972
	196,533	210,706	**812,959**	871,586
Net assets per share attributable to owners of the Company (US cents /sen)	**11.04**	11.72	**45.67**	48.48

Note: The presentation currency of this unaudited financial information is US$. Supplementary information in RM as at 30 September 2018 with comparatives is shown for reference only and has been made at the same exchange rate of US$1 to RM4.1365 ruling at 30 September 2018. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)						
	Attributable to owners of the Company						
	Share capital	Share premium	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 April 2017	21,715	54,664	(126,266)	243,581	193,694	3,621	197,315
Profit/(loss) for the period	-	-	-	5,724	5,724	(576)	5,148
Other comprehensive income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	7,194	-	7,194	17	7,211
Other comprehensive income, net of tax	-	-	7,194	-	7,194	17	7,211
Total comprehensive income/(loss) for the period ended 30 September 2017	-	-	7,194	5,724	12,918	(559)	12,359
Total transactions with owners, recognised directly in equity							
2016/2017 second interim dividend paid	-	-	-	(6,074)	(6,074)	-	(6,074)
2016/2017 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(4)	(4)
2017/2018 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	-*	-*
Transaction with non-controlling interests	-	-	-	159	159	(429)	(270)
	-	-	-	(5,915)	(5,915)	(433)	(6,348)
At 30 September 2017	21,715	54,664	(119,072)	243,390	200,697	2,629	203,326
At 1 April 2018, as previously reported	**21,715**	**54,664**	**(100,380)**	**221,670**	**197,669**	**4,099**	**201,768**
Effects of adoption of IFRS 9 (note A3)	**-**	**-**	**-**	**6**	**6**	**-**	**6**
At 1 April 2018, as restated	**21,715**	**54,664**	**(100,380)**	**221,676**	**197,675**	**4,099**	**201,774**
Profit/(loss) for the period	**-**	**-**	**-**	**6,038**	**6,038**	**(456)**	**5,582**
Other comprehensive (loss)/income							
Items that have been reclassified or may be reclassified subsequently to profit or loss:							
Currency translation differences	**-**	**-**	**(10,364)**	**-**	**(10,364)**	**(32)**	**(10,396)**
Currency translation differences released upon disposal of subsidiaries	**-**	**-**	**157**	**-**	**157**	**58**	**215**
Item that will not be reclassified subsequently to profit or loss:							
Changes in the fair value of equity investments at fair value through other comprehensive income	**-**	**-**	**(4,201)**	**-**	**(4,201)**	**(1,558)**	**(5,759)**
Other comprehensive loss, net of tax	**-**	**-**	**(14,408)**	**-**	**(14,408)**	**(1,532)**	**(15,940)**
Total comprehensive (loss)/income for the period ended 30 September 2018	**-**	**-**	**(14,408)**	**6,038**	**(8,370)**	**(1,988)**	**(10,358)**
Total transactions with owners, recognised directly in equity							
2017/2018 second interim dividend paid	**-**	**-**	**-**	**(3,037)**	**(3,037)**	**-**	**(3,037)**
2017/2018 interim dividend paid by an unlisted subsidiary	**-**	**-**	**-**	**-**	**-**	**-***	**-***
2018/2019 interim dividend paid by an unlisted subsidiary	**-**	**-**	**-**	**-**	**-**	**(1)**	**(1)**
	-	**-**	**-**	**(3,037)**	**(3,037)**	**(1)**	**(3,038)**
At 30 September 2018	**21,715**	**54,664**	**(114,788)**	**224,677**	**186,268**	**2,110**	**188,378**

* *negligible*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(Unaudited)						
	Attributable to owners of the Company						
	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)*	**Non-controlling interests RM'000** *(Note)*	**Total equity RM'000** *(Note)*
At 1 April 2017	89,824	226,118	(522,299)	1,007,572	801,215	14,978	816,193
Profit/(loss) for the period	-	-	-	23,678	23,678	(2,383)	21,295
Other comprehensive income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	29,758	-	29,758	70	29,828
Other comprehensive income, net of tax	-	-	29,758	-	29,758	70	29,828
Total comprehensive income/(loss) for the period ended 30 September 2017	-	-	29,758	23,678	53,436	(2,313)	51,123
Total transactions with owners, recognised directly in equity							
2016/2017 second interim dividend paid	-	-	-	(25,125)	(25,125)	-	(25,125)
2016/2017 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(17)	(17)
2017/2018 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	-*	-*
Transaction with non-controlling interests	-	-	-	658	658	(1,775)	(1,117)
	-	-	-	(24,467)	(24,467)	(1,792)	(26,259)
At 30 September 2017	89,824	226,118	(492,541)	1,006,783	830,184	10,873	841,057

