



**Media Chinese International Limited**  
**Annual Results 2017/18**  
**Presentation to Analysts**

**May 2018**

# Agenda

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## **(1) Performance Review**

- **Market Highlights**
- **Financial Performance (unaudited)**

## **(2) Strategic Update**

## **(3) Outlook**



## **(1) Performance Review**

- **Market Highlights**

# Market Share in Peninsular Malaysia and Hong Kong

Peninsular Malaysia		Period from 1 July 2016 to 30 June 2017	
Chinese Newspapers		Readership	Ranking in Malaysia
- Sin Chew Daily		936,000	No. 1
- China Press		596,000	No. 2
- Guang Ming Daily		185,000	No. 3
- Nanyang Siang Pau		57,000	with PMEB focus
<b>SUB TOTAL</b>		<b>1,774,000</b>	

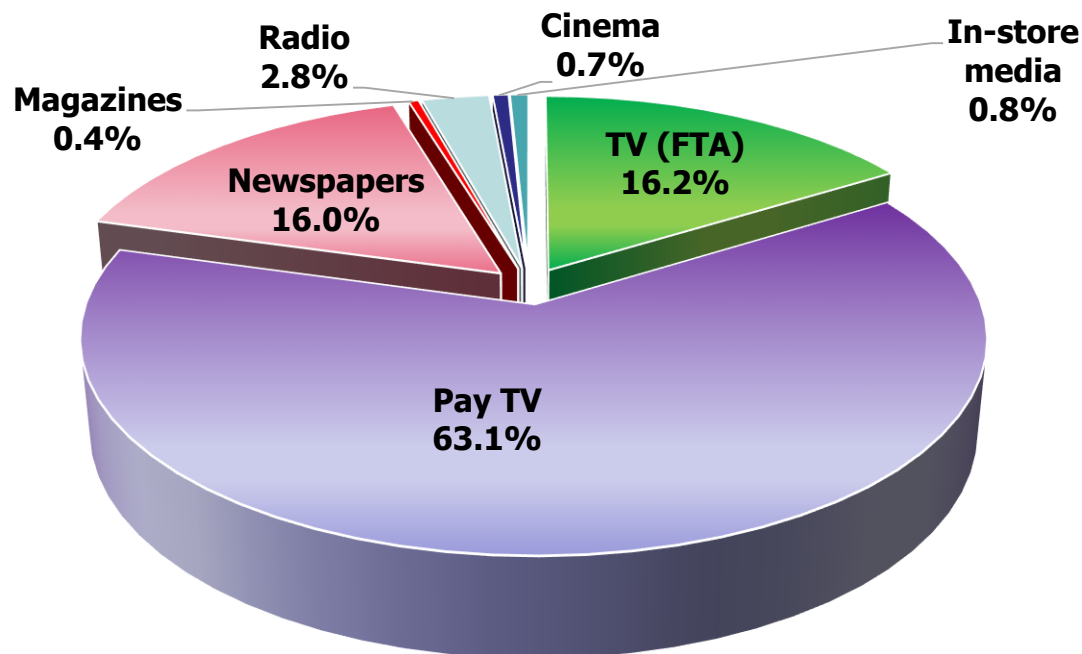
Source: (Q2 2017 Nielsen Consumer & Media View – excluding market share in East Malaysia)

HONG KONG		Period from 1 Jan 2017 to 31 Dec 2017	
Chinese Newspapers		Readership	
Ming Pao Daily News (Print + Online)		423,000	Highly recognized as a reputable and credible Chinese newspaper

Source: (The Chinese University of Hong Kong , "Hong Kong Newspaper Reading" Study 2017 Report)

