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MEDIA CHINESE INTERNATIONAL LIMITED

世界華文媒體有限公司

(Incorporated in Bermuda with limited liability)

(Malaysia Company No. 200702000044)

(Hong Kong Stock Code: 685)

(Malaysia Stock Code: 5090)

ANNOUNCEMENT

FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2020

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 March 2020 to Bursa Securities on 24 June 2020.

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).

24 June 2020

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. 200702000044)
Financial report for the fourth quarter ended 31 March 2020

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Three months ended 31 March		(Unaudited) Three months ended 31 March	
	2020 US\$'000	2019 US\$'000	2020 RM'000 <i>(Note)</i>	2019 RM'000 <i>(Note)</i>
Turnover	38,457	54,292	165,865	234,161
Cost of goods sold	(25,826)	(35,445)	(111,387)	(152,874)
Gross profit	12,631	18,847	54,478	81,287
Other income	2,332	1,765	10,058	7,612
Other (losses)/gains, net	(48)	527	(207)	2,273
Selling and distribution expenses	(8,819)	(10,512)	(38,036)	(45,338)
Administrative expenses	(6,142)	(7,278)	(26,490)	(31,390)
Other operating expenses	(1,312)	(6,401)	(5,660)	(27,607)
Operating loss before provision for impairment of goodwill	(1,358)	(3,052)	(5,857)	(13,163)
Provision for impairment of goodwill	-	(15,227)	-	(65,674)
Operating loss	(1,358)	(18,279)	(5,857)	(78,837)
Finance costs	(179)	(498)	(772)	(2,148)
Loss before income tax	(1,537)	(18,777)	(6,629)	(80,985)
Income tax expense	(860)	(373)	(3,709)	(1,609)
Loss for the quarter	(2,397)	(19,150)	(10,338)	(82,594)
Loss attributable to:				
Owners of the Company	(1,794)	(19,036)	(7,737)	(82,102)
Non-controlling interests	(603)	(114)	(2,601)	(492)
	(2,397)	(19,150)	(10,338)	(82,594)
Loss per share attributable to owners of the Company				
Basic (US cents/sen) #	(0.11)	(1.13)	(0.47)	(4.87)
Diluted (US cents/sen) #	(0.11)	(1.13)	(0.47)	(4.87)

Refer to B11 for calculations of basic and diluted (loss)/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 March 2020 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.3130 ruling at 31 March 2020. 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 31 March		(Unaudited) Three months ended 31 March	
	2020 US\$'000	2019 US\$'000	2020 RM'000 <i>(Note)</i>	2019 RM'000 <i>(Note)</i>
Loss for the quarter	(2,397)	(19,150)	(10,338)	(82,594)
Other comprehensive (loss)/income				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences	(7,679)	1,783	(33,120)	7,690
Items that will not be reclassified subsequently to profit or loss:				
Fair value change on financial assets at fair value through other comprehensive income	(670)	(336)	(2,890)	(1,449)
Remeasurements of post-employment benefit obligations	56	251	242	1,083
Other comprehensive (loss)/income for the quarter, net of tax	(8,293)	1,698	(35,768)	7,324
Total comprehensive loss for the quarter	(10,690)	(17,452)	(46,106)	(75,270)
Total comprehensive loss for the quarter attributable to:				
Owners of the Company	(9,901)	(17,246)	(42,703)	(74,382)
Non-controlling interests	(789)	(206)	(3,403)	(888)
	(10,690)	(17,452)	(46,106)	(75,270)

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Year ended 31 March		(Unaudited) Year ended 31 March	
	2020 US\$'000	2019 US\$'000	2020 RM'000 (Note)	2019 RM'000 (Note)
Turnover	239,217	285,560	1,031,743	1,231,620
Cost of goods sold	(165,772)	(194,458)	(714,975)	(838,697)
Gross profit	73,445	91,102	316,768	392,923
Other income	9,197	7,931	39,667	34,206
Other (losses)/gains, net	(146)	107	(630)	461
Selling and distribution expenses	(41,949)	(48,403)	(180,926)	(208,762)
Administrative expenses	(25,710)	(29,568)	(110,887)	(127,527)
Other operating expenses	(4,852)	(9,826)	(20,927)	(42,379)
Operating profit before provision for impairment of goodwill	9,985	11,343	43,065	48,922
Provision for impairment of goodwill	-	(15,227)	-	(65,674)
Operating profit/(loss)	9,985	(3,884)	43,065	(16,752)
Finance costs	(702)	(2,653)	(3,027)	(11,442)
Profit/(loss) before income tax	9,283	(6,537)	40,038	(28,194)
Income tax expense	(3,164)	(5,179)	(13,647)	(22,337)
Profit/(loss) for the year	6,119	(11,716)	26,391	(50,531)
Profit/(loss) attributable to:				
Owners of the Company	7,055	(11,293)	30,428	(48,707)
Non-controlling interests	(936)	(423)	(4,037)	(1,824)
	6,119	(11,716)	26,391	(50,531)
Earnings/(loss) per share attributable to owners of the Company				
Basic (US cents/sen) #	0.42	(0.67)	1.81	(2.89)
Diluted (US cents/sen) #	0.42	(0.67)	1.81	(2.89)

