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 THIRD QUARTER ENDED 31 DECEMBER 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 31 December 2018 to Bursa Securities on 25 February 2019.

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).

25 February 2019

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 third quarter ended 31 December 2018

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Three months ended 31 December		(Unaudited) Three months ended 31 December	
	2018	2017	**2018**	2017
	US$'000	US$'000	**RM'000** *(Note)*	RM'000 *(Note)*
Turnover	**63,567**	67,779	**262,913**	280,334
Cost of goods sold	**(42,400)**	(42,915)	**(175,366)**	(177,496)
Gross profit	**21,167**	24,864	**87,547**	102,838
Other income	**2,086**	1,985	**8,628**	8,210
Other (losses)/gains, net	**(74)**	114	**(306)**	472
Selling and distribution expenses	**(11,424)**	(13,348)	**(47,250)**	(55,207)
Administrative expenses	**(6,930)**	(7,476)	**(28,662)**	(30,921)
Other operating expenses	**(1,130)**	(1,177)	**(4,674)**	(4,868)
Operating profit	**3,695**	4,962	**15,283**	20,524
Finance costs	**(691)**	(716)	**(2,858)**	(2,962)
Share of post-tax results of joint ventures and associates	**-**	41	**-**	170
Profit before income tax	**3,004**	4,287	**12,425**	17,732
Income tax expense	**(1,152)**	(1,535)	**(4,765)**	(6,349)
Profit for the quarter	**1,852**	2,752	**7,660**	11,383
Profit attributable to:				
Owners of the Company	**1,705**	2,750	**7,052**	11,375
Non-controlling interests	**147**	2	**608**	8
	1,852	2,752	**7,660**	11,383
Earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	**0.10**	0.16	**0.41**	0.66
Diluted (US cents/sen) #	**0.10**	0.16	**0.41**	0.66

\# *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 31 December 2018 with comparatives is shown for reference only and has been made at the same exchange rate of US$1 to RM4.1360 ruling at 31 December 2018. This translation should not be construed as a representation that the US$ 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 31 December		(Unaudited) Three months ended 31 December	
	2018	2017	**2018**	2017
	US$'000	US$'000	**RM'000** *(Note)*	RM'000 *(Note)*
Profit for the quarter	**1,852**	2,752	**7,660**	11,383
Other comprehensive (loss)/income				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences	**(40)**	6,655	**(165)**	27,524
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	**156**	-	**645**	-
Other comprehensive income for the quarter, net of tax	**116**	6,655	**480**	27,524
Total comprehensive income for the quarter	**1,968**	9,407	**8,140**	38,907
Total comprehensive income for the quarter attributable to:				
Owners of the Company	**1,780**	9,387	**7,362**	38,824
Non-controlling interests	**188**	20	**778**	83
	1,968	9,407	**8,140**	38,907

Note: The presentation currency of this unaudited financial information is US$. Supplementary information in RM for the quarter ended 31 December 2018 with comparatives is shown for reference only and has been made at the same exchange rate of US$1 to RM4.1360 ruling at 31 December 2018. This translation should not be construed as a representation that the US$ 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) Nine months ended 31 December		(Unaudited) Nine months ended 31 December	
	2018	2017	**2018**	2017
	US$'000	US$'000	**RM'000** *(Note)*	RM'000 *(Note)*
Turnover	**231,268**	221,422	**956,525**	915,801
Cost of goods sold	**(159,013)**	(146,280)	**(657,678)**	(605,014)
Gross profit	**72,255**	75,142	**298,847**	310,787
Other income	**6,166**	5,743	**25,503**	23,753
Other (losses)/gains, net	**(420)**	15	**(1,737)**	62
Selling and distribution expenses	**(37,891)**	(38,997)	**(156,717)**	(161,292)
Administrative expenses	**(22,290)**	(23,122)	**(92,191)**	(95,633)
Other operating expenses	**(3,425)**	(3,596)	**(14,166)**	(14,873)
Operating profit	**14,395**	15,185	**59,539**	62,804
Finance costs	**(2,155)**	(2,027)	**(8,913)**	(8,384)
Share of post-tax results of joint ventures and associates	**-**	125	**-**	517
Profit before income tax	**12,240**	13,283	**50,626**	54,937
Income tax expense	**(4,806)**	(5,383)	**(19,879)**	(22,263)
Profit for the period	**7,434**	7,900	**30,747**	32,674
Profit/(loss) attributable to:				
Owners of the Company	**7,743**	8,474	**32,025**	35,048
Non-controlling interests	**(309)**	(574)	**(1,278)**	(2,374)
	7,434	7,900	**30,747**	32,674
Earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	**0.46**	0.50	**1.90**	2.07
Diluted (US cents/sen) #	**0.46**	0.50	**1.90**	2.07

