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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 SECOND QUARTER ENDED 30 SEPTEMBER 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 30 September 2022 to Bursa Securities on 28 November 2022.

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).

28 November 2022

As at the date of this announcement, the Board comprises Ms. TIONG Choon, Mr. TIONG Kiew Chiong, Mr. WONG Khang Yen, Mr. LIEW Sam Ngan and Ms. TIONG Yijia, being executive directors; Dato’ Sri Dr. TIONG Ik King, 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 second quarter ended 30 September 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Three months ended 30 September		(Unaudited) Three months ended 30 September	
	2022 US\$'000	2021 US\$'000	2022 RM'000 <i>(Note)</i>	2021 RM'000 <i>(Note)</i>
Turnover	36,415	30,075	168,747	139,368
Cost of goods sold	(22,252)	(19,017)	(103,116)	(88,125)
Gross profit	14,163	11,058	65,631	51,243
Other income	1,911	3,682	8,856	17,062
Other (losses)/gains, net	(54)	100	(250)	463
Selling and distribution expenses	(8,304)	(6,879)	(38,481)	(31,877)
Administrative expenses	(5,419)	(5,174)	(25,112)	(23,976)
Net reversal of loss allowance on financial assets	60	36	278	167
Other operating expenses	(167)	(956)	(774)	(4,430)
Operating profit	2,190	1,867	10,148	8,652
Finance costs	(160)	(101)	(741)	(468)
Share of results of an associate and a joint venture	(2)	(4)	(9)	(19)
Profit before income tax	2,028	1,762	9,398	8,165
Income tax expense	(850)	(369)	(3,939)	(1,710)
Profit for the quarter	1,178	1,393	5,459	6,455
Profit/(loss) attributable to:				
Owners of the Company	1,347	1,393	6,242	6,455
Non-controlling interests	(169)	-*	(783)	-*
	1,178	1,393	5,459	6,455
Earnings per share attributable to owners of the Company				
Basic (US cents/sen) #	0.08	0.08	0.37	0.37
Diluted (US cents/sen) #	0.08	0.08	0.37	0.37

* negligible

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

Note: The presentation currency of this unaudited financial information is United States Dollar ("US\$"). Supplementary information in Malaysian Ringgit ("RM") for the quarter ended 30 September 2022 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.6340 ruling at 30 September 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.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	(Unaudited) Three months ended 30 September		(Unaudited) Three months ended 30 September	
	2022 US\$'000	2021 US\$'000	2022 RM'000 <i>(Note)</i>	2021 RM'000 <i>(Note)</i>
Profit for the quarter	1,178	1,393	5,459	6,455
Other comprehensive loss				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences	(6,537)	(1,306)	(30,292)	(6,052)
Item that will not be reclassified subsequently to profit or loss:				
Fair value change on financial assets at fair value through other comprehensive income	(610)	(894)	(2,827)	(4,143)
Other comprehensive loss for the quarter, net of tax	(7,147)	(2,200)	(33,119)	(10,195)
Total comprehensive loss for the quarter	(5,969)	(807)	(27,660)	(3,740)
Total comprehensive loss for the quarter attributable to:				
Owners of the Company	(5,632)	(562)	(26,098)	(2,605)
Non-controlling interests	(337)	(245)	(1,562)	(1,135)
	(5,969)	(807)	(27,660)	(3,740)

