

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## 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 INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

The directors of Media Chinese International Limited (the “Company”) hereby announce that the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2023, together with comparative figures for the corresponding period in 2022 are as follows:

#### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		(Unaudited)	
		Six months ended 30 September	
	Note	2023 US\$'000	2022 US\$'000
Turnover	4	77,482	66,666
Cost of goods sold		(57,854)	(41,548)
<b>Gross profit</b>		<b>19,628</b>	<b>25,118</b>
Other income	5	2,884	4,578
Other losses, net	6	(363)	(403)
Selling and distribution expenses		(14,966)	(15,117)
Administrative expenses		(11,649)	(10,840)
Net (provision for)/reversal of loss allowance on financial assets		(47)	32
Other operating expenses		–	(947)
<b>Operating (loss)/profit</b>	7	<b>(4,513)</b>	<b>2,421</b>
Finance costs	8	(608)	(262)
Share of results of an associate and a joint venture		(11)	(4)
<b>(Loss)/profit before income tax</b>		<b>(5,132)</b>	<b>2,155</b>
Income tax expense	9	(207)	(1,352)
<b>(Loss)/profit for the period</b>		<b>(5,339)</b>	<b>803</b>
<b>(Loss)/profit attributable to:</b>			
Owners of the Company		(4,914)	1,044
Non-controlling interests		(425)	(241)
		<b>(5,339)</b>	<b>803</b>
<b>(Loss)/earnings per share attributable to owners of the Company</b>			
Basic (US cents)	10	(0.29)	0.06
Diluted (US cents)	10	(0.29)	0.06

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited)	
	Six months ended 30 September	
	2023	2022
	<i>US\$'000</i>	<i>US\$'000</i>
<b>(Loss)/profit for the period</b>	<b>(5,339)</b>	803
<b>Other comprehensive (loss)/income</b>		
<b>Item that may be reclassified subsequently to profit or loss:</b>		
Currency translation differences	(7,890)	(13,216)
<b>Item that will not be reclassified subsequently to profit or loss:</b>		
Fair value change on financial assets at fair value through other comprehensive income	(476)	133
<b>Other comprehensive loss for the period, net of tax</b>	<b>(8,366)</b>	(13,083)
<b>Total comprehensive loss for the period</b>	<b>(13,705)</b>	(12,280)
<b>Total comprehensive loss for the period attributable to:</b>		
Owners of the Company	(13,147)	(12,071)
Non-controlling interests	(558)	(209)
	<b>(13,705)</b>	(12,280)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(Unaudited) As at <b>30 September 2023</b> <i>US\$'000</i>	(Audited) As at 31 March 2023 <i>US\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment and right-of-use assets		47,116	51,588
Investment properties		22,785	23,936
Intangible assets		6,154	6,853
Deferred income tax assets		90	128
Investments accounted for using the equity method		34	44
Financial assets at fair value through other comprehensive income		797	1,269
		<b>76,976</b>	83,818
<b>Current assets</b>			
Inventories		10,308	11,145
Trade and other receivables	12	20,553	18,866
Financial assets at fair value through profit or loss		2,400	2,849
Income tax recoverable		497	324
Short-term bank deposits		31,003	32,049
Cash and cash equivalents		58,139	61,524
		<b>122,900</b>	126,757
<b>Current liabilities</b>			
Trade and other payables	13	21,616	17,969
Contract liabilities		13,948	11,513
Income tax liabilities		831	1,050
Bank and other borrowings	14	21,313	21,070
Lease liabilities		275	263
Current portion of other non-current liabilities		24	25
		<b>58,007</b>	51,890
<b>Net current assets</b>		<b>64,893</b>	74,867
<b>Total assets less current liabilities</b>		<b>141,869</b>	158,685

	<b>(Unaudited)</b>	(Audited)
	<b>As at</b>	As at
	<b>30 September</b>	31 March
	<b>2023</b>	2023
<i>Note</i>	<b>US\$'000</b>	<b>US\$'000</b>
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	<b>21,715</b>	21,715
Share premium	<b>54,664</b>	54,664
Other reserves	<b>(132,148)</b>	(123,915)
Retained earnings	<b>193,405</b>	200,850
	<u>137,636</u>	<u>153,314</u>
<b>Non-controlling interests</b>	<b>(1,308)</b>	(750)
	<u>136,328</u>	<u>152,564</u>
<b>Non-current liabilities</b>		
Lease liabilities	<b>216</b>	359
Deferred income tax liabilities	<b>3,714</b>	4,069
Other non-current liabilities	<b>1,611</b>	1,693
	<u>5,541</u>	<u>6,121</u>
	<u><b>141,869</b></u>	<u>158,685</u>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

*For the six months ended 30 September 2023*

### 1 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2023 (this “interim financial information”) has been prepared in accordance with the International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”) and applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (the “HK Listing Rules”) on The Stock Exchange of Hong Kong Limited (“HK Stock Exchange”).

This interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2023 which were prepared in accordance with International Financial Reporting Standards (“IFRSs”).

This interim 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.

### 2 ACCOUNTING POLICIES

(a) The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the following:

(i) The Group has adopted the following amended standards for the first time for their annual reporting period commencing 1 April 2023:

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

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

(ii) Taxes on income in the interim periods 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 2023. 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 six months ended 30 September 2023, analysed by operating segment, are as follows:

	(Unaudited)					Total US\$'000
	Publishing and printing				Travel and travel related services US\$'000	
	Malaysia US\$'000	Hong Kong and Taiwan US\$'000	North America US\$'000	Sub-total US\$'000		
<b>Turnover</b>						
Sales of newspapers, magazines, books and digital contents	13,701	5,626	1,177	20,504	–	20,504
Advertising income	18,906	13,214	2,383	34,503	–	34,503
Travel and travel related services income	–	–	–	–	22,475	22,475
	<u>32,607</u>	<u>18,840</u>	<u>3,560</u>	<u>55,007</u>	<u>22,475</u>	<u>77,482</u>
<b>Segment (loss)/profit before income tax</b>	<u>(865)</u>	<u>(3,127)</u>	<u>(1,887)</u>	<u>(5,879)</u>	<u>1,082</u>	<u>(4,797)</u>
Other net unallocated expenses						<u>(335)</u>
Loss before income tax						(5,132)
Income tax expense						<u>(207)</u>
<b>Loss for the period</b>						<u>(5,339)</u>
<b>Other segmental information:</b>						
Interest income	1,036	18	–	1,054	64	1,118
Finance costs	–	(598)	–	(598)	(10)	(608)
Depreciation of property, plant and equipment and right-of-use assets	(2,072)	(444)	(51)	(2,567)	(38)	(2,605)
Amortisation of intangible assets	(324)	(21)	–	(345)	(2)	(347)
Net (provision for)/reversal of loss allowance on financial assets	(60)	(15)	8	(67)	20	(47)
Share of results of an associate and a joint venture	–	(11)	–	(11)	–	(11)

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

	(Unaudited)					
	Publishing and printing					
	Malaysia <i>US\$'000</i>	Hong Kong and Taiwan <i>US\$'000</i>	North America <i>US\$'000</i>	Sub-total <i>US\$'000</i>	Travel and travel related services <i>US\$'000</i>	Total <i>US\$'000</i>
<b>Turnover</b>						
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>
<b>Segment profit/(loss) before income tax</b>	<u>2,816</u>	<u>2,178</u>	<u>(2,173)</u>	<u>2,821</u>	<u>(344)</u>	2,477
Other net unallocated expenses						<u>(322)</u>
Profit before income tax						2,155
Income tax expense						<u>(1,352)</u>
<b>Profit for the period</b>						<u>803</u>
<b>Other segmental information:</b>						
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)



## 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:

	<b>(Unaudited)</b>	
	<b>Six months ended 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>By major products or service lines</b>		
<b>Timing of revenue recognition</b>		
<b>At a point in time</b>		
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	<b>20,504</b>	23,323
Travel and travel related services income	<b>393</b>	258
<b>Over time</b>		
Advertising income, net of trade discounts	<b>34,503</b>	38,341
Travel and travel related services income	<b>22,082</b>	4,744
	<b>77,482</b>	66,666

