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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 THIRD QUARTER ENDED 31 DECEMBER 2022

Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), Media Chinese International Limited (the “Company”), a public company listed on the main market of Bursa Securities, announced the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the quarter ended 31 December 2022 to Bursa Securities on 27 February 2023.

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).

27 February 2023

As at the date of this announcement, the Board comprises, Mr. TIONG Kiew Chiong, Mr. WONG Khang Yen, Mr. LIEW Sam Ngan and Ms. TIONG Yijia, being executive directors; Ms. TIONG Choon, being non-executive director; and Mr. IP Koon Wing, Ernest, Datuk CHONG Kee Yuon and Mr. KHOO Kar Khoon, being independent non-executive directors.

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Financial report for the third quarter ended 31 December 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Three months ended 31 December		(Unaudited) Three months ended 31 December	
	2022 US\$'000	2021 US\$'000	2022 RM'000 <i>(Note)</i>	2021 RM'000 <i>(Note)</i>
Turnover	34,618	33,778	151,973	148,285
Cost of goods sold	(21,622)	(19,575)	(94,921)	(85,934)
Gross profit	12,996	14,203	57,052	62,351
Other income	1,734	2,550	7,612	11,195
Other losses, net	(110)	(144)	(483)	(632)
Selling and distribution expenses	(7,284)	(7,964)	(31,976)	(34,962)
Administrative expenses	(5,375)	(5,334)	(23,596)	(23,416)
Net reversal of loss allowance on financial assets	1	114	4	500
Other operating expenses	(306)	(971)	(1,343)	(4,263)
Operating profit	1,656	2,454	7,270	10,773
Finance costs	(271)	(98)	(1,190)	(430)
Share of results of an associate and a joint venture	(3)	(5)	(13)	(22)
Profit before income tax	1,382	2,351	6,067	10,321
Income tax expense	(711)	(764)	(3,121)	(3,354)
Profit for the quarter	671	1,587	2,946	6,967
Profit/(loss) attributable to:				
Owners of the Company	835	1,683	3,666	7,388
Non-controlling interests	(164)	(96)	(720)	(421)
	671	1,587	2,946	6,967
Earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	0.05	0.10	0.22	0.44
Diluted (US cents/sen) #	0.05	0.10	0.22	0.44

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

Note: The presentation currency of this unaudited financial information is United States Dollar ("US\$"). Supplementary information in Malaysian Ringgit ("RM") for the quarter ended 31 December 2022 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.3900 ruling at 31 December 2022. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

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Financial report for the third quarter ended 31 December 2022

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	(Unaudited) Three months ended 31 December		(Unaudited) Three months ended 31 December	
	2022 US\$'000	2021 US\$'000	2022 RM'000 <i>(Note)</i>	2021 RM'000 <i>(Note)</i>
Profit for the quarter	671	1,587	2,946	6,967
Other comprehensive income/ (loss)				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences	7,342	747	32,231	3,279
Item that will not be reclassified subsequently to profit or loss:				
Fair value change on financial assets at fair value through other comprehensive income	-	(123)	-	(540)
Other comprehensive income for the quarter, net of tax	7,342	624	32,231	2,739
Total comprehensive income for the quarter	8,013	2,211	35,177	9,706
Total comprehensive income/ (loss) for the quarter attributable to:				
Owners of the Company	8,178	2,337	35,901	10,259
Non-controlling interests	(165)	(126)	(724)	(553)
	8,013	2,211	35,177	9,706

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Nine months ended 31 December		(Unaudited) Nine months ended 31 December	
	2022 US\$'000	2021 US\$'000	2022 RM'000 <i>(Note)</i>	2021 RM'000 <i>(Note)</i>
Turnover	101,284	92,546	444,637	406,277
Cost of goods sold	(63,170)	(57,042)	(277,317)	(250,414)
Gross profit	38,114	35,504	167,320	155,863
Other income	6,312	8,417	27,710	36,951
Other losses, net	(513)	(52)	(2,252)	(228)
Selling and distribution expenses	(22,401)	(22,346)	(98,341)	(98,099)
Administrative expenses	(16,215)	(16,136)	(71,183)	(70,838)
Net reversal of loss allowance on financial assets	33	62	145	272
Other operating expenses	(1,253)	(2,928)	(5,501)	(12,854)
Operating profit	4,077	2,521	17,898	11,067
Finance costs	(533)	(314)	(2,340)	(1,378)
Share of results of an associate and a joint venture	(7)	(9)	(31)	(40)
Profit before income tax	3,537	2,198	15,527	9,649
Income tax expense	(2,063)	(1,271)	(9,056)	(5,579)
Profit for the period	1,474	927	6,471	4,070
Profit/(loss) attributable to:				
Owners of the Company	1,879	1,172	8,249	5,146
Non-controlling interests	(405)	(245)	(1,778)	(1,076)
	1,474	927	6,471	4,070
Earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	0.11	0.07	0.48	0.31
Diluted (US cents/sen) #	0.11	0.07	0.48	0.31