* *negligible*

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(Unaudited)						
	Attributable to owners of the Company						
	Share capital	Share premium	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	(Note)	*(Note)*	*(Note)*	*(Note)*	*(Note)*	*(Note)*	*(Note)*
At 1 April 2018, as previously reported	89,824	226,118	(415,222)	916,938	817,658	16,956	834,614
Effects of adoption of IFRS 9	-	-	-	25	25	-	25
At 1 April 2018, as restated	89,824	226,118	(415,222)	916,963	817,683	16,956	834,639
Profit/(loss) for the period	-	-	-	24,976	24,976	(1,886)	23,090
Other comprehensive (loss)/income							
Items that have been reclassified or may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(42,871)	-	(42,871)	(132)	(43,003)
Currency translation differences released upon disposal of subsidiaries	-	-	649	-	649	240	889
Item that will not be reclassified subsequently to profit or loss:							
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	(17,377)	-	(17,377)	(6,445)	(23,822)
Other comprehensive loss, net of tax	-	-	(59,599)	-	(59,599)	(6,337)	(65,936)
Total comprehensive (loss)/income for the period ended 30 September 2018	-	-	(59,599)	24,976	(34,623)	(8,223)	(42,846)
Total transactions with owners, recognised directly in equity							
2017/2018 second interim dividend paid	-	-	-	(12,563)	(12,563)	-	(12,563)
2017/2018 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	-*	-*
2018/2019 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(4)	(4)
	-	-	-	(12,563)	(12,563)	(4)	(12,567)
At 30 September 2018	89,824	226,118	(474,821)	929,376	770,497	8,729	779,226

* *negligible*

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)		(Unaudited)	
	Six months ended 30 September		Six months ended 30 September	
	2018	2017	2018	2017
	US$'000	US$'000	RM'000 *(Note)*	RM'000 *(Note)*
Cash flows from operating activities				
Cash generated from operations	**21,729**	16,390	**89,882**	67,797
Interest paid	**(1,432)**	(1,290)	**(5,923)**	(5,336)
Income tax paid	**(2,807)**	(3,030)	**(11,611)**	(12,534)
Net cash generated from operating activities	**17,490**	12,070	**72,348**	49,927
Cash flows from investing activities				
Dividends received	**13**	12	**54**	50
Decrease/(increase) in short-term bank deposits with original maturity over three months	**5,621**	(2,280)	**23,251**	(9,431)
Interest received	**1,633**	1,105	**6,755**	4,571
Proceeds from disposal of property, plant and equipment	**45**	9	**186**	37
Purchases of intangible assets	**(52)**	(91)	**(215)**	(376)
Purchases of other non-current financial assets	**-**	(115)	**-**	(476)
Purchases of property, plant and equipment	**(891)**	(287)	**(3,686)**	(1,187)
Net cash generated from/(used in) investing activities	**6,369**	(1,647)	**26,345**	(6,812)
Cash flows from financing activities				
Dividends paid	**(3,037)**	(6,074)	**(12,563)**	(25,125)
Dividends paid to non-controlling interests by an unlisted subsidiary	**(1)**	(4)	**(4)**	(17)
Proceeds from bank and other borrowings	**3,968**	9,911	**16,414**	40,997
Repayments of bank and other borrowings	**(9,150)**	(4,499)	**(37,849)**	(18,610)
Transaction with non-controlling interests	**-**	(270)	**-**	(1,117)
Net cash used in financing activities	**(8,220)**	(936)	**(34,002)**	(3,872)
Net increase in cash and cash equivalents	**15,639**	9,487	**64,691**	39,243
Cash and cash equivalents at beginning of period	**101,923**	79,946	**421,604**	330,697
Exchange adjustments on cash and cash equivalents	**(5,641)**	2,911	**(23,334)**	12,041
Cash and cash equivalents at end of period	**111,921**	92,344	**462,961**	381,981

Note: The presentation currency of this unaudited financial information is US$. Supplementary information in RM for the period ended 30 September 2018 with comparatives is shown for reference only and has been made at the same exchange rate of US$1 to RM4.1365 ruling at 30 September 2018. This translation should not be construed as a representation that the US$ 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 and six months ended 30 September 2018 ("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 2018 which were prepared in accordance with International Financial Reporting Standards ("IFRSs").

This financial information has not been audited.

A2. Accounting policies

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

Taxes on income for the three months and six months ended 30 September 2018 are accrued using the tax rate that would be applicable to expected total annual earnings.

(i) New and amended standards adopted by the Group

A number of new and amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

- IFRS 9, "Financial instruments"; and
- IFRS 15, "Revenue from contracts with customers".

The impact of the adoption of these new standards and new accounting policies are disclosed in note A3 below. The other new standards did not have any material impact on the Group's accounting policies and did not require retrospective adjustments.

