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MEDIA CHINESE INTERNATIONAL LIMITED

世界華文媒體有限公司

(Incorporated in Bermuda with limited liability)

(Malaysia Company No. 995098-A)

(Hong Kong Stock Code: 685)

(Malaysia Stock Code: 5090)

ANNOUNCEMENT

FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2019

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 2019 to Bursa Securities on 25 November 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 November 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, being non-executive director; 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 2019

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Three months ended 30 September		(Unaudited) Three months ended 30 September	
	2019 US\$'000	2018 US\$'000	2019 RM'000 <i>(Note)</i>	2018 RM'000 <i>(Note)</i>
Turnover	72,898	85,669	305,443	358,953
Cost of goods sold	<u>(51,829)</u>	<u>(60,290)</u>	<u>(217,164)</u>	<u>(252,615)</u>
Gross profit	21,069	25,379	88,279	106,338
Other income	2,265	2,072	9,490	8,682
Other losses , net	(45)	(255)	(188)	(1,069)
Selling and distribution expenses	(11,766)	(13,300)	(49,300)	(55,727)
Administrative expenses	(7,287)	(7,711)	(30,532)	(32,309)
Other operating expenses	<u>(1,305)</u>	<u>(1,122)</u>	<u>(5,468)</u>	<u>(4,701)</u>
Operating profit	2,931	5,063	12,281	21,214
Finance costs	<u>(174)</u>	<u>(715)</u>	<u>(729)</u>	<u>(2,996)</u>
Profit before income tax	2,757	4,348	11,552	18,218
Income tax credit/(expense)	<u>252</u>	<u>(1,624)</u>	<u>1,056</u>	<u>(6,805)</u>
Profit for the quarter	<u>3,009</u>	<u>2,724</u>	<u>12,608</u>	<u>11,413</u>
Profit/(loss) attributable to:				
Owners of the Company	3,185	2,996	13,345	12,553
Non-controlling interests	<u>(176)</u>	<u>(272)</u>	<u>(737)</u>	<u>(1,140)</u>
	<u>3,009</u>	<u>2,724</u>	<u>12,608</u>	<u>11,413</u>
Earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	0.19	0.18	0.79	0.74
Diluted (US cents/sen) #	<u>0.19</u>	<u>0.18</u>	<u>0.79</u>	<u>0.74</u>

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 2019 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.1900 ruling at 30 September 2019. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	(Unaudited) Three months ended 30 September		(Unaudited) Three months ended 30 September	
	2019 US\$'000	2018 US\$'000	2019 RM'000 <i>(Note)</i>	2018 RM'000 <i>(Note)</i>
Profit for the quarter	3,009	2,724	12,608	11,413
Other comprehensive (loss)/income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	(1,758)	(3,441)	(7,366)	(14,417)
Currency translation differences released upon disposal of subsidiaries	-	215	-	900
Item that will not be reclassified subsequently to profit or loss:				
Fair value change on financial assets at fair value through other comprehensive income	(438)	(2,019)	(1,836)	(8,459)
Other comprehensive loss for the quarter, net of tax	(2,196)	(5,245)	(9,202)	(21,976)
Total comprehensive income/ (loss) for the quarter	813	(2,521)	3,406	(10,563)
Total comprehensive income/ (loss) for the quarter attributable to:				
Owners of the Company	1,116	(1,753)	4,676	(7,345)
Non-controlling interests	(303)	(768)	(1,270)	(3,218)
	813	(2,521)	3,406	(10,563)

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Six months ended 30 September		(Unaudited) Six months ended 30 September	
	2019 US\$'000	2018 US\$'000	2019 RM'000 <i>(Note)</i>	2018 RM'000 <i>(Note)</i>
Turnover	144,530	167,701	605,581	702,667
Cost of goods sold	(103,289)	(116,613)	(432,781)	(488,608)
Gross profit	41,241	51,088	172,800	214,059
Other income	4,556	4,080	19,090	17,095
Other losses, net	(117)	(346)	(490)	(1,450)
Selling and distribution expenses	(22,762)	(26,467)	(95,373)	(110,897)
Administrative expenses	(13,988)	(15,360)	(58,610)	(64,358)
Other operating expenses	(2,586)	(2,295)	(10,836)	(9,616)
Operating profit	6,344	10,700	26,581	44,833
Finance costs	(343)	(1,464)	(1,437)	(6,134)
Profit before income tax	6,001	9,236	25,144	38,699
Income tax expense	(857)	(3,654)	(3,591)	(15,310)
Profit for the period	5,144	5,582	21,553	23,389
Profit/(loss) attributable to:				
Owners of the Company	5,449	6,038	22,831	25,299
Non-controlling interests	(305)	(456)	(1,278)	(1,910)
	5,144	5,582	21,553	23,389
Earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	0.32	0.36	1.35	1.50
Diluted (US cents/sen) #	0.32	0.36	1.35	1.50