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the quarter ended 30 September 2022 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.6340 ruling at 30 September 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.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Six months ended 30 September		(Unaudited) Six months ended 30 September	
	2022 US\$'000	2021 US\$'000	2022 RM'000 <i>(Note)</i>	2021 RM'000 <i>(Note)</i>
Turnover	66,666	58,768	308,930	272,331
Cost of goods sold	<u>(41,548)</u>	<u>(37,467)</u>	<u>(192,533)</u>	<u>(173,622)</u>
Gross profit	25,118	21,301	116,397	98,709
Other income	4,578	5,867	21,214	27,188
Other (losses)/gains, net	(403)	92	(1,868)	426
Selling and distribution expenses	(15,117)	(14,382)	(70,052)	(66,646)
Administrative expenses	(10,840)	(10,802)	(50,232)	(50,057)
Net reversal of/(provision for) loss allowance on financial assets	32	(52)	148	(241)
Other operating expenses	<u>(947)</u>	<u>(1,957)</u>	<u>(4,388)</u>	<u>(9,069)</u>
Operating profit	2,421	67	11,219	310
Finance costs	(262)	(216)	(1,214)	(1,000)
Share of results of an associate and a joint venture	<u>(4)</u>	<u>(4)</u>	<u>(19)</u>	<u>(19)</u>
Profit/(loss) before income tax	2,155	(153)	9,986	(709)
Income tax expense	<u>(1,352)</u>	<u>(507)</u>	<u>(6,265)</u>	<u>(2,349)</u>
Profit/(loss) for the period	<u>803</u>	<u>(660)</u>	<u>3,721</u>	<u>(3,058)</u>
Profit/(loss) attributable to:				
Owners of the Company	1,044	(511)	4,838	(2,368)
Non-controlling interests	<u>(241)</u>	<u>(149)</u>	<u>(1,117)</u>	<u>(690)</u>
	<u>803</u>	<u>(660)</u>	<u>3,721</u>	<u>(3,058)</u>
Earnings/(loss) per share attributable to owners of the Company				
Basic (US cents/sen) #	0.06	(0.03)	0.28	(0.14)
Diluted (US cents/sen) #	<u>0.06</u>	<u>(0.03)</u>	<u>0.28</u>	<u>(0.14)</u>

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

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 September 2022 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.6340 ruling at 30 September 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.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	(Unaudited) Six months ended 30 September		(Unaudited) Six months ended 30 September	
	2022 US\$'000	2021 US\$'000	2022 RM'000 <i>(Note)</i>	2021 RM'000 <i>(Note)</i>
Profit/(loss) for the period	803	(660)	3,721	(3,058)
Other comprehensive (loss)/ income				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences	(13,216)	(1,419)	(61,243)	(6,576)
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	(76)	616	(352)
Other comprehensive loss for the period, net of tax	(13,083)	(1,495)	(60,627)	(6,928)
Total comprehensive loss for the period	(12,280)	(2,155)	(56,906)	(9,986)
Total comprehensive loss for the period attributable to:				
Owners of the Company	(12,071)	(1,983)	(55,937)	(9,189)
Non-controlling interests	(209)	(172)	(969)	(797)
	(12,280)	(2,155)	(56,906)	(9,986)

Note: The presentation currency of this unaudited financial information is US\$. Supplementary information in RM for the period ended 30 September 2022 with comparatives is shown for reference only and has been made at the same exchange rate of US\$1 to RM4.6340 ruling at 30 September 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.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at 30 September 2022 US\$'000	(Audited) As at 31 March 2022 US\$'000	(Unaudited) As at 30 September 2022 RM'000 <i>(Note)</i>	(Unaudited) As at 31 March 2022 RM'000 <i>(Note)</i>
ASSETS				
Non-current assets				
Property, plant and equipment and right-of-use assets	51,866	58,809	240,347	272,522
Investment properties	22,826	24,721	105,776	114,557
Intangible assets	6,822	7,876	31,613	36,497
Deferred income tax assets	96	89	445	412
Investments accounted for using the equity method	52	24	241	111
Financial assets at fair value through other comprehensive income	764	636	3,540	2,947
	82,426	92,155	381,962	427,046
Current assets				
Inventories	11,423	11,448	52,934	53,049
Trade and other receivables	20,040	18,747	92,865	86,874
Financial assets at fair value through profit or loss	2,514	1,209	11,650	5,603
Income tax recoverable	262	687	1,214	3,184
Short-term bank deposits	25,134	30,327	116,471	140,535
Cash and cash equivalents	65,760	64,952	304,732	300,988
	125,133	127,370	579,866	590,233
Current liabilities				
Trade and other payables	21,024	19,991	97,424	92,638
Contract liabilities	9,979	7,780	46,243	36,053
Income tax liabilities	1,479	799	6,854	3,703
Bank and other borrowings	22,542	22,655	104,460	104,983
Lease liabilities	217	286	1,006	1,325
Current portion of other non-current liabilities	44	49	204	227
	55,285	51,560	256,191	238,929
Net current assets	69,848	75,810	323,675	351,304
Total assets less current liabilities	152,274	167,965	705,637	778,350

