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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 OF FINAL FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023

The directors of Media Chinese International Limited (the "Company") hereby announce that the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2023, together with comparative figures for the year ended 31 March 2022 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Year ended 31 March	
		2023	2022
	Note	***US$'000***	*US$'000*
Turnover	*4*	**132,655**	122,387
Cost of goods sold		**(85,330)**	(75,700)
Gross profit		**47,325**	46,687
Other income	*5*	**8,057**	10,586
Other (losses)/gains, net	*6*	**(111)**	317
Selling and distribution expenses		**(29,311)**	(30,498)
Administrative expenses		**(22,241)**	(20,949)
Net reversal of loss allowance on financial assets		**84**	272
Other operating expenses		**(1,278)**	(4,004)
Operating profit	*7*	**2,525**	2,411
Finance costs	*8*	**(806)**	(406)
Share of results of an associate and a joint venture		**(12)**	(6)
Profit before income tax		**1,707**	1,999
Income tax expense	*9*	**(2,590)**	(2,161)
Loss for the year		**(883)**	(162)
(Loss)/profit attributable to:			
Owners of the Company		**(245)**	400
Non-controlling interests		**(638)**	(562)
		(883)	(162)
(Loss)/earnings per share attributable to owners of the Company			
Basic *(US cents)*	*10*	**(0.01)**	0.02
Diluted *(US cents)*	*10*	**(0.01)**	0.02

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March	
	2023	2022
	US$'000	*US$'000*
Loss for the year	**(883)**	(162)
Other comprehensive (loss)/income		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(6,797)**	(2,161)
Items that will not be reclassified subsequently to profit or loss:		
Fair value change on financial assets at fair value through other comprehensive income	**637**	(295)
Remeasurements of post-employment benefit obligations	**(57)**	79
Other comprehensive loss for the year, net of tax	**(6,217)**	(2,377)
Total comprehensive loss for the year	**(7,100)**	(2,539)
Total comprehensive loss for the year attributable to:		
Owners of the Company	**(6,629)**	(1,880)
Non-controlling interests	**(471)**	(659)
	(7,100)	(2,539)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**As at 31 March 2023** *US$'000*	As at 31 March 2022 *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment and right-of-use assets		**51,588**	58,809
Investment properties		**23,936**	24,721
Intangible assets		**6,853**	7,876
Deferred income tax assets		**128**	89
Investments accounted for using the equity method		**44**	24
Financial assets at fair value through other comprehensive income		**1,269**	636
		83,818	92,155
Current assets			
Inventories		**11,145**	11,448
Trade and other receivables	*12*	**18,866**	18,747
Financial assets at fair value through profit or loss		**2,849**	1,209
Income tax recoverable		**324**	687
Short-term bank deposits		**32,049**	30,327
Cash and cash equivalents		**61,524**	64,952
		126,757	127,370
Current liabilities			
Trade and other payables	*13*	**17,969**	19,991
Contract liabilities		**11,513**	7,780
Income tax liabilities		**1,050**	799
Bank and other borrowings	*14*	**21,070**	22,655
Lease liabilities		**263**	286
Current portion of other non-current liabilities		**25**	49
		51,890	51,560
Net current assets		**74,867**	75,810
Total assets less current liabilities		**158,685**	167,965

	As at 31 March 2023 US$'000	As at 31 March 2022 US$'000
EQUITY		
Equity attributable to owners of the Company		
Share capital	**21,715**	21,715
Share premium	**54,664**	54,664
Other reserves	**(123,915)**	(117,583)
Retained earnings	**200,850**	203,678
	153,314	162,474
Non-controlling interests	**(750)**	(279)
Total equity	**152,564**	162,195
Non-current liabilities		
Lease liabilities	**359**	473
Deferred income tax liabilities	**4,069**	4,794
Other non-current liabilities	**1,693**	503
	6,121	5,770
	158,685	167,965

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

For the year ended 31 March 2023

1 BASIS OF PREPARATION

The consolidated financial information of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2023 (this "consolidated financial information") has been prepared in accordance with the International Financial Reporting Standards ("IFRSs") and under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss, which are carried at fair value. This consolidated financial information also included applicable disclosure requirements of the Hong Kong Companies Ordinance (Cap.622) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HK Listing Rules").