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 period ended 30 September 2019 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.1900 ruling at 30 September 2019. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	(Unaudited) Six months ended		(Unaudited) Six months ended	
	2019	2018	2019	2018
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Profit for the period	5,144	5,582	21,553	23,389
Other comprehensive (loss)/income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	(3,474)	(10,396)	(14,556)	(43,559)
Currency translation differences released upon disposal of subsidiaries	-	215	-	900
Item that will not be reclassified subsequently to profit or loss:				
Fair value change on financial assets at fair value through other comprehensive income	(594)	(5,759)	(2,489)	(24,130)
Other comprehensive loss for the period, net of tax	(4,068)	(15,940)	(17,045)	(66,789)
Total comprehensive income/ (loss) for the period	1,076	(10,358)	4,508	(43,400)
Total comprehensive income/ (loss) for the period attributable to:				
Owners of the Company	1,543	(8,370)	6,465	(35,071)
Non-controlling interests	(467)	(1,988)	(1,957)	(8,329)
	1,076	(10,358)	4,508	(43,400)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at 30 September 2019 US\$'000	(Audited) As at 31 March 2019 US\$'000	(Unaudited) As at 30 September 2019 RM'000 (Note)	(Unaudited) As at 31 March 2019 RM'000 (Note)
ASSETS				
Non-current assets				
Property, plant and equipment	74,852	79,209	313,630	331,886
Right-of-use assets	1,218	-	5,103	-
Investment properties	20,487	20,913	85,841	87,625
Intangible assets	8,518	9,141	35,691	38,301
Deferred income tax assets	223	224	934	939
Financial assets at fair value through other comprehensive income	2,453	3,044	10,278	12,754
	107,751	112,531	451,477	471,505
Current assets				
Inventories	20,893	24,869	87,542	104,201
Trade and other receivables	34,438	35,945	144,295	150,610
Financial assets at fair value through profit or loss	437	444	1,831	1,860
Income tax recoverable	434	637	1,818	2,669
Short-term bank deposits	10,653	5,951	44,636	24,935
Cash and cash equivalents	74,469	69,204	312,025	289,965
	141,324	137,050	592,147	574,240
Current liabilities				
Trade and other payables	38,451	32,796	161,110	137,415
Contract liabilities	13,874	18,858	58,132	79,015
Income tax liabilities	1,584	853	6,637	3,574
Bank and other borrowings	17,885	19,912	74,938	83,431
Lease liabilities	528	-	2,212	-
Current portion of other non-current liabilities	44	45	184	189
	72,366	72,464	303,213	303,624
Net current assets	68,958	64,586	288,934	270,616
Total assets less current liabilities	176,709	177,117	740,411	742,121

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	(Unaudited) As at 30 September 2019 US\$'000	(Audited) As at 31 March 2019 US\$'000	(Unaudited) As at 30 September 2019 RM'000 (Note)	(Unaudited) As at 31 March 2019 RM'000 (Note)
EQUITY				
Equity attributable to owners of the Company				
Share capital	21,715	21,715	90,986	90,986
Share premium	54,664	54,664	229,042	229,042
Other reserves	(117,079)	(113,173)	(490,561)	(474,195)
Retained earnings	208,315	204,553	872,840	857,077
	<u>167,615</u>	<u>167,759</u>	<u>702,307</u>	<u>702,910</u>
Non-controlling interests	1,594	2,062	6,679	8,640
Total equity	<u>169,209</u>	<u>169,821</u>	<u>708,986</u>	<u>711,550</u>
Non-current liabilities				
Lease liabilities	703	-	2,946	-
Deferred income tax liabilities	5,403	5,967	22,638	25,002
Other non-current liabilities	1,394	1,329	5,841	5,569
	<u>7,500</u>	<u>7,296</u>	<u>31,425</u>	<u>30,571</u>
	<u>176,709</u>	<u>177,117</u>	<u>740,411</u>	<u>742,121</u>
Net assets per share attributable to owners of the Company (US cents /sen)	<u>9.93</u>	<u>9.94</u>	<u>41.62</u>	<u>41.66</u>