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	(Unaudited) As at 30 September 2022 US\$'000	(Audited) As at 31 March 2022 US\$'000	(Unaudited) As at 30 September 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	100,627	100,627
Share premium	54,664	54,664	253,313	253,313
Other reserves	(130,698)	(117,583)	(605,655)	(544,880)
Retained earnings	202,191	203,678	936,953	943,844
	147,872	162,474	685,238	752,904
Non-controlling interests	(488)	(279)	(2,261)	(1,292)
Total equity	147,384	162,195	682,977	751,612
Non-current liabilities				
Lease liabilities	352	473	1,631	2,192
Deferred income tax liabilities	4,078	4,794	18,897	22,215
Other non-current liabilities	460	503	2,132	2,331
	4,890	5,770	22,660	26,738
	152,274	167,965	705,637	778,350
Net assets per share attributable to owners of the Company (US cents/sen)	8.76	9.63	40.59	44.63

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MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

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
Loss for the period	-	-	-	(511)	(511)	(149)	(660)
Other comprehensive loss							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(1,417)	-	(1,417)	(2)	(1,419)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	(55)	-	(55)	(21)	(76)
Other comprehensive loss, net of tax	-	-	(1,472)	-	(1,472)	(23)	(1,495)
Total comprehensive loss for the period ended 30 September 2021	-	-	(1,472)	(511)	(1,983)	(172)	(2,155)
Total transactions with owners, recognised directly in equity							
2020/2021 interim dividend	-	-	-	(1,687)	(1,687)	-	(1,687)
At 30 September 2021	21,715	54,664	(116,700)	202,692	162,371	208	162,579

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(Unaudited)						
	Attributable to owners of the Company					Non- controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Sub-total		
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
At 1 April 2022	21,715	54,664	(117,583)	203,678	162,474	(279)	162,195
Profit/(loss) for the period	-	-	-	1,044	1,044	(241)	803
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(13,213)	-	(13,213)	(3)	(13,216)
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	-	-	(13,115)	-	(13,115)	32	(13,083)
Total comprehensive (loss)/income for the period ended 30 September 2022	-	-	(13,115)	1,044	(12,071)	(209)	(12,280)
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 30 September 2022	21,715	54,664	(130,698)	202,191	147,872	(488)	147,384

* *negligible*

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	(Unaudited)						Total equity RM'000 (Note)
	Attributable to owners of the Company					Non-controlling interests	
	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)	RM'000 (Note)	
At 1 April 2021	100,627	253,313	(533,967)	949,461	769,434	1,761	771,195
Loss for the period	-	-	-	(2,368)	(2,368)	(690)	(3,058)
Other comprehensive loss							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(6,566)	-	(6,566)	(10)	(6,576)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	(255)	-	(255)	(97)	(352)
Other comprehensive loss, net of tax	-	-	(6,821)	-	(6,821)	(107)	(6,928)
Total comprehensive loss for the period ended 30 September 2021	-	-	(6,821)	(2,368)	(9,189)	(797)	(9,986)
Total transactions with owners, recognised directly in equity							
2020/2021 interim dividend	-	-	-	(7,818)	(7,818)	-	(7,818)
At 30 September 2021	<u>100,627</u>	<u>253,313</u>	<u>(540,788)</u>	<u>939,275</u>	<u>752,427</u>	<u>964</u>	<u>753,391</u>