# Adex for April 2017 to March 2018 in Malaysia

## YTD Adex (Apr'17 to Mar'18)



**Total Adex (Apr'17 to Mar'18): RM16,990m**



**Total Adex (Apr'16 to Mar'17): RM18,390m**

## Total Adex (RM)

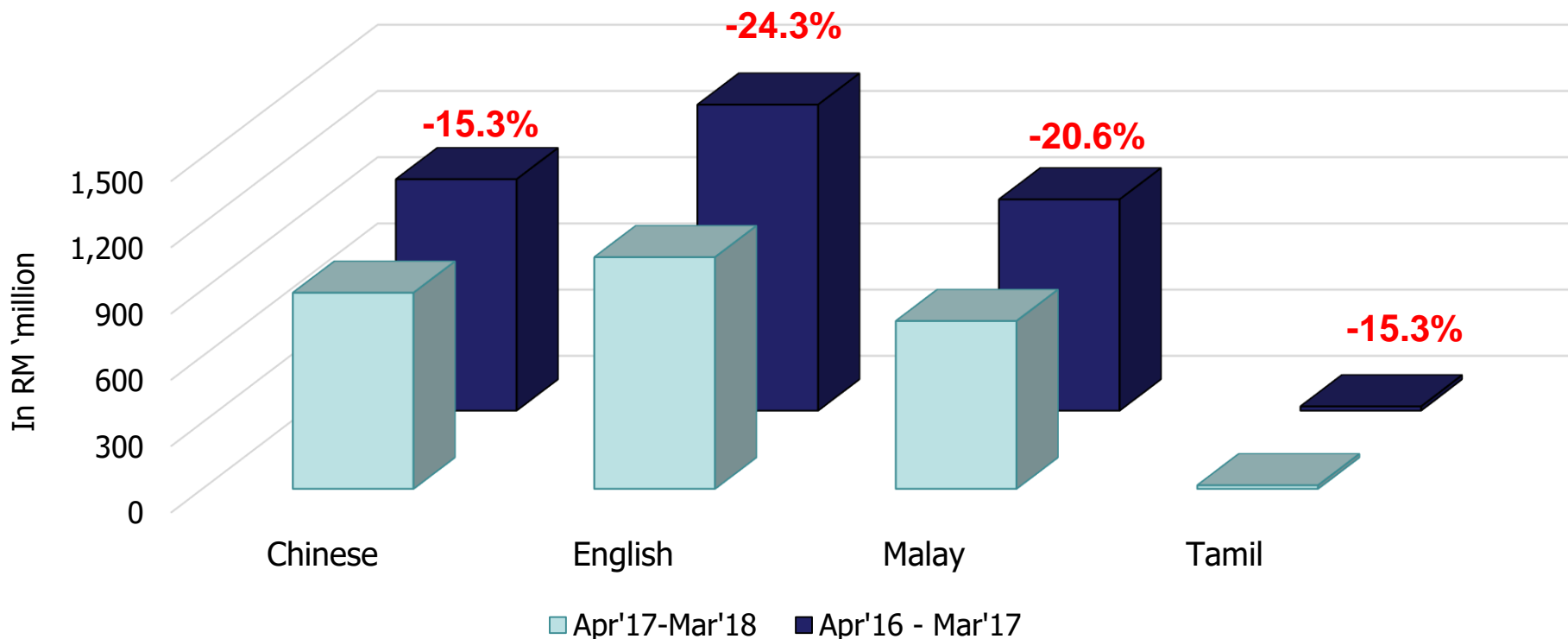
<b>Newspapers</b>	:	<b>2,711m</b>	} ↓ <b>20.7%</b>
<b>Magazines</b>	:	<b>71m</b>	

<b>TV (FTV)</b>	:	2,757m	} ↓ <b>4.5%</b>
<b>Pay TV</b>	:	10,724m	
<b>Radio</b>	:	483m	
<b>In-store media</b>	:	131m	
<b>Cinema</b>	:	113m	

<b>Newspapers</b>	:	<b>-20.5%</b>
<b>Magazines</b>	:	<b>-26.8%</b>

<b>TV (FTV)</b>	:	-3.9%
<b>Pay TV</b>	:	-4.9%
<b>Radio</b>	:	-0.8%
<b>In-store media</b>	:	-19.2%
<b>Cinema</b>	:	+21.4%