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

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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	(Unaudited) Nine months ended 31 December		(Unaudited) Nine months ended 31 December	
	2022 US\$'000	2021 US\$'000	2022 RM'000 <i>(Note)</i>	2021 RM'000 <i>(Note)</i>
Profit for the period	1,474	927	6,471	4,070
Other comprehensive (loss)/ income				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences	(5,874)	(672)	(25,787)	(2,950)
Item that will not be reclassified subsequently to profit or loss:				
Fair value change on financial assets at fair value through other comprehensive income	133	(199)	584	(874)
Other comprehensive loss for the period, net of tax	(5,741)	(871)	(25,203)	(3,824)
Total comprehensive (loss)/ income for the period	(4,267)	56	(18,732)	246
Total comprehensive (loss)/ income for the period attributable to:				
Owners of the Company	(3,893)	354	(17,090)	1,554
Non-controlling interests	(374)	(298)	(1,642)	(1,308)
	(4,267)	56	(18,732)	246

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at 31 December 2022 US\$'000	(Audited) As at 31 March 2022 US\$'000	(Unaudited) As at 31 December 2022 RM'000 (Note)	(Unaudited) As at 31 March 2022 RM'000 (Note)
ASSETS				
Non-current assets				
Property, plant and equipment and right-of-use assets	52,939	58,809	232,402	258,171
Investment properties	23,861	24,721	104,750	108,525
Intangible assets	7,059	7,876	30,989	34,576
Deferred income tax assets	106	89	465	391
Investments accounted for using the equity method	49	24	215	105
Financial assets at fair value through other comprehensive income	769	636	3,376	2,792
	84,783	92,155	372,197	404,560
Current assets				
Inventories	12,915	11,448	56,697	50,256
Trade and other receivables	20,686	18,747	90,812	82,299
Financial assets at fair value through profit or loss	2,755	1,209	12,094	5,308
Income tax recoverable	276	687	1,212	3,016
Short-term bank deposits	25,415	30,327	111,572	133,136
Cash and cash equivalents	68,939	64,952	302,642	285,139
	130,986	127,370	575,029	559,154
Current liabilities				
Trade and other payables	20,680	19,991	90,785	87,760
Contract liabilities	10,182	7,780	44,699	34,154
Income tax liabilities	1,615	799	7,090	3,508
Bank and other borrowings	22,717	22,655	99,728	99,455
Lease liabilities	222	286	975	1,256
Current portion of other non-current liabilities	47	49	206	215
	55,463	51,560	243,483	226,348
Net current assets	75,523	75,810	331,546	332,806
Total assets less current liabilities	160,306	167,965	703,743	737,366

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	(Unaudited) As at 31 December 2022 US\$'000	(Audited) As at 31 March 2022 US\$'000	(Unaudited) As at 31 December 2022 RM'000 <i>(Note)</i>	(Unaudited) As at 31 March 2022 RM'000 <i>(Note)</i>
EQUITY				
Equity attributable to owners of the Company				
Share capital	21,715	21,715	95,329	95,329
Share premium	54,664	54,664	239,975	239,975
Other reserves	(123,355)	(117,583)	(541,528)	(516,189)
Retained earnings	203,026	203,678	891,284	894,146
	<u>156,050</u>	<u>162,474</u>	<u>685,060</u>	<u>713,261</u>
Non-controlling interests	(653)	(279)	(2,867)	(1,225)
Total equity	<u>155,397</u>	<u>162,195</u>	<u>682,193</u>	<u>712,036</u>
Non-current liabilities				
Lease liabilities	296	473	1,299	2,076
Deferred income tax liabilities	4,136	4,794	18,157	21,046
Other non-current liabilities	477	503	2,094	2,208
	<u>4,909</u>	<u>5,770</u>	<u>21,550</u>	<u>25,330</u>
	<u>160,306</u>	<u>167,965</u>	<u>703,743</u>	<u>737,366</u>
Net assets per share attributable to owners of the Company (US cents/sen)	<u>9.25</u>	<u>9.63</u>	<u>40.61</u>	<u>42.28</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 2021	21,715	54,664	(115,228)	204,890	166,041	380	166,421
Profit/(loss) for the period	-	-	-	1,172	1,172	(245)	927
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(674)	-	(674)	2	(672)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	(144)	-	(144)	(55)	(199)
Other comprehensive loss, net of tax	-	-	(818)	-	(818)	(53)	(871)
Total comprehensive (loss)/income for the period ended 31 December 2021	-	-	(818)	1,172	354	(298)	56
Total transactions with owners, recognised directly in equity							
2020/2021 interim dividend	-	-	-	(1,687)	(1,687)	-	(1,687)
At 31 December 2021	21,715	54,664	(116,046)	204,375	164,708	82	164,790

