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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 FIRST QUARTER ENDED 30 JUNE 2023

Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), Media Chinese International Limited (the “Company”), a public company listed on the main market of Bursa Securities, announced the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the quarter ended 30 June 2023 to Bursa Securities on 29 August 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).

29 August 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.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the first quarter ended 30 June 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Three months ended 30 June		(Unaudited) Three months ended 30 June	
	2023 US\$'000	2022 US\$'000	2023 RM'000 (Note)	2022 RM'000 (Note)
Turnover	36,313	30,251	169,400	141,121
Cost of goods sold	<u>(26,813)</u>	<u>(19,296)</u>	<u>(125,082)</u>	<u>(90,016)</u>
Gross profit	9,500	10,955	44,318	51,105
Other income	1,490	2,667	6,951	12,442
Other losses, net	(358)	(349)	(1,670)	(1,628)
Selling and distribution expenses	(7,238)	(6,813)	(33,765)	(31,783)
Administrative expenses	(5,999)	(5,421)	(27,986)	(25,289)
Net provision for loss allowance on financial assets	(12)	(28)	(56)	(130)
Other operating expenses	<u>23</u>	<u>(780)</u>	<u>107</u>	<u>(3,639)</u>
Operating (loss)/profit	(2,594)	231	(12,101)	1,078
Finance costs	(278)	(102)	(1,297)	(476)
Share of results of an associate and a joint venture	<u>(5)</u>	<u>(2)</u>	<u>(23)</u>	<u>(9)</u>
(Loss)/profit before income tax	(2,877)	127	(13,421)	593
Income tax expense	<u>(26)</u>	<u>(502)</u>	<u>(121)</u>	<u>(2,342)</u>
Loss for the quarter	<u>(2,903)</u>	<u>(375)</u>	<u>(13,542)</u>	<u>(1,749)</u>
Loss attributable to:				
Owners of the Company	(2,728)	(303)	(12,726)	(1,413)
Non-controlling interests	<u>(175)</u>	<u>(72)</u>	<u>(816)</u>	<u>(336)</u>
	<u>(2,903)</u>	<u>(375)</u>	<u>(13,542)</u>	<u>(1,749)</u>
Loss per share attributable to owners of the Company				
Basic (US cents/sen) #	(0.16)	(0.02)	(0.75)	(0.09)
Diluted (US cents/sen) #	<u>(0.16)</u>	<u>(0.02)</u>	<u>(0.75)</u>	<u>(0.09)</u>

Refer to B11 for calculations of basic and diluted 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 quarter ended 30 June 2023 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.6650 ruling at 30 June 2023. 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.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the first quarter ended 30 June 2023

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	(Unaudited) Three months ended 30 June		(Unaudited) Three months ended 30 June	
	2023 US\$'000	2022 US\$'000	2023 RM'000 <i>(Note)</i>	2022 RM'000 <i>(Note)</i>
Loss for the quarter	(2,903)	(375)	(13,542)	(1,749)
Other comprehensive (loss)/ income				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences	(7,329)	(6,679)	(34,190)	(31,158)
Item that will not be reclassified subsequently to profit or loss:				
Fair value change on financial assets at fair value through other comprehensive income	(122)	743	(569)	3,466
Other comprehensive loss for the quarter, net of tax	(7,451)	(5,936)	(34,759)	(27,692)
Total comprehensive loss for the quarter	(10,354)	(6,311)	(48,301)	(29,441)
Total comprehensive (loss)/ income for the quarter attributable to:				
Owners of the Company	(10,143)	(6,439)	(47,317)	(30,038)
Non-controlling interests	(211)	128	(984)	597
	(10,354)	(6,311)	(48,301)	(29,441)