(ii) Impact of new and amended standards and interpretations that have been issued but are not yet effective and have not been early adopted by the Group

The following new and amended standards and interpretations have been issued but are not yet effective and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Annual improvement	Annual improvements to IFRSs 2015-2017 cycle	1 January 2019
Amendments to IAS 19	Plan amendments, curtailment or settlement	1 January 2019
Amendments to IAS 28	Long-term interests in associates and joint ventures	1 January 2019
Amendments to IFRS 9	Prepayment features with negative compensation	1 January 2019
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Effective Date to be determined
IFRS 16	Leases	1 January 2019
IFRS 17	Insurance contracts	1 January 2021
IFRIC 23	Uncertainty over income tax treatments	1 January 2019

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A2. Accounting policies (Continued)

(ii) Impact of new and amended standards and interpretations that have been issued but are not yet effective and have not been early adopted by the Group (Continued)

(a) IFRS 16 Leases

IFRS 16 was issued in January 2016. It will result in almost all major leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of approximately US$2,453,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of assets and liabilities for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that do not qualify as leases under IFRS 16.

The standard is mandatory for financial year commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

There are no other new, amended or revised IFRS and interpretations that are not yet effective and that would be expected to have a material impact on the Group.

A3. Changes in accounting policies

This note explains the impact of the adoption of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" on the Group's financial statements and also discloses the new accounting policies that have been applied from 1 April 2018, where they are different to those applied in prior periods.

(a) IFRS 9 Financial Instruments – Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 from 1 April 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the Group's consolidated financial statements. The new accounting policies are set out in note A3(a)(1) and A3(a)(2) below. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A3. Changes in accounting policies (Continued)

(a) IFRS 9 Financial Instruments – Impact of adoption (Continued)

(1) Classification and measurement

On 1 April 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this reclassification changes on the Group's financial asset are as follows:

		Non-current assets		**Current assets**	
	Note	**Financial assets at fair value through other comprehensive income US$'000**	**Available-for-sale financial assets US$'000**	**Financial assets at fair value through profit or loss US$'000**	**Available-for-sale financial assets US$'000**
Closing balance 31 March 2018 – IAS 39		**-**	**8,979**	**361**	**96**
Reclassify investments from available-for-sale financial assets ("AFS") to financial assets at fair value through profit or loss ("FVTPL")	*(i)*	-	-	96	(96)
Reclassify investments from AFS to financial assets at fair value through other comprehensive income ("FVOCI")	*(ii)*	8,979	(8,979)	-	-
Opening balance 1 April 2018 – IFRS 9		**8,979**	**-**	**457**	**-**

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A3. Changes in accounting policies (Continued)

(a) IFRS 9 Financial Instruments – Impact of adoption **(Continued)**

(1) Classification and measurement (Continued)

The impact of these changes on the Group's equity is as follows:

	Note	**Effect on AFS reserve US$'000**	**Effect on FVOCI reserve US$'000**
Closing balance 31 March 2018 – IAS 39		**4,295**	**-**
Reclassify investments from AFS to FVOCI	*(ii)*	(4,295)	4,295
Opening balance 1 April 2018 -- IFRS 9		**-**	**4,295**

Notes:

(i) Reclassification from AFS to FVTPL
Certain investment in unlisted club debentures was reclassified from AFS to FVTPL (US$96,000 as at 1 April 2018). They do not meet the IFRS 9 criteria for classification at amortised cost, because their cash flows do not represent solely payments of principal and interest.

(ii) Reclassification from AFS to FVOCI
The Group elected to present in other comprehensive income ("OCI") changes in the fair value of certain equity investments previously classified as AFS, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, assets with a fair value of US$8,979,000 were reclassified from AFS to FVOCI and related fair value gains were reclassified from the AFS reserve to the FVOCI reserve on 1 April 2018.

(iii) Other financial assets
Other listed equity securities that are held for trading are required to be classified as FVTPL under IFRS 9. There was no impact on the amounts recognised in relation to these assets from the adoption of IFRS 9.

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A3. Changes in accounting policies (Continued)

(a) IFRS 9 Financial Instruments – Impact of adoption (Continued)

(2) Impairment of financial assets

The Group has the following financial assets at amortised cost that are subject to IFRS 9's new expected credit loss ("ECL") model:

- Trade and other receivables

  The Group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. While cash and cash equivalents and short-term bank deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

  The Group applies the IFRS 9 simplified approach to measure ECLs which uses a lifetime expected loss allowance for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. ECLs on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience. The adoption of the ECL requirements of IFRS 9 resulted in a decrease in the impairment allowance of the Group's trade and other receivables impacting retained earnings by about US$6,000 as of 1 April 2018.

(b) IFRS 9 Financial Instruments –Accounting policies applied from 1 April 2018

(1) Investments and other financial assets

Classification

From 1 April 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A3. Changes in accounting policies (Continued)

(b) *IFRS 9 Financial Instruments –Accounting policies applied from 1 April 2018***(Continued)**

(1) Investments and other financial assets(Continued)

Measurement
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments
Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other gains/(losses), net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Other gains/(losses), net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other gains/(losses), net" and impairment losses are presented as separate line item in the statement of profit or loss.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented within "Other gains/(losses), net" in the period in which it arises.