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)						Total equity US\$'000
	Attributable to owners of the Company					Non- controlling interests US\$'000	
	Share capital US\$'000	Share premium US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Sub-total US\$'000		
At 1 April 2018	21,715	54,664	(100,380)	221,670	197,669	4,099	201,768
Profit/(loss) for the period	-	-	-	6,038	6,038	(456)	5,582
Other comprehensive (loss)/income							
Items that 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:							
Fair value change on financial assets 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	-	-	-	(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)	224,671	186,262	2,110	188,372

* negligible

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(Unaudited)						
	Attributable to owners of the Company					Non- controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Sub-total		
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
At 1 April 2019	21,715	54,664	(113,173)	204,553	167,759	2,062	169,821
Profit/(loss) for the period	-	-	-	5,449	5,449	(305)	5,144
Other comprehensive loss							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(3,473)	-	(3,473)	(1)	(3,474)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	(433)	-	(433)	(161)	(594)
Other comprehensive loss, net of tax	-	-	(3,906)	-	(3,906)	(162)	(4,068)
Total comprehensive (loss)/income for the period ended 30 September 2019	-	-	(3,906)	5,449	1,543	(467)	1,076
Total transactions with owners, recognised directly in equity							
2018/2019 second interim dividend	-	-	-	(1,687)	(1,687)	-	(1,687)
2018/2019 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(1)	(1)
	-	-	-	(1,687)	(1,687)	(1)	(1,688)
At 30 September 2019	21,715	54,664	(117,079)	208,315	167,615	1,594	169,209

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(Unaudited)						Total equity RM'000 (Note)
	Attributable to owners of the Company					Non- controlling interests RM'000 (Note)	
	Share capital RM'000 (Note)	Share premium RM'000 (Note)	Other reserves RM'000 (Note)	Retained earnings RM'000 (Note)	Sub-total RM'000 (Note)		
At 1 April 2018	90,986	229,042	(420,592)	928,797	828,233	17,175	845,408
Profit/(loss) for the period	-	-	-	25,299	25,299	(1,910)	23,389
Other comprehensive (loss)/income							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(43,425)	-	(43,425)	(134)	(43,559)
Currency translation differences released upon disposal of subsidiaries	-	-	657	-	657	243	900
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	(17,602)	-	(17,602)	(6,528)	(24,130)
Other comprehensive loss, net of tax	-	-	(60,370)	-	(60,370)	(6,419)	(66,789)
Total comprehensive (loss)/income for the period ended 30 September 2018	-	-	(60,370)	25,299	(35,071)	(8,329)	(43,400)
Total transactions with owners, recognised directly in equity							
2017/2018 second interim dividend	-	-	-	(12,725)	(12,725)	-	(12,725)
2017/2018 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	-*	-*
2018/2019 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(4)	(4)
	-	-	-	(12,725)	(12,725)	(4)	(12,729)
At 30 September 2018	90,986	229,042	(480,962)	941,371	780,437	8,842	789,279

* negligible

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(Unaudited)						Total equity RM'000 (Note)
	Attributable to owners of the Company					Non- controlling interests RM'000 (Note)	
	Share capital RM'000 (Note)	Share premium RM'000 (Note)	Other reserves RM'000 (Note)	Retained earnings RM'000 (Note)	Sub-total RM'000 (Note)		
At 1 April 2019	90,986	229,042	(474,195)	857,077	702,910	8,640	711,550
Profit/(loss) for the period	-	-	-	22,831	22,831	(1,278)	21,553
Other comprehensive loss							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(14,552)	-	(14,552)	(4)	(14,556)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	(1,814)	-	(1,814)	(675)	(2,489)
Other comprehensive loss, net of tax	-	-	(16,366)	-	(16,366)	(679)	(17,045)
Total comprehensive (loss)/income for the period ended 30 September 2019	-	-	(16,366)	22,831	6,465	(1,957)	4,508
Total transactions with owners, recognised directly in equity							
2018/2019 second interim dividend	-	-	-	(7,068)	(7,068)	-	(7,068)
2018/2019 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(4)	(4)
	-	-	-	(7,068)	(7,068)	(4)	(7,072)
At 30 September 2019	90,986	229,042	(490,561)	872,840	702,307	6,679	708,986