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

	(Unaudited)						
	Publishing and printing				Travel and travel related		Total
	Malaysia	Hong Kong and Taiwan	North America	Sub-total	services	Elimination	US\$'000
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Segment assets</b>	<u>145,711</u>	<u>35,727</u>	<u>4,024</u>	<u>185,462</u>	<u>15,655</u>	<u>(1,937)</u>	<u>199,180</u>
Unallocated assets							<u>696</u>
<b>Total assets</b>							<u>199,876</u>
<b>Total assets include:</b>							
Investments accounted for using the equity method	-	34	-	34	-	-	34
Additions to:							
Property, plant and equipment and right-of-use assets	213	144	15	372	1	-	373
Intangible assets	<u>11</u>	<u>26</u>	<u>-</u>	<u>37</u>	<u>-</u>	<u>-</u>	<u>37</u>
<b>Segment liabilities</b>	<u>(14,107)</u>	<u>(32,927)</u>	<u>(2,052)</u>	<u>(49,086)</u>	<u>(10,678)</u>	<u>1,937</u>	<u>(57,827)</u>
Unallocated liabilities							<u>(5,721)</u>
<b>Total liabilities</b>							<u>(63,548)</u>

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

	Publishing and printing						
	(Audited)						
	Malaysia 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
<b>Segment assets</b>	<u>154,137</u>	<u>36,958</u>	<u>8,836</u>	<u>199,931</u>	<u>12,566</u>	<u>(2,498)</u>	209,999
Unallocated assets							<u>576</u>
<b>Total assets</b>							<u>210,575</u>
<b>Total assets include:</b>							
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	<u>23</u>	<u>47</u>	<u>1</u>	<u>71</u>	<u>-</u>	<u>-</u>	<u>71</u>
<b>Segment liabilities</b>	<u>(10,609)</u>	<u>(31,578)</u>	<u>(5,824)</u>	<u>(48,011)</u>	<u>(6,225)</u>	<u>2,498</u>	(51,738)
Unallocated liabilities							<u>(6,273)</u>
<b>Total liabilities</b>							<u>(58,011)</u>

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 30 September 2023 and 31 March 2023, the Group’s total non-current assets, other than deferred income tax assets, analysed by operating regions, are as follows:

	<b>(Unaudited)</b>	(Audited)
	<b>As at</b>	As at
	<b>30 September</b>	31 March
	<b>2023</b>	2023
	<b>US\$’000</b>	US\$’000
Main operating regions		
Malaysia	<b>59,988</b>	65,994
Hong Kong and Taiwan	<b>10,361</b>	11,149
Other regions	<b>6,537</b>	6,547
	<u><b>76,886</b></u>	<u>83,690</u>

## 5 OTHER INCOME

	<b>(Unaudited)</b>	
	<b>Six months ended 30 September</b>	
	<b>2023</b>	2022
	<b>US\$’000</b>	US\$’000
Dividend income	<b>55</b>	26
Government grant and subsidies ( <i>note</i> )	<b>74</b>	1,875
Interest income	<b>1,118</b>	667
Licence fee and royalty income	<b>46</b>	54
Other media-related income	<b>304</b>	582
Rental and management fee income	<b>526</b>	489
Scrap sales of old newspapers and magazines	<b>751</b>	879
Others	<b>10</b>	6
	<u><b>2,884</b></u>	<u>4,578</u>

*Note:* Government grant and subsidies included a grant amounted to US\$nil (2022: US\$81,000) from a government for supporting the Group’s operation of eligible publications and wage subsidies amounted to US\$nil (2022: US\$1,764,000) from governments in countries/jurisdiction in which the Group operates.

## 6 OTHER LOSSES, NET

	<b>(Unaudited)</b>	
	<b>Six months ended 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Fair value losses on financial assets at fair value through profit or loss, net	(287)	(290)
Loss on disposal of a subsidiary	(5)	–
Net exchange losses	(71)	(113)
	<u>(363)</u>	<u>(403)</u>

## 7 OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging/(crediting) the following:

	<b>(Unaudited)</b>	
	<b>Six months ended 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Amortisation of intangible assets	347	362
Depreciation of property, plant and equipment and right-of-use assets	2,605	2,803
Direct costs of travel and travel related services	19,520	4,153
Distribution expenses	2,181	2,201
Employee benefit expense (including directors' emoluments)	31,884	31,670
(Gains)/losses on disposal of property, plant and equipment, net	(24)	11
Marketing and advertising expenses	1,834	1,978
Provision for impairment and write-off of inventories	77	111
Raw materials and consumables used	10,094	9,569
Utilities expenses	1,132	1,017
	<u>1,132</u>	<u>1,017</u>

## 8 FINANCE COSTS

	<b>(Unaudited)</b>	
	<b>Six months ended 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Interest expense on bank borrowings	595	252
Interest expense on lease liabilities	13	10
	<u>608</u>	<u>262</u>