\# *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 31 December 2018 with comparatives is shown for reference only and has been made at the same exchange rate of US$1 to RM4.1360 ruling at 31 December 2018. This translation should not be construed as a representation that the US$ 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) Nine months ended 31 December		(Unaudited) Nine months ended 31 December	
	2018	2017	**2018**	2017
	US$'000	US$'000	**RM'000** *(Note)*	RM'000 *(Note)*
Profit for the period	**7,434**	7,900	**30,747**	32,674
Other comprehensive (loss)/income				
Items that have been reclassified or may be reclassified subsequently to profit or loss:				
Currency translation differences	**(10,436)**	13,866	**(43,163)**	57,350
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	**(5,603)**	-	**(23,174)**	-
Other comprehensive (loss)/ income for the period, net of tax	**(15,824)**	13,866	**(65,448)**	57,350
Total comprehensive (loss)/income for the period	**(8,390)**	21,766	**(34,701)**	90,024
Total comprehensive (loss)/ income for the period attributable to:				
Owners of the Company	**(6,590)**	22,305	**(27,257)**	92,253
Non-controlling interests	**(1,800)**	(539)	**(7,444)**	(2,229)
	(8,390)	21,766	**(34,701)**	90,024

Note: The presentation currency of this unaudited financial information is US$. Supplementary information in RM for the period ended 31 December 2018 with comparatives is shown for reference only and has been made at the same exchange rate of US$1 to RM4.1360 ruling at 31 December 2018. This translation should not be construed as a representation that the US$ 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 31 December 2018 US$'000	(Audited) As at 31 March 2018 US$'000	**(Unaudited) As at 31 December 2018 RM'000 *(Note)***	(Unaudited) As at 31 March 2018 RM'000 *(Note)*
ASSETS				
Non-current assets				
Property, plant and equipment	**84,869**	94,253	**351,018**	389,831
Investment properties	**15,591**	16,437	**64,484**	67,984
Intangible assets	**24,622**	26,863	**101,837**	111,105
Deferred income tax assets	**241**	243	**997**	1,005
Investments accounted for using the equity method	**-**	143	**-**	592
Financial assets at fair value through other comprehensive income	**3,388**	-	**14,013**	-
Available-for-sale financial assets	**-**	8,979	**-**	37,135
Other non-current financial assets	**-**	129	**-**	534
	128,711	147,047	**532,349**	608,186
Current assets				
Inventories	**22,344**	17,648	**92,415**	72,992
Available-for-sale financial assets	**-**	96	**-**	397
Financial assets at fair value through profit or loss	**440**	361	**1,820**	1,493
Trade and other receivables	**36,168**	44,820	**149,591**	185,376
Income tax recoverable	**525**	1,550	**2,171**	6,411
Short-term bank deposits	**162**	18,312	**670**	75,738
Cash and cash equivalents	**114,590**	101,923	**473,944**	421,554
	174,229	184,710	**720,611**	763,961
Current liabilities				
Trade and other payables	**35,612**	51,753	**147,291**	214,050
Contract liabilities	**11,392**	-	**47,117**	-
Income tax liabilities	**1,288**	773	**5,327**	3,197
Bank and other borrowings	**59,063**	68,447	**244,285**	283,097
Current portion of other non-current liabilities	**73**	78	**302**	323
	107,428	121,051	**444,322**	500,667
Net current assets	**66,801**	63,659	**276,289**	263,294
Total assets less current liabilities	**195,512**	210,706	**808,638**	871,480