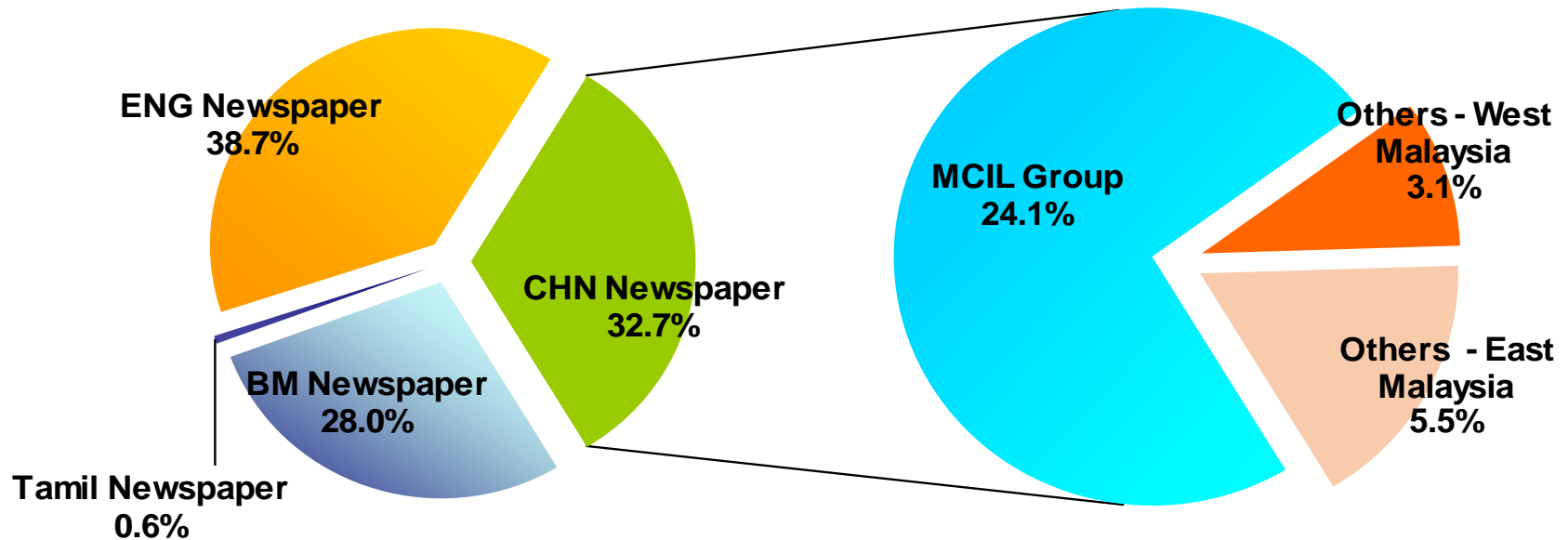
# Total Newspapers Adex in Malaysia



	Chinese	English	Malay	Tamil	Total
	(In RM 'm)	(In RM 'm)	(In RM 'm)	(In RM 'm)	(In RM 'm)
<b>Apr'17 - Mar'18</b>	887.1	1,048.3	759.2	15.9	2,710.5
<b>Apr'16 - Mar'17</b>	1,047.8	1,385.6	956.5	18.8	3,408.7

# Share of Chinese Newspapers Advertising Expenditure In Malaysia For Apr-17 to Mar-18

## NEWSPAPERS ADEX



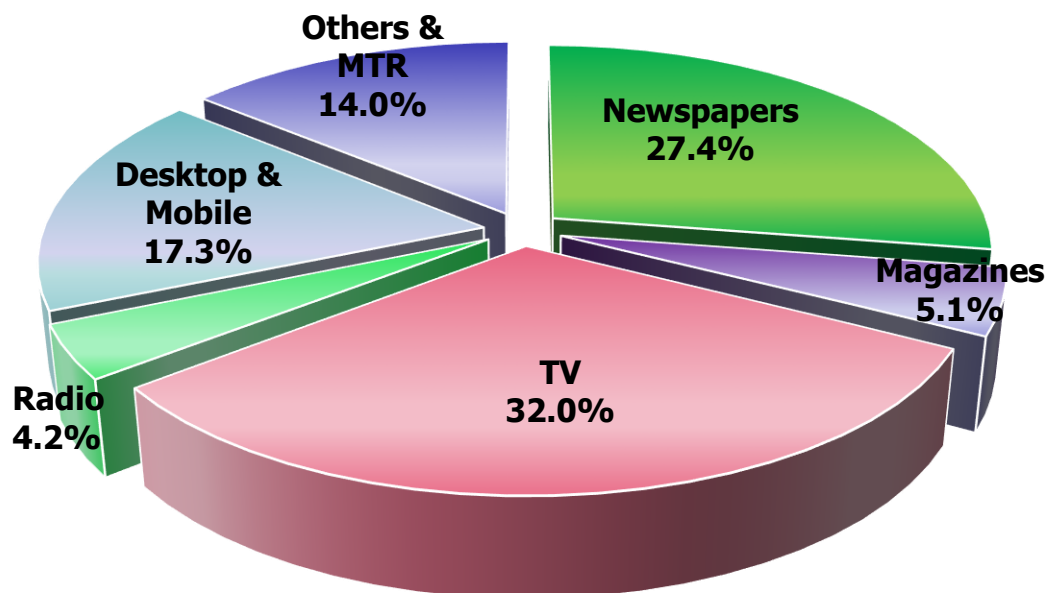
Adex for Total Newspapers : RM2,711 million