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)		(Unaudited)	
	Six month ended		Six month ended	
	30 September		30 September	
	2019	2018	2019	2018
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Cash flows from operating activities				
Cash generated from operations	15,512	21,729	64,995	91,044
Interest paid	(343)	(1,432)	(1,437)	(6,000)
Income tax paid	(398)	(2,807)	(1,668)	(11,761)
Net cash generated from operating activities	14,771	17,490	61,890	73,283
Cash flows from investing activities				
Dividends received	13	13	54	54
(Increase)/decrease in short-term bank deposits with original maturity over three months	(4,702)	5,621	(19,701)	23,552
Interest received	751	1,633	3,147	6,842
Proceeds from disposal of property, plant and equipment	31	45	130	189
Purchases of intangible assets	(52)	(52)	(218)	(218)
Purchases of property, plant and equipment	(463)	(891)	(1,940)	(3,733)
Net cash (used in)/generated from investing activities	(4,422)	6,369	(18,528)	26,686
Cash flows from financing activities				
Dividends paid	(1,687)	(3,037)	(7,068)	(12,725)
Dividends paid to non-controlling interests by an unlisted subsidiary	(1)	(1)	(4)	(4)
Proceeds from bank and other borrowings	1,778	3,968	7,449	16,626
Repayments of bank and other borrowings	(3,795)	(9,150)	(15,901)	(38,339)
Principal elements of lease liabilities	(343)	-	(1,437)	-
Net cash used in financing activities	(4,048)	(8,220)	(16,961)	(34,442)
Net increase in cash and cash equivalents	6,301	15,639	26,401	65,527
Cash and cash equivalents at beginning of period	69,204	101,923	289,965	427,057
Exchange adjustments on cash and cash equivalents	(1,036)	(5,641)	(4,341)	(23,636)
Cash and cash equivalents at end of period	74,469	111,921	312,025	468,948

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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 2019 (“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 2019 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 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 2019 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 or amended standards became applicable for the current reporting period:

- Amendments to IAS 19, “Plan amendment, curtailment or settlement”
- Amendments to IAS 28, “Long-term interests in associates and joint ventures”
- Amendments to IFRS 9, “Prepayment features with negative compensation”
- New standard IFRS 16, “Leases”
- Interpretations IFRIC 23, “Uncertainty over income tax treatments”
- Annual improvement, “Annual improvements to IFRSs 2015–2017 cycle”

The impact of the adoption of IFRS 16 “Leases” and change in accounting policies are disclosed in Note A3 below. The other 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
Amendments to IAS 1 and IAS 8	Definition of material	1 January 2020
Amendments to IFRS 3 and IAS 28	Definition of a business	1 January 2020
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 17	Insurance contracts	1 January 2021

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

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A3. Impact on the financial statements from the adoption of IFRS 16

This note explains the impact of the adoption of IFRS 16 “Leases” on the Group’s consolidated financial statements and also discloses the new accounting policies that have been applied from 1 April 2019.

The Group has adopted IFRS 16 retrospectively from 1 April 2019, but has not restated prior period comparatives, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balances of the Group’s consolidated statement of financial position as at 1 April 2019.

(a) Adjustments recognised on adoption of IFRS 16

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of IAS 17 “Leases”.

These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 April 2019, except for short-term leases and leases for which the underlying asset is of low value, to which the respective lease payments associated with those leases are recognised as an expense on a straight-line basis over the lease term. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 3.0%.

The Group had outstanding lease commitments of US\$2,369,000 as at 31 March 2019:

	<i>US\$000</i>
Discounted using the lessee’s incremental borrowing rate at the date of initial application	2,260
Less: short-term leases not recognised as a liability	(706)
Less: low value leases not recognised as a liability	(245)
	<hr/>
Lease liabilities to be recognised	1,309
Net-off with prepayment	(2)
	<hr/>
Lease liabilities recognised as at 1 April 2019	1,307
	<hr/>
Of which are:	
Current lease liabilities	650
Non-current lease liabilities	657
	<hr/>
	<u>1,307</u>

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A3. Impact on the financial statements from the adoption of IFRS 16 (Continued)

(a) Adjustments recognised on adoption of IFRS 16 (Continued)

Right-of-use assets recognised relate to the following types of assets:

	30 September 2019	1 April 2019
	US\$'000	US\$'000
Right-of-use assets - properties	<u>1,218</u>	<u>1,309</u>

The change in accounting policy affected the following items in the consolidated statement of financial position as at 1 April 2019:

- Right-of-use assets - increased by US\$1,309,000
- Prepayments - decreased by US\$2,000
- Lease liabilities - increased by US\$1,307,000

There was no impact to the Group's retained earnings as at 1 April 2019 for the adoption of IFRS 16.

Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to apply IFRS 16 to contracts that were not identified as containing a lease under IAS 17 and IFRIC 4 "Determining whether an Arrangement Contains a Lease".