Refer to B11 for calculations of basic and diluted earnings/(loss) per share

Note: The presentation currency of this unaudited financial information is United States Dollar ("US\$"). Supplementary information in Malaysian Ringgit ("RM") for the year ended 31 March 2020 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.3130 ruling at 31 March 2020. 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

	Year ended 31 March		(Unaudited) Year ended 31 March	
	2020 US\$'000	2019 US\$'000	2020 RM'000 (Note)	2019 RM'000 (Note)
Profit/(loss) for the year	6,119	(11,716)	26,391	(50,531)
Other comprehensive (loss)/ income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	(7,615)	(8,653)	(32,843)	(37,321)
Currency translation differences released upon disposal of subsidiaries	-	215	-	927
Items that will not be reclassified subsequently to profit or loss:				
Fair value change on financial assets at fair value through other comprehensive income	(1,813)	(5,939)	(7,819)	(25,615)
Remeasurements of post-employment benefit obligations	56	251	242	1,083
Revaluation of land and buildings upon transfer to investment properties	618	-	2,665	-
Other comprehensive loss for the year, net of tax	(8,754)	(14,126)	(37,755)	(60,926)
Total comprehensive loss for the year	(2,635)	(25,842)	(11,364)	(111,457)
Total comprehensive loss for the year attributable to:				
Owners of the Company	(1,219)	(23,836)	(5,257)	(102,805)
Non-controlling interests	(1,416)	(2,006)	(6,107)	(8,652)
	(2,635)	(25,842)	(11,364)	(111,457)

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the year ended 31 March 2020 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.3130 ruling at 31 March 2020. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March 2020 US\$'000	As at 31 March 2019 US\$'000	(Unaudited) As at 31 March 2020 RM'000 (Note)	(Unaudited) As at 31 March 2019 RM'000 (Note)
ASSETS				
Non-current assets				
Property, plant and equipment	70,669	79,209	304,796	341,628
Investment properties	21,864	20,913	94,299	90,198
Intangible assets	9,146	9,141	39,446	39,425
Deferred income tax assets	120	224	518	966
Financial assets at fair value through other comprehensive income	1,267	3,044	5,465	13,129
	103,066	112,531	444,524	485,346
Current assets				
Inventories	20,039	24,869	86,428	107,260
Trade and other receivables	25,252	35,945	108,912	155,031
Financial assets at fair value through profit or loss	425	444	1,833	1,915
Income tax recoverable	447	637	1,928	2,747
Short-term bank deposits	13,430	5,951	57,924	25,667
Cash and cash equivalents	60,452	69,204	260,729	298,477
	120,045	137,050	517,754	591,097
Current liabilities				
Trade and other payables	22,328	32,796	96,300	141,449
Contract liabilities	8,889	18,858	38,338	81,335
Income tax liabilities	564	853	2,433	3,679
Bank and other borrowings	19,362	19,912	83,508	85,880
Lease liabilities	839	-	3,619	-
Current portion of other non-current liabilities	60	45	259	194
	52,042	72,464	224,457	312,537
Net current assets	68,003	64,586	293,297	278,560
Total assets less current liabilities	171,069	177,117	737,821	763,906

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	As at 31 March 2020 US\$'000	As at 31 March 2019 US\$'000	(Unaudited) As at 31 March 2020 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	93,657	93,657
Share premium	54,664	54,664	235,766	235,766
Other reserves	(121,506)	(113,173)	(524,055)	(488,115)
Retained earnings	207,280	204,553	893,999	882,237
	162,153	167,759	699,367	723,545
Non-controlling interests	645	2,062	2,782	8,893
Total equity	162,798	169,821	702,149	732,438
Non-current liabilities				
Lease liabilities	1,354	-	5,840	-
Deferred income tax liabilities	5,533	5,967	23,863	25,736
Other non-current liabilities	1,384	1,329	5,969	5,732
	8,271	7,296	35,672	31,468
	171,069	177,117	737,821	763,906
Net assets per share attributable to owners of the Company (US cents /sen)	9.61	9.94	41.45	42.87