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A3. Changes in accounting policies (Continued)

(b) ***IFRS 9 Financial Instruments –Accounting policies applied from 1 April 2018*****(Continued)**

(1) Investments and other financial assets(Continued)

Equity instruments
The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of FVTPL are recognised in profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

Impairment
From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other recievables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A3. <u>Changes in accounting policies (Continued)</u>

(c) IFRS 15 Revenue from Contracts with Customers – Impact of adoption

The Group has adopted IFRS 15 Revenue from Contracts with Customers from 1 April 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in IFRS 15, the Group has elected to use a modified retrospective approach for the transition to IFRS 15 whereby the effects of adopting IFRS 15 for uncompleted contracts with customers as at 31 March 2018 are recognised as adjustments to the opening balances of the Group's consolidated statement of financial positon as at 1 April 2018 and prior period comparatives are not restated.

The accounting policies were changed to comply with IFRS 15, which replaces the provisions of IAS 18 Revenue and the related interpretations that relate to the recognition, classification and measurement of revenue and costs.

Reclassifications were made as at 1 April 2018 to be consistent with the terminology used under IFRS 15.

(1) Presentation of contract asset and contract liability
A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The Group's contract liabilities represented payments received by the Group in advance for subscription of its publications and customer deposits received by its tour operations, which the Group will recognise as revenue when the publications are delivered and the travel services are provided to the customers. These were previously recorded as receipts in advance and were classified under "trade and other payables".

The adoption of IFRS 15 does not have a significant impact on how the Group recognises revenue and there is no impact of transition to IFRS 15 on the Group's retained earnings at 1 April 2018.

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients) with the effect of initially applying the standard recognised at the date of initial application. The adoption of IFRS 15 results in changes in accounting policies for revenue recognition and has no material impact other than the disclosures in the Group's financial statements.

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A3. Changes in accounting policies (Continued)

(c) IFRS 15 Revenue from Contracts with Customers – Impact of adoption **(Continued)**

(2) *Accounting for publishing and printing business*
Under IFRS 15, advertising income is recognised net of trade discount over the period when the related advertisement is published. Sale of newspapers, magazines, books and digital content is recognised net of trade discount and sales return at point in time upon delivery of the publication.

(3) *Accounting for travel and travel related services*
Under IFRS 15, travel and travel related services income is recognised over the period when the related services are rendered.

The impact on the Group's financial position by the application of IFRS 15 is as follows:

	As at 1 April 2018		
Condensed consolidated statement of financial position (extract)	**As previously reported**	**Reclassification under IFRS 15**	**As restated**
	US$'000	**US$'000**	**US$'000**
Trade and other payables	51,753	(18,443)	33,310
Contract liabilities	-	18,443	18,443
	51,753	-	51,753

A4. 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 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$.

A5. 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 2018 was not subject to any qualification.

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A6. 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.

A7. Unusual items

There were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the quarter under review.

A8. 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.

A9. 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.

A10. Dividends paid

The second interim dividend of US0.18 cents per ordinary share, totaling US$3,037,000, in respect of the year ended 31 March 2018 was paid on 13 July 2018.

A11. 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 decisions making.

The Group is organised operationally on a worldwide basis in four major operating segments:

Publishing and printing: Malaysia and other Southeast Asian countries
Publishing and printing: Hong Kong, Taiwan and Mainland China
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 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.

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A11. Turnover and segment information (Continued)

The Group's turnover and results for the quarter ended 30 September 2018, analysed by operating segment, are as follows:

	(Unaudited) Three months ended 30 September 2018					
	Publishing and printing					
	Malaysia and other Southeast Asian countries US$'000	Hong Kong, Taiwan and Mainland China US$'000	North America US$'000	Sub-total US$'000	Travel and travel related services US$'000	Total US$'000
Turnover	33,416	12,997	3,213	49,626	36,043	85,669
Segment profit/(loss) before income tax	4,378	(1,163)	(866)	2,349	2,890	5,239
Unallocated finance costs						(665)
Other net unallocated expenses						(226)
Profit before income tax						4,348
Income tax expense						(1,624)
Profit for the quarter						2,724
Other segmental information:						
Interest income	801	3	1	805	16	821
Finance costs	(12)	(38)	-	(50)	-	(50)
Depreciation of property, plant and equipment	(1,450)	(302)	(66)	(1,818)	(9)	(1,827)
Amortisation of intangible assets	(172)	(47)	(2)	(221)	(8)	(229)

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A11. Turnover and segment information (Continued)

The Group's turnover and results for the quarter ended 30 September 2017, analysed by operating segment, are as follows:

	(Unaudited) Three months ended 30 September 2017					
	Publishing and printing					
	Malaysia and other Southeast Asian countries US$'000	Hong Kong, Taiwan and Mainland China US$'000	North America US$'000	Sub-total US$'000	Travel and travel related services US$'000	Total US$'000
Turnover	35,404	13,342	3,898	52,644	27,231	79,875
Segment profit/(loss) before income tax	5,962	(600)	(810)	4,552	1,334	5,886
Unallocated finance costs						(639)
Other net unallocated expenses						(137)
Profit before income tax						5,110
Income tax expense						(2,042)
Profit for the quarter						3,068
Other segmental information:						
Interest income	540	9	18	567	11	578
Finance costs	(20)	(13)	-	(33)	-	(33)
Depreciation of property, plant and equipment	(1,586)	(324)	(82)	(1,992)	(16)	(2,008)
Amortisation of intangible assets	(178)	(49)	(4)	(231)	(9)	(240)
Share of post-tax results of joint ventures and associates	-	37	-	37	-	37

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 September	
By major products or service lines	**2018 US$'000**	2017 US$'000
Advertising income, net of trade discounts	**32,328**	35,968
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	**17,298**	16,676
Travel and travel related services income	**36,043**	27,231
	85,669	79,875

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A11. Turnover and segment information (Continued)

The Group's turnover and results for the period ended 30 September 2018, analysed by operating segment, are as follows:

	(Unaudited) Six months ended 30 September 2018					
	Publishing and printing					
	Malaysia and other Southeast Asian countries US$'000	Hong Kong, Taiwan and Mainland China US$'000	North America US$'000	Sub-total US$'000	Travel and travel related services US$'000	Total US$'000
Turnover	68,401	25,652	6,832	100,885	66,816	167,701
Segment profit/(loss) before income tax	9,604	(2,142)	(1,724)	5,738	5,325	11,063
Unallocated finance costs						(1,346)
Other net unallocated expenses						(481)
Profit before income tax						9,236
Income tax expense						(3,654)
Profit for the period						5,582
Other segmental information:						
Interest income	1,597	7	2	1,606	27	1,633
Finance costs	(52)	(66)	-	(118)	-	(118)
Depreciation of property, plant and equipment	(2,960)	(608)	(135)	(3,703)	(18)	(3,721)
Amortisation of intangible assets	(354)	(94)	(4)	(452)	(16)	(468)

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A11. Turnover and segment information (Continued)

The Group's turnover and results for the period ended 30 September 2017, analysed by operating segment, are as follows:

	(Unaudited) Six months ended 30 September 2017					
	Publishing and printing					
	Malaysia and other Southeast Asian countries US$'000	Hong Kong, Taiwan and Mainland China US$'000	North America US$'000	Sub-total US$'000	Travel and travel related services US$'000	Total US$'000
Turnover	69,251	26,140	7,828	103,219	50,424	153,643
Segment profit/(loss) before income tax	10,485	(1,521)	(1,301)	7,663	2,901	10,564
Unallocated finance costs						(1,261)
Other net unallocated expenses						(307)
Profit before income tax						8,996
Income tax expense						(3,848)
Profit for the period						5,148
Other segmental information:						
Interest income	1,051	17	19	1,087	18	1,105
Finance costs	(29)	(21)	-	(50)	-	(50)
Depreciation of property, plant and equipment	(3,174)	(653)	(159)	(3,986)	(43)	(4,029)
Amortisation of intangible assets	(358)	(99)	(8)	(465)	(18)	(483)
Share of post-tax results of joint ventures and associates	-	84	-	84	-	84

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	
By major products or service lines	**2018 US$'000**	2017 US$'000
Advertising income, net of trade discounts	**66,008**	70,820
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	**34,877**	32,399
Travel and travel related services income	**66,816**	50,424
	167,701	153,643

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A11. Turnover and segment information (Continued)

The segment assets and liabilities as at 30 September 2018 are as follows:

	(Unaudited)						
	Publishing and printing						
	Malaysia and other Southeast Asian countries US$'000	**Hong Kong, Taiwan and Mainland China US$'000**	**North America US$'000**	**Sub-total US$'000**	**Travel and travel related services US$'000**	**Elimination US$'000**	**Total US$'000**
Segment assets	**231,598**	**42,409**	**10,779**	**284,786**	**28,676**	**(1,274)**	**312,188**
Unallocated assets							**1,440**
Total assets							**313,628**
Total assets include:							
Investments accounted for using the equity method	**-**	**143**	**-**	**143**	**-**	**-**	**143**
Additions to non-current assets (other than deferred income tax assets)	**804**	**120**	**16**	**940**	**3**	**-**	**943**
Segment liabilities	**(22,600)**	**(17,906)**	**(7,066)**	**(47,572)**	**(14,948)**	**1,274**	**(61,246)**
Unallocated liabilities							**(64,004)**
Total liabilities							**(125,250)**

The segment assets and liabilities as at 31 March 2018 are as follows:

	(Audited)						
	Publishing and printing						
	Malaysia and other Southeast Asian countries US$'000	Hong Kong, Taiwan and Mainland China US$'000	North America US$'000	Sub-total US$'000	Travel and travel related services US$'000	Elimination US$'000	Total US$'000
Segment assets	244,775	49,690	11,705	306,170	23,321	(96)	329,395
Unallocated assets							2,362
Total assets							331,757
Total assets include:							
Investments accounted for using the equity method	-	143	-	143	-	-	143
Additions to non-current assets (other than deferred income tax assets)	678	9,240	41	9,959	28	-	9,987
Segment liabilities	(23,626)	(16,536)	(7,100)	(47,262)	(14,711)	96	(61,877)
Unallocated liabilities							(68,112)
Total liabilities							(129,989)

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A11. Turnover and segment information (Continued)

The elimination between segments represents intercompany receivables and payables between segments.