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	(Unaudited) As at 31 December 2018 US$'000	(Audited) As at 31 March 2018 US$'000	**(Unaudited) As at 31 December 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	**89,813**	89,813
Share premium	**54,664**	54,664	**226,090**	226,090
Other reserves	**(114,713)**	(100,380)	**(474,454)**	(415,172)
Retained earnings	**223,345**	221,670	**923,755**	916,827
	185,011	197,669	**765,204**	817,558
Non-controlling interests	**2,296**	4,099	**9,498**	16,954
Total equity	**187,307**	201,768	**774,702**	834,512
Non-current liabilities				
Deferred income tax liabilities	**6,572**	7,405	**27,182**	30,627
Other non-current liabilities	**1,633**	1,533	**6,754**	6,341
	8,205	8,938	**33,936**	36,968
	195,512	210,706	**808,638**	871,480
Net assets per share attributable to owners of the Company (US cents /sen)	**10.97**	11.72	**45.37**	48.47

Note: The presentation currency of this unaudited financial information is US$. Supplementary information in RM as at 31 December 2018 with comparatives is shown for reference only and has been made at the same exchange rate of US$1 to RM4.1360 ruling at 31 December 2018. This translation should not be construed as a representation that the US$ 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	-	-	-	8,474	8,474	(574)	7,900
Other comprehensive income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	13,831	-	13,831	35	13,866
Other comprehensive income, net of tax	-	-	13,831	-	13,831	35	13,866
Total comprehensive income/(loss) for the period ended 31 December 2017	-	-	13,831	8,474	22,305	(539)	21,766
Total transactions with owners, recognised directly in equity							
2016/2017 second interim dividend paid	-	-	-	(6,074)	(6,074)	-	(6,074)
2017/2018 first interim dividend paid	-	-	-	(4,218)	(4,218)	-	(4,218)
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)
	-	-	-	(10,133)	(10,133)	(433)	(10,566)
At 31 December 2017	21,715	54,664	(112,435)	241,922	205,866	2,649	208,515
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	**-**	**-**	**-**	**7,743**	**7,743**	**(309)**	**7,434**
Other comprehensive (loss)/income							
Items that have been reclassified or may be reclassified subsequently to profit or loss:							
Currency translation differences	**-**	**-**	**(10,403)**	**-**	**(10,403)**	**(33)**	**(10,436)**
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	**-**	**-**	**(4,087)**	**-**	**(4,087)**	**(1,516)**	**(5,603)**
Other comprehensive loss, net of tax	**-**	**-**	**(14,333)**	**-**	**(14,333)**	**(1,491)**	**(15,824)**
Total comprehensive (loss)/income for the period ended 31 December 2018	**-**	**-**	**(14,333)**	**7,743**	**(6,590)**	**(1,800)**	**(8,390)**
Total transactions with owners, recognised directly in equity							
2017/2018 second interim dividend paid	**-**	**-**	**-**	**(3,037)**	**(3,037)**	**-**	**(3,037)**
2018/2019 first 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	**-**	**-**	**-**	**-**	**-**	**(3)**	**(3)**
	-	**-**	**-**	**(6,074)**	**(6,074)**	**(3)**	**(6,077)**
At 31 December 2018	**21,715**	**54,664**	**(114,713)**	**223,345**	**185,011**	**2,296**	**187,307**

** 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	89,813	226,090	(522,236)	1,007,451	801,118	14,976	816,094
Profit/(loss) for the period	-	-	-	35,048	35,048	(2,374)	32,674
Other comprehensive income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	57,205	-	57,205	145	57,350
Other comprehensive income, net of tax	-	-	57,205	-	57,205	145	57,350
Total comprehensive income/(loss) for the period ended 31 December 2017	-	-	57,205	35,048	92,253	(2,229)	90,024
Total transactions with owners, recognised directly in equity							
2016/2017 second interim dividend paid	-	-	-	(25,122)	(25,122)	-	(25,122)
2017/2018 first interim dividend paid	-	-	-	(17,446)	(17,446)	-	(17,446)
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)
	-	-	-	(41,910)	(41,910)	(1,792)	(43,702)
At 31 December 2017	89,813	226,090	(465,031)	1,000,589	851,461	10,955	862,416