2 ACCOUNTING POLICIES

(a) 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.

(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.

3 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$.

4 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 year ended 31 March 2023, analysed by operating segment, are as follows:

	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	**30,594**	**12,514**	**2,102**	**45,210**	**–**	**45,210**
— Advertising income	**43,480**	**28,157**	**5,337**	**76,974**	**–**	**76,974**
— Travel and travel related services income	**–**	**–**	**–**	**–**	**10,471**	**10,471**
	74,074	**40,671**	**7,439**	**122,184**	**10,471**	**132,655**
Segment profit/(loss) before income tax	**6,119**	**275**	**(3,431)**	**2,963**	**(678)**	**2,285**
Other net unallocated expenses						**(578)**
Profit before income tax						**1,707**
Income tax expense						**(2,590)**
Loss for the year						**(883)**
Other segmental information:						
Interest income	**1,554**	**63**	**4**	**1,621**	**38**	**1,659**
Finance costs	**(15)**	**(777)**	**–**	**(792)**	**(14)**	**(806)**
Depreciation of property, plant and equipment and right-of-use assets	**(4,380)**	**(991)**	**(137)**	**(5,508)**	**(11)**	**(5,519)**
Amortisation of intangible assets	**(673)**	**(40)**	**–**	**(713)**	**(4)**	**(717)**
Net reversal of/(provision for) loss allowance on financial assets	**193**	**(103)**	**(6)**	**84**	**–**	**84**
Share of results of an associate and a joint venture	**–**	**(12)**	**–**	**(12)**	**–**	**(12)**

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

	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*	Travel and travel related services *US$'000*	Total *US$'000*
Turnover						
— Sales of newspapers, magazines, books and digital contents	30,642	12,679	1,648	44,969	–	44,969
— Advertising income	42,592	27,868	5,848	76,308	–	76,308
— Travel and travel related services income	–	–	–	–	1,110	1,110
	73,234	40,547	7,496	121,277	1,110	122,387
Segment profit/(loss) before income tax	5,246	(528)	(541)	4,177	(1,533)	2,644
Other net unallocated expenses						(645)
Profit before income tax						1,999
Income tax expense						(2,161)
Loss for the year						(162)
Other segmental information:						
Interest income	1,057	3	14	1,074	5	1,079
Finance costs	(16)	(365)	–	(381)	(25)	(406)
Depreciation of property, plant and equipment and right-of-use assets	(4,749)	(1,118)	(172)	(6,039)	(14)	(6,053)
Amortisation of intangible assets	(731)	(43)	(4)	(778)	(4)	(782)
Provision for impairment of right-of-use assets	–	(21)	–	(21)	(96)	(117)
Net reversal of/(provision for) loss allowance on financial assets	254	(24)	42	272	–	272
Share of results of an associate and a joint venture	–	(6)	–	(6)	–	(6)

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 year is disaggregated as follows:

	Year ended 31 March	
	2023	2022
	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	**45,210**	44,969
Travel and travel related services income	**414**	194
Over time		
Advertising income, net of trade discounts	**76,974**	76,308
Travel and travel related services income	**10,057**	916
	132,655	122,387

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

	Publishing and printing						
	Malaysia	Hong Kong and Taiwan	North America	Sub-total	Travel and travel related services	Elimination	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Segment assets	154,137	36,958	8,836	199,931	12,566	(2,498)	209,999
Unallocated assets							576
Total assets							210,575
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	(10,609)	(31,578)	(5,824)	(48,011)	(6,225)	2,498	(51,738)
Unallocated liabilities							(6,273)
Total liabilities							(58,011)

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

	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*	Travel and travel related services *US$'000*	Elimination *US$'000*	Total *US$'000*
Segment assets	160,720	40,505	10,465	211,690	10,051	(3,110)	218,631
Unallocated assets							894
Total assets							219,525
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							(6,869)
Total liabilities							(57,330)

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.