Chinese Newspapers in West Malaysia: RM 650 million

Chinese Newspapers in East Malaysia : RM 237 million

# Adex for April 2017 to March 2018 in Hong Kong

## YTD Adex (Apr'17 to Mar'18)



**Total Adex (Apr'17 to Mar'18): HKD107,383m**



**4.7%**

Total Adex (Apr'16 to Mar'17): HKD102,607m

## Total Adex (HKD)

Newspapers	:	29,447m	↓ 9.7%
Magazines	:	5,468m	
TV	:	34,382m	↑ 13.3%
Radio	:	4,448m	
Desktop & Mobile	:	18,590m	
Others & MTR	:	15,048m	

Newspapers	:	-6.0%
Magazines	:	-25.4%

TV	:	+11.9%
Radio	:	+1.9%
Desktop & Mobile	:	+35.1%
Others & MTR	:	+0.3%





## **(1) Performance Review**

- **Financial Performance  
(unaudited)**

# Group Results Summary

US\$ 'million	Q4 FY2017/18	Q4 FY2016/17	+ / (-)	YTD FY2017/18	YTD FY2016/17	+ / (-)
<b>Turnover</b>	63.5	62.4	+2%	285.0	302.6	-6%
<b>Expenses</b>	(62.8)	(61.6)	-2%	(277.0)	(287.0)	+4%
<b>Impairment losses</b>	(25.8)	(3.6)	-617%	(25.8)	(3.6)	-617%
<b>(LBT)/PBT</b>	(20.2)	(0.0)	-55892%	(6.9)	20.8	-133%
<b>PBT before impairment losses</b>	5.7	3.6	+58%	19.0	24.4	-22%
<b>EBITDA</b>	(11.7)	2.6	-550%	8.7	32.2	-73%
<b>(LPS)/EPS (US cents)</b>	(1.18)	0.05	-2460%	(0.68)	0.90	-176%

# Currency Impact

	Q4 FY2017/18	Q4 FY2016/17
<b>Exchange Rate Changes:</b>		
<b>- US\$/RM</b>	-11.7%	+5.9%
<b>- US\$/C\$</b>	-4.5%	-3.5%
<b>Currency Impact (US\$ 'million)</b>		
<b>- Turnover</b>	+4.7	-1.9
<b>- Profit Before Income Tax</b>	+0.1	-0.1

## Segment Results

### Turnover (US\$'000)

	FY 2017/18	FY 2016/17	Variance (%)
Malaysia & other SEA countries	<b>142,848</b>	162,080	-11.9%
Hong Kong, Taiwan, PRC & North America	<b>67,245</b>	71,097	-5.4%
Travel and travel related services	<b>74,870</b>	69,409	7.9%
<b>Total Turnover</b>	<b>284,963</b>	302,586	-5.8%

### PBT (US\$'000)

	FY 2017/18	FY 2016/17	Variance (%)
Malaysia & other SEA countries	<b>(2,959)</b>	28,301	-110.5%
Hong Kong, Taiwan, PRC & North America	<b>(3,118)</b>	(4,420)	+29.5%
Travel and travel related services	<b>2,361</b>	2,464	-4.2%
<b>Profit before income tax *</b>	<b>(3,716)</b>	26,345	-114.1%

\* Before unallocated finance costs and other net unallocated expenses

# Financial Position

As of 31 March

(US\$ million)	2018	2017
Total assets	<b>331.8</b>	308.8
Net debt		
- Debt	<b>(68.4)</b>	(53.4)
- Cash and cash equivalents & short-term bank deposits	<b>120.2</b>	90.0
Net Cash	<b>51.8</b>	36.6
Shareholders Funds	<b>197.7</b>	193.7
Net assets per share (US cents)	<b>11.72</b>	11.48
Net gearing ratio (Net debt / Shareholders funds)	<b>Nil</b>	Nil
Interest cover (EBITDA/Finance costs)	<b>3.1 times</b>	6.7 times
Return on equity (ROE)*	<b>-5.7%</b>	7.6%