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the quarter ended 30 June 2023 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.6650 ruling at 30 June 2023. 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.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the first quarter ended 30 June 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at 30 June 2023 US\$'000	(Audited) As at 31 March 2023 US\$'000	(Unaudited) As at 30 June 2023 RM'000 <i>(Note)</i>	(Unaudited) As at 31 March 2023 RM'000 <i>(Note)</i>
ASSETS				
Non-current assets				
Property, plant and equipment and right-of-use assets	48,505	51,588	226,276	240,659
Investment properties	22,892	23,936	106,791	111,661
Intangible assets	6,357	6,853	29,655	31,969
Deferred income tax assets	264	128	1,232	597
Investments accounted for using the equity method	40	44	187	205
Financial assets at fair value through other comprehensive income	1,149	1,269	5,360	5,920
	79,207	83,818	369,501	391,011
Current assets				
Inventories	10,664	11,145	49,748	51,991
Trade and other receivables	20,665	18,866	96,402	88,010
Financial assets at fair value through profit or loss	2,350	2,849	10,963	13,292
Income tax recoverable	462	324	2,155	1,511
Short-term bank deposits	31,098	32,049	145,072	149,509
Cash and cash equivalents	60,656	61,524	282,960	287,009
	125,895	126,757	587,300	591,322
Current liabilities				
Trade and other payables	20,136	17,969	93,934	83,825
Contract liabilities	14,816	11,513	69,117	53,708
Dividend payable	2,531	-	11,807	-
Income tax liabilities	692	1,050	3,228	4,898
Bank and other borrowings	20,955	21,070	97,755	98,292
Lease liabilities	261	263	1,218	1,227
Current portion of other non-current liabilities	24	25	112	117
	59,415	51,890	277,171	242,067
Net current assets	66,480	74,867	310,129	349,255
Total assets less current liabilities	145,687	158,685	679,630	740,266

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the first quarter ended 30 June 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	(Unaudited) As at 30 June 2023 US\$'000	(Audited) As at 31 March 2023 US\$'000	(Unaudited) As at 30 June 2023 RM'000 (Note)	(Unaudited) As at 31 March 2023 RM'000 (Note)
EQUITY				
Equity attributable to owners of the Company				
Share capital	21,715	21,715	101,300	101,300
Share premium	54,664	54,664	255,008	255,008
Other reserves	(131,330)	(123,915)	(612,654)	(578,063)
Retained earnings	195,591	200,850	912,432	936,965
	140,640	153,314	656,086	715,210
Non-controlling interests	(961)	(750)	(4,483)	(3,499)
Total equity	139,679	152,564	651,603	711,711
Non-current liabilities				
Lease liabilities	299	359	1,395	1,675
Deferred income tax liabilities	4,036	4,069	18,827	18,982
Other non-current liabilities	1,673	1,693	7,805	7,898
	6,008	6,121	28,027	28,555
	145,687	158,685	679,630	740,266
Net assets per share attributable to owners of the Company (US cents /sen)	8.34	9.09	38.91	42.40

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM as at 30 June 2023 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.6650 ruling at 30 June 2023. 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.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the first quarter ended 30 June 2023

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 2022	21,715	54,664	(117,583)	203,678	162,474	(279)	162,195
Loss for the period	-	-	-	(303)	(303)	(72)	(375)
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(6,679)	-	(6,679)	-	(6,679)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	543	-	543	200	743
Other comprehensive (loss)/income, net of tax	-	-	(6,136)	-	(6,136)	200	(5,936)
Total comprehensive (loss)/income for the period ended 30 June 2022	-	-	(6,136)	(303)	(6,439)	128	(6,311)
Total transactions with owners, recognised directly in equity							
2021/2022 interim dividend	-	-	-	(2,531)	(2,531)	-	(2,531)
At 30 June 2022	21,715	54,664	(123,719)	200,844	153,504	(151)	153,353

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the first quarter ended 30 June 2023