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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		
At 1 April 2018	21,715	54,664	(100,380)	221,670	197,669	4,099	201,768
Loss for the year	-	-	-	(11,293)	(11,293)	(423)	(11,716)
Other comprehensive (loss)/income							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(8,617)	-	(8,617)	(36)	(8,653)
Currency translation differences released upon disposal of subsidiaries	-	-	157	-	157	58	215
Items that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	(4,333)	-	(4,333)	(1,606)	(5,939)
Remeasurements of post-employment benefit obligations	-	-	-	250	250	1	251
Other comprehensive (loss)/income, net of tax	-	-	(12,793)	250	(12,543)	(1,583)	(14,126)
Total comprehensive loss for the year ended 31 March 2019	-	-	(12,793)	(11,043)	(23,836)	(2,006)	(25,842)
Total transactions with owners, recognised directly in equity							
2017/2018 second interim dividend	-	-	-	(3,037)	(3,037)	-	(3,037)
2018/2019 first 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	-	-	-	-	-	(31)	(31)
	-	-	-	(6,074)	(6,074)	(31)	(6,105)
At 31 March 2019	21,715	54,664	(113,173)	204,553	167,759	2,062	169,821

* negligible

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	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		
At 1 April 2019	21,715	54,664	(113,173)	204,553	167,759	2,062	169,821
Profit/(loss) for the year	-	-	-	7,055	7,055	(936)	6,119
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(7,624)	-	(7,624)	9	(7,615)
Items that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	(1,325)	-	(1,325)	(488)	(1,813)
Remeasurements of post-employment benefit obligations	-	-	-	59	59	(3)	56
Revaluation of land and buildings upon transfer to investment properties	-	-	616	-	616	2	618
Other comprehensive (loss)/income, net of tax	-	-	(8,333)	59	(8,274)	(480)	(8,754)
Total comprehensive (loss)/income for the year ended 31 March 2020	-	-	(8,333)	7,114	(1,219)	(1,416)	(2,635)
Total transactions with owners, recognised directly in equity							
2018/2019 second interim dividend	-	-	-	(1,687)	(1,687)	-	(1,687)
2019/2020 first interim dividend	-	-	-	(2,700)	(2,700)	-	(2,700)
2018/2019 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(1)	(1)
2019/2020 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	-*	-*
	-	-	-	(4,387)	(4,387)	(1)	(4,388)
At 31 March 2020	21,715	54,664	(121,506)	207,280	162,153	645	162,798

* 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 2018	93,657	235,766	(432,938)	956,063	852,548	17,679	870,227
Loss for the year	-	-	-	(48,707)	(48,707)	(1,824)	(50,531)
Other comprehensive (loss)/income							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(37,166)	-	(37,166)	(155)	(37,321)
Currency translation differences released upon disposal of subsidiaries	-	-	677	-	677	250	927
Items that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	(18,688)	-	(18,688)	(6,927)	(25,615)
Remeasurements of post-employment benefit obligations	-	-	-	1,079	1,079	4	1,083
Other comprehensive (loss)/income, net of tax	-	-	(55,177)	1,079	(54,098)	(6,828)	(60,926)
Total comprehensive loss for the year ended 31 March 2019	-	-	(55,177)	(47,628)	(102,805)	(8,652)	(111,457)
Total transactions with owners, recognised directly in equity							
2017/2018 second interim dividend	-	-	-	(13,099)	(13,099)	-	(13,099)
2018/2019 first interim dividend	-	-	-	(13,099)	(13,099)	-	(13,099)
2017/2018 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	-*	-*
2018/2019 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(134)	(134)
	-	-	-	(26,198)	(26,198)	(134)	(26,332)
At 31 March 2019	93,657	235,766	(488,115)	882,237	723,545	8,893	732,438

* 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						
	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)	
At 1 April 2019	93,657	235,766	(488,115)	882,237	723,545	8,893	732,438
Profit/(loss) for the year	-	-	-	30,428	30,428	(4,037)	26,391
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(32,882)	-	(32,882)	39	(32,843)
Items that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	(5,715)	-	(5,715)	(2,104)	(7,819)
Remeasurements of post-employment benefit obligations	-	-	-	255	255	(13)	242
Revaluation of land and buildings upon transfer to investment properties	-	-	2,657	-	2,657	8	2,665
Other comprehensive (loss)/income, net of tax	-	-	(35,940)	255	(35,685)	(2,070)	(37,755)
Total comprehensive (loss)/income for the year ended 31 March 2020	-	-	(35,940)	30,683	(5,257)	(6,107)	(11,364)
Total transactions with owners, recognised directly in equity							
2018/2019 second interim dividend	-	-	-	(7,276)	(7,276)	-	(7,276)
2019/2020 first interim dividend	-	-	-	(11,645)	(11,645)	-	(11,645)
2018/2019 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	(4)	(4)
2019/2020 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	-*	-*
	-	-	-	(18,921)	(18,921)	(4)	(18,925)
At 31 March 2020	93,657	235,766	(524,055)	893,999	699,367	2,782	702,149