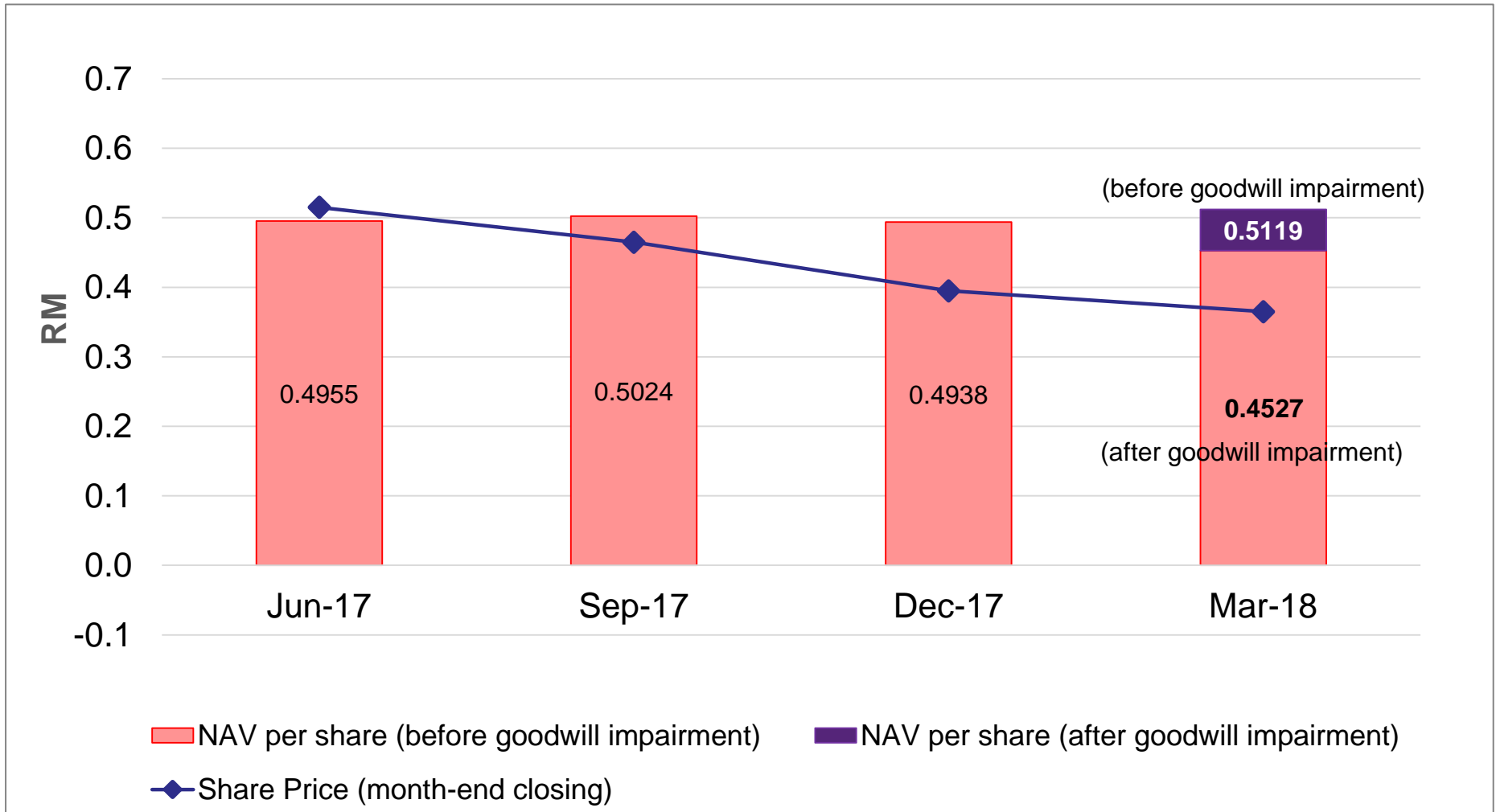
\* ROE is based on average shareholders' funds for the year.

# Dividends

	FYE 2018	FYE 2017	FYE 2016
First Interim Dividend (US cents)	<b>0.250</b>	0.360	0.500
Second Interim Dividend (US cents)	<b>0.180</b>	0.360	0.600
<b>Total Dividend (US cents)</b>	<b>0.430</b>	0.720	1.100
Dividend Pay-out Ratio (as a % of PATAMI)	* <b>50%</b>	80%	70%
Share Price as at 31 March	<b>RM0.37</b>	RM0.64	RM0.72
Dividend Yield as at 31 March	<b>4.49%</b>	4.98%	5.96%

\* % based on adjusted PATAMI

## Share Price & NAV per Share (in RM)





## (2) Strategic Update



## Sin Chew Daily Editorial Content

We believe in the power of media and the social responsibility of media.

### 1) Introduced weekly edition “We” page 《我們》

To report and share the stories on cross-racial topics on culture, daily life, religion, customs and taboos of varied ethnic groups in Malaysia.



## Sin Chew Daily Editorial Content

### 2) Introduced specific topic features

I.e. Seeking truth, warm stories, health and wellness, education, lifestyle and personal wealth management in both print and digital platforms, to provide relevant tips and industry trends, with an aim to broaden advertising revenue streams with targeted audiences.