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MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

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	100,627	253,313	(544,880)	943,844	752,904	(1,292)	751,612
Profit/(loss) for the period	-	-	-	4,838	4,838	(1,117)	3,721
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	(61,229)	-	(61,229)	(14)	(61,243)
Item that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	-	-	454	-	454	162	616
Other comprehensive (loss)/income, net of tax	-	-	(60,775)	-	(60,775)	148	(60,627)
Total comprehensive (loss)/income for the period ended 30 September 2022	-	-	(60,775)	4,838	(55,937)	(969)	(56,906)
Total transactions with owners, recognised directly in equity							
2021/2022 interim dividend	-	-	-	(11,729)	(11,729)	-	(11,729)
2021/2022 interim dividend paid by an unlisted subsidiary	-	-	-	-	-	-*	-*
	-	-	-	(11,729)	(11,729)	-*	(11,729)
At 30 September 2022	100,627	253,313	(605,655)	936,953	685,238	(2,261)	682,977

* *negligible*

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MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)		(Unaudited)	
	Six months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	US\$'000	US\$'000	RM'000	RM'000
			(Note)	(Note)
Cash flows from operating activities				
Cash generated from operations	6,945	6,602	32,183	30,593
Interest paid	(262)	(216)	(1,214)	(1,000)
Income tax paid	(710)	(580)	(3,290)	(2,688)
Net cash generated from operating activities	5,973	5,806	27,679	26,905
Cash flows from investing activities				
Dividends received	26	21	120	97
Decrease/(increase) in short-term bank deposits with original maturity over three months	5,193	(3,597)	24,066	(16,668)
Proceeds from sales of financial assets at fair value through profit or loss	37	-	171	-
Interest received	667	507	3,091	2,349
Proceeds from disposal of property, plant and equipment	2	19	9	88
Purchases of intangible assets	(14)	(17)	(65)	(79)
Purchases of property, plant and equipment	(178)	(177)	(825)	(820)
Payment for acquisition of financial assets at fair value through profit or loss	(1,818)	-	(8,425)	-
Investment in a joint venture	(32)	-	(148)	-
Net cash generated from/(used in) investing activities	3,883	(3,244)	17,994	(15,033)
Cash flows from financing activities				
Dividends paid	(2,531)	(1,687)	(11,729)	(7,818)
Dividends paid to non-controlling interests by an unlisted subsidiary	-*	-	-*	-
Proceeds from bank and other borrowings	887	8,947	4,111	41,460
Repayments of bank and other borrowings	(904)	(13,390)	(4,189)	(62,049)
Principal elements of lease liabilities	(172)	(532)	(797)	(2,465)
Net cash used in financing activities	(2,720)	(6,662)	(12,604)	(30,872)
Net increase/(decrease) in cash and cash equivalents				
	7,136	(4,100)	33,069	(19,000)
Cash and cash equivalents at beginning of period	64,952	69,181	300,988	320,585
Exchange adjustments on cash and cash equivalents	(6,328)	(614)	(29,325)	(2,845)
Cash and cash equivalents at end of period	65,760	64,467	304,732	298,740

* 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 six months ended 30 September 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 six months ended 30 September 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\$.

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.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

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 September 2022, analysed by operating segment, are as follows:

	(Unaudited)					
	Three months ended 30 September 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	7,735	3,882	496	12,113	-	12,113
Advertising income	11,237	8,196	1,282	20,715	-	20,715
Travel and travel related services income	-	-	-	-	3,587	3,587
	<u>18,972</u>	<u>12,078</u>	<u>1,778</u>	<u>32,828</u>	<u>3,587</u>	<u>36,415</u>
Segment profit/(loss) before income tax	<u>1,968</u>	<u>1,330</u>	<u>(1,068)</u>	<u>2,230</u>	<u>(40)</u>	<u>2,190</u>
Other net unallocated expenses						<u>(162)</u>
Profit before income tax						2,028
Income tax expense						<u>(850)</u>
Profit for the quarter						<u>1,178</u>
Other segmental information:						
Interest income	348	-	1	349	5	354
Finance costs	(3)	(153)	-	(156)	(4)	(160)
Depreciation of property, plant and equipment and right-of-use assets	(1,090)	(253)	(35)	(1,378)	(3)	(1,381)
Amortisation of intangible assets	(165)	(11)	-	(176)	(1)	(177)
Net reversal of/(provision for) loss allowance on financial assets	74	(16)	2	60	-	60
Share of results of an associate and a joint venture	-	(2)	-	(2)	-	(2)