* negligible

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended		(Unaudited)	
	31 March		Year ended	
	2020	2019	2020	2019
	US\$'000	US\$'000	RM'000	RM'000
			(Note)	(Note)
Cash flows from operating activities				
Cash generated from operations	10,280	23,631	44,337	101,921
Interest paid	(702)	(2,886)	(3,027)	(12,447)
Income tax paid	(3,427)	(5,350)	(14,781)	(23,075)
Net cash generated from operating activities	6,151	15,395	26,529	66,399
Cash flows from investing activities				
Dividends received	152	149	656	643
(Increase)/decrease in short-term bank deposits with original maturity over three months	(7,479)	12,361	(32,257)	53,312
Interest received	1,546	2,984	6,668	12,870
Proceeds from disposal of property, plant and equipment	539	64	2,325	276
Proceeds from disposal of subsidiaries and joint ventures	-	10	-	43
Purchases of intangible assets	(833)	(291)	(3,593)	(1,255)
Purchases of investment properties	-	(4,652)	-	(20,064)
Purchases of property, plant and equipment	(779)	(1,387)	(3,360)	(5,982)
Net cash (used in)/generated from investing activities	(6,854)	9,238	(29,561)	39,843
Cash flows from financing activities				
Dividends paid	(4,387)	(6,074)	(18,921)	(26,198)
Dividends paid to non-controlling interests by an unlisted subsidiary	(1)	(31)	(4)	(134)
Proceeds from bank and other borrowings	4,837	22,896	20,861	98,750
Repayments of bank and other borrowings	(5,523)	(67,988)	(23,821)	(293,232)
Principal elements of lease liabilities	(706)	-	(3,045)	-
Net cash used in financing activities	(5,780)	(51,197)	(24,930)	(220,814)
Net decrease in cash and cash equivalents	(6,483)	(26,564)	(27,962)	(114,572)
Cash and cash equivalents at beginning of year	69,204	101,923	298,477	439,595
Exchange adjustments on cash and cash equivalents	(2,269)	(6,155)	(9,786)	(26,546)
Cash and cash equivalents at end of year	60,452	69,204	260,729	298,477

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the year ended 31 March 2020 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.3130 ruling at 31 March 2020. 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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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 year ended 31 March 2020 (“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.

(i) New and amended standards and interpretations adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- 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 Group changed its accounting policies as a result of adopting IFRS 16 “Leases”. The Group elected to adopt the simplified transition approach and has not restated comparatives for the 2019 reporting period. This is disclosed in Note A3. Other amendments and interpretations listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2020 reporting periods and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2022
Amendments to IAS 1 and IAS 8	Definition of material	1 January 2020
Amendments to IFRS 3	Definition of a business	1 January 2020
Amendments to IAS 39, IFRS 7 and IFRS 9	Interest rate benchmark reform	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 2023

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A2. Accounting policies (Continued)

(ii) New standards and interpretations not yet adopted (Continued)

None of these new standards and interpretations are expected to have a material impact on the Group's consolidated financial statements.

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.

As indicated in Note A2 above, 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.

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%.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset immediately before transition as the carrying amount of the right-of-use asset at the date of initial application. The right-of-use assets recognised on 1 April 2019 include balances of US\$1,514,000, US\$7,840,000 and US\$9,504,000 of long-term leasehold land outside Hong Kong, medium-term leasehold land in Hong Kong and medium-term leasehold land outside Hong Kong respectively.

(i) Measurement of lease liabilities

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

	US\$'000
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	<u>1,307</u>
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)

(ii) Measurement of right-of-use assets

The associated right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31 March 2019.

(iii) Adjustments recognised in the consolidated statement of financial position as at 1 April 2019

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

- Property, plant and equipment – 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.

(iv) 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;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 April 2019;
- 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 reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment made applying IAS 17 "Leases" and IFRIC 4 "Determining whether an Arrangement Contains a Lease".

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 year.

During the year ended 31 March 2020, 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.

The first interim dividend of US0.16 cents per ordinary share, totaling US\$2,700,000, in respect of the year ended 31 March 2020 was paid on 30 December 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 31 March 2020, analysed by operating segment, are as follows:

	(Unaudited)					Total US\$'000
	Three months ended 31 March 2020					
	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	23,521	7,662	2,582	33,765	4,692	38,457
Segment profit/(loss) before income tax	2,783	(3,214)	197	(234)	(1,082)	(1,316)
Other net unallocated expenses						(221)
Loss before income tax						(1,537)
Income tax expense						(860)
Loss for the quarter						(2,397)
Other segmental information:						
Interest income	361	4	5	370	10	380
Finance costs	(3)	(159)	-	(162)	(17)	(179)
Depreciation of property, plant and equipment	(1,246)	(289)	(42)	(1,577)	(209)	(1,786)
Amortisation of intangible assets	(159)	(30)	(2)	(191)	(1)	(192)
Provision for impairment of intangible assets	-	(11)	-	(11)	-	(11)
Provision for impairment of property, plant and equipment	-	(100)	-	(100)	-	(100)