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, FVOCI, investments accounted for using the equity method, inventories, trade and other receivables, short-term bank deposits, and cash and cash equivalents. They mainly exclude deferred income tax assets, FVTPL and income tax recoverable of the Group.

Segment liabilities consist primarily of trade and other payables, contract liabilities, bank and other borrowings and other non-current liabilities. They mainly exclude deferred income tax liabilities and income tax liabilities of the Group.

A12. Valuation of property, plant and equipment

There was no revaluation of the Group's property, plant and equipment during the quarter ended 30 September 2018.

A13. Subsequent material events

There were no subsequent material events of the Group.

A14. Changes in the composition of the Group

There were no material changes in the composition of the Group during the quarter under review, except for the following:

Reference is made to the announcement of the Company dated 20 July 2018, One Media Group Limited ("One Media"), through its indirect wholly-owned subsidiary, Media2U Company Limited ("Media2U"), has entered into agreements to dispose of its 100% equity interests in the registered capital of Beijing OMG Advertising Company Limited ("Beijing OMG Advertising"), a direct wholly-owned subsidiary of Media2U, and Beijing Time Resource Technology Consulting Limited ("Beijing TRT"), an indirect wholly-owned subsidiary of Media2U (the "Disposal"), to a third party, who is an employee of Beijing OMG Advertising.

One Media is a 73.01% indirect non wholly-owned subsidiary of the Company. Upon the completion of the Disposal, which is subject to the regulatory approvals, Beijing OMG Advertising and Beijing TRT will cease to be indirect wholly-owned subsidiaries of One Media.

A15. Capital commitments

Capital commitments outstanding as at 30 September 2018 are as follows:

	(Unaudited) US$'000
Property, plant and equipment :	
Authorised and contracted for	**1,476**
Authorised but not contracted for	**51**
	1,527

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A16. Related party transactions

	(Unaudited) Three months ended 30 September		**(Unaudited) Six months ended 30 September**	
	2018	2017	**2018**	2017
	US$'000	US$'000	**US$'000**	US$'000
Provision of engineering professional services by a related company *(note 1)*	**12**	11	**24**	22
Rental expenses paid to related companies *(note 1)*	**23**	20	**46**	42
Air tickets (returned to)/purchased from a related company *(note 1)*	**(1)**	5	**2**	2
Provision of accounting and administrative services to related companies *(note 1)*	**(4)**	(4)	**(8)**	(8)
Provision of editorial pagination services to a related company *(note 1)*	**(14)**	-	**(29)**	-
Advertising income received from related companies *(note 1)*	**-**	-	**-**	(5)
Commission received from sales of honey from a related company *(note 1)*	**-**	(2)	**(1)**	(3)
Event sponsorship commission paid to a related company *(note 1)*	**-**	3	**-**	3
Motor vehicle insurance premiums paid to a related company *(note 1)*	**-**	-	**-**	1
Newsprint purchases from a related company *(note 1)*	**-**	3,042	**725**	7,707
Photo licensing income received from an associate	**-**	(1)	**-**	(1)
Provision of accounting service to an associate	**-**	(39)	**-**	(78)
Provision of air ticketing and accommodation arrangement services to related companies *(note 1)*	**-**	(13)	**-**	(29)
Provision of broadband internet services by a related company *(note 1)*	**-**	-	**-**	1
Purchases of honey from a related company *(note 1)*	**-**	-	**-**	1
Rental income received from a related company *(note 1)*	**-**	-	**-**	(2)
Scrap sales of old newspapers and magazines to a related company *(note 1)*	**-**	(107)	**(98)**	(474)

Notes:

1) Certain shareholders and directors of the Company are shareholders and/or directors of these related companies.
2) 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 September			(Unaudited) Six months ended 30 September		
	2018 US$'000	2017 US$'000	% Change	**2018 US$'000**	2017 US$'000	% Change
Turnover	**85,669**	79,875	7.3%	**167,701**	153,643	9.1%
Profit before income tax	**4,348**	5,110	-14.9%	**9,236**	8,996	2.7%
EBITDA	**6,298**	7,452	-15.5%	**13,256**	13,714	-3.3%

For the quarter ended 30 September 2018, the Group's turnover increased by 7.3% to US$85,669,000 when compared to the corresponding quarter last year. The increase was mainly attributed to the growth in revenue from the travel segment.