## 9 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% for the six months ended 30 September 2023 (the tax rate for the six months ended 30 September 2022 was 16.5%) on the estimated assessable profit derived from Hong Kong for the period. Income tax for the Group's Malaysian operations is calculated at the rate of 24% for the six months ended 30 September 2023 (the tax rate for the six months ended 30 September 2022 was 24%) on the estimated assessable profit derived from Malaysia for the period. Taxation on other countries' profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

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

	(Unaudited)	
	Six months ended 30 September	
	2023	2022
	<i>US\$'000</i>	<i>US\$'000</i>
Hong Kong taxation		
Current period	9	471
Over provision in prior years	–	(18)
Malaysian taxation		
Current period	237	1,365
Other countries' taxation		
Current period	179	1
Under provision in prior years	14	24
Deferred income tax credit	(232)	(491)
	<u>207</u>	<u>1,352</u>

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

	(Unaudited)	
	Six months ended 30 September	
	2023	2022
(Loss)/profit attributable to owners of the Company ( <i>US\$'000</i> )	<u>(4,914)</u>	<u>1,044</u>
Weighted average number of ordinary shares in issue	<u>1,687,236,241</u>	<u>1,687,236,241</u>
Basic (loss)/earnings per share ( <i>US cents</i> )	<u>(0.29)</u>	<u>0.06</u>
Diluted (loss)/earnings per share ( <i>US cents</i> )	<u>(0.29)</u>	<u>0.06</u>

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as there were no dilutive potential shares in issue during the six months ended 30 September 2023 and 2022.

## 11 DIVIDENDS

	(Unaudited)	
	Six months ended 30 September	
	2023	2022
	US\$'000	US\$'000
<b>Dividends paid during the period:</b>		
Interim, 2022/2023, US0.15 cents (2021/2022: US0.15 cents) per ordinary share	<u>2,531</u>	<u>2,531</u>

The Board of Directors does not recommend any distribution of dividend for the six months ended 30 September 2023 (2022/2023: nil).

## 12 TRADE AND OTHER RECEIVABLES

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2023	2023
	US\$'000	US\$'000
Trade receivables ( <i>note</i> )	15,969	14,936
Less: provision for loss allowance of trade receivables	<u>(1,112)</u>	<u>(1,142)</u>
Trade receivables, net	14,857	13,794
Deposits	910	972
Prepayments	3,610	3,100
Other receivables	1,214	1,040
Less: provision for loss allowance of other receivables	<u>(38)</u>	<u>(40)</u>
	<u>20,553</u>	<u>18,866</u>

As at 30 September 2023 and 31 March 2023, 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 30 September 2023 and 31 March 2023, the ageing analysis of the trade receivables based on invoice date is as follows:

	(Unaudited) As at 30 September 2023 US\$'000	(Audited) As at 31 March 2023 US\$'000
1 to 60 days	11,385	10,547
61 to 120 days	2,449	2,037
121 to 180 days	692	613
Over 180 days	1,443	1,739
	<u>15,969</u>	<u>14,936</u>

### 13 TRADE AND OTHER PAYABLES

	(Unaudited) As at 30 September 2023 US\$'000	(Audited) As at 31 March 2023 US\$'000
Trade payables ( <i>note</i> )	7,136	4,928
Accrued charges and other payables	14,480	13,041
	<u>21,616</u>	<u>17,969</u>

As at 30 September 2023 and 31 March 2023, the fair values of trade and other payables approximated the carrying amounts.

*Note:* As at 30 September 2023 and 31 March 2023, the ageing analysis of the trade payables based on invoice date is as follows:

	(Unaudited) As at 30 September 2023 US\$'000	(Audited) As at 31 March 2023 US\$'000
1 to 60 days	6,586	4,586
61 to 120 days	339	141
121 to 180 days	19	34
Over 180 days	192	167
	<u>7,136</u>	<u>4,928</u>



## 14 BANK AND OTHER BORROWINGS

	<b>(Unaudited)</b>	(Audited)
	<b>As at</b>	As at
	<b>30 September</b>	31 March
	<b>2023</b>	2023
	<i>US\$'000</i>	<i>US\$'000</i>
<b>Current</b>		
Bank borrowings (secured)	<u><u>21,313</u></u>	<u><u>21,070</u></u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL HIGHLIGHTS