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 2023	21,715	54,664	(123,915)	200,850	153,314	(750)	152,564
Loss for the period	-	-	-	(2,728)	(2,728)	(175)	(2,903)
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(7,326)	-	(7,326)	(3)	(7,329)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	(89)	-	(89)	(33)	(122)
Other comprehensive loss, net of tax	-	-	(7,415)	-	(7,415)	(36)	(7,451)
Total comprehensive loss for the period ended 30 June 2023	-	-	(7,415)	(2,728)	(10,143)	(211)	(10,354)
Total transactions with owners, recognised directly in equity							
2022/2023 interim dividend	-	-	-	(2,531)	(2,531)	-	(2,531)
At 30 June 2023	<u>21,715</u>	<u>54,664</u>	<u>(131,330)</u>	<u>195,591</u>	<u>140,640</u>	<u>(961)</u>	<u>139,679</u>

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the first quarter ended 30 June 2023

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	101,300	255,008	(548,525)	950,158	757,941	(1,301)	756,640
Loss for the period	-	-	-	(1,413)	(1,413)	(336)	(1,749)
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(31,158)	-	(31,158)	-	(31,158)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	2,533	-	2,533	933	3,466
Other comprehensive (loss)/income, net of tax	-	-	(28,625)	-	(28,625)	933	(27,692)
Total comprehensive (loss)/income for the period ended 30 June 2022	-	-	(28,625)	(1,413)	(30,038)	597	(29,441)
Total transactions with owners, recognised directly in equity							
2021/2022 interim dividend	-	-	-	(11,807)	(11,807)	-	(11,807)
At 30 June 2022	101,300	255,008	(577,150)	936,938	716,096	(704)	715,392

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2023 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.6650 ruling at 30 June 2023. 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.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the first quarter ended 30 June 2023

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 2023	101,300	255,008	(578,063)	936,965	715,210	(3,499)	711,711
Loss for the period	-	-	-	(12,726)	(12,726)	(816)	(13,542)
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(34,176)	-	(34,176)	(14)	(34,190)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	(415)	-	(415)	(154)	(569)
Other comprehensive loss, net of tax	-	-	(34,591)	-	(34,591)	(168)	(34,759)
Total comprehensive loss for the period ended 30 June 2023	-	-	(34,591)	(12,726)	(47,317)	(984)	(48,301)
Total transactions with owners, recognised directly in equity							
2022/2023 interim dividend	-	-	-	(11,807)	(11,807)	-	(11,807)
At 30 June 2023	101,300	255,008	(612,654)	912,432	656,086	(4,483)	651,603

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2023 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.6650 ruling at 30 June 2023. 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.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the first quarter ended 30 June 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) Three months ended		(Unaudited) Three months ended	
	30 June		30 June	
	2023	2022	2023	2022
	US\$'000	US\$'000	RM'000	RM'000
			<i>(Note)</i>	<i>(Note)</i>
Cash flows from operating activities				
Cash generated from operations	2,648	5,524	12,353	25,769
Interest paid	(278)	(102)	(1,297)	(476)
Income tax paid	(619)	(388)	(2,888)	(1,809)
Net cash generated from operating activities	1,751	5,034	8,168	23,484
Cash flows from investing activities				
Dividends received	55	26	257	121
(Increase)/decrease in short-term bank deposits with original maturity over three months	(768)	5,635	(3,583)	26,287
Interest received	558	313	2,603	1,460
Proceeds from disposal of property, plant and equipment	26	2	122	9
Purchases of intangible assets	(34)	(5)	(159)	(23)
Purchases of property, plant and equipment	(255)	(87)	(1,190)	(406)
Payment for acquisition of financial assets at fair value through profit or loss	-	(1,199)	-	(5,592)
Net cash (used in)/generated from investing activities	(418)	4,685	(1,950)	21,856
Cash flows from financing activities				
Proceeds from bank and other borrowings	-	683	-	3,186
Repayments of bank and other borrowings	(153)	(228)	(713)	(1,064)
Principal elements of lease liabilities	(64)	(111)	(299)	(517)
Net cash (used in)/ generated from financing activities	(217)	344	(1,012)	1,605
Net increase in cash and cash equivalents	1,116	10,063	5,206	46,945
Cash and cash equivalents at beginning of period	61,524	64,952	287,009	303,001
Exchange adjustments on cash and cash equivalents	(1,984)	(3,250)	(9,255)	(15,162)
Cash and cash equivalents at end of period	60,656	71,765	282,960	334,784