* *negligible*

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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 2018, as previously reported	89,813	226,090	(415,172)	916,827	817,558	16,954	834,512
Effects of adoption of IFRS 9	-	-	-	25	25	-	25
At 1 April 2018, as restated	89,813	226,090	(415,172)	916,852	817,583	16,954	834,537
Profit/(loss) for the period	-	-	-	32,025	32,025	(1,278)	30,747
Other comprehensive (loss)/income							
Items that have been reclassified or may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(43,027)	-	(43,027)	(136)	(43,163)
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	-	-	(16,904)	-	(16,904)	(6,270)	(23,174)
Other comprehensive loss, net of tax	-	-	(59,282)	-	(59,282)	(6,166)	(65,448)
Total comprehensive (loss)/income for the period ended 31 December 2018	-	-	(59,282)	32,025	(27,257)	(7,444)	(34,701)
Total transactions with owners, recognised directly in equity							
2017/2018 second interim dividend paid	-	-	-	(12,561)	(12,561)	-	(12,561)
2018/2019 first interim dividend paid	-	-	-	(12,561)	(12,561)	-	(12,561)
2017/2018 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	-*	-*
2018/2019 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(12)	(12)
	-	-	-	(25,122)	(25,122)	(12)	(25,134)
At 31 December 2018	89,813	226,090	(474,454)	923,755	765,204	9,498	774,702

* *negligible*

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)		(Unaudited)	
	Nine months ended 31 December		Nine months ended 31 December	
	2018 US$'000	2017 US$'000	2018 RM'000 *(Note)*	2017 RM'000 *(Note)*
Cash flows from operating activities				
Cash generated from operations	**17,144**	22,180	**70,908**	91,736
Interest paid	**(1,470)**	(1,351)	**(6,080)**	(5,588)
Income tax paid	**(3,794)**	(5,717)	**(15,692)**	(23,646)
Net cash generated from operating activities	**11,880**	15,112	**49,136**	62,502
Cash flows from investing activities				
Dividends received	**149**	16	**616**	66
Decrease/(increase) in short-term bank deposits with original maturity over three months	**18,150**	(7,716)	**75,068**	(31,913)
Interest received	**2,426**	1,729	**10,034**	7,151
Proceeds from disposal of property, plant and equipment	**49**	24	**203**	99
Proceeds from disposal of subsidiaries and joint ventures	**10**	-	**41**	-
Purchases of intangible assets	**(190)**	(113)	**(786)**	(467)
Purchases of other non-current financial assets	**-**	(115)	**-**	(476)
Purchases of property, plant and equipment	**(1,251)**	(589)	**(5,174)**	(2,436)
Net cash generated from/(used in) investing activities	**19,343**	(6,764)	**80,002**	(27,976)
Cash flows from financing activities				
Dividends paid	**(6,074)**	(10,292)	**(25,122)**	(42,568)
Dividends paid to non-controlling interests by an unlisted subsidiary	**(3)**	(4)	**(12)**	(17)
Proceeds from bank and other borrowings	**5,468**	15,812	**22,616**	65,398
Repayments of bank and other borrowings	**(10,816)**	(9,268)	**(44,735)**	(38,332)
Transaction with non-controlling interests	-	(270)	**-**	(1,117)
Net cash used in financing activities	**(11,425)**	(4,022)	**(47,253)**	(16,636)
Net increase in cash and cash equivalents	**19,798**	4,326	**81,885**	17,890
Cash and cash equivalents at beginning of period	**101,923**	79,946	**421,554**	330,658
Exchange adjustments on cash and cash equivalents	**(7,131)**	5,994	**(29,495)**	24,792
Cash and cash equivalents at end of period	**114,590**	90,266	**473,944**	373,340

Note: The presentation currency of this unaudited financial information is US$. Supplementary information in RM for the period ended 31 December 2018 with comparatives is shown for reference only and has been made at the same exchange rate of US$1 to RM4.1360 ruling at 31 December 2018. This translation should not be construed as a representation that the US$ 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 nine months ended 31 December 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 nine months ended 31 December 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
Conceptual framework for financial reporting 2018	Revised conceptual framework for financial reporting	1 January 2020
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$2,184,000. 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. Changes in accounting policies (Continued)

(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.