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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 31 March 2019, analysed by operating segment, are as follows:

	(Unaudited) Three months ended 31 March 2019					Travel and travel related services US\$'000	Total US\$'000
	Publishing and printing						
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000			
Turnover	30,508	11,805	3,284	45,597	8,695		54,292
Segment loss before income tax	<u>(16,254)</u>	<u>(818)</u>	<u>(14)</u>	<u>(17,086)</u>	<u>(1,137)</u>		<u>(18,223)</u>
Unallocated finance costs							(405)
Other net unallocated expenses							<u>(149)</u>
Loss before income tax							(18,777)
Income tax expense							<u>(373)</u>
Loss for the quarter							<u>(19,150)</u>
Other segmental information:							
Interest income	534	6	5	545	13		558
Finance costs	(14)	(79)	-	(93)	-		(93)
Depreciation of property, plant and equipment	(1,426)	(303)	(58)	(1,787)	(9)		(1,796)
Amortisation of intangible assets	(177)	(46)	(2)	(225)	(9)		(234)
Provision for impairment of intangible assets	(476)	-	-	(476)	-		(476)
Provision for impairment of property, plant and equipment	(2,750)	-	-	(2,750)	-		(2,750)
Provision for impairment of goodwill	(15,227)	-	-	(15,227)	-		(15,227)

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 March	
	2020 US\$'000	2019 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	12,777	14,283
Travel and travel related services income	60	126
Over time		
Advertising income, net of trade discounts	20,988	31,314
Travel and travel related services income	4,632	8,569
	<u>38,457</u>	<u>54,292</u>

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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 year ended 31 March 2020, analysed by operating segment, are as follows:

	Year ended 31 March 2020					Total US\$'000
	Publishing and printing				Travel and travel related services	
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000	US\$'000	
Turnover	106,294	44,198	10,764	161,256	77,961	239,217
Segment profit/(loss) before income tax	12,447	(5,275)	(518)	6,654	3,397	10,051
Other net unallocated expenses						(768)
Profit before income tax						9,283
Income tax expense						(3,164)
Profit for the year						6,119
Other segmental information:						
Interest income	1,420	27	37	1,484	62	1,546
Finance costs	(15)	(634)	-	(649)	(53)	(702)
Depreciation of property, plant and equipment	(5,107)	(1,160)	(179)	(6,446)	(779)	(7,225)
Amortisation of intangible assets	(667)	(119)	(8)	(794)	(17)	(811)
Provision for impairment of intangible assets	-	(11)	-	(11)	-	(11)
Provision for impairment of property, plant and equipment	-	(100)	-	(100)	-	(100)

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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 year ended 31 March 2019, analysed by operating segment, are as follows:

	Year ended 31 March 2019					Total US\$'000
	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	129,906	50,654	13,397	193,957	91,603	285,560
Segment (loss)/profit before income tax	(2,215)	(3,394)	(2,267)	(7,876)	4,579	(3,297)
Unallocated finance costs						(2,404)
Other net unallocated expenses						(836)
Loss before income tax						(6,537)
Income tax expense						(5,179)
Loss for the year						<u>(11,716)</u>
Other segmental information:						
Interest income	2,902	16	9	2,927	57	2,984
Finance costs	(71)	(178)	-	(249)	-	(249)
Depreciation of property, plant and equipment	(5,801)	(1,218)	(253)	(7,272)	(36)	(7,308)
Amortisation of intangible assets	(701)	(187)	(8)	(896)	(33)	(929)
Provision for impairment of intangible assets	(476)	-	-	(476)	-	(476)
Provision for impairment of property, plant and equipment	(2,750)	-	-	(2,750)	-	(2,750)
Provision for impairment of goodwill	(15,227)	-	-	(15,227)	-	(15,227)

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 year is disaggregated as follows:

	Year ended 31 March	
	2020 US\$'000	2019 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	56,113	64,865
Travel and travel related services income	860	1,000
Over time		
Advertising income, net of trade discounts	105,143	129,092
Travel and travel related services income	77,101	90,603
	<u>239,217</u>	<u>285,560</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 31 March 2020 are as follows:

	<u>Publishing and printing</u>				Travel and travel related services	Elimination	Total
	Malaysia and other Southeast Asian countries	Hong Kong and Taiwan	North America	Sub-total			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Segment assets	158,529	35,575	10,688	204,792	17,854	(642)	222,004
Unallocated assets							<u>1,107</u>
Total assets							<u>223,111</u>
Total assets include:							
Additions to non-current assets (other than deferred income tax assets)	1,213	484	41	1,738	1,466	-	<u>3,204</u>
Segment liabilities	(12,458)	(28,872)	(6,063)	(47,393)	(6,126)	642	(52,877)
Unallocated liabilities							<u>(7,436)</u>
Total liabilities							<u>(60,313)</u>

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

	<u>Publishing and printing</u>				Travel and travel related services	Elimination	Total
	Malaysia and other Southeast Asian countries	Hong Kong and Taiwan	North America	Sub-total			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	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, 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, 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 31 March 2020.