Profit before income tax for the quarter fell 14.9% or US$762,000 to US$4,348,000 from US$5,110,000 in the year-ago quarter, mainly due to lower profit contribution from the publishing and printing segment, which was partly cushioned by improved performance from the travel segment.

Compared to the prior year quarter, the US dollar weakened against the Malaysian Ringgit ("RM") but was stronger against the Canadian dollar ("CAD"). This resulted in net positive currency impacts on the Group's operating results. Excluding currency impacts, the Group's turnover would have increased by about 6.2% and the decrease in the Group's profit before income tax would have been about 18.6%.

EBITDA for the quarter fell 15.5% year-on-year from US$7,452,000 to US$6,298,000. The decrease would have been about 18.8% if currency impact was excluded.

(a) Publishing and printing segment

Turnover and profit before income tax of the publishing and printing segment for the current quarter were US$49,626,000 and US$2,349,000, reflecting decreases of 5.7% and 48.4% respectively when compared to the prior year quarter.

The Malaysia and other Southeast Asia segment reported a 5.6% year-on-year drop in turnover to US$33,416,000 from US$35,404,000. This decline was in tandem with the slower growth in the Malaysian economy, which grew at a weaker 4.5% in the second quarter of 2018 compared to the first quarter's 5.4%. Affected by the dwindling gross advertising spending on print media, the segment's advertising revenue remained subdued. Nevertheless, revenue from the segment's digital platforms continued to grow at double-digit rates.

The decline in turnover resulted in a corresponding drop in this segment's results with the segment profit before income tax fell 26.6% or US$1,584,000 to US$4,378,000 from US$5,962,000 in the same quarter last year.

The decreases in turnover and profit before income tax would have been about 9.3% and 29.5% respectively if currency impact was excluded.

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

B1. <u>Analysis of performance (Continued)</u>

(a) Publishing and printing segment (Continued)

The GDP for Hong Kong in the third quarter of 2018 grew 2.9% and total retail sales for the first 9 months of 2018 was estimated to have increased by about 11% over the same period in 2017. With the improvement in the economy, the declining trend of the advertising spending for print media in Hong Kong seemed to be stabilising. The Hong Kong, Taiwan and Mainland China segment registered a 2.6% year-on-year decline in turnover to US$12,997,000 and the segment's loss before income tax widened to US$1,163,000 from US$600,000 in the prior year quarter. Besides the decline in revenue, the increase in loss was also due to the surging newsprint price and the disposal of the Group's magazine operations in the Mainland China in July 2018.

The performance of the North America segment remained weak given the soft economic conditions especially for the local property market which was one of the major sources of advertising revenue for the segment. The turnover for this segment declined 17.6% to US$3,213,000 whilst its loss before income tax widened by 6.9% from US$810,000 to US$866,000 for the second quarter of 2018/2019.

(b) Travel and travel related services segment

Turnover for the travel segment amounted to US$36,043,000 in the current quarter, a growth of 32.4% or US$8,812,000 when compared to the prior-year quarter. The growth was fuelled by an increase in incentive tours and tours for the FIFA World Cup, which was a tourism boosting event. Driven by the revenue increase, the profit before income tax for the Group's travel segment increased by 116.6% over the same quarter last year to US$2,890,000.

First half of FY 2018/2019

For the six months ended 30 September 2018, the Group's turnover increased by 9.1% or US$14,058,000 to US$167,701,000 when compared to the corresponding period last year. This was mainly driven by a 32.5% growth in revenue from the Group's travel segment.

The profit before income tax for this current period increased by 2.7% or US$240,000 to US$9,236,000 from US$8,996,000 in the same period the previous year.

EBITDA for the current period was US$13,256,000, a slight 3.3% decrease from US$13,714,000 in the prior year period.

Compared to the same period last year, both the RM and the CAD strengthened against the US$, resulting in positive currency impact on the Group's turnover and profit before income tax of approximately US$4,277,000 and US$669,000 respectively.

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

B2. Variation of results against immediate preceding quarter

	(Unaudited) Three months ended 30 September 2018 US$'000	(Unaudited) Three months ended 30 June 2018 US$'000	% Change
Turnover	**85,669**	82,032	4.4%
Profit before income tax	**4,348**	4,888	-11.0%
EBITDA	**6,298**	6,958	-9.5%

The Group's turnover increased by 4.4% or US$3,637,000 to US$85,669,000 from US$82,032,000 in the immediate preceding quarter. This improvement was mainly contributed by the travel segment which registered a 17.1% growth in turnover, driven mainly by the increase in incentive tours and the FIFA World Cup event. On the other hand, turnover for the publishing and printing segment fell by 3.2%.

The Group's profit before income tax decreased by 11.0% quarter-over-quarter to US$4,348,000.

B3. Current year prospects

The Group expects the second half of the financial year 2018/2019 to remain challenging. The subdued advertising spend in most of the markets it operates in together with the upward trend of newsprint prices will adversely impact the Group's results. In addition, the looming trade war between China and the USA will create further uncertainties in the global economy and hence pressure on the Group's financial performance.