The first interim dividend of US0.18 cents per ordinary share, totaling US$3,037,000, in respect of the year ending 31 March 2019 was paid on 28 December 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 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 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 31 December 2018, analysed by operating segment, are as follows:

	(Unaudited) Three months ended 31 December 2018					
	Publishing and printing					
	Malaysia and other Southeast Asian countries US$'000	Hong Kong and Taiwan US$'000	North America US$'000	Sub-total US$'000	Travel and travel related services US$'000	Total US$'000
Turnover	30,997	13,197	3,281	47,475	16,092	63,567
Segment profit/(loss) before income tax	4,435	(434)	(529)	3,472	391	3,863
Unallocated finance costs						(653)
Other net unallocated expenses						(206)
Profit before income tax						3,004
Income tax expense						(1,152)
Profit for the quarter						1,852
Other segmental information:						
Interest income	771	3	2	776	17	793
Finance costs	(5)	(33)	-	(38)	-	(38)
Depreciation of property, plant and equipment	(1,415)	(307)	(60)	(1,782)	(9)	(1,791)
Amortisation of intangible assets	(170)	(47)	(2)	(219)	(8)	(227)

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A11. Turnover and segment information (Continued)

The Group's turnover and results for the quarter ended 31 December 2017, analysed by operating segment, are as follows:

	(Unaudited) Three months ended 31 December 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	35,274	14,024	3,995	53,293	14,486	67,779
Segment profit/(loss) before income tax	5,556	(29)	(558)	4,969	75	5,044
Unallocated finance costs						(655)
Other net unallocated expenses						(102)
Profit before income tax						4,287
Income tax expense						(1,535)
Profit for the quarter						2,752
Other segmental information:						
Interest income	605	7	2	614	10	624
Finance costs	(37)	(24)	-	(61)	-	(61)
Depreciation of property, plant and equipment	(1,613)	(317)	(73)	(2,003)	(16)	(2,019)
Amortisation of intangible assets	(177)	(48)	(3)	(228)	(9)	(237)
Share of post-tax results of joint ventures and associates	-	41	-	41	-	41

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 31 December	
By major products or service lines	**2018 US$'000**	2017 US$'000
Advertising income, net of trade discounts	**31,770**	37,585
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	**15,705**	15,708
Travel and travel related services income	**16,092**	14,486
	63,567	67,779

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A11. Turnover and segment information (Continued)

The Group's turnover and results for the period ended 31 December 2018, analysed by operating segment, are as follows:

	(Unaudited) Nine months ended 31 December 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	99,398	38,849	10,113	148,360	82,908	231,268
Segment profit/(loss) before income tax	14,039	(2,576)	(2,253)	9,210	5,716	14,926
Unallocated finance costs						(1,999)
Other net unallocated expenses						(687)
Profit before income tax						12,240
Income tax expense						(4,806)
Profit for the period						7,434
Other segmental information:						
Interest income	2,368	10	4	2,382	44	2,426
Finance costs	(57)	(99)	-	(156)	-	(156)
Depreciation of property, plant and equipment	(4,375)	(915)	(195)	(5,485)	(27)	(5,512)
Amortisation of intangible assets	(524)	(141)	(6)	(671)	(24)	(695)

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A11. Turnover and segment information (Continued)

The Group's turnover and results for the period ended 31 December 2017, analysed by operating segment, are as follows:

	(Unaudited) Nine months ended 31 December 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	104,525	40,164	11,823	156,512	64,910	221,422
Segment profit/(loss) before income tax	16,041	(1,550)	(1,859)	12,632	2,976	15,608
Unallocated finance costs						(1,916)
Other net unallocated expenses						(409)
Profit before income tax						13,283
Income tax expense						(5,383)
Profit for the period						7,900
Other segmental information:						
Interest income	1,656	24	21	1,701	28	1,729
Finance costs	(66)	(45)	-	(111)	-	(111)
Depreciation of property, plant and equipment	(4,787)	(970)	(232)	(5,989)	(59)	(6,048)
Amortisation of intangible assets	(535)	(147)	(11)	(693)	(27)	(720)
Share of post-tax results of joint ventures and associates	-	125	-	125	-	125

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) Nine months ended 31 December	
By major products or service lines	**2018 US$'000**	2017 US$'000
Advertising income, net of trade discounts	**97,778**	108,405
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	**50,582**	48,107
Travel and travel related services income	**82,908**	64,910
	231,268	221,422