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

The Group's turnover and results for the quarter ended 30 September 2021, analysed by operating segment, are as follows:

	(Unaudited)					Travel and travel related services US\$'000	Total US\$'000
	Three months ended 30 September 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	7,929	3,938	416	12,283	-	12,283	
Advertising income	8,386	7,512	1,413	17,311	-	17,311	
Travel and travel related services income	-	-	-	-	481	481	
	<u>16,315</u>	<u>11,450</u>	<u>1,829</u>	<u>29,594</u>	<u>481</u>	<u>30,075</u>	
Segment profit/(loss) before income tax	<u>496</u>	<u>1,758</u>	<u>(163)</u>	<u>2,091</u>	<u>(142)</u>	<u>1,949</u>	
Other net unallocated expenses						<u>(187)</u>	
Profit before income tax						1,762	
Income tax expense						<u>(369)</u>	
Profit for the quarter						<u>1,393</u>	
Other segmental information:							
Interest income	253	1	1	255	1	256	
Finance costs	(5)	(89)	-	(94)	(7)	(101)	
Depreciation of property, plant and equipment and right-of-use assets	(1,186)	(281)	(43)	(1,510)	(3)	(1,513)	
Amortisation of intangible assets	(177)	(10)	(1)	(188)	(1)	(189)	
Net reversal of/ (provision for) loss allowance on financial assets	48	(29)	17	36	-	36	
Share of results of an associate and a joint venture	-	(4)	-	(4)	-	(4)	

Disaggregation of revenue

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

Turnover recognised during the quarter is disaggregated as follows:

	(Unaudited)	
	Three months ended 30 September	
	2022	2021
	US\$'000	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	12,113	12,283
Travel and travel related services income	162	46
Over time		
Advertising income, net of trade discounts	20,715	17,311
Travel and travel related services income	3,425	435
	<u>36,415</u>	<u>30,075</u>

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

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

	(Unaudited)					Total US\$'000
	Six months ended 30 September 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	15,743	6,654	926	23,323	-	23,323
Advertising income	20,911	14,876	2,554	38,341	-	38,341
Travel and travel related services income	-	-	-	-	5,002	5,002
	<u>36,654</u>	<u>21,530</u>	<u>3,480</u>	<u>61,664</u>	<u>5,002</u>	<u>66,666</u>
Segment profit/(loss) before income tax	<u>2,816</u>	<u>2,178</u>	<u>(2,173)</u>	<u>2,821</u>	<u>(344)</u>	<u>2,477</u>
Other net unallocated expenses						<u>(322)</u>
Profit before income tax						2,155
Income tax expense						<u>(1,352)</u>
Profit for the period						<u>803</u>
Other segmental information:						
Interest income	657	-	3	660	7	667
Finance costs	(7)	(247)	-	(254)	(8)	(262)
Depreciation of property, plant and equipment and right-of-use assets	(2,213)	(507)	(77)	(2,797)	(6)	(2,803)
Amortisation of intangible assets	(341)	(19)	-	(360)	(2)	(362)
Net reversal of/(provision for) loss allowance on financial assets	49	(12)	(5)	32	-	32
Share of results of an associate and a joint venture	-	(4)	-	(4)	-	(4)

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

The Group's turnover and results for the period ended 30 September 2021, analysed by operating segment, are as follows:

	(Unaudited) Six months ended 30 September 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	16,084	6,595	845	23,524	-	23,524	
Advertising income	17,306	14,513	2,883	34,702	-	34,702	
Travel and travel related services income	-	-	-	-	542	542	
	<u>33,390</u>	<u>21,108</u>	<u>3,728</u>	<u>58,226</u>	<u>542</u>	<u>58,768</u>	
Segment profit/(loss) before income tax	<u>403</u>	<u>917</u>	<u>(501)</u>	<u>819</u>	<u>(631)</u>	<u>188</u>	
Other net unallocated expenses							<u>(341)</u>
Loss before income tax							<u>(153)</u>
Income tax expense							<u>(507)</u>
Loss for the period							<u>(660)</u>
Other segmental information:							
Interest income	501	2	2	505	2	507	
Finance costs	(8)	(192)	-	(200)	(16)	(216)	
Depreciation of property, plant and equipment and right-of-use assets	(2,400)	(569)	(87)	(3,056)	(8)	(3,064)	
Amortisation of intangible assets	(362)	(23)	(3)	(388)	(2)	(390)	
Net reversal of/ (provision for) loss allowance on financial assets	17	(78)	9	(52)	-	(52)	
Share of results of an associate and a joint venture	-	(4)	-	(4)	-	(4)	

Disaggregation of revenue

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

Turnover recognised during the period is disaggregated as follows:

	(Unaudited) Six months ended 30 September	
	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	23,323	23,524
Travel and travel related services income	258	80
Over time		
Advertising income, net of trade discounts	38,341	34,702
Travel and travel related services income	4,744	462
	<u>66,666</u>	<u>58,768</u>

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A10. Turnover and segment information (Continued)

The segment assets and liabilities as at 30 September 2022 are as follows:

	(Unaudited)				Travel and travel related services	Elimination	Total
	Publishing and printing						
	Malaysia	Hong Kong and Taiwan	North America	Sub-total	US\$'000	US\$'000	US\$'000
	US\$'000	US\$'000	US\$'000	US\$'000			
Segment assets	147,319	42,590	8,734	198,643	11,296	(2,844)	207,095
Unallocated assets							<u>464</u>
Total assets							<u>207,559</u>
Total assets include:							
Investments accounted for using the equity method	-	52	-	52	-	-	52
Additions to non-current assets (other than deferred income tax assets)	148	37	7	192	-	-	192
Segment liabilities	(11,923)	(33,654)	(5,977)	(51,554)	(4,627)	2,844	(53,337)
Unallocated liabilities							<u>(6,838)</u>
Total liabilities							<u>(60,175)</u>

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

	(Audited)				Travel and travel related services	Elimination	Total
	Publishing and printing						
	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	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 30 September 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 30 September 2022 are as follows:

	(Unaudited) US\$'000
Authorised and contracted for	
Property, plant and equipment	133
Intangible assets	161
	<u>294</u>

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

A. NOTES TO THE FINANCIAL INFORMATION (Continued)

A15. Related party transactions

	(Unaudited)		(Unaudited)	
	Three months ended		Six months ended	
	30 September		30 September	
	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	(67)	(71)	(98)	(71)
Advertising income received from an employee	-	(2)	-	(2)
Provision of administrative and content services to a joint venture	(5)	(4)	(10)	(9)
Provision of air ticketing and accommodation arrangement services to a related company (<i>note 1</i>)	-	(2)	-	(2)
Provision of legal services by a related company (<i>note 2</i>)	39	8	40	17
Purchase of mineral water from a related company (<i>note 1</i>)	1	-	1	-
Rental expenses paid to related companies (<i>note 1</i>)	24	24	46	47

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.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

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

B1. Analysis of performance

	(Unaudited) Three months ended 30 September			(Unaudited) Six months ended 30 September		
	2022 US\$'000	2021 US\$'000	% Change	2022 US\$'000	2021 US\$'000	% Change
Turnover	36,415	30,075	21.1%	66,666	58,768	13.4%
Profit/(loss) before income tax	2,028	1,762	15.1%	2,155	(153)	1,508.5%
EBITDA	3,394	3,313	2.4%	4,919	3,014	63.2%

For the quarter ended 30 September 2022, the Group recorded a turnover of US\$36,415,000, reflecting an increase of 21.1% over the same quarter last year with growth in both its publishing and travel businesses. This led to an increase in the Group's profit before income tax of 15.1% to US\$2,028,000 from US\$1,762,000 in the prior year quarter.