	<b>(Unaudited)</b>		
	<b>Six months ended 30 September</b>		
	<b>2023</b>	<b>2022</b>	
	<b>US\$'000</b>	<b>US\$'000</b>	<b>% Change</b>
Turnover	<b>77,482</b>	66,666	16.2%
(Loss)/profit before income tax	<b>(5,132)</b>	2,155	-338.1%
(EBITDA Loss)/EBITDA	<b>(2,679)</b>	4,919	-154.5%
Basic (loss)/earnings per share (US cents)	<b>(0.29)</b>	0.06	-583.3%

### OVERALL REVIEW OF OPERATIONS

The Group achieved a total turnover of US\$77,482,000 for the six months ended 30 September 2023, representing an increase of 16.2% over that for the same period last year. Despite the growth in turnover, the Group reported a loss before income tax of US\$5,132,000, as opposed to a profit before income tax of US\$2,155,000 recorded in the corresponding period of last year.

The improvement in turnover was mainly contributed by the travel segment which saw its turnover grow by 349.3% or US\$17,473,000 to reach US\$22,475,000 from US\$5,002,000 recorded a year ago. The growth in revenue led to this segment recording a profit before income tax of US\$1,082,000 for the current period, a turnaround from a loss before income tax of US\$344,000 in the same period last year.

Meanwhile the Group's publishing and printing segment's turnover fell by 10.8% to US\$55,007,000 from US\$61,664,000 recorded last year. This was mainly due to advertisers' adoption of a more cautious approach to advertising spending amid concerns about a potential global recession. This segment recorded a loss before income tax of US\$5,879,000 compared to a profit before income tax of US\$2,821,000 in the year-ago period.

The Group reported an EBITDA loss of US\$2,679,000 for the six months ended 30 September 2023, compared to an EBITDA of US\$4,919,000 a year ago.

Basic loss per share for the period ended 30 September 2023 was US0.29 cents, representing a decrease of 583.3% from the basic earnings per share of US0.06 cents in the same period last year.

As at 30 September 2023, the Group's cash and cash equivalents, along with short-term bank deposits, totalled US\$89,142,000, and the Group's net assets per share attributable to the owners of the Company stood at US8.16 cents.

## **Publishing and Printing**

### ***Malaysia***

The Malaysian economy grew by 4.2% in the first half of 2023, mainly fuelled by domestic demand. Despite this, demand for advertising solutions remained soft which led to a drop in the turnover of the Group's operations in Malaysia of 11.0% to US\$32,607,000 if compared to the corresponding period last year. This, coupled with increased operating costs, led to the segment recording a loss before income tax of US\$865,000 for the period under review, as opposed to a profit before income tax of US\$2,816,000 in the same period last year.

During the period under review, the Group's digital revenue was adversely affected by a decrease in website traffic, primarily due to the recent changes in Facebook's news feed algorithm which resulted in fewer readers being directed to the Group's websites. This decrease in traffic led to a decline in the Group's digital revenue for the period.

The year 2023 marked a significant milestone for both the media industry and the Chinese community in Malaysia as *Nanyang Siang Pau* celebrated its 100th anniversary. Since its establishment on 6 September 1923, *Nanyang Siang Pau* has played a crucial role in sharing stories that have influenced and motivated the Malaysian Chinese community. Presently, *Nanyang Siang Pau* has transformed into a publication with a strong focus on business news content and actively embraced digital advancements to engage with new readers and audiences.

The Group remained steadfast in its focus on operational efficiency and cost optimisation across all business units, especially the printing and editorial functions, with ongoing efforts in the second half of the year.

### ***Hong Kong and Taiwan***

The Hong Kong economy continued to recover and recorded a GDP growth of 4.1% year-on-year in the third quarter of 2023, following a 1.5% in the preceding quarter, mainly supported by private consumption and inbound tourism. Meanwhile, the property market in Hong Kong suffered a slowdown as interest rates climbed. As businesses continued to take a cautious approach on spending due to rising operating costs, the demand for advertising solutions remained slow.

During the first half of the financial year 2023/2024, the Group's operations in Hong Kong and Taiwan recorded a turnover of US\$18,840,000, reflecting a decrease of 12.5% when compared to the US\$21,530,000 in the same period last year. The decline in turnover, together with increased operating costs and the absence of government subsidies, led to this segment recording a loss before income tax of US\$3,127,000, in contrast to the US\$2,178,000 profit before income tax recorded a year ago.

To drive revenue, the Group is committed to expanding its presence in Mainland China and the Greater Bay Area ("GBA") by providing quality content and services that bridge the gap between Mainland China and Hong Kong. The Group had collaborated with government agencies to host influential symposiums in the GBA, facilitating connections between citizens from both regions, small and medium-sized enterprises, large organisations, and government departments to boost economic development for the benefit of both Hong Kong and Mainland China.