The Group operates its publishing and printing businesses mainly in Malaysia, Hong Kong and Taiwan ("Main operating regions").

As at 31 March 2023 and 2022, the Group's total non-current assets, other than deferred income tax assets, analysed by operating regions, are as follows:

	As at 31 March	
	2023	2022
	US$'000	*US$'000*
Main operating regions		
Malaysia	**65,994**	74,124
Hong Kong and Taiwan	**11,149**	11,220
Other regions	**6,547**	6,722
	83,690	92,066

5 OTHER INCOME

	Year ended 31 March	
	2023	2022
	US$'000	*US$'000*
Dividend income	**63**	73
Government grant and subsidies *(note)*	**2,048**	4,999
Interest income	**1,659**	1,079
Licence fee and royalty income	**161**	146
Other media-related income	**1,427**	1,752
Rental and management fee income	**1,006**	851
Scrap sales of old newspapers and magazines	**1,682**	1,567
Others	**11**	119
	8,057	10,586

Note: Government grant and subsidies included a grant amounted to US$111,000 (2022: US$3,061,000) from a government for supporting the Group's operation of eligible publications and wage subsidies amounted to US$1,891,000 (2022: US$1,742,000) from governments in countries/jurisdiction in which the Group operates.

6 OTHER (LOSSES)/GAINS, NET

	Year ended 31 March	
	2023	2022
	US$'000	*US$'000*
Fair value gains on investment properties, net	**194**	307
Fair value losses on financial assets at fair value through profit or loss, net	**(178)**	(84)
Gain on lease modification	**1**	93
Loss on deemed disposal of an associate	**–**	(1)
Net exchange (losses)/gains	**(128)**	2
	(111)	317

7 OPERATING PROFIT

The operating profit is stated after charging the following:

	Year ended 31 March	
	2023	2022
	US$'000	*US$'000*
Amortisation of intangible assets	**717**	782
Depreciation of property, plant and equipment and right-of-use assets	**5,519**	6,053
Direct costs of travel and travel related services	**8,629**	873
Distribution expenses	**4,414**	4,609
Employee benefit expense (including directors' emoluments)	**64,185**	66,092
Losses on disposal of property, plant and equipment, net	**14**	18
Marketing and advertising expenses	**2,776**	2,317
Provision for impairment and write-off of inventories	**195**	201
Provision for impairment of right-of-use assets	**–**	117
Raw materials and consumables used	**19,057**	17,926
Utilities expenses	**2,072**	1,940

8 FINANCE COSTS

	Year ended 31 March	
	2023	2022
	US$'000	*US$'000*
Interest expense on bank borrowings	**788**	377
Interest expense on lease liabilities	**18**	29
	806	406

9 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profit derived from Hong Kong for the year. Income tax for the Group's Malaysian operations was calculated at the rate of 24% (2022: 24%) on the estimated assessable profit derived from Malaysia for the year. Taxation on other countries' profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

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

	Year ended 31 March	
	2023	2022
	US$'000	*US$'000*
Hong Kong taxation		
Current year	**695**	257
Under/(over) provision in prior years	**13**	(29)
Malaysian taxation		
Current year	**2,561**	2,401
Over provision in prior years	**(32)**	(60)
Other countries' taxation		
Current year	**(37)**	(109)
Under provision in prior years	**9**	3
Deferred income tax credit	**(619)**	(302)
	2,590	2,161

10 (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Year ended 31 March	
	2023	2022
(Loss)/profit attributable to owners of the Company *(US$'000)*	**(245)**	400
Weighted average number of ordinary shares in issue	**1,687,236,241**	1,687,236,241
Basic (loss)/earnings per share *(US cents)*	**(0.01)**	0.02
Diluted (loss)/earnings per share *(US cents)*	**(0.01)**	0.02

The diluted (loss)/earnings per share was the same as the basic (loss)/earnings per share as there were no dilutive potential shares in issue during the years ended 31 March 2023 and 2022.