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 June 2023 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.6650 ruling at 30 June 2023. This translation should not be construed as a representation that the US\$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

A. NOTES TO THE FINANCIAL INFORMATION

A1. Basis of preparation

This condensed consolidated financial information of the Company and its subsidiaries (collectively the “Group”) for the quarter ended 30 June 2023 (“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 2023 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) The Group has adopted the following amended standards for the first time for its annual reporting period commencing 1 April 2023:

- Amendments to IAS 8 “Definition of accounting estimates”
- Amendments to IAS 12 “Deferred tax related to assets and liabilities arising from a single transaction”
- Amendments to IAS 1, and IFRS Practice Statement 2 “Disclosure of accounting policies”
- IFRS 17 and amendments to IFRS 17 “Insurance contracts and the related amendments”

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.

(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 2023. 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\$.

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 2023 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

There was no dividend paid during the current quarter.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the first quarter ended 30 June 2023

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 30 June 2023, analysed by operating segment, are as follows:

	(Unaudited)					
	Three months ended 30 June 2023					
	Publishing and printing				Travel and travel related services	Total
	Malaysia US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000	US\$'000	US\$'000
Turnover						
Sales of newspapers, magazines, books and digital contents	6,856	2,485	578	9,919	-	9,919
Advertising income	9,042	6,588	1,211	16,841	-	16,841
Travel and travel related services income	-	-	-	-	9,553	9,553
	<u>15,898</u>	<u>9,073</u>	<u>1,789</u>	<u>26,760</u>	<u>9,553</u>	<u>36,313</u>
Segment (loss)/profit before income tax	<u>(886)</u>	<u>(1,292)</u>	<u>(904)</u>	<u>(3,082)</u>	<u>354</u>	<u>(2,728)</u>
Other net unallocated expenses						<u>(149)</u>
Loss before income tax						<u>(2,877)</u>
Income tax expense						<u>(26)</u>
Loss for the quarter						<u>(2,903)</u>
Other segmental information:						
Interest income	517	14	-	531	27	558
Finance costs	-	(273)	-	(273)	(5)	(278)
Depreciation of property, plant and equipment and right-of-use assets	(1,057)	(221)	(25)	(1,303)	(19)	(1,322)
Amortisation of intangible assets	(163)	(12)	-	(175)	(1)	(176)
Net (provision for)/reversal of loss allowance on financial assets	(34)	(1)	8	(27)	15	(12)
Share of results of an associate and a joint venture	-	(5)	-	(5)	-	(5)

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the first quarter ended 30 June 2023

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

The Group's turnover and results for the quarter ended 30 June 2022, analysed by operating segment, are as follows:

	(Unaudited) Three months ended 30 June 2022				Travel and travel related services 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		
Turnover						
Sales of newspapers, magazines, books and digital contents	8,008	2,772	430	11,210	-	11,210
Advertising income	9,674	6,680	1,272	17,626	-	17,626
Travel and travel related services income	-	-	-	-	1,415	1,415
	<u>17,682</u>	<u>9,452</u>	<u>1,702</u>	<u>28,836</u>	<u>1,415</u>	<u>30,251</u>
Segment profit/(loss) before income tax	<u>848</u>	<u>848</u>	<u>(1,105)</u>	<u>591</u>	<u>(304)</u>	<u>287</u>
Other net unallocated expenses						<u>(160)</u>
Profit before income tax						<u>127</u>
Income tax expense						<u>(502)</u>
Loss for the quarter						<u>(375)</u>
Other segmental information:						
Interest income	309	-	2	311	2	313
Finance costs	(4)	(94)	-	(98)	(4)	(102)
Depreciation of property, plant and equipment and right-of-use assets	(1,123)	(254)	(42)	(1,419)	(3)	(1,422)
Amortisation of intangible assets	(176)	(8)	-	(184)	(1)	(185)
Net (provision for) / reversal of loss allowance on financial assets	(25)	4	(7)	(28)	-	(28)
Share of results of an associate and a joint venture	-	(2)	-	(2)	-	(2)