The Group will continue its cost containment efforts whilst developing and enhancing its digital content and platform capabilities. It will also focus on nurturing new revenue generating activities such as event management. For the travel segment, the Group will continue to design creative tour packages especially to untapped destinations of interest.

B4. Profit forecast and profit guarantee

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

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

B5. Profit before income tax

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

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2018	2017	**2018**	2017
	US$'000	US$'000	**US$'000**	US$'000
Exchange gains/(losses), net	**71**	(140)	**(21)**	(98)
Provision for impairment and write-off of trade and other receivables	**(168)**	(43)	**(233)**	(122)
Provision for impairment and write-off of inventories	**(39)**	(39)	**(100)**	(83)
Loss on disposal of subsidiaries	**(209)**	-	**(209)**	-

Save as disclosed above and in A11, the other items as required under Part A(16) of Appendix 9B of the Bursa Securities' Listing Requirements are not applicable.

B6. Income tax expense

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

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2018	2017	**2018**	2017
	US$'000	US$'000	**US$'000**	US$'000
Current period income tax expense	**2,077**	2,442	**4,176**	4,254
Under provision in prior years	**3**	3	**3**	3
Deferred income tax credit	**(456)**	(403)	**(525)**	(409)
	1,624	2,042	**3,654**	3,848

The effective tax rate of the Group for the current quarter and period under review was higher than the Malaysian statutory tax rate of 24% mainly due to the non–deductibility of certain expenses for income tax purposes.

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.

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

B8. Group borrowings

The Group's borrowings as at 30 September 2018 are as follows:

		(Unaudited)	
	Secured US$'000	**Unsecured US$'000**	**Total US$'000**
Current			
Short-term bank borrowings	4,283	551	4,834
Medium-term notes	-	54,394	54,394
	4,283	54,945	59,228

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

	(Unaudited) US$'000
Malaysian Ringgit	54,945
Hong Kong dollars	3,834
United States dollars	449
	59,228

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 30 September 2018 and 31 March 2018.

B9. Material litigation

As at 30 September 2018, 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 Board of Directors has declared a first interim dividend of US0.18 cents (2017/2018: US0.25 cents) per ordinary share in respect of the year ending 31 March 2019. The dividend will be payable on Friday, 28 December 2018 to shareholders whose names appear on the register of members of the Company at the close of business on Friday, 14 December 2018 in cash in RM or in Hong Kong dollars ("HK$") at the average exchange rates used during the period ended 30 September 2018 for the translation of the results of the subsidiaries whose functional currencies are not US$. This interim dividend, amounting to US$3,037,000 (2017/2018: US$4,218,000) has not been recognised as a dividend payable in this unaudited financial information. It will be recognized in shareholders' equity in the year ending 31 March 2019.

The average exchange rates used during the period ended 30 September 2018 of US$ to RM and US$ to HK$, and the amount of the first interim dividend payable is as follows:

	Exchange rates	**Dividend per ordinary share**
US$ to RM	4.0126	0.722 sen
US$ to HK$	7.8418	HK1.412 cents

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

B10. Dividend payable (Continued)

No tax is payable on the dividend declared by the Company to be received by shareholders in Malaysia as it is income from foreign source in accordance with paragraph 28 of Schedule 6 of Malaysian Income Tax Act 1967.

The register of members in Hong Kong will be closed on Friday, 14 December 2018 whereby no transfer of shares will be registered on that date. In order to qualify for the first interim dividend of US0.18 cents per ordinary share, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 13 December 2018. In respect of the shareholders in Malaysia, a depositor in Malaysia shall qualify for the entitlement to the dividend only in respect of: i) shares transferred into the depositor's securities account before 4:00 p.m. on Friday, 14 December 2018 in respect of transfers; and ii) shares bought on Bursa Securities on a cum entitlement basis according to the rules of Bursa Securities. The first interim dividend will be payable to the shareholders on Friday, 28 December 2018.

Shareholders who wish to request for transmission of their shares between the Malaysia Register and Hong Kong Register are advised to take note that request for transmission will be suspended from Monday, 10 December 2018 to Friday, 14 December 2018, both days inclusive.

B11. Earnings per share attributable to owners of the Company

	(Unaudited) Three months ended 30 September		**(Unaudited) Six months ended 30 September**	
	2018	2017	**2018**	2017
Profit attributable to owners of the Company (US$'000)	**2,996**	3,376	**6,038**	5,724
Weighted average number of ordinary shares in issue	**1,687,236,241**	1,687,236,241	**1,687,236,241**	1,687,236,241
Basic earnings per share (US cents)	**0.18**	0.20	**0.36**	0.34
Diluted earnings per share (US cents)	**0.18**	0.20	**0.36**	0.34

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential shares in issue during the quarter and period ended 30 September 2018 and 2017.

On behalf of the Board
Media Chinese International Limited

Tin Suk Han
Tong Siew Kheng
Joint Company Secretaries
29 November 2018