A13. Subsequent material events

There were no subsequent material events of the Group.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

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 with reference to the announcement made by the Company dated 8 January 2020:

- (a) MCIL Business Incubation Sdn Bhd, a dormant and indirect wholly-owned subsidiary of the Company, had commenced member's voluntary winding-up pursuant to Section 439(1)(b) of the Malaysian Companies Act, 2016.
- (b) On 20 December 2019, Ming Pao Holdings Limited ("MPH"), Mingpao.com Holdings Limited ("Mingpao.com Holdings"), Mingpao.com Limited ("Mingpao.com"), MediaNet Resources Limited ("MediaNet Resources") and Ming Pao Education Publications Limited ("MPE"), all being indirect wholly-owned subsidiaries of the Company, had completed an internal re-organisation in which (1) Mingpao.com Holdings transferred 2 ordinary shares of HK\$1.00 each representing its entire interest in Mingpao.com to MPH for a consideration of HK\$2.00; (2) MediaNet Resources transferred 1 ordinary share of HK\$1.00 representing its entire interest in MPE to MPH for a consideration of HK\$1.00; and (3) Mingpao.com Holdings had been struck off from the Register of Companies in the Cayman Islands in accordance with Section 156 of the Companies Law (2018 Revision).
- (c) One Media Investment Limited, a dormant and indirect wholly-owned subsidiary of One Media Group Limited, had been struck off from the Registry of Corporate Affairs in the British Virgin Islands.

A15. Capital commitments

Capital commitments outstanding as at 31 March 2020 are as follows:

	US\$'000
Property, plant and equipment :	
Authorised and contracted for	509
Authorised but not contracted for	-
	<hr/> 509 <hr/>
Intangible assets:	
Authorised and contracted for	1
Authorised but not contracted for	-
	<hr/> 1 <hr/>

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A16. Related party transactions

	(Unaudited)		Year ended	
	Three months ended 31 March		31 March	
	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000
Advertising income received from related companies (<i>note 1</i>)	(1)	(5)	(2)	(5)
Commission received from sales of honey from a related company (<i>note 1</i>)	-	-	(1)	(1)
Gain on disposal of a motor vehicle to a member of the Company's senior management team	-	-	(11)	-
Motor vehicle insurance premiums paid to a related company (<i>note 1</i>)	1	-	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>)	-	(4)	(6)	(17)
Provision of editorial pagination services to a related company (<i>note 1</i>)	-	-	-	(30)
Provision of engineering professional services by a related company (<i>note 1</i>)	4	10	39	47
Provision of legal services by a related company (<i>note 2</i>)	29	-	98	-
Purchase of air tickets from a related company (<i>note 1</i>)	1	1	10	8
Purchases of mineral water from a related company (<i>note 1</i>)	-	-	1	-
Rental expenses paid to related companies (<i>note 1</i>)	22	23	93	92
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)			Year ended		
	Three months ended			31 March		
	2020	2019	% Change	2020	2019	% Change
	US\$'000	US\$'000		US\$'000	US\$'000	
Turnover	38,457	54,292	-29.2%	239,217	285,560	-16.2%
(Loss)/profit before income tax	(1,537)	(18,777)	91.8%	9,283	(6,537)	242.0%
EBITDA	351	(13,581)	102.6%	16,586	4,595	261.0%

The Group's turnover for the quarter under review fell by 29.2% to US\$38,457,000 from US\$54,292,000 in the previous corresponding quarter. The Group's performance during the current quarter was adversely affected by the COVID-19 outbreak, with its publishing and printing segment and the travel segment reporting sharp declines in turnover of 25.9% and 46.0% respectively when compared to the same quarter last year.

As a result of the abrupt downturn in business triggered by the pandemic, the Group reported a loss before income tax of US\$1,537,000 for the quarter ended 31 March 2020, compared to a loss before income tax of US\$18,777,000 in the prior year quarter. Last year's loss was mainly caused by the provisions for impairment of goodwill and certain plant and machinery totaling US\$17,977,000. Excluding the impairment provisions, current quarter's loss was higher mainly due to the sharp decline in revenue since the COVID-19 outbreak.

The Group's EBITDA for the quarter under review was US\$351,000, compared to an EBITDA loss of US\$13,581,000 a year earlier.

During the current quarter, both the Malaysian Ringgit ("RM") and the Canadian dollar ("C\$") weakened against the US Dollar, resulted in negative currency impact of approximately US\$418,000 on the Group's turnover and positive currency impact of approximately US\$17,000 on the Group's loss before income tax.

Publishing and Printing

For the quarter under review, the publishing and printing segment reported a turnover of US\$33,765,000, reflecting a decline of 25.9% when compared to the US\$45,597,000 recorded in the same quarter previous year.