<http://easily.sinchew.com.my>



# Strategic Update – Malaysia (cont'd)

## Event Business

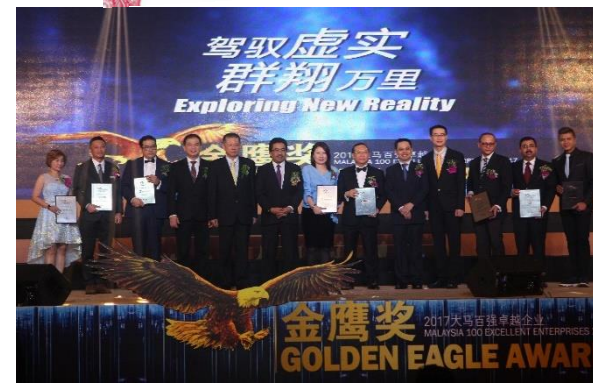
The Group organises various activities, exhibitions and awards such as Sin Chew education fair, "Malaysia Health and Wellness Brand Awards", "Sin Chew Business Excellence Awards" and Nanyang Siang Pau - "Golden Eagle Award", etc.



**Sin Chew Business Excellence Awards**



**Malaysia Health and Wellness Brand Awards**



**Nanyang Siang Pau Golden Eagle Award**

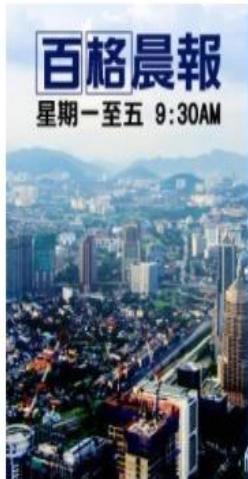


# Strategic Update – Malaysia (cont'd)



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pocketimes.my

## Pocketimes Online Video Portal



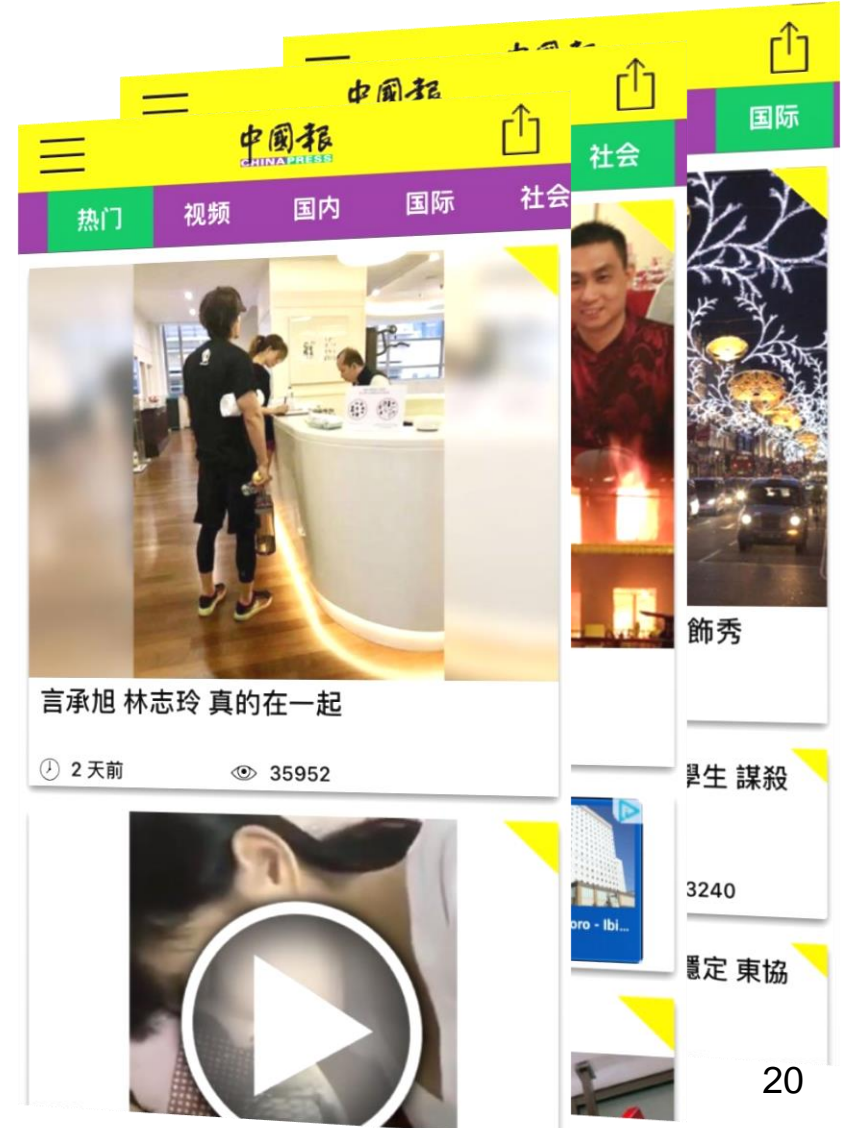
- ▶ Attained highest video views of 8.3 million monthly in April 2018.
- ▶ Extended its business model by creating more offerings and marketing solutions via our expertise in storytelling.
- ▶ Launched extensive live streaming election program, featuring latest updates from the battleground, most talked about issues, candidates, commentators from both sides of the divide.