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(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 2022	21,715	54,664	(117,583)	203,678	162,474	(279)	162,195
Profit/(loss) for the period	-	-	-	1,879	1,879	(405)	1,474
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(5,870)	-	(5,870)	(4)	(5,874)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	98	-	98	35	133
Other comprehensive (loss)/income, net of tax	-	-	(5,772)	-	(5,772)	31	(5,741)
Total comprehensive (loss)/income for the period ended 31 December 2022	-	-	(5,772)	1,879	(3,893)	(374)	(4,267)
Total transactions with owners, recognised directly in equity							
2021/2022 interim dividend	-	-	-	(2,531)	(2,531)	-	(2,531)
2021/2022 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	-*	-*
	-	-	-	(2,531)	(2,531)	-*	(2,531)
At 31 December 2022	21,715	54,664	(123,355)	203,026	156,050	(653)	155,397

* *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-	
	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)	controlling interests RM'000 (Note)	
At 1 April 2021	95,329	239,975	(505,851)	899,467	728,920	1,668	730,588
Profit/(loss) for the period	-	-	-	5,146	5,146	(1,076)	4,070
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(2,959)	-	(2,959)	9	(2,950)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	(633)	-	(633)	(241)	(874)
Other comprehensive loss, net of tax	-	-	(3,592)	-	(3,592)	(232)	(3,824)
Total comprehensive (loss)/income for the period ended 31 December 2021	-	-	(3,592)	5,146	1,554	(1,308)	246
Total transactions with owners, recognised directly in equity							
2020/2021 interim dividend	-	-	-	(7,406)	(7,406)	-	(7,406)
At 31 December 2021	95,329	239,975	(509,443)	897,207	723,068	360	723,428

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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 2022	95,329	239,975	(516,189)	894,146	713,261	(1,225)	712,036
Profit/(loss) for the period	-	-	-	8,249	8,249	(1,778)	6,471
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(25,769)	-	(25,769)	(18)	(25,787)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	430	-	430	154	584
Other comprehensive (loss)/income, net of tax	-	-	(25,339)	-	(25,339)	136	(25,203)
Total comprehensive (loss)/income for the period ended 31 December 2022	-	-	(25,339)	8,249	(17,090)	(1,642)	(18,732)
Total transactions with owners, recognised directly in equity							
2021/2022 interim dividend	-	-	-	(11,111)	(11,111)	-	(11,111)
2021/2022 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	-*	-*
	-	-	-	(11,111)	(11,111)	-*	(11,111)
At 31 December 2022	95,329	239,975	(541,528)	891,284	685,060	(2,867)	682,193