EBITDA for the quarter was US\$3,394,000, increased by 2.4% or US\$81,000 compared to the corresponding quarter last year.

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\$1,437,000 and US\$94,000 on the Group's turnover and profit before income tax respectively.

Publishing and Printing

The turnover of the publishing and printing segment increased by 10.9% to US\$32,828,000 compared to US\$29,594,000 for the same quarter of the previous year. This segment recorded a profit before income tax of US\$2,230,000 for the quarter under review, reflecting an increase of 6.6% when compared to the prior year quarter.

For the quarter in review, the Malaysia operation achieved a 16.3% increase in turnover to US\$18,972,000 from US\$16,315,000 in the prior year quarter. The growth was backed by an improvement in Malaysia's economy as the country moved into the endemic phase of COVID-19 in April 2022 and economic activities gradually resumed. This was reflected by the improvement in the Malaysian economy which registered a stronger GDP growth of 8.9% in the second quarter of 2022 (1Q 2022: 5.0%) and a growth of 6.9% in the first half of 2022. Driven by the revenue growth, the Malaysia segment's profit before income tax rose nearly fourfold to US\$1,968,000 from US\$496,000 in the year-ago quarter.

Hong Kong's economy continued to slowly recover during the quarter on the back of the receding epidemic and the relaxation of social distancing measures. The market sentiment was further boosted by a new round of the government's Consumption Voucher Scheme and the Employment Support Scheme. Backed by an improved economy, the Group's Hong Kong and Taiwan operations' revenue grew by 5.5% year-on-year to US\$12,078,000 for the quarter in review. However, the segment's profit before income tax for the quarter fell by 24.3% to US\$1,330,000 from US\$1,758,000 in the prior year quarter. The decline in result was mainly due to the increase in operating expenses especially newsprint costs and sales-related expenses.

The Group's North America operations recorded a turnover of US\$1,778,000 which was a marginal decline of 2.8% from US\$1,829,000 in the same quarter last year. The segment's loss before income tax widened to US\$1,068,000 for the quarter under review from US\$163,000 a year earlier mainly due to the reduction in government subsidies received in the current quarter.

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

B1. Analysis of performance (Continued)

Travel and travel related services

With the opening of borders by many countries which led to an increase in global travel, the turnover of the Group's travel segment increased to US\$3,587,000 for the quarter in review from US\$481,000 in the prior year quarter. The revenue growth helped the travel segment narrow its loss before income tax for the quarter by 71.8% to US\$40,000 from US\$142,000 recorded in last year. The improvement in turnover was mainly contributed by the segment's operations in North America which have started to operate both inbound and outbound tours following the relaxation of travel restrictions.

First half of FY 2022/2023

The Group recorded a turnover of US\$66,666,000 for the six months ended 30 September 2022, an increase of 13.4% when compared to the same period last year. This was contributed by the growth in turnover from both the Group's publishing and printing and travel segments.

The improvement in its turnover resulted in the Group recording a profit before income tax of US\$2,155,000 for the six-month period as opposed to a loss before income tax of US\$153,000 recorded in last year.

Accordingly, the Group's EBITDA increased by 63.2% to US\$4,919,000 from US\$3,014,000 in the corresponding period last year.

During the six months ended 30 September 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 increases in the Group's turnover and profit before income tax would have been about US\$10,387,000 and US\$2,391,000 respectively.