# Strategic Update – Malaysia (cont'd)

## China Press Mobile App



- ☑ Launched in March 2016
- ☑ Accumulated download users > 100,000
- ☑ Monthly Screen Views > 70 million
- ☑ Providing latest news plus top stories from Malaysia, Asia & around the world
- ☑ Breaking news notifications to users



# Strategic Update – Malaysia (cont'd)

## Daily Newscast

- ▶ Daily newscast was launched since March 2018.
- ▶ Attained more than 30,000 video views daily after its launch.





# Strategic Update – Malaysia (cont'd)

## MCIL Malaysian Operations, total .....

**As at April 2018**

Sources: Google Analytics



**12.0 million**

Monthly Unique Visitors



**199.2 million**

Monthly Page View



**8.3 million**

Monthly Video View

**As at October 2017**

Sources: Google Analytics

**11.1 million**

Monthly Unique Visitors

**126.6 million**

Monthly Page View

**4.1 million**

Monthly Video View

**Growth (%)**

**8%**

**57%**

**105%**



# Strategic Update – Hong Kong

## 1) Ming Pao Education Publications

- Published "STEM Education Supplement" and "HK 18 Districts Schools" in Oct 2017. And jointly organised with Hong Kong Science and Technology Parks Corporation to hold 「STEM Up x HK18 Districts」. Total 18 schools shared experiences and shared views with 18 technical companies.





# Strategic Update – Hong Kong (cont'd)

## 1) Ming Pao Education Publications

- Co-operated with Marshall Cavendish Education 名創教育 to publish a new series (6 units) of liberal studies 《高中通識教育》 for upper secondary school students in the upcoming 2018/19 school year.



# Strategic Update – Hong Kong (cont'd)

## 2) Technology update



**Cover all devices, for Employers and / or Jobseekers**

- Website for employers & jobseekers
- Apps (Android & iOS) for jobseekers
- Mobile site for jobseekers (2018)



### *Functions and Features*

- Jobs – simple and advanced search engine, online application, premium employers
- Courses – latest and hot courses
- Career News – in hot industries and others
- Resources – daily tips, smart talk, statistics notice, job hunting tips
- Specials & events
- Videos – provide career tips and industry trends in health, social service, education (Jan 2018)
- My JUMP – member zone for job alert, online resume, saved, viewed and applied jobs
- Scheduled push notification to apps

### *Coming Next*

- Personalized Notification – extent the job alert function from email to app push notification

# Strategic Update – Hong Kong (cont'd)

## 2) Technology update (MPDN website)

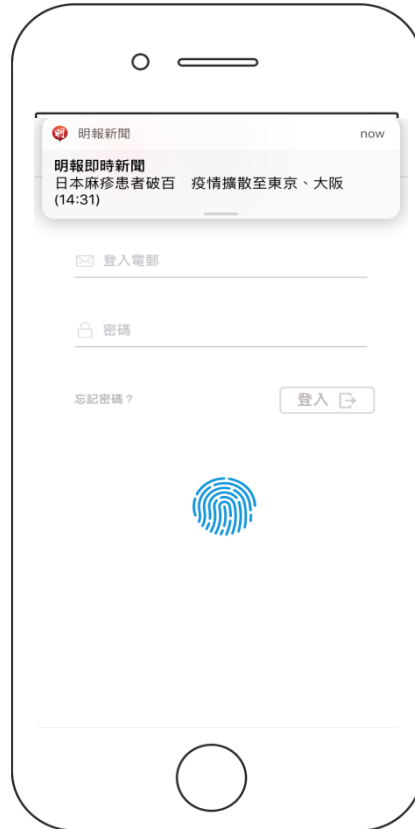


### Mingpao.com Homepage Redesigned

- Branding + content
- Homepage to all Ming Pao digital content including News, Finance, Entertainment, Education, Magazines and others
- Clear user interface (UI) and enhanced user experience (UX), improve user engagement
- Content rich – balance between text, images and videos, and ads
- Mobile site – autodetect devices and display the most suitable version