(b) The Group's leasing activities and how these are accounted for

The Group leases various offices and equipment. Rental contracts are typically made for fixed periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the financial year 2018/2019, leases of property, plant and equipment were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) were charged to profit or loss on a straight-line basis over the periods of the leases.

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A3. Impact on the financial statements from the adoption of IFRS 16 (Continued)

(b) The Group's leasing activities and how these are accounted for (Continued)

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

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 Malaysian Ringgit ("RM"). However, each entity within the Group can present its financial statements in any currency, which can be the same or different from the entity's functional currency. As the Group operates internationally, management considers that it is more appropriate to use United States Dollar ("US\$"), a globally recognised currency, as the presentation currency for the Group's consolidated financial statements. For the entity whose functional currency is not US\$, its results and financial position have been translated into US\$.

The assets and liabilities of each entity within the Group are mostly denominated in its own functional currency and do not have material impact on the consolidated statement of profit or loss for the period.

During the six months ended 30 September 2019, the Group is particularly exposed to movements in the US\$ to RM exchange rate as a major part of the Group's operations is located in Malaysia.

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 2019 was not subject to any qualification.

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 US0.10 cents per ordinary share, totaling US\$1,687,000, in respect of the year ended 31 March 2019 was paid on 12 July 2019.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

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 decision-making.

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

Publishing and printing: Malaysia and other Southeast Asian countries
Publishing and printing: Hong Kong and Taiwan
Publishing and printing: North America
Travel and travel related services

Publishing and printing segments are engaged in the publication, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language. The segments derive revenue mainly from the provision of advertising services and sales of newspapers and magazines. Travel and travel related services segment derives revenue from the sales of travel packages and provision of tour services.

The Group Executive Committee assesses the performance of the operating segments based on a measure of segment profit before income tax as presented in the internal financial report. Other information provided is measured in a manner consistent with that in the internal financial report.

The Group's turnover and results for the quarter ended 30 September 2019, analysed by operating segment, are as follows:

	(Unaudited)					Total US\$'000
	Three months ended 30 September 2019					
	Publishing and printing				Travel and travel related services US\$'000	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000		
Turnover	27,433	13,368	2,565	43,366	29,532	72,898
Segment profit/(loss) before income tax	2,029	(451)	(827)	751	2,209	2,960
Other net unallocated expenses						(203)
Profit before income tax						2,757
Income tax credit						252
Profit for the quarter						3,009
Other segmental information:						
Interest income	346	8	14	368	22	390
Finance costs	(1)	(163)	-	(164)	(10)	(174)
Depreciation of property, plant and equipment	(1,287)	(289)	(45)	(1,621)	(8)	(1,629)
Depreciation of right-of-use assets	-	-	-	-	(190)	(190)
Amortisation of intangible assets	(167)	(29)	(2)	(198)	(8)	(206)

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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)					Total US\$'000
	Three months ended 30 September 2018					
	Publishing and printing				Travel and travel related services US\$'000	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong, Taiwan and Mainland China US\$'000	North America US\$'000	Sub-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)

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	
	2019 US\$'000	2018 US\$'000
By major products or service lines		
Timing of revenue recognition		
At a point in time		
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	15,081	17,298
Travel and travel related services income	337	347
Over time		
Advertising income, net of trade discounts	28,285	32,328
Travel and travel related services income	29,195	35,696
	72,898	85,669

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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 2019, analysed by operating segment, are as follows:

	(Unaudited)					
	Six months ended 30 September 2019					
	Publishing and printing					
	Malaysia and other Southeast Asian countries <i>US\$'000</i>	Hong Kong and Taiwan <i>US\$'000</i>	North America <i>US\$'000</i>	Sub-total <i>US\$'000</i>	Travel and travel related services <i>US\$'000</i>	Total <i>US\$'000</i>
Turnover	54,679	25,105	5,508	85,292	59,238	144,530
Segment profit/(loss) before income tax	4,520	(1,599)	(836)	2,085	4,307	6,392
Other net unallocated expenses						<u>(391)</u>
Profit before income tax						6,001
Income tax expense						<u>(857)</u>
Profit for the period						<u>5,144</u>
Other segmental information:						
Interest income	681	15	20	716	35	751
Finance costs	(12)	(312)	-	(324)	(19)	(343)
Depreciation of property, plant and equipment	(2,591)	(580)	(93)	(3,264)	(17)	(3,281)
Depreciation of right-of-use assets	-	-	-	-	(358)	(358)
Amortisation of intangible assets	(344)	(58)	(4)	(406)	(15)	(421)

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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)					Total US\$'000
	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	
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						<u>5,582</u>
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)