Disaggregation of revenue

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

Turnover recognised during the quarter is disaggregated as follows:

	(Unaudited) Three months ended 30 June	
	2022 US\$'000	2022 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	<u>9,919</u>	11,210
Travel and travel related services income	<u>21</u>	96
Over time		
Advertising income, net of trade discounts	<u>16,841</u>	17,626
Travel and travel related services income	<u>9,532</u>	1,319
	<u><u>36,313</u></u>	<u>30,251</u>

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the first quarter ended 30 June 2023

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

The segment assets and liabilities as at 30 June 2023 are as follows:

	(Unaudited)				Travel and travel related services US\$'000	Elimination US\$'000	Total US\$'000
	Publishing and printing			Sub-total US\$'000			
	Malaysia US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000				
Segment assets	149,069	34,957	4,222	188,248	18,274	(2,266)	204,256
Unallocated assets							<u>846</u>
Total assets							<u>205,102</u>
Total assets include:							
Investments accounted for using the equity method	-	40	-	40	-	-	40
Additions to:							
Property, plant and equipment and right-of-use assets	176	73	6	255	-	-	255
Intangible assets	10	24	-	34	-	-	34
Segment liabilities	(15,753)	(31,941)	(2,631)	(50,325)	(11,501)	2,266	(59,560)
Unallocated liabilities							<u>(5,863)</u>
Total liabilities							<u>(65,423)</u>

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the first quarter ended 30 June 2023

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

The segment assets and liabilities as at 31 March 2023 are as follows:

	(Audited)			Sub-total US\$'000	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				
Segment assets	<u>154,137</u>	<u>36,958</u>	<u>8,836</u>	<u>199,931</u>	<u>12,566</u>	<u>(2,498)</u>	<u>209,999</u>
Unallocated assets							<u>576</u>
Total assets							<u>210,575</u>
Total assets include:							
Investments accounted for using the equity method	-	44	-	44	-	-	44
Additions to:							
Property, plant and equipment and right-of-use assets	386	229	16	631	143	-	774
Intangible assets	23	47	1	71	-	-	71
Segment liabilities	<u>(10,609)</u>	<u>(31,578)</u>	<u>(5,824)</u>	<u>(48,011)</u>	<u>(6,225)</u>	<u>2,498</u>	<u>(51,738)</u>
Unallocated liabilities							<u>(6,273)</u>
Total liabilities							<u>(58,011)</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 of the operating segments. They mainly exclude deferred income tax assets and income tax recoverable.

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

A11. Valuation of property, plant and equipment

There was no revaluation of the Group's property, plant and equipment during the quarter ended 30 June 2023.

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 30 June 2023 are as follows:

	(Unaudited) US\$'000
Authorised and contracted for	
Property, plant and equipment	27
Intangible assets	27
	<hr/>
	54

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the first quarter ended 30 June 2023

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A15. Related party transactions

	(Unaudited)	
	Three months ended	
	30 June	
	2023	2022
	US\$'000	US\$'000
Advertising income received from a related party	(1)	-
Advertising income received from a related company (<i>note 1</i>)	(2)	-
Advertising income received from an associate	(14)	(31)
Provision of administrative and content services to a joint venture	(5)	(5)
Provision of legal services by a related company (<i>note 2</i>)	1	1
Purchase of air tickets from a related company (<i>note 1</i>)	8	-
Rental expenses paid to related companies (<i>note 1</i>)	7	22

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.

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

B1. Analysis of performance

	(Unaudited)		
	Three months ended 30 June		
	2023	2022	% Change
	US\$'000	US\$'000	
Turnover	36,313	30,251	+20.0%
(Loss)/profit before income tax	(2,877)	127	-2,365.4%
(EBITDA loss)/EBITDA	(1,654)	1,525	-208.5%

The Group's turnover grew by 20.0% from US\$30,251,000 in the corresponding quarter last year to US\$36,313,000 in the quarter under review. This improvement was mainly contributed by its travel segment which reported a near seven-fold year-on-year increase in turnover. On the other hand, the Group's publishing and printing segment experienced a 7.2% decrease in turnover from the year-ago quarter. The Group reported a loss before income tax of US\$2,877,000 for the current quarter, compared to a profit before income tax of US\$127,000 a year ago. Besides the decline in revenue from its publishing and printing segment, the Group's result for the current quarter was also adversely affected by higher newsprint costs and sales-related expenses, as well as the absence of government subsidies, which amounted to US\$1,353,000 in the same quarter last year.