* negligible

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)		(Unaudited)	
	Nine months ended 31 December		Nine months ended 31 December	
	2022	2021	2022	2021
	US\$'000	US\$'000	RM'000	RM'000
			(Note)	(Note)
Cash flows from operating activities				
Cash generated from operations	7,551	11,618	33,149	51,002
Interest paid	(533)	(314)	(2,340)	(1,378)
Income tax paid	(1,407)	(1,016)	(6,177)	(4,460)
Net cash generated from operating activities	<u>5,611</u>	<u>10,288</u>	<u>24,632</u>	<u>45,164</u>
Cash flows from investing activities				
Dividends received	63	73	277	320
Decrease/(increase) in short-term bank deposits with original maturity over three months	4,912	(5,079)	21,563	(22,297)
Proceeds from sales of financial assets at fair value through profit or loss	37	-	162	-
Interest received	1,097	790	4,816	3,468
Proceeds from disposal of property, plant and equipment	5	22	22	97
Purchases of intangible assets	(58)	(52)	(255)	(228)
Purchases of property, plant and equipment	(367)	(316)	(1,611)	(1,387)
Payment for acquisition of financial assets at fair value through profit or loss	(1,913)	-	(8,398)	-
Investment in a joint venture	(32)	-	(140)	-
Net cash generated from/(used in) investing activities	<u>3,744</u>	<u>(4,562)</u>	<u>16,436</u>	<u>(20,027)</u>
Cash flows from financing activities				
Dividends paid	(2,531)	(1,687)	(11,111)	(7,406)
Dividends paid to non-controlling interests by an unlisted subsidiary	-*	-	-*	-
Proceeds from bank and other borrowings	1,975	9,951	8,670	43,685
Repayments of bank and other borrowings	(1,982)	(18,149)	(8,701)	(79,674)
Principal elements of lease liabilities	(225)	(657)	(988)	(2,884)
Net cash used in financing activities	<u>(2,763)</u>	<u>(10,542)</u>	<u>(12,130)</u>	<u>(46,279)</u>
Net increase/(decrease) in cash and cash equivalents				
	6,592	(4,816)	28,938	(21,142)
Cash and cash equivalents at beginning of period	64,952	69,181	285,139	303,705
Exchange adjustments on cash and cash equivalents	(2,605)	(289)	(11,435)	(1,269)
Cash and cash equivalents at end of period	<u>68,939</u>	<u>64,076</u>	<u>302,642</u>	<u>281,294</u>

* negligible

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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 nine months ended 31 December 2022 (“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 2022 which were prepared in accordance with International Financial Reporting Standards (“IFRSs”).

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

A2. Accounting policies

(a) (i) The Group has adopted the following amended standards for the first time for their annual reporting period commencing 1 April 2022:

- Amendments to IAS 16 “Property, plant and equipment: proceeds before intended use”
- Amendments to IAS 37 “Onerous contracts – costs of fulfilling a contract”
- Amendments to IFRS 3 “Reference to the conceptual framework”
- Amendments to IFRSs “Annual improvements to IFRS standards 2018–2020 cycle”

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) Taxes on income for the three months and nine months ended 31 December 2022 are accrued using the tax rate that would be applicable to expected total annual earnings.

(b) The Group has not early adopted new and amended standards that have been issued but are not yet effective for the Group’s reporting period commencing 1 April 2022. None of the new standards and interpretations are expected to have a significant impact on the Group’s consolidated financial statements.

A3. 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\$.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A4. 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 2022 was not subject to any qualification.

A5. 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.

A6. Unusual items

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

A7. 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.

A8. 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.

A9. Dividends paid

The tax-exempt interim dividend of US0.15 cents per ordinary share totaling US\$2,531,000 in respect of the year ended 31 March 2022 was paid on 8 July 2022.

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information

The Group Executive Committee is the Group's chief operating decision-maker. Management has determined the operating segments based on the reports that are reviewed and used by the Group Executive Committee for strategic decision-making.

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

Publishing and printing: Malaysia
Publishing and printing: Hong Kong and Taiwan
Publishing and printing: North America
Travel and travel related services

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

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

The Group's turnover and results for the quarter ended 31 December 2022, analysed by operating segment, are as follows:

	(Unaudited)					
	Three months ended 31 December 2022					
	Publishing and printing					
	Malaysia US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000	Travel and travel related services US\$'000	Total US\$'000
Turnover						
Sales of newspapers, magazines, books and digital contents	7,539	3,020	602	11,161	-	11,161
Advertising income	12,439	7,084	1,334	20,857	-	20,857
Travel and travel related services income	-	-	-	-	2,600	2,600
	<u>19,978</u>	<u>10,104</u>	<u>1,936</u>	<u>32,018</u>	<u>2,600</u>	<u>34,618</u>
Segment profit/(loss) before income tax	<u>2,327</u>	<u>-*</u>	<u>(798)</u>	<u>1,529</u>	<u>2</u>	<u>1,531</u>
Other net unallocated expenses						<u>(149)</u>
Profit before income tax						<u>1,382</u>
Income tax expense						<u>(711)</u>
Profit for the quarter						<u>671</u>
Other segmental information:						
Interest income	409	12	1	422	8	430
Finance costs	(5)	(263)	-	(268)	(3)	(271)
Depreciation of property, plant and equipment and right-of-use assets	(1,065)	(249)	(31)	(1,345)	(3)	(1,348)
Amortisation of intangible assets	(163)	(10)	-	(173)	(1)	(174)
Net reversal of/(provision for) loss allowance on financial assets	17	(27)	11	1	-	1
Share of results of an associate and a joint venture	-	(3)	-	(3)	-	(3)