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A11. Turnover and segment information (Continued)

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

	(Unaudited)						
	Publishing and printing						
	Malaysia and other Southeast Asian countries US$'000	Hong Kong and Taiwan US$'000	North America US$'000	Sub-total US$'000	Travel and travel related services US$'000	Elimination US$'000	Total US$'000
Segment assets	**227,956**	**43,089**	**10,138**	**281,183**	**21,012**	**(1,219)**	**300,976**
Unallocated assets							**1,964**
Total assets							**302,940**
Total assets include:							
Additions to non-current assets (other than deferred income tax assets)	**1,101**	**300**	**29**	**1,430**	**11**	**-**	**1,441**
Segment liabilities	**(18,381)**	**(18,466)**	**(6,851)**	**(43,698)**	**(8,515)**	**1,219**	**(50,994)**
Unallocated liabilities							**(64,639)**
Total liabilities							**(115,633)**

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 31 December 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. The administrative procedures of the Disposal were completed in January 2019.

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

A15. Capital commitments

Capital commitments outstanding as at 31 December 2018 are as follows:

	(Unaudited) US$'000
Property, plant and equipment :	
Authorised and contracted for	5,306
Authorised but not contracted for	45
	5,351

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A16. Related party transactions

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2018	2017	**2018**	2017
	US$'000	US$'000	**US$'000**	US$'000
Air tickets purchased from a related company *(note 1)*	**1**	1	**7**	3
Provision of engineering professional services by a related company *(note 1)*	**13**	12	**37**	34
Rental expenses paid to related companies *(note 1)*	**23**	22	**69**	64
Provision of accounting and administrative services to related companies *(note 1)*	**(5)**	(4)	**(13)**	(12)
Advertising income received from related companies *(note 1)*	**-**	(5)	**-***	(10)
Commission received from sales of honey from a related company *(note 1)*	**-***	(1)	**(1)**	(4)
Event sponsorship commission paid to a related company *(note 1)*	**-**	-	**-**	3
Motor vehicle insurance premiums paid to a related company *(note 1)*	**-**	-*	**-***	1
Newsprint purchases from a related company *(note 1)*	**-**	2,769	**725**	10,476
Photo licensing income received from an associate	**-**	-*	**-**	(1)
Provision of accounting service to an associate	**-**	(39)	**-**	(117)
Provision of air ticketing and accommodation arrangement services to related companies *(note 1)*	**-**	(11)	**-**	(40)
Provision of broadband internet services by a related company *(note 1)*	**-**	-*	**-***	1
Provision of editorial pagination services to a related company *(note 1)*	**-**	-	**(29)**	-
Purchases of honey from a related company *(note 1)*	**-**	-*	**-**	1
Purchases of mineral water from a related company *(note 1)*	**-**	-	**-***	-
Rental income received from a related company *(note 1)*	**-**	-	**-**	(2)
Scrap sales of old newspapers and magazines to a related company *(note 1)*	**-**	(278)	**(98)**	(752)

** negligible*

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 31 December			(Unaudited) Nine months ended 31 December		
	2018 US$'000	2017 US$'000	% Change	**2018 US$'000**	2017 US$'000	% Change
Turnover	**63,567**	67,779	-6.2%	**231,268**	221,422	4.4%
Profit before income tax	**3,004**	4,287	-29.9%	**12,240**	13,283	-7.9%
EBITDA	**4,920**	6,635	-25.8%	**18,176**	20,349	-10.7%

The Group's turnover for the quarter ended 31 December 2018 decreased by 6.2% to US$63,567,000 when compared to the corresponding quarter last year. This was attributed to the decline in the turnover of its publishing and printing segment, despite an encouraging growth in its travel segment. The decline in turnover resulted in a 29.9% decrease in the Group's profit before income tax for the quarter which was recorded at US$3,004,000.

Compared to the corresponding quarter of the previous year, EBITDA for the quarter fell 25.8% to US$4,920,000.

There was no significant currency impact on the Group's financial results for the quarter under review.

(a) Publishing and printing segment

For the quarter under review, the turnover of the publishing and printing segment fell 10.9% to US$47,475,000 from US$53,293,000 in the same quarter last year. This decline was across all the Group's market segments.