EBITDA loss for the quarter was US\$1,654,000 against an EBITDA of US\$1,525,000 in the same quarter last year.

During the current quarter, both the Malaysian Ringgit ("RM") and the Canadian dollar ("C\$") weakened against the US dollar, resulting in a negative currency impact of approximately US\$816,000 on the Group's turnover and a positive currency impact of approximately US\$66,000 on the Group's loss before income tax.

Publishing and Printing

For the first quarter of its financial year 2023/2024, the turnover of the Group's publishing and printing segment was US\$26,760,000, representing a decrease of 7.2% when compared to the turnover of US\$28,836,000 recorded in the same quarter last year. This segment reported a loss before income tax of US\$3,082,000 as opposed to a profit before income tax US\$591,000 in the prior year quarter.

The turnover of the Group's Malaysia operation fell by 10.1% to US\$15,898,000 for the current quarter, which resulted in the segment recording a loss before income tax of US\$886,000, compared to a profit before income tax of US\$848,000 a year ago. Meanwhile, the turnover of the Group's Hong Kong and Taiwan segment decreased by 4.0% to US\$9,073,000 from US\$9,452,000 recorded in the same quarter last year. The decline in turnover, together with the absence of government subsidies, resulted in the Hong Kong and Taiwan segment reporting a loss before income tax of US\$1,292,000 for the quarter under review, as against a profit before income tax of US\$848,000 a year ago.

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

B1. Analysis of performance (Continued)

The decline in turnover for both the Group's Malaysia and Hong Kong and Taiwan segments was largely attributed to the decrease in the segments' digital advertising and print circulation revenues. The former was partly caused by the decline in digital traffic through the Group's websites as people began spending more time outdoors and travelling and less time on the internet following the normalcy of economic activities. In addition, Meta's termination of its instant articles service on Facebook since April 2023 has negative impact on the Group's direct programmatic advertising revenue from Facebook, especially for the Malaysia segment as its digital audience depended very much on Facebook as a link to news media.

During the quarter, the Group organised various events including the "Nanyang Essence Award 2023", "Nanyang Centennial Outstanding Young Malaysian Award" and the "Ming Pao ESG Awards 2023" as part of its efforts to increase revenue.

Turnover for the Group's North America segment increased by 5.1% to US\$1,789,000 from US\$1,702,000 recorded in last year's corresponding quarter. This helped narrow the segment's loss before income tax by 18.2% to US\$904,000 from US\$1,105,000 recorded a year ago. The improvement in result was primarily driven by the growth in its circulation revenue and cost savings.

Travel and travel related services

International tourism continued to recover as travel restrictions in many countries were relaxed and travellers' confidence returned. This had a positive effect on the Group's travel segment which recorded a 5.8 times increase in turnover to US\$9,553,000 from US\$1,415,000 in the same quarter last year. The growth in turnover was mainly contributed by the inbound tours from customers in Southeast Asia for its North America operations, as well as outbound tours to Europe and China for its Hong Kong operation, further fuelled by student tours for summer programs. Driven by the improvement in turnover, the travel segment recorded a profit before income tax of US\$354,000, a turnaround from a loss before income tax of US\$304,000 recorded in the year-ago quarter.