* negligible

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

The Group's turnover and results for the quarter ended 31 December 2021, analysed by operating segment, are as follows:

	(Unaudited)					Travel and travel related services US\$'000	Total US\$'000
	Three months ended 31 December 2021						
	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							
Sales of newspapers, magazines, books and digital contents	7,441	3,089	407	10,937	-	10,937	
Advertising income	13,396	7,677	1,433	22,506	-	22,506	
Travel and travel related services income	-	-	-	-	335	335	
	<u>20,837</u>	<u>10,766</u>	<u>1,840</u>	<u>33,443</u>	<u>335</u>	<u>33,778</u>	
Segment profit/(loss) before income tax	<u>3,084</u>	<u>51</u>	<u>(140)</u>	<u>2,995</u>	<u>(511)</u>	<u>2,484</u>	
Other net unallocated expenses						(133)	
Profit before income tax						2,351	
Income tax expense						(764)	
Profit for the quarter						<u>1,587</u>	
Other segmental information:							
Interest income	271	-	11	282	1	283	
Finance costs	(5)	(88)	-	(93)	(5)	(98)	
Depreciation of property, plant and equipment and right-of-use assets	(1,177)	(274)	(43)	(1,494)	(3)	(1,497)	
Amortisation of intangible assets	(184)	(10)	(1)	(195)	(1)	(196)	
Net reversal of loss allowance on financial assets	40	52	22	114	-	114	
Share of results of an associate and a joint venture	-	(5)	-	(5)	-	(5)	

Disaggregation of revenue

Turnover is derived from publishing, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language, and provision of travel and travel related services.

Turnover recognised during the quarter is disaggregated as follows:

	(Unaudited)	
	Three months ended 31 December 2022 US\$'000	2021 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	11,161	10,937
Travel and travel related services income	95	81
Over time		
Advertising income, net of trade discounts	20,857	22,506
Travel and travel related services income	2,505	254
	<u>34,618</u>	<u>33,778</u>

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

The Group's turnover and results for the period ended 31 December 2022, analysed by operating segment, are as follows:

	(Unaudited)					Total US\$'000
	Nine months ended 31 December 2022					
	Publishing and printing				Travel and travel related services	
	Malaysia US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000	US\$'000	
Turnover						
Sales of newspapers, magazines, books and digital contents	23,282	9,674	1,528	34,484	-	34,484
Advertising income	33,350	21,960	3,888	59,198	-	59,198
Travel and travel related services income	-	-	-	-	7,602	7,602
	<u>56,632</u>	<u>31,634</u>	<u>5,416</u>	<u>93,682</u>	<u>7,602</u>	<u>101,284</u>
Segment profit/(loss) before income tax	<u>5,143</u>	<u>2,178</u>	<u>(2,971)</u>	<u>4,350</u>	<u>(342)</u>	<u>4,008</u>
Other net unallocated expenses						<u>(471)</u>
Profit before income tax						3,537
Income tax expense						<u>(2,063)</u>
Profit for the period						<u>1,474</u>
Other segmental information:						
Interest income	1,066	12	4	1,082	15	1,097
Finance costs	(12)	(510)	-	(522)	(11)	(533)
Depreciation of property, plant and equipment and right-of-use assets	(3,278)	(756)	(108)	(4,142)	(9)	(4,151)
Amortisation of intangible assets	(504)	(29)	-	(533)	(3)	(536)
Net reversal of/ (provision for) loss allowance on financial assets	66	(39)	6	33	-	33
Share of results of an associate and a joint venture	-	(7)	-	(7)	-	(7)

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

The Group's turnover and results for the period ended 31 December 2021, analysed by operating segment, are as follows:

	(Unaudited) Nine months ended 31 December 2021					Travel and travel related services US\$'000	Total US\$'000
	Publishing and printing				Sub-total US\$'000		
	Malaysia and other Southeast Asian countries US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000				
Turnover							
Sales of newspapers, magazines, books and digital contents	23,525	9,684	1,252	34,461	-	-	34,461
Advertising income	30,702	22,190	4,316	57,208	-	-	57,208
Travel and travel related services income	-	-	-	-	877	877	877
	<u>54,227</u>	<u>31,874</u>	<u>5,568</u>	<u>91,669</u>	<u>877</u>	<u>877</u>	<u>92,546</u>
Segment profit/(loss) before income tax	<u>3,487</u>	<u>968</u>	<u>(641)</u>	<u>3,814</u>	<u>(1,142)</u>	<u>2,672</u>	<u>2,672</u>
Other net unallocated expenses							<u>(474)</u>
Profit before income tax							2,198
Income tax expense							<u>(1,271)</u>
Profit for the period							<u>927</u>
Other segmental information:							
Interest income	772	2	13	787	3	790	
Finance costs	(13)	(280)	-	(293)	(21)	(314)	
Depreciation of property, plant and equipment and right-of-use assets	(3,577)	(843)	(130)	(4,550)	(11)	(4,561)	
Amortisation of intangible assets	(546)	(33)	(4)	(583)	(3)	(586)	
Net reversal of/ (provision for) loss allowance on financial assets	57	(26)	31	62	-	62	
Share of results of an associate and a joint venture	-	(9)	-	(9)	-	(9)	