11 DIVIDENDS

	Year ended 31 March	
	2023	2022
	US$'000	*US$'000*
Dividends attributable to the year:		
Interim, declared after the end of the reporting period of US0.15 cents (2021/2022: US0.15 cents, paid) per ordinary share	**2,531**	2,531
Dividends paid during the year:		
Interim, 2021/2022, US0.15 cents (2020/2021: US0.10 cents) per ordinary share *(note)*	**2,531**	1,687

The Board of Directors has declared an interim dividend of US0.15 cents (2021/2022: US0.15 cents) per ordinary share in respect of the year ended 31 March 2023. The dividend will be payable on 7 July 2023 to shareholders whose names appear on the register of members of the Company at the close of business on 20 June 2023 in cash in RM or in Hong Kong Dollar ("HK$") at the average exchange rates used during the year ended 31 March 2023 for the translation of the results of the subsidiaries whose functional currencies are not US$. This interim dividend has not been recognised as a dividend payable in this consolidated financial information.

The average exchange rates used during the year ended 31 March 2023 of US$ to RM and US$ to HK$, and the amount of the interim dividend payable are as follows:

	Exchange rates	**Dividend per ordinary share**
US$ to RM	4.4770	0.672 sen
US$ to HK$	7.8372	HK1.176 cents

Note: The 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.

12 TRADE AND OTHER RECEIVABLES

	As at 31 March	
	2023	2022
	US$'000	*US$'000*
Trade receivables *(note)*	**14,936**	17,046
Less: provision for loss allowance of trade receivables	**(1,142)**	(1,928)
Trade receivables, net	**13,794**	15,118
Deposits	**972**	750
Prepayments	**3,100**	1,550
Other receivables	**1,040**	1,376
Less: provision for loss allowance of other receivables	**(40)**	(47)
	18,866	18,747

As at 31 March 2023 and 2022, the fair values of trade and other receivables approximated the carrying amounts.

Note: The Group allows in general a credit period ranging from 7 to 120 days to its trade customers.

As at 31 March 2023 and 2022, the ageing analysis of the trade receivables based on invoice date is as follows:

	As at 31 March	
	2023	2022
	US$'000	*US$'000*
1 to 60 days	**10,547**	9,807
61 to 120 days	**2,037**	3,536
121 to 180 days	**613**	776
Over 180 days	**1,739**	2,927
	14,936	17,046

13 TRADE AND OTHER PAYABLES

	As at 31 March	
	2023	2022
	US$'000	*US$'000*
Trade payables *(note)*	**4,928**	5,195
Accrued charges and other payables	**13,041**	14,796
	17,969	19,991

As at 31 March 2023 and 2022, the fair values of trade and other payables approximated the carrying amounts.

Note: As at 31 March 2023 and 2022, the ageing analysis of the trade payables based on invoice date is as follows:

	As at 31 March	
	2023	2022
	US$'000	*US$'000*
1 to 60 days	**4,586**	4,842
61 to 120 days	**141**	127
121 to 180 days	**34**	34
Over 180 days	**167**	192
	4,928	5,195

14 BANK AND OTHER BORROWINGS

	As at 31 March	
	2023	2022
	US$'000	*US$'000*
Current		
Bank borrowings (secured)	**21,070**	22,298
Bank borrowings (unsecured)	**–**	357
	21,070	22,655