Turnover of the Group's Malaysia and other Southeast Asia segment fell 22.9% year-on-year to US\$23,521,000 from US\$30,508,000. Despite the revenue decline, the segment reported a profit before income tax of US\$2,783,000 for the current quarter, as against a loss before income tax of US\$16,254,000 in the year-ago quarter. Excluding the above-mentioned impairment provisions of US\$17,977,000, the current quarter's profit before income tax would have been 61.5% higher than last year's. This was mainly attributed to the substantial cost savings which more than offset the impact of lower revenues.

The quarter under review is a traditionally slow quarter for the Group's publishing business, and the COVID-19 outbreak put further pressure on the already weak consumer sentiment. To contain the spread of the pandemic, the Malaysian government has implemented a Movement Control Order ("MCO") on 18 March 2020 which led to a significant drop in the country's economic activities. Resulting from this, the segment saw sharp declines in its revenue since the MCO was imposed.

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

B1. Analysis of performance (Continued)

Hong Kong's economy has been adversely impacted by months of social unrest that crippled the local retailing and tourism businesses, and the situation was exacerbated by the COVID-19 outbreak in January 2020. These have negative impacts on this segment's performance. For the quarter under review, the turnover of the Hong Kong and Taiwan segment fell by 35.1% to US\$7,662,000 from US\$11,805,000 in the prior year quarter. The segment's loss before income tax for the current quarter widened to US\$3,214,000 from US\$818,000 a year ago.

The Group's business in North America recorded a turnover of US\$2,582,000 for the current quarter, which was 21.4% below the US\$3,284,000 recorded in the same quarter last year. Despite the decline in turnover, the segment reported a profit before income tax of US\$197,000, a turnaround from a loss before income tax of US\$14,000 in the corresponding quarter last year. The improvement was mainly attributed to cost savings and the receipt of a grant from the local government.

Travel and travel related services

The turnover for the Group's travel segment for the quarter under review was US\$4,692,000, a decrease of 46.0% from US\$8,695,000 reported in the same quarter last year. The travel sector was one of the hardest hit industries due to the COVID-19 pandemic as many countries imposed lockdowns and travel bans in an attempt to contain the spread of the virus. The segment reported a loss before income tax of US\$1,082,000 for the quarter under review, which was at about the same level as that of the prior year quarter.

FY 2019/2020

For the year ended 31 March 2020, the Group recorded a turnover of US\$239,217,000 as compared to US\$285,560,000 in the previous year. The 16.2% year-on-year decline in turnover was due in part to the sharp downturn in business since the COVID-19 outbreak in January. The turnover for publishing and printing segment fell 16.9% to US\$161,256,000 from US\$193,957,000 recorded last year. Meanwhile, the turnover for the travel segment dropped 14.9% to US\$77,961,000 from US\$91,603,000 a year ago.

The Group recorded a profit before income tax of US\$9,283,000 as opposed to last year's loss before income tax of US\$6,537,000. This was mainly due to the provisions for impairment of goodwill and certain plant and machinery totaling US\$17,977,000 made in last year. Excluding which, current year's profit before income tax would have been 18.0% below last year's. This was mainly due to the sharp decline in revenue since the COVID-19 outbreak in January.

The Group's EBITDA for the year was US\$16,586,000, an increase of 261.0% when compared with last year's US\$4,595,000.

During the year under review, both the RM and C\$ weakened against the US Dollar, resulted in negative currency impacts of approximately US\$2,588,000 and US\$129,000 on the Group's turnover and profit before income tax 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 31 March 2020 US\$'000	(Unaudited) Three months ended 31 December 2019 US\$'000	% Change
Turnover	38,457	56,230	-31.6%
(Loss)/profit before income tax	(1,537)	4,819	-131.9%

The Group recorded a total turnover of US\$38,457,000 for the current quarter, a decrease of 31.6% if compared to the immediate preceding quarter. The turnover for its publishing and printing segment was US\$33,765,000, representing a decrease of 20.0% or US\$8,434,000 when compared to the previous quarter. Meanwhile, the turnover for the travel segment fell by 66.6% to US\$4,692,000 for the current quarter. Besides being a traditionally slow period, the current quarter's decrease in turnover was also caused by the COVID-19 outbreak.

The decline in turnover adversely affected the earnings for the quarter in review where the Group recorded a loss before income tax of US\$1,537,000 as opposed to a profit before income tax of US\$4,819,000 for the immediate preceding quarter.

B3. Current year prospects

With the world brought down to its knees by the COVID-19 pandemic and many countries imposing lockdown or movement control restrictions, the global economy is facing and will continue to experience contraction until the pandemic comes under control and the confinement measures gradually uplifted. Despite the COVID-19 stimulus packages introduced by governments around the world including Malaysia and Hong Kong, consumer demand remains weak whilst businesses globally struggle to stay afloat. With this backdrop, the Group expects the coming financial year to be extremely challenging.