Disaggregation of revenue

Turnover is derived from publishing, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language, and provision of travel and travel related services.

Turnover recognised during the period is disaggregated as follows:

	(Unaudited) Nine months ended 31 December	
	2022 US\$'000	2021 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	34,484	34,461
Travel and travel related services income	353	161
Over time		
Advertising income, net of trade discounts	59,198	57,208
Travel and travel related services income	7,249	716
	<u>101,284</u>	<u>92,546</u>

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

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

	(Unaudited)				Travel and travel related services US\$'000	Elimination US\$'000	Total US\$'000
	Publishing and printing						
	Malaysia US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000			
Segment assets	156,686	41,545	8,471	206,702	11,198	(2,638)	215,262
Unallocated assets							<u>507</u>
Total assets							<u>215,769</u>
Total assets include:							
Investments accounted for using the equity method	-	49	-	49	-	-	49
Additions to non-current assets (other than deferred income tax assets)	313	99	8	420	5	-	425
Segment liabilities	(12,245)	(33,463)	(5,794)	(51,502)	(4,491)	2,638	(53,355)
Unallocated liabilities							<u>(7,017)</u>
Total liabilities							<u>(60,372)</u>

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

	(Audited)				Travel and travel related services US\$'000	Elimination 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			
Segment assets	160,720	40,505	10,465	211,690	10,051	(3,110)	218,631
Unallocated assets							<u>894</u>
Total assets							<u>219,525</u>
Total assets include:							
Investments accounted for using the equity method	-	24	-	24	-	-	24
Additions to non-current assets (other than deferred income tax assets)	346	285	35	666	109	-	775
Segment liabilities	(10,850)	(33,208)	(6,178)	(50,236)	(3,335)	3,110	(50,461)
Unallocated liabilities							<u>(6,869)</u>
Total liabilities							<u>(57,330)</u>

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. 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 and right-of-use assets, investment properties, intangible assets, investments accounted for using the equity method, financial assets at fair value through other comprehensive income, inventories, trade and other receivables, financial assets at fair value through profit or loss, short-term bank deposits, and cash and cash equivalents. They mainly exclude deferred income tax assets and income tax recoverable of the Group.

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

A11. Valuation of property, plant and equipment

There was no revaluation of the Group's property, plant and equipment during the quarter ended 31 December 2022.

A12. Subsequent material events

There were no subsequent material events of the Group.

A13. Changes in the composition of the Group

There were no significant changes in the composition of the Group during the quarter under review.

A14. Capital commitments

Capital commitments not provided for as at 31 December 2022 are as follows:

	(Unaudited) US\$'000
Authorised and contracted for	
Property, plant and equipment	33
Intangible assets	170
	<u>203</u>

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A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A15. Related party transactions

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Advertising income received from a director	-	-	-	(2)
Advertising income received from an associate	(33)	(33)	(131)	(104)
Advertising income received from an employee	-	-	-	(2)
Motor vehicle insurance premiums paid to a related company (<i>note 1</i>)	1	-	1	-
Provision of administrative and content services to a joint venture	(5)	(4)	(15)	(13)
Provision of air ticketing and accommodation arrangement services to a related company (<i>note 1</i>)	(2)	-	(2)	(2)
Provision of legal services by a related company (<i>note 2</i>)	-	26	40	43
Purchase of air tickets from a related company (<i>note 1</i>)	2	-	2	-
Purchase of mineral water from a related company (<i>note 1</i>)	-	-	1	-
Rental expenses paid to related companies (<i>note 1</i>)	22	24	68	71

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 31 December			(Unaudited) Nine months ended 31 December		
	2022 US\$'000	2021 US\$'000	% Change	2022 US\$'000	2021 US\$'000	% Change
Turnover	34,618	33,778	2.5%	101,284	92,546	9.4%
Profit before income tax	1,382	2,351	-41.2%	3,537	2,198	60.9%
EBITDA	2,748	3,864	-28.9%	7,667	6,878	11.5%

For the quarter ended 31 December 2022, the Group's turnover increased by 2.5% to US\$34,618,000 from US\$33,778,000 in the corresponding quarter last year. The growth was mainly attributed to the increase in turnover from the Group's travel segment, whereas its publishing and printing segment registered a decline in turnover compared to the year-ago quarter. The Group recorded a profit before income tax of US\$1,382,000 for the quarter in review, which was 41.2% lower than the US\$2,351,000 reported a year earlier.