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 2019 US\$'000	2018 US\$'000
By major products or service lines		
Timing of revenue recognition		
At a point in time		
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	29,733	34,877
Travel and travel related services income	640	610
Over time		
Advertising income, net of trade discounts	55,559	66,008
Travel and travel related services income	58,598	66,206
	<u>144,530</u>	<u>167,701</u>

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A11. Turnover and segment information (Continued)

The segment assets and liabilities as at 30 September 2019 are as follows:

	(Unaudited)						Total US\$'000
	Publishing and printing				Travel and travel related services US\$'000	Elimination US\$'000	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000			
Segment assets	164,069	40,721	13,478	218,268	29,916	(941)	247,243
Unallocated assets							<u>1,832</u>
Total assets							<u>249,075</u>
Total assets include:							
Additions to non-current assets (other than deferred income tax assets)	309	178	24	511	4	-	<u>515</u>
Segment liabilities	(17,320)	(29,962)	(8,865)	(56,147)	(16,255)	941	(71,461)
Unallocated liabilities							<u>(8,405)</u>
Total liabilities							<u>(79,866)</u>

The segment assets and liabilities as at 31 March 2019 are as follows:

	(Audited)						Total US\$'000
	Publishing and printing				Travel and travel related services US\$'000	Elimination US\$'000	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000			
Segment assets	168,760	42,672	10,562	221,994	26,435	(270)	248,159
Unallocated assets							<u>1,422</u>
Total assets							<u>249,581</u>
Total assets include:							
Additions to non-current assets (other than deferred income tax assets)	5,892	376	44	6,312	18	-	<u>6,330</u>
Segment liabilities	(19,186)	(30,300)	(6,384)	(55,870)	(15,985)	270	(71,585)
Unallocated liabilities							<u>(8,175)</u>
Total liabilities							<u>(79,760)</u>

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, financial assets at fair value through other comprehensive income, right-of-use assets, inventories, trade and other receivables, short-term bank deposits, and cash and cash equivalents. They mainly exclude deferred income tax assets, financial assets at fair value through profit or loss and income tax recoverable of the Group.

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

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 2019.

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.

A15. Capital commitments

Capital commitments outstanding as at 30 September 2019 are as follows:

	(Unaudited) US\$'000
Property, plant and equipment :	
Authorised and contracted for	1,116
Authorised but not contracted for	806
	<u>1,922</u>

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A16. Related party transactions

	(Unaudited)		(Unaudited)	
	Three months ended 30 September		Six months ended 30 September	
	2019	2018	2019	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Advertising income received from related companies (<i>note 1</i>)	-	-	(1)	-
Commission received from sales of honey from a related company (<i>note 1</i>)	-	-	-	(1)
Newsprint purchases from a related company (<i>note 1</i>)	-	-	-	725
Provision of accounting and administrative services to related companies (<i>note 1</i>)	(2)	(4)	(5)	(8)
Provision of editorial pagination services to a related company (<i>note 1</i>)	-	(14)	-	(29)
Provision of engineering professional services by a related company (<i>note 1</i>)	11	12	23	24
Provision of legal services by a related company (<i>note 2</i>)	30	-	49	-
Purchase of air tickets from a related company (<i>note 1</i>)	5	(1)	7	2
Purchase of mineral water from a related company (<i>note 1</i>)	1	-	1	-
Rental expenses paid to related companies (<i>note 1</i>)	25	23	47	46
Scrap sales of old newspapers and magazines to a related company (<i>note 1</i>)	-	-	-	(98)

Notes:

- 1) Certain shareholders and directors of the Company are shareholders and/or directors of these related companies.
- 2) A director of a subsidiary of the Company is an associate of the related company.
- 3) All the transactions above have been entered into in the normal course of business and have been charged at predetermined rates agreed mutually by the parties involved.

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**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		
	2019 US\$'000	2018 US\$'000	% Change	2019 US\$'000	2018 US\$'000	% Change
Turnover	72,898	85,669	-14.9%	144,530	167,701	-13.8%
Profit before income tax	2,757	4,348	-36.6%	6,001	9,236	-35.0%
EBITDA	4,566	6,298	-27.5%	9,653	13,256	-27.2%

For the quarter ended 30 September 2019, the Group's turnover declined by 14.9% to US\$72,898,000 when compared to the corresponding quarter last year, adversely impacted by decreases in revenue from both the publishing and printing and the travel segments of 12.6% and 18.1% respectively. Consequently, the Group's profit before income tax fell 36.6% year-over-year to US\$2,757,000.

Compared to the corresponding quarter last year, EBITDA for the quarter fell 27.5% to US\$4,566,000.