### *North America*

For the six months ended 30 September 2023, turnover for the Group's North America segment increased by 2.3% to US\$3,560,000 from US\$3,480,000 recorded in last year's corresponding period. This helped narrow the segment's loss before income tax by 13.2% to US\$1,887,000 from US\$2,173,000 recorded a year ago. The positive change in results was primarily attributed to the increase in the segment's circulation revenue and its continued cost-saving measures.

### **Travel and travel-related services**

The bounce back of global tourism supported the continued operational improvement across all the Group's tour operations, although the business volume has yet to reach pre-pandemic levels. Turnover for the Group's travel segment surged to US\$22,475,000 during the review period, an increase of more than four-fold over the previous year's amount of US\$5,002,000. This encouraging growth resulted in the segment reporting a profit before income tax of US\$1,082,000, a turnaround from a loss before income tax of US\$344,000 recorded in last year.

The boost in turnover was primarily attributed to increased inbound tours from Southeast Asian customers for the North America tour operations and outbound tours to Europe and China for the Hong Kong operation. Additionally, summer study holidays programs for students further fuelled the revenue growth.

However, the Group remained vigilant of the ongoing geo-political tensions which may affect people's confidence in travelling and, in turn, the Group's travel business.

## **Digital Business**

The performance of the Group's digital business has taken a hit due to a decline in page views from various platforms, with tech and social platforms playing a pivotal role in driving page views for news publishers. Facebook, in particular, has significantly modified its feed, discontinuing the 'instant articles' platform and reducing the focus on news content while promoting its reels. These changes have had a widespread impact, evident in industry data indicating a decline in page views.

In response, the Group now emphasised on the development of direct connections with its audience to enhance engagement and increase the average revenue per user. Encouraging its existing customers to consume more of the Group's content represents a significant growth opportunity, especially since its brands have already reached a substantial portion of the Malaysian digital audience.

## **OUTLOOK**

The Group expects the remaining quarters of the financial year to remain challenging and volatile due to political and economic uncertainties. Despite the resumption of economic activities of most countries, the recovery of global economy is dampened by the rising geo-political tension and natural calamities caused by climate change. Slowing global demand and rising costs have affected many businesses which in turn adversely impacted the demand for the products and services of the Group.

Nevertheless, barring any unforeseen circumstances, the Group expects its travel segment to continue to improve as airlines have resumed most of their flights and demand for travel remained strong. To improve the performance of its publishing and printing segment, the Group will remain vigilant in monitoring its costs whilst intensifying its efforts to promote more cross platform media solutions to its clients.

## **PLEDGE OF ASSETS**

As at 30 September 2023, 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\$4,065,000 at 30 September 2023 (At 31 March 2023: US\$4,176,000) and assignment of rental income derived therefrom; and
- (b) corporate guarantees issued by the Company.

## **CONTINGENT LIABILITIES**

As at 30 September 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 interim 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 30 September 2023, the Group's authorised capital expenditure for property, plant and equipment contracted but not provided for in this interim financial information amounted to US\$92,000 (At 31 March 2023: US\$45,000).

The Group's authorised capital expenditure for intangible assets contracted but not provided for in this interim financial information amounted to US\$30,000 (At 31 March 2023: US\$29,000).

## **LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING RATIO**

As at 30 September 2023, the Group's cash and cash equivalents and short-term bank deposits amounted to US\$89,142,000 (31 March 2023: US\$93,573,000) and total bank and other borrowings were US\$21,313,000 (31 March 2023: US\$21,070,000). The net cash position was US\$67,829,000 (31 March 2023: US\$72,503,000). Owners' equity was US\$137,636,000 (31 March 2023: US\$153,314,000).

The net gearing ratio of the Group, calculated as net debt over owners' equity, was nil as at 30 September 2023 and 31 March 2023.

## **EMPLOYEES AND EMOLUMENT POLICY**

As at 30 September 2023, the Group had 2,684 employees (31 March 2023: 2,795 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 six months ended 30 September 2023, neither the Company nor any of its subsidiaries had purchased, sold or the Company had redeemed any of the Company's listed securities.

## **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 period 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. 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 period under review.

## **REVIEW OF INTERIM FINANCIAL INFORMATION**

The Audit Committee has reviewed with management this interim 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 November 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.*