Compared to the corresponding quarter of the previous year, EBITDA for the quarter in review decreased by 28.9% from last year's US\$3,864,000 to US\$2,748,000.

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\$2,032,000 and US\$142,000 on the Group's turnover and profit before income tax respectively.

Publishing and Printing

For the quarter under review, the turnover of the publishing and printing segment declined by 4.3% to US\$32,018,000 from US\$33,443,000 in the same quarter last year. This decline was seen across all of the Group's market segments with the exception of the North America market. As a result of the decline in turnover, the segment's profit before income tax fell by 48.9% to US\$1,529,000 when compared to the US\$2,995,000 recorded in the corresponding quarter last year.

The Group's turnover from its Malaysia segment fell by 4.1% to US\$19,978,000 for the quarter in review. The decline was due to negative currency impact caused by the weakening of the RM against the US dollar. In RM, the Malaysia segment's turnover grew by 4.7% mainly attributed to higher event revenue and advertising revenue in relation to Malaysia's general elections in November 2022. The growth was also contributed by increased circulation revenue from the effect of cover price increase on the segment's newspapers. The improvement in event revenue was contributed by a few major events organised during the quarter under review, including the 'Malaysia Health & Wellness Fair', 'The Golden Eagle Award' and 'The Nanyang Education Award'.

The segment recorded a profit before income tax of US\$2,327,000 for the current quarter, a decrease of 24.5% compared to the US\$3,084,000 a year ago. The decline in profit was mainly attributed to the increase in operating costs, in particular newsprint, production materials costs, and advertising and promotion expenses. While the segment continued its tight cost control efforts, the rising newsprint price and inflation continued to exert pressure on the segment's performance.

For the quarter under review, the turnover of the Hong Kong and Taiwan segment decreased by 6.1% to US\$10,104,000 from US\$10,766,000 recorded in the prior-year quarter mainly due to the decline in advertising income. However, the segment's cost savings efforts helped offset the impact of decline in revenue and it reported a breakeven result for the current quarter compared to a profit before income tax of US\$51,000 in the corresponding quarter last year.

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

B1. Analysis of performance (Continued)

The turnover of the Group's North America segment improved by 5.2% from last year's US\$1,840,000 to US\$1,936,000 in the current quarter, mainly attributed to the increase in the segment's circulation and digital revenues. However, the segment's loss before income tax widened to US\$798,000 from US\$140,000 in the year-ago quarter, mainly due to the absence of government subsidies.

Travel and travel related services

The turnover for the Group's travel segment saw a surge from US\$335,000 recorded last year to US\$2,600,000 in the quarter under review. The lifting of compulsory quarantine requirement on arrival at Hong Kong since September 2022 helped encourage more Hong Kong residents to travel abroad especially during the yearend holiday season. The North American operations' performance continued to improve as global travel increased. This led to the travel segment reporting a turnaround to a profit before income tax of US\$2,000 from a loss before income tax of US\$511,000 in the same quarter last year.

Nine months of FY 2022/2023

For the nine months ended 31 December 2022, the Group's turnover improved by 9.4% to US\$101,284,000 when compared to the US\$92,546,000 recorded in the corresponding period last year. This was attributed to the improvement of performance from both the Group's publishing and printing segment and the travel segment. The top line growth led to the Group's profit before income tax for the current period improving by 60.9% to US\$3,537,000 from US\$2,198,000 in the same period last year.

The Group's EBITDA for the period was US\$7,667,000 which was 11.5% above last year's US\$6,878,000.

During the nine months ended 31 December 2022, both the RM and the C\$ weakened against the US dollar which resulted in negative currency impacts on the Group's operating results for the period. If currency impacts were excluded, the increase in the Group's turnover and profit before income tax would have been about US\$13,259,000 and US\$1,564,000 respectively.