For its Malaysia and other Southeast Asian market, the Group's turnover fell 12.1% to US$30,997,000.

The slowdown in external trade and domestic demand have weighed on the Malaysian economy. For the quarter under review, business conditions and consumer sentiments indexes in Malaysia fell below the optimism threshold of 100 points, an indication of a slowdown in the country's economic growth. The print media continued to face challenges amid this difficult business climate which dampened the market's advertising expenditure.

The increase in the cover price of the Group's publications in Malaysia since March 2018 has contributed positively to this segment's turnover. There were also increased revenue contributions from the segment's digital business, which continued to grow strongly, and *Nanyang Siang Pau's* 90th anniversary events. However, the market's advertising spend remained weak despite the festivities in the quarter under review, which had adverse impact on the segment's advertising revenue. On the cost side, there were substantial savings in production, distribution and manpower costs, however, the savings were dampened by the rising newsprint price.

The decline in turnover resulted in a corresponding drop in the segment's results where the segment profit before income tax fell 20.2% to US$4,435,000 from US$5,556,000.

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

B1. Analysis of performance (Continued)

(a) Publishing and printing segment (Continued)

In Hong Kong, consumer sentiment has become increasingly cautious amid continuing US-China trade tensions and moderating global economic growth. Meanwhile, Hong Kong's property market has started to soften and retail sales slowed down considerably towards the end of the year 2018.

For the quarter under review, the turnover of the Hong Kong and Taiwan segment declined to US$13,197,000 from US$14,024,000 in the prior year quarter, resulting in a segment loss of US$434,000. This decline in turnover was mainly due to the Hong Kong's softening property market and slowing retail environment, leading to a decrease in the segment's advertising revenue from these sectors. The decline was cushioned by a growth in advertising revenue from the recruitment sector as well as revenue from *Ming Pao Weekly's* 50th anniversary events. This segment's performance was also negatively affected by the surging newsprint costs.

The performance of the North America segment remained subdued given the market's weak economic conditions. The turnover for this segment fell 17.9% to US$3,281,000 whilst its loss before income tax reduced marginally to US$529,000 from US$558,000 if compared to previous year's corresponding quarter.

The Group closed down its New York operation in November 2018. There was no significant impact on the Group's results and financial position.

(b) Travel and travel related services segment

Turnover for the travel segment amounted to US$16,092,000 in the current quarter, a growth of 11.1% if compared to the prior-year quarter. The growth was mainly driven by higher demand for the segment's tours to Europe and specially designed tour programs to popular travel destinations in Asia, including China, Japan and Taiwan. The travel segment reported a corresponding increase in segment profit before income tax for the quarter of 421.3% to US$391,000 when compared with the same quarter last year.

Nine months of FY 2018/2019

For the nine months ended 31 December 2018, the Group's turnover increased by 4.4% to US$231,268,000 when compared to the corresponding period last year. This was mainly due to the 27.7% increase in the turnover of the Group's travel segment.

The Group's profit before income tax for the current period decreased by 7.9% to US$12,240,000 from US$13,283,000 in the same period last year due to weaker performance of its publishing and printing segment.

The Group's EBITDA for the period was US$18,176,000, 10.7% below previous year's US$20,349,000.

Currency impacts for the nine months ended 31 December 2018 were positive, mainly due to a stronger RM compared to the prior-year period. If currency impacts were excluded, the increase in the Group's turnover would have been about 2.6% and the decrease in the Group's profit before income tax would have been about 12.9%.

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

B2. Variation of results against immediate preceding quarter

	(Unaudited) Three months ended 31 December 2018 US$'000	(Unaudited) Three months ended 30 September 2018 US$'000	% Change
Turnover	**63,567**	85,669	-25.8%
Profit before income tax	**3,004**	4,348	-30.9%
EBITDA	**4,920**	6,298	-21.9%

The Group recorded a total turnover of US$63,567,000 for the current quarter, which reflected a decrease of US$22,102,000 or 25.8% when compared with the immediate preceding quarter. This was mainly due to a 55.4% or US$19,951,000 decrease in the turnover for the travel segment as the summer holidays, which was normally the peak period for the travel business, fell in the immediate preceding quarter. The turnover for the publishing and printing segment declined marginally by 4.3%.