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

	Year ended 31 March		
	2023	2022	
	US$'000	*US$'000*	*% Change*
Turnover	**132,655**	122,387	8.4%
Profit before income tax	**1,707**	1,999	–14.6%
EBITDA	**7,102**	8,284	–14.3%
Basic (loss)/earnings per share *(US cents)*	**(0.01)**	0.02	–150.0%

OVERALL REVIEW OF OPERATIONS

The past financial year was a challenging one for the Group as the overall business environment in the Group's core markets was tough amid rising inflation and growing economic uncertainty. Despite this, the Group's turnover for the year ended 31 March 2023 achieved an 8.4% growth to reach US$132,655,000 from US$122,387,000 recorded in the previous year.

The growth was primarily attributed to the resumption of international travel as COVID-19 restrictions were relaxed worldwide and countries gradually opened up their borders, leading to a significant growth in the turnover of the Group's travel segment from last year's US$1,110,000 to US$10,471,000. Meanwhile, the Group's publishing and printing segment's turnover grew marginally by 0.7% to US$122,184,000 when compared to the US$121,277,000 recorded in last year.

The Group reported a profit before income tax of US$1,707,000 for the year ended 31 March 2023, 14.6% below last year's US$1,999,000 despite the improvement in turnover. This was mainly due to the increase in provision for long service payment of about US$1,160,000 for the Group's employees in Hong Kong in accordance with the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022.

For the financial year in review, both the RM and the Canadian Dollar weakened against the US$, resulted in negative currency impacts of approximately US$5,485,000 and US$219,000 on the Group's turnover and profit before income tax respectively.

Basic loss per share for the year ended 31 March 2023 was US0.01 cents, reflecting a decrease of 150.0% from last year's basic earnings per share of US0.02 cents.

As at 31 March 2023, the Group's cash and cash equivalents and short-term bank deposits totalled US$93,573,000 and the Group's net assets per share attributable to owners of the Company was US9.09 cents.

Publishing and printing

Malaysia

Following the country's transition to endemic status since April 2022, the Malaysian economy has been on a steady recovery path as tourism resumed and businesses tried to work towards pre-pandemic days. Supported by strong domestic demand, improvement in the labour market and positive contribution from net exports, Malaysia recorded an encouraging 9.3% GDP growth for the first 3 quarters of 2022. However, economic growth slowed down since September 2022 amid rising inflationary pressure and a contraction in global demand. The economic slowdown affected the performance of the Group's Malaysia operation in the second half-year of 2022/2023.

For the financial year 2022/2023, the Malaysia operation recorded a slight 1.1% growth in turnover to US$74,074,000 from the US$73,234,000 recorded in the previous year. Driven by the growth in revenue and savings from cost reduction efforts, the Malaysia operation achieved a 16.6% increase in its profit before income tax to reach US$6,119,000 for the year in review compared to last year's US$5,246,000.

Being a leading Chinese media group in Malaysia with a portfolio of 4 daily newspapers, namely *Sin Chew Daily*, *China Press*, *Nanyang Siang Pau and Guang Ming Daily*, and a suite of magazine titles, the Group continued to strengthen its leadership position by focusing on meeting its audiences' changing preferences and providing them with credible and quality information content. At the same time, the Group continued to improve on its advertising offerings and to leverage on its strength of having a rich portfolio of mainstream publications and digital channels to curate bespoke advertisement solutions for optimum reach. The Malaysia operation has also developed a one-stop advertising solution for its customers, offering an array of media options, including print, digital, ground events, and magazine titles, to enhance the effectiveness and efficiency of advertising buys.

The operation's primary focus during the past year has been to attract new customers, increase brand awareness, support consumer engagement initiatives, and foster an affinity for its products and services. To achieve these goals, it strived to offer specialised products and services that are tailored to the specific needs of each target market sector.

To drive greater engagement and expand its reach, the operation has launched aggressive promotion campaigns and established a digital subscription platform and an industry aggregation platform which allow it to gain a better understanding of its audience's preferences and behaviours.