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

B2. Variation of results against immediate preceding quarter

	(Unaudited) Three months ended 30 June 2023 US\$'000	(Unaudited) Three months ended 31 March 2023 US\$'000	% Change
Turnover	36,313	31,371	+15.8%
Loss before income tax	(2,877)	(1,830)	-57.2%

In the current quarter, the Group recorded a total turnover of US\$36,313,000, representing an improvement of 15.8% or US\$4,942,000 from the immediate preceding quarter. The growth was contributed by the travel segment which recorded an increase of 233.0% or US\$6,684,000 in turnover over the immediate preceding quarter. Meanwhile, the turnover for the Group's publishing and printing segment fell by 6.1% or US\$1,742,000 to US\$26,760,000 from US\$28,502,000 in the previous quarter.

The Group's loss before income tax increased by 57.2% or US\$1,047,000 to US\$2,877,000 from US\$1,830,000 in the immediate preceding quarter, mainly due to the decline in revenue from the publishing and printing segment and the increase in operating costs, in particular newsprint costs and sales-related expenses.

B3. Current year prospects

With a slow global economic recovery, weak global trade and investment and the ongoing Russia-Ukraine conflict, the Group expects the remaining quarters of the financial year 2023/2024 to remain uncertain and challenging. However, it is anticipated that China may put in place some monetary and fiscal measures to stimulate its economy and adopt a more relaxed stance in external trade and economic relations. If China were to adopt such stance, this will benefit its trade partners and drive growth in the economy of the markets in which the Group operates.

The Group will continue to exercise prudent cost management while at the same time seek to expand its product offerings. In addition, the Group expects newsprint price to fall in the coming quarters which will contribute positively to the Group's overall performance.

B4. Profit forecast and profit guarantee

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

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

B5. (Loss)/profit before income tax

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

	(Unaudited)	
	Three months ended	
	30 June	
	2023	2022
	US\$'000	US\$'000
Exchange losses - net	(8)	(164)
Fair value losses on financial assets at fair value through profit or loss, net	(350)	(185)
Government grant and subsidies	6	1,353
Gain/(loss) on disposal of property, plant and equipment, net	23	(8)
Provision for impairment and write-off of inventories	(39)	(67)
Reversal of/(provision for) loss allowance and write-off of trade and other receivables, net	12	(24)

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

B6. Income tax expense

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

	(Unaudited)	
	Three months ended	
	30 June	
	2023	2022
	US\$'000	US\$'000
Current period income tax expense	105	577
Under provision in prior years	9	-
Deferred income tax credit	(88)	(75)
	26	502

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

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

B8. Group borrowings

The Group's borrowings as at 30 June 2023 are as follows:

	Secured US\$'000	(Unaudited) Unsecured US\$'000	Total US\$'000
Current			
Bank borrowings	20,955	-	20,955

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

	(Unaudited) US\$'000
Hong Kong dollars	20,955

B9. Material litigation

As at 30 June 2023, 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 interim dividend of US0.15 cents per ordinary share totaling US\$2,531,000 in respect of the year ended 31 March 2023 was paid on 7 July 2023.

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

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

B11. Loss per share attributable to owners of the Company

	(Unaudited)	
	Three months ended	
	30 June	
	2023	2022
Loss attributable to owners of the Company (US\$'000)	<u>(2,728)</u>	<u>(303)</u>
Weighted average number of ordinary shares in issue	<u>1,687,236,241</u>	<u>1,687,236,241</u>
Basic loss per share (US cents)	<u>(0.16)</u>	<u>(0.02)</u>
Diluted loss per share (US cents)	<u>(0.16)</u>	<u>(0.02)</u>

The diluted loss per share was the same as the basic loss per share as there were no dilutive potential shares in issue during the quarters ended 30 June 2023 and 2022.

B12. Pledge of assets

As at 30 June 2023, certain of the Group's banking facilities were secured by the following:

- (a) first legal charges on certain of the Group's property, plant and equipment and right-of-use assets with an aggregate carrying value of US\$4,176,000 at 30 June 2023 (At 31 March 2023: US\$4,123,000) and assignment of rental income derived therefrom; and
- (b) corporate guarantees issued by the Company.

On behalf of the Board
Media Chinese International Limited

Tong Siew Kheng
Yeung Ying Fat
Joint Company Secretaries
29 August 2023