With most parts of the world experiencing lockdown in various degrees to curb the spread of COVID-19, digital platforms have become the tool for many to work from home, to communicate with each other or for governments to dispense information to their citizens. The Group hopes to adapt to this "new normal" in order to grow its market share and revenue from the digital platforms. For the travel segment, which is one of the hardest hit businesses, the Group expects the year ahead to be challenging as travel will be greatly reduced due to the pandemic until a cure or a vaccine is found. Efforts have been taken to streamline the tour operations and ensure that the operations will have the resources necessary to get through the pandemic and restart operations once international travel resumes.

Meanwhile, the Group will continue to exercise prudent cost controls across all business units and intensify its efforts to further strengthen operational efficiency and effectiveness. Furthermore, the Group will work continuously adapting its operations in all regions to meet the crippling effects brought about by this pandemic.

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)		Year ended	
	Three months ended		31 March	
	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000
Exchange (losses)/gains, net	(207)	5	(309)	(58)
Provision for impairment and write-off of trade and other receivables	(6)	(6)	(479)	(290)
Provision for impairment and write-off of inventories	(69)	(90)	(185)	(227)
Write-off of intangible assets	-	-	(40)	-
Loss on disposal of subsidiaries and joint ventures	-	-	-	(218)
Gain/(loss) on disposal of property, plant and equipment	23	(2,035)	301	(2,013)

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)		Year ended	
	Three months ended		31 March	
	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000
Current period income tax expense	353	1,032	3,137	6,356
Under/(over) provision in prior years	139	(23)	204	(26)
Deferred income tax expense/(credit)	368	(636)	(177)	(1,151)
	860	373	3,164	5,179

The effective tax rate of the Group for the current quarter and for the year 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.

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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 31 March 2020 are as follows:

	Secured US\$'000	Unsecured US\$'000	Total US\$'000
Current			
Bank borrowings	<u>17,650</u>	<u>1,712</u>	<u>19,362</u>

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

	US\$'000
Malaysian Ringgit	1,712
Hong Kong dollars	17,103
United States dollars	547
	<u>19,362</u>

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 31 March 2020 and 31 March 2019.

B9. Material litigation

As at 31 March 2020, 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.

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

B10. Dividend payable

The Board of Directors has declared a second interim dividend of US0.10 cents (2018/2019: US0.10 cents) per ordinary share in respect of the year ended 31 March 2020. The dividend will be payable on 30 July 2020 to shareholders whose names appear on the register of members of the Company at the close of business on 13 July 2020 in cash in RM or in Hong Kong dollars ("HK\$") at the average exchange rates used during the year ended 31 March 2020 for the translation of the results of the subsidiaries whose functional currencies are not US\$. This interim dividend, amounting to US\$1,687,000 (2018/2019: US\$1,687,000) has not been recognised as a dividend payable in this financial information.

The average exchange rates used during the year ended 31 March 2020 of US\$ to RM and US\$ to HK\$, and the amount of the second interim dividend payable is as follows:

	Exchange rates	Dividend per ordinary share
US\$ to RM	4.1350	0.414 sen
US\$ to HK\$	7.7583	HK 0.776 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 to paragraph 28 of Schedule 6 of Malaysian Income Tax Act 1967.

The register of members in Hong Kong will be closed on 13 July 2020 whereby no transfer of shares will be registered on that date. In order to qualify for the second interim dividend of US0.10 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 10 July 2020. 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 13 July 2020 in respect of transfers; and ii) shares bought on Bursa Securities on a cum entitlement basis according to the rules of Bursa Securities. The second interim dividend will be payable to the shareholders on 30 July 2020.

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 7 July 2020 to 13 July 2020, both days inclusive.

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

B11. (Loss)/earnings per share attributable to owners of the Company

	(Unaudited)		Year ended	
	Three months ended 31 March		31 March	
	2020	2019	2020	2019
(Loss)/profit attributable to owners of the Company (US\$'000)	<u>(1,794)</u>	<u>(19,036)</u>	<u>7,055</u>	<u>(11,293)</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 (loss)/earnings per share (US cents)	<u>(0.11)</u>	<u>(1.13)</u>	<u>0.42</u>	<u>(0.67)</u>
Diluted (loss)/earnings per share (US cents)	<u>(0.11)</u>	<u>(1.13)</u>	<u>0.42</u>	<u>(0.67)</u>

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as there were no dilutive potential shares in issue during the quarter and years ended 31 March 2020 and 2019.

B12. Contingencies

As at 31 March 2020, the Group had short-term bank deposits of US\$516,000 pledged to a bank for a bank guarantee issued.

On behalf of the Board
Media Chinese International Limited

Tin Suk Han
Tong Siew Kheng
Joint Company Secretaries
24 June 2020