The Group's profit before income tax declined correspondingly by 30.9% to US$3,004,000.

B3. Current year prospects

The Group expects the business conditions for the remaining quarter of the financial year 2018/2019 to remain challenging and uncertain. The unsettling trade tension between the US and China as well as the continuous weak advertising spend in the markets it operates in are expected to have adverse impacts on the Group's turnover. Moreover, the fourth quarter is normally a low season for both the advertising and travel businesses.

A positive note is that the newsprint price is softening which will help improve the profitability of the Group's publishing businesses. Furthermore, the Group will continue its cost containment efforts and explore avenues to optimise the use of its manpower resources and improve synergy among the business units.

The Group's digital business has been growing strongly and to maintain the growth momentum, the Group will continue to enhance its digital content and platform capabilities. In addition, more efforts will be put to create new revenue sources and business models. For the travel segment, the search for new and interesting travel destinations coupled with new creative tour packages will be the Group's main focus.

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 31 December		(Unaudited) Nine months ended 31 December	
	2018	2017	**2018**	2017
	US$'000	US$'000	**US$'000**	US$'000
Exchange (losses)/gains, net	**(42)**	93	**(63)**	(5)
Provision for impairment and write-off of trade and other receivables	**(51)**	(85)	**(284)**	(207)
Provision for impairment and write-off of inventories	**(37)**	(40)	**(137)**	(123)
Loss on disposal of subsidiaries and joint ventures	**(9)**	-	**(218)**	-

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 31 December		(Unaudited) Nine months ended 31 December	
	2018	2017	**2018**	2017
	US$'000	US$'000	**US$'000**	US$'000
Current period income tax expense	**1,148**	1,439	**5,324**	5,693
(Over)/under provision in prior years	**(6)**	75	**(3)**	78
Deferred income tax expense/(credit)	**10**	21	**(515)**	(388)
	1,152	1,535	**4,806**	5,383

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, except for the following:

Reference is made to the announcement of the Company dated 30 November 2018 (the "First Announcement"), the Board of Directors announced that on 30 November 2018, Sin Chew Media Corporation Berhad (the "Purchaser"), a wholly-owned subsidiary of the Company and Optical Communication Engineering Sdn Bhd (the "Vendor") entered into the sale and purchase agreement (the "Sale and Purchase Agreement") to acquire a parcel of the leasehold land together with buildings thereon measuring approximately 4,364.41 square metres held under title known as H.S. (D) 262209 No. P.T. 18 Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor, Malaysia from the Vendor for a total consideration of RM18,400,000 (or equivalent to approximately US$4,394,030) (the "Proposed Acquisition") .

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

B7. Status of corporate proposal (Continued)

Reference is also made to the announcement of the Company dated 22 February 2019 (the "Subsequent Announcement"), the Board of Directors announced that on 22 February 2019, the Proposed Acquisition has been completed in accordance with the terms and conditions of the Sale and Purchase Agreement. For details, please refer to the First Announcement and the Subsequent Announcement.

B8. Group borrowings

The Group's borrowings as at 31 December 2018 are as follows:

		(Unaudited)	
	Secured US$'000	**Unsecured US$'000**	**Total US$'000**
Current			
Short-term bank borrowings	4,565	97	4,662
Medium-term notes	-	54,401	54,401
	4,565	**54,498**	**59,063**

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

	(Unaudited) US$'000
Malaysian Ringgit	54,498
Hong Kong dollars	3,831
United States dollars	734
	59,063

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

B9. Material litigation

As at 31 December 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 does not recommend any distribution of dividend for the quarter under review.

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

B11. Earnings per share attributable to owners of the Company

	(Unaudited) Three months ended 31 December		**(Unaudited) Nine months ended 31 December**	
	2018	2017	**2018**	2017
Profit attributable to owners of the Company (US$'000)	**1,705**	2,750	**7,743**	8,474
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)	**0.10**	0.16	**0.46**	0.50
Diluted earnings per share (US cents)	**0.10**	0.16	**0.46**	0.50

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 31 December 2018 and 2017.

On behalf of the Board
Media Chinese International Limited

Tin Suk Han
Tong Siew Kheng
Joint Company Secretaries
25 February 2019