B2. Variation of results against immediate preceding quarter

	(Unaudited) Three months ended 30 September 2022 US\$'000	(Unaudited) Three months ended 30 June 2022 US\$'000	% Change
Turnover	36,415	30,251	20.4%
Profit before income tax	2,028	127	1,496.9%

The Group's turnover for the current quarter improved by 20.4% to US\$36,415,000 when compared with the immediate preceding quarter, driven by the improvement in the turnover of both its publishing and printing segment and travel segment. This resulted in the Group achieving a profit before income tax of US\$2,028,000 which was a notable improvement from a profit before income tax of US\$127,000 recorded in the immediate preceding quarter.

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

B3. Current year prospects

With the easing of social distancing rules and the opening of borders by many countries in 2022, global economy has started to recover and international trade and travels are picking up. However, the continuing geopolitical tensions have impacted supply chains and increased logistics costs. This, coupled with rising inflation and weakening of currencies in many countries, may dampen the global economy's recovery.

Nevertheless, barring any unforeseen circumstances, the Group expects that the economy in the Group's core markets will likely to continue to improve in the second half of the financial year 2022/2023. With Hong Kong relaxing its quarantine rules which will be conducive to the Group's tour and travel business; and Malaysia holding its 15th general election in the last quarter of 2022 which will likely ramp up the market's advertising spending, the Group anticipates that business in these markets will benefit from these market opportunities in the coming quarters. At the same time, the Group will remain vigilant in monitoring its costs whilst intensifying its efforts to roll out more curated content and multi-platform advertisement solutions.

B4. Profit forecast and profit guarantee

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

B5. Profit/(loss) before income tax

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

	(Unaudited)		(Unaudited)	
	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Exchange gains/(losses) - net	51	(19)	(113)	(3)
Fair value (losses)/gains on financial assets at fair value through profit or loss, net	(105)	26	(290)	2
Government grant and subsidies	522	1,799	1,875	2,812
(Losses)/gains on disposal of property, plant and equipment, net	(3)	6	(11)	3
Provision for impairment and write-off of inventories	(44)	(38)	(111)	(77)
Reversal of provision/(provision) for loss allowance and write-off of trade and other receivables	54	25	30	(123)

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.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

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		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Current period income tax expense	1,260	600	1,837	779
Under provision in prior years	6	-	6	-
Deferred income tax credit	(416)	(231)	(491)	(272)
	<u>850</u>	<u>369</u>	<u>1,352</u>	<u>507</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 30 September 2022 are as follows:

	Secured	(Unaudited)	
		US\$'000	US\$'000
		Unsecured	Total
		US\$'000	US\$'000
Current			
Bank borrowings	<u>22,218</u>	<u>324</u>	<u>22,542</u>

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

	(Unaudited)
	US\$'000
Malaysian Ringgit	324
Hong Kong dollars	22,014
United States dollars	204
	<u>22,542</u>

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 30 September 2022 and 31 March 2022.

MEDIA CHINESE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability) (Malaysia Company No. 200702000044)
Financial report for the second quarter ended 30 September 2022

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

B9. Material litigation

As at 30 September 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 six months ended 30 September 2022 (2021/2022: nil).

B11. Earnings/(loss) per share attributable to owners of the Company

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2022	2021	2022	2021
Profit/(loss) attributable to owners of the Company (US\$'000)	<u>1,347</u>	1,393	<u>1,044</u>	(511)
Weighted average number of ordinary shares in issue	<u>1,687,236,241</u>	1,687,236,241	<u>1,687,236,241</u>	1,687,236,241
Basic earnings/(loss) per share (US cents)	<u>0.08</u>	0.08	<u>0.06</u>	(0.03)
Diluted earnings/(loss) per share (US cents)	<u>0.08</u>	0.08	<u>0.06</u>	(0.03)

The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share as there were no dilutive potential shares in issue during the quarters and periods ended 30 September 2022 and 2021.

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

B12. Pledge of assets

As at 30 September 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\$4,297,000 at 30 September 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 30 September 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
28 November 2022