As global supply chain and energy costs continued to increase due to geo-political tensions, the operation's performance was also affected by rising operating costs, in particular costs of newsprint and other production materials. To counteract these negative impacts, the Malaysia operation has continued to improve its product offerings and optimise its operational efficiency.

Hong Kong and Taiwan

Hong Kong's economy has started to slowly resume normal operations since late April 2022 on the back of the government's gradual removal of pandemic restrictions as well as monetary stimulus through the Consumption Voucher Scheme and the Employment Support Scheme. These measures helped revive business and consumer spending. However, businesses also experienced sharp rise in operating costs brought about by inflationary pressure and rising interest rates. Furthermore, weakening global demand and mounting economic uncertainty have adverse impact on business optimism, prompting many businesses to cut back their promotional spending.

Despite facing a challenging operating environment, the Group's publishing operations in Hong Kong and Taiwan recorded a marginal increase of 0.3% in turnover to US$40,671,000 from the US$40,547,000 recorded in last year. The segment recorded a profit before income tax of US$275,000 for the year in review as opposed to last year's loss before income tax of US$528,000. Apart from the growth in revenue, the improved performance was also contributed by the subsidies received under the Hong Kong government's 2022 Employment Support Scheme.

Benefited from Hong Kong's tight labour market conditions, the recruitment classified business of *Ming Pao Daily News* continued to grow during the year. Meanwhile, *Ming Pao Daily News* also generated revenue through working on government communication projects including the "HKSAR 25th Anniversary Competitions" and the "In Love With Town, Filming From Heart Youth Photo and Short Video Competition". Furthermore, events such as the "Awards for Excellence in Finance", "Excellence in Living Smart Award" and the annual bookfair also contributed positively to this segment's performance.

One Media Group, the Group's listed subsidiary providing Chinese language lifestyle publications in Hong Kong and Taiwan, recorded a turnover of US$5,182,000 for the year in review which reflected a 10.4% decline when compared to the US$5,785,000 reported in the previous year. Driven by the decline in turnover, One Media Group reported a loss before income tax of US$2,361,000 for the year in review, compared to a loss of US$1,584,000 reported in last year.

As advertisers for luxury products allocated more of their media budgets to social networks, One Media Group faced challenges of declining advertising revenue, leading it to explore customised advertisement solutions in order to build a wider customer base. In addition, One Media Group has continued to work on enhancing its digital publication skills which include creating short film productions with interesting storyboards to attract advertisers.

North America

During the year in review, Canada was affected by the impact of a post-pandemic rise in commodity prices, especially oil, which led to the country registering record high inflation rates. In an attempt to cool down the inflation, the Canadian government began a series of interest rate hikes which resulted in a decline in consumer spending and housing market activities. As such, the Group's publishing and printing operations in Canada faced challenges of escalating costs and weak consumer sentiment during the current financial year. Despite this difficult trading environment, the segment's turnover dropped only marginally to US$7,439,000 in the current financial year when compared to last year's US$7,496,000. However, the segment's loss before income tax widened to US$3,431,000 from US$541,000 recorded in last year, mainly due to the absence of government subsidies in the year under review.

Travel and travel related services

As countries worldwide gradually re-opened their borders and eased restrictions for international travel in 2022, the Group's travel business has also slowly recovered and recorded a total turnover of US$10,471,000 for the year ended 31 March 2023, a significant improvement from the US$1,110,000 in the previous year. The growth in turnover was mainly contributed by the Group's tour operations in North America, which is one of the first regions to ease travel restrictions. The segment's Hong Kong tour business has also started to slowly revive following the city's lifting of compulsory entry quarantine requirements in September 2022 and the resumption of quarantine-free travel between Hong Kong and the Mainland China since January 2023. Driven by the growth in revenue and continued cost reduction efforts, the travel segment narrowed its loss before income tax for the year to US$678,000 from US$1,533,000 in the previous year.