B2. Variation of results against immediate preceding quarter

	(Unaudited) Three months ended 31 December 2022 US\$'000	(Unaudited) Three months ended 30 September 2022 US\$'000	% Change
Turnover	34,618	36,415	-4.9%
Profit before income tax	1,382	2,028	-31.9%

The Group's total turnover for the current quarter fell 4.9% or US\$1,797,000 to US\$34,618,000 from US\$36,415,000 in the immediate preceding quarter, with decline in turnover from the publishing and printing segment and the travel segment of 2.5% and 27.5% respectively. The former was mainly due to lower revenue from the Hong Kong & Taiwan segment. The decline for the travel segment was due to seasonal factor as summer vacation, which falls in the immediate preceding quarter, is a traditional peak season for the travel business. Driven by the decline in turnover, the Group's profit before income tax for the current quarter decreased by 31.9% to US\$1,382,000 from US\$2,028,000 in the immediate preceding quarter.

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

B3. Current year prospects

With the formation of a unity government in Malaysia after the November 2022 general elections, the relaxation of quarantine requirements in Hong Kong and the re-opening of China's borders in early January 2023, the economy of both Malaysia and Hong Kong is expected to improve in 2023. Nevertheless, given the higher inflation and interest rates environment, such improvement may be muted.

In view of this, barring any unforeseen circumstances, the Group remains cautious but optimistic about its performance for the last quarter of the financial year 2022/2023. In terms of costs, the Group expects newsprint cost to remain high in the 4th quarter, and to slowly trend downwards in 2023. The Group will continue to strengthen its print and digital products, while at the same time maintain tight controls on all operating expenses.

B4. Profit forecast and profit guarantee

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

B5. Profit before income tax

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

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Exchange losses - net	(113)	(56)	(226)	(59)
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	3	(88)	(287)	(86)
Government grant and subsidies	131	1,103	2,006	3,915
Losses on disposal of property, plant and equipment, net	(2)	(18)	(13)	(15)
Provision for impairment and write-off of inventories	(39)	(110)	(150)	(187)
Reversal of provision/(provision) for loss allowance and write-off of trade and other receivables	3	111	33	(12)

Save as disclosed above and in A10, the other items as required under Part A(16) of Appendix 9B of the Bursa Securities' Listing Requirements are not applicable.

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

B6. Income tax expense

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

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Current period income tax expense	774	949	2,611	1,728
(Over)/under provision in prior years	(1)	-	5	-
Deferred income tax credit	(62)	(185)	(553)	(457)
	<u>711</u>	<u>764</u>	<u>2,063</u>	<u>1,271</u>

The effective tax rate of the Group for the current quarter and period under review was higher than the Malaysian statutory tax rate of 24% mainly due to losses incurred by certain subsidiaries.

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 December 2022 are as follows:

	Secured	(Unaudited)	Total
		Unsecured	
	US\$'000	US\$'000	US\$'000
Current			
Bank borrowings	<u>22,375</u>	<u>342</u>	<u>22,717</u>

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

	(Unaudited)
	US\$'000
Malaysian Ringgit	342
Hong Kong dollars	22,160
United States dollars	215
	<u>22,717</u>

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

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

B9. Material litigation

As at 31 December 2022, there were several libel suits which involved claims against some companies in the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings is still uncertain as of the date this financial information is authorised for issue, the directors of the Company are of the opinion that the respective ultimate liability, if any, will not have a material adverse impact on the Group's financial position.

B10. Dividend payable

The Board of Directors does not recommend any distribution of dividend for the quarter under review.

B11. Earnings per share attributable to owners of the Company

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2022	2021	2022	2021
Profit attributable to owners of the Company (US\$'000)	835	1,683	1,879	1,172
Weighted average number of ordinary shares in issue	1,687,236,241	1,687,236,241	1,687,236,241	1,687,236,241
Basic earnings per share (US cents)	0.05	0.10	0.11	0.07
Diluted earnings per share (US cents)	0.05	0.10	0.11	0.07

The diluted earnings per share was the same as the basic earnings per share as there were no dilutive potential shares in issue during the quarters and periods ended 31 December 2022 and 2021.

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

B12. Pledge of assets

As at 31 December 2022, certain of the Group's banking facilities were secured by the following:

- (a) first legal charges on certain of the Group's leasehold land and buildings with an aggregate carrying value of US\$4,265,000 at 31 December 2022 (At 31 March 2022: US\$4,430,000) and assignment of rental income derived therefrom; and
- (b) corporate guarantees issued by the Company.

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

On behalf of the Board
Media Chinese International Limited

Tong Siew Kheng
Yeung Ying Fat
Joint Company Secretaries
27 February 2023