During the current quarter, both the Malaysian Ringgit ("RM") and the Canadian dollar ("C\$") weakened against the US dollar, resulting in negative currency impacts of approximately US\$586,000 on the Group's turnover and US\$32,000 on the Group's profit before income tax.

Publishing and Printing

For the quarter under review, the turnover of the publishing and printing segment fell by 12.6% or US\$6,260,000 to US\$43,366,000 from US\$49,626,000 in the same quarter previous year. This resulted in a decline in the segment's profit before income tax by 68.0% to US\$751,000 from last year's US\$2,349,000.

Turnover of the Malaysia and other Southeast Asia segment for the quarter in review was US\$27,433,000, a decrease of 17.9% from last year's US\$33,416,000. This is in spite of the Malaysian economy having improved in the second quarter of 2019 to 4.9% from 4.5% in the first quarter. In addition to the soft market conditions and weak consumer sentiment, the decline in the market's advertising spending was also due to the absence of significant adex-boosting events such as the FIFA World Cup and the 14th general election in 2018. The Group's print revenue declined whilst its digital advertising revenue growth continued. Nevertheless, the Group has continued its efforts to improve its revenue by organising more revenue generating events and providing comprehensive advertising solutions for its customers. Meanwhile, cost containment and efficiency initiatives have been continued with the result that the segment's overall operating costs for the current quarter were 13.4% below those of the same quarter last year.

Amid the US-China trade tension and continuing protests, Hong Kong's GDP contracted by 2.9% year-over-year in the 3rd quarter of 2019, its first time decline since 2009. The number of tourists visiting Hong Kong plunged 34.2% in September while Hong Kong's retail sales showed a record drop of 22.9% in August 2019 when compared with the corresponding months in 2018.

Despite the adverse business conditions, the performance of the Hong Kong and Taiwan segment improved marginally during the quarter under review with a 2.9% growth in its turnover to US\$13,368,000 as compared to US\$12,997,000 in the corresponding quarter last year. This slight improvement was mainly contributed by the steady growth in revenue from the recruitment and education sectors as well as increased digital advertising revenue and revenue from the segment's book publication business. Together with the savings achieved from its continued cost control efforts, the segment reduced its loss before income tax for the quarter to US\$451,000 from US\$1,163,000 in the same quarter last year.

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

B1. Analysis of performance (Continued)

The performance of the North America segment remained weak, given the lackluster business environment and a softening property market. The turnover for this segment fell by 20.2% to US\$2,565,000. The segment recorded a loss before income tax of US\$827,000 for the quarter under review as compared to a loss before income tax of US\$866,000 for the prior-year quarter. This slight improvement was achieved through continued cost savings and with the help of a grant from the local government.

Travel and travel related services

Turnover for the travel segment amounted to US\$29,532,000 in the current quarter, a decrease of 18.1% compared to US\$36,043,000 in the corresponding quarter last year. The decrease resulted in a 23.6% drop in the travel segment's profit before income tax to US\$2,209,000 from last year's US\$2,890,000. The decline in turnover was partly due to more tours last year for the FIFA World Cup. The intense competition in the travel industry and uncertainty in the Hong Kong economy after months of continuous protests in the city also have adverse impact on the travel segment's performance for the current quarter.

First half of FY 2019/2020

For the six months ended 30 September 2019, the Group's turnover decreased by 13.8% or US\$23,171,000 to US\$144,530,000 when compared to the corresponding period last year. Turnover from the publishing and printing segment fell 15.5% to US\$85,292,000, while turnover from the travel segment dropped 11.3% to US\$59,238,000.

The Group's profit before income tax for this current period decreased by 35.0% or US\$3,235,000 to US\$6,001,000 when compared to the same period in the previous year.

Accordingly, the Group's EBITDA for the current period fell 27.2% to US\$9,653,000 from US\$13,256,000 in the prior year period.

During the six months ended 30 September 2019, both the RM and the C\$ weakened against the US dollar which resulted in negative currency impacts on the Group's turnover and profit before income tax of approximately US\$2,213,000 and US\$159,000 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 2019 US\$'000	(Unaudited) Three months ended 30 June 2019 US\$'000	% Change
Turnover	72,898	71,632	+1.8%
Profit before income tax	2,757	3,244	-15.0%

The Group's turnover improved marginally by 1.8% to US\$72,898,000 compared to US\$71,632,000 in the immediate preceding quarter. This improvement was mainly contributed by the Group's publishing and printing businesses in Hong Kong and Taiwan which reported a 13.9% increase in turnover compared to the immediate preceding quarter.