Digital business

During the year under review, the Group continued to expand its digital offerings by growing revenue from existing businesses and introducing new cross-platform products and revenue streams.

The online advertising industry is currently undergoing a significant transformation as marketers and networks are moving away from cookie-based tracking methods. In response to this change, the Group has taken steps to develop its data-first strategies which helps the Group in mapping its products and services to customers' preferences and to devise marketing strategies that best suit the customers' needs.

In addition, the Group's Malaysia operation has launched an "M-Lab" platform which offers one-stop integrated marketing and analytics solutions for its customers. This broadens the Group's range of data-led revenues and provides better pricing for advertisers, ultimately driving business growth amid the growing trend of advertisers' preference for performance-based marketing and the removal of third-party cookies. The Group also aims to use data to grow its digital subscription revenue streams and enhance the value of its digital audience while complying with privacy regulations.

OUTLOOK

Global economy is expected to slowdown in 2023 as high inflation and interest rates will continue to weigh on the world's economic recovery. The ongoing geo-political conflicts are also expected to continue disrupting global economic activities. The downturn will also continue to impact the digital advertising business, which has slowed down quite a bit in 2022 from a high growth period during the pandemic when internet usage soared.

In this regard, the Group is of the view that the coming financial year will remain challenging for its publishing and printing segment as high inflationary pressure will weigh on consumer and business sentiment, leading to an adverse impact on the markets' advertisement spend. Furthermore, the rising operating costs will put downward pressure on the segment's profitability. However, on a positive note, it is expected that newsprint price, which is currently at a high level, will gradually come down in the short to medium term and this will make a positive contribution to the segment's performance in the coming financial year.

One of the biggest challenges facing the media industry today is the impact of artificial intelligence (AI). While AI offers opportunities for media companies to grow and innovate, it also poses significant challenges that need to be addressed. Moving forward, the Group will continue to develop strategies to adapt to these technological changes in order to leverage the potential of AI while mitigating associated risks.

With the opening of borders by the Mainland China and the relaxation of entry requirements by Hong Kong, the Group is hopeful that its travel operations will continue to recover in the ensuing year. However, the travel segment is still facing some post-pandemic challenges, including limited airline capacity, increased flight and accommodation costs and political instability in some countries. Despite these challenges, the Group is actively exploring opportunities to adapt and innovate to meet travellers' changing preferences and expectations. By collaborating with airlines and developing new product offerings, and emphasising the importance of health and safety measures, it is expected that the Group will remain competitive in the tourism market.

Moving forward, the Group will continue to focus on cost optimisation and seek ways to further improve the efficiency of its operations, while at the same time explore opportunities to grow its existing and new markets by leveraging on synergies among its business units. This will allow the Group to navigate through challenging business conditions while remain efficient and effective in its operations.

PLEDGE OF ASSETS

As at 31 March 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 31 March 2023 (At 31 March 2022: US$4,430,000) and assignment of rental income derived therefrom; and

(b) corporate guarantees issued by the Company.

As at 31 March 2023, 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).

CONTINGENT LIABILITIES

As at 31 March 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 consolidated 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.

CAPITAL COMMITMENTS

As at 31 March 2023, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in this consolidated financial information amounted to US$45,000 (At 31 March 2022: US$21,000).

The Group's authorised capital expenditure for intangible assets contracted but not provided for in this consolidated financial information amounted to US$29,000 (At 31 March 2022: US$468,000).

LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING RATIO

As at 31 March 2023, the Group's cash and cash equivalents and short-term bank deposits amounted to US$93,573,000 (31 March 2022: US$95,279,000) and total bank and other borrowings were US$21,070,000 (31 March 2022: US$22,655,000). The net cash position was US$72,503,000 (31 March 2022: US$72,624,000). Owners' equity was US$153,314,000 (31 March 2022: US$162,474,000).