Despite the increase in turnover, the Group's profit before income tax for the quarter was 15.0% or US\$487,000 lower than of the immediate preceding quarter.

B3. Current year prospects

The Group expects the second half of the financial year 2019/2020 to be difficult and challenging. The absence of advertising spending catalysts in this second half of the financial year would mute the advertisement spend for the media sector in general. The unresolved trade tensions between the USA and China and the slower than expected global growth would further dampen the prolonged weak advertising spend in the media sector. Furthermore, business conditions in Hong Kong have worsened in the last six months due to the ongoing protests which have adversely affected businesses across the board, in particular the retail and travel sectors.

With its revenue on a downward trend for most markets, the Group will continuously look for cost optimisation measures to rein in its operating costs. The Group will also continue to develop and enhance its digital content and platform capabilities. In addition, it will enhance its efforts on revenue generating activities such as organising events, awards and building its talent management capabilities. For the travel segment, the Group will focus on designing tour packages which promote unique travel experiences and 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.

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**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)		(Unaudited)	
	Three months ended		Six months ended	
	30 September		30 September	
	2019	2018	2019	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Exchange (losses)/gains, net	(50)	71	(108)	(21)
Provision for loss allowance and write-off of trade and other receivables	(573)	(168)	(439)	(233)
Provision for impairment and write-off of inventories	(39)	(39)	(79)	(100)
Write-off of intangible assets	(40)	-	(40)	-
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/(credit)

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

	(Unaudited)		(Unaudited)	
	Three months ended		Six months ended	
	30 September		30 September	
	2019	2018	2019	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Current period income tax expense	171	2,077	1,336	4,176
Under provision in prior years	3	3	1	3
Deferred income tax credit	(426)	(456)	(480)	(525)
	(252)	1,624	857	3,654

The effective tax rate of the Group for the current quarter and period under review was lower than the Malaysian statutory tax rate of 24% mainly due to the receipt of a tax refund by an overseas subsidiary from an overseas tax authority upon the successful application for a tax incentive scheme.

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

B7. Status of corporate proposal

There were no corporate proposals announced but not completed at the latest practicable date, which is not earlier than seven days from the date of issue of this financial information.

B8. Group borrowings

The Group's borrowings as at 30 September 2019 are as follows:

	Secured US\$'000	(Unaudited) Unsecured US\$'000	Total US\$'000
Current			
Bank borrowings	<u>17,686</u>	<u>199</u>	<u>17,885</u>

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

	(Unaudited) US\$'000
Malaysian Ringgit	95
Hong Kong dollars	17,218
United States dollars	572
	<u>17,885</u>

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 30 September 2019 and 31 March 2019.

B9. Material litigation

As at 30 September 2019, 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.

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

B10. Dividend payable

The Board of Directors has declared a first interim dividend of US0.16 cents (2018/2019: US0.18 cents) per ordinary share in respect of the year ending 31 March 2020. The dividend will be payable on Monday, 30 December 2019 to shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 10 December 2019 in cash in RM or in Hong Kong dollars ("HK\$") at the average exchange rates used during the period ended 30 September 2019 for the translation of the results of the subsidiaries whose functional currencies are not US\$. This interim dividend, amounting to US\$2,700,000 (2018/2019: US\$3,037,000) 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 2020.

The average exchange rates used during the period ended 30 September 2019 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	4.1535	0.665 sen
US\$ to HK\$	7.8251	HK1.252 cents

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 Tuesday, 10 December 2019 whereby no transfer of shares will be registered on that date. In order to qualify for the first interim dividend of US0.16 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 9 December 2019. 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 Tuesday, 10 December 2019 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 Monday, 30 December 2019.

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 Wednesday, 4 December 2019 to Tuesday, 10 December 2019, both days inclusive.

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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 30 September		(Unaudited) Six months ended 30 September	
	2019	2018	2019	2018
Profit attributable to owners of the Company(US\$'000)	<u>3,185</u>	<u>2,996</u>	<u>5,449</u>	<u>6,038</u>
Weighted average number of ordinary shares in issue	<u>1,687,236,241</u>	<u>1,687,236,241</u>	<u>1,687,236,241</u>	<u>1,687,236,241</u>
Basic earnings per share (US cents)	<u>0.19</u>	<u>0.18</u>	<u>0.32</u>	<u>0.36</u>
Diluted earnings per share (US cents)	<u>0.19</u>	<u>0.18</u>	<u>0.32</u>	<u>0.36</u>

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 2019 and 2018.

On behalf of the Board
Media Chinese International Limited

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