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 31 March 2023 and 2022.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 March 2023, the Group had 2,741 employees (31 March 2022: 2,877 employees), the majority of whom were employed in Malaysia and Hong Kong. The Group remunerates its employees based on industry practice and performance of individual employees. The emoluments of the directors and senior management are reviewed by the Remuneration Committee regularly, having regard to the Group's operating results, individual performance and comparable market statistics. No director or any of his/her associates is involved in dealing with his/her own remuneration.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31 March 2023, neither the Company nor any of its subsidiaries had purchased, sold or the Company had redeemed any of the Company's listed securities.

CLOSURE OF THE REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on 18 August 2023. The register of members in Hong Kong will be closed on 11 August 2023 to 18 August 2023, both days inclusive, during which no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 10 August 2023. In respect of the shareholders in Malaysia, a depositor in Malaysia shall qualify for the entitlement to attend the annual general meeting only in respect of shares transferred into the depositor's securities account before 4:30 p.m. on 10 August 2023.

Shareholders who wish to request for transmission of their shares between the Malaysia Register and Hong Kong Register are advised to take note that request for transmission will be suspended from 11 August 2023 to 18 August 2023, both days inclusive.

CLOSURE OF THE REGISTER OF MEMBERS FOR INTERIM DIVIDEND

The register of members in Hong Kong will be closed on 20 June 2023 whereby no transfer of shares will be registered on that date. In order to qualify for the interim dividend of US0.15 cents per ordinary share, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 19 June 2023. In respect of the shareholders in Malaysia, a depositor in Malaysia shall qualify for the entitlement to the dividend only in respect of: (i) shares transferred into the depositor's securities account before 4:30 p.m. on 20 June 2023 in respect of transfers; and (ii) shares bought on Bursa Securities on a cum entitlement basis according to the rules of Bursa Securities. The interim dividend will be payable to the shareholders on 7 July 2023.

Shareholders who wish to request for transmission of their shares between the Malaysia Register and Hong Kong Register are advised to take note that request for transmission will be suspended from 14 June 2023 to 20 June 2023, both days inclusive.

CORPORATE GOVERNANCE

The Board of Directors (the "Board") is committed to practising the highest standards of corporate governance and operating within a governance framework that is formulated based on the Malaysian Code on Corporate Governance 2021 (the "Malaysian Code") and the Corporate Governance Code (the "Hong Kong Code") contained in Appendix 14 of the HK Listing Rules. The Company has adopted the principles and recommendations of the Malaysian Code and all the code provisions in the Hong Kong Code as its own code on corporate governance practices.

During the year under review, the Company has met the code provisions as set out in the Hong Kong Code.

In respect of the Malaysian Code, the Company has complied with the principles and recommendations set out in the Malaysian Code wherever possible save for (i) at least half of the Board should comprise independent directors; (ii) the Board must have at least 30% women directors; and (iii) the disclosure on a named basis of top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000. On 1 July 2022, the Company has also complied with the recommendation that requires a former partner of the external audit firm of the Company to observe a cooling-off period of at least 3 years before being appointed as a member of the Audit Committee. The Board will continue to review and evaluate such recommendations under the Malaysian Code and is committed to achieving and sustaining high standards of corporate governance.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the requirements and code as set out in (i) Chapter 14 (Dealings in Listed Securities) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Chapter 14 of the Listing Requirements of Bursa Securities") and (ii) the HK Model Code contained in Appendix 10 of the HK Listing Rules. All directors of the Company have confirmed, following specific enquiry by the Company, their compliance with the required standards as set out in (i) Chapter 14 of the Listing Requirements of Bursa Securities and (ii) the HK Model Code during the year under review.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has reviewed with management this consolidated financial information, including accounting principles and practices adopted by the Group and discussed risk management and internal control systems and financial reporting matters.

By Order of the Board
MEDIA CHINESE INTERNATIONAL LIMITED
TIONG Kiew Chiong
Director

29 May 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.