# Strategic Update – Hong Kong (cont'd)

## 2) Technology update (MPDN app)



### MP News App

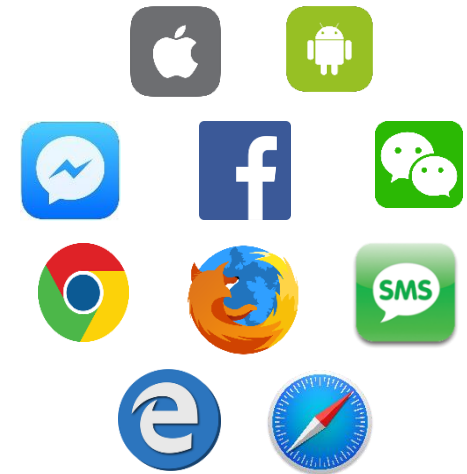
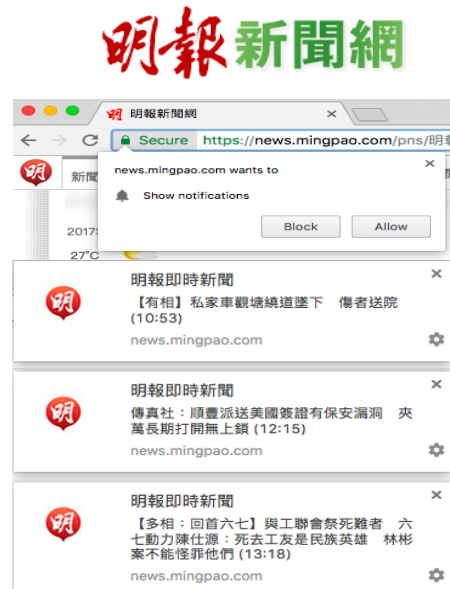
- Total rewrite (Jan 2018)
- Morning Brief / Focus, Daily News, Instant News in separate tabs
- Specials – selected news topics
- Personalized news categories
- Private bookmarks
- Social networks sharing
- Instant push algorithm
- Premium features (for subscribers)
  - - access all archives
  - - banner ad-free
  - - fingerprint login

### Coming Next

- Video channel
- Pre-download content (instant articles)
- Personalized push messages



## 2) Technology update (Push Notification)



### App Push

- Text messages
- User-controlled push queue
- Refreshing push algorithm
- CMS + SDK + API integrated (Mar 2018)

### Browser Push

- Text messages
- Major browsers – Chrome & Firefox
- Applied to NEWS, FINANCE, OL and LIFE websites (Mar 2018)

### Push as a Service

- All-in-one push solution
- Social Login (fb, tw, g+) ready
- SDK and API ready
- Dashboard & Analytics
- Subscription packages
- Multimedia messages (coming soon)

## Strategic Update – Hong Kong (cont'd)

### 3) Digital Performance (Readership)

Double digital growth of digital readership has been recorded both from study conducted by The Chinese University of Hong Kong and AC Nielsen Media Index, which is also fuel to boost up overall readership

	2016	2017	Vs 2016
Total	403,000	423,000	+5%
Digital	251,000	282,000	+12%

Source: The Chinese University of Hong Kong "Hong Kong Newspaper Reading" study 2017 report (January - December 2017)

	2016	2017	Vs 2016
Total	371,000	500,000	+35%
Digital	196,000	229,000	+17%

Source: Nielsen Media Index Year-end Report

## Strategic Update – Hong Kong (cont'd)

### 3) Digital Performance (Pageview)

Over the year we have revamped the homepage (mingpao.com) and launch respective mobile site. OL has fully leveraged on photo, video and social media to bring in new traffic and Finance also launched series of investment video and explanatory clip to meet increasing demand for knowledge base readers. Above actions resulted in handsome growth of pageview .

It's encouraging that the growth of our entertainment platform (ol.mingpao.com) and finance platform (mpfinance.com) were driven by mobile users, recorded period-on-period growth of 93% and 26% respectively.

	16/17 Q4	17/18 Q4	Vs 2016
OL.mingpao.com	15M	16.7M	+62%
mingpao.com	6M	9.8M	+11%
Mpfinance.com	5.6M	6.6M	+19%

Source : Google Analytics - Pageview

# Strategic Update – Hong Kong (cont'd)

## 3) Digital Performance (Product Development)

The co-brand health portal with HKSH was revamped with new layout and content for desktop and mobile versions since 15 Sep 2017 with handsome growth in all aspects

Desktop



Mobile



16/17 Q4  
VS  
17/18 Q4

Users	+440%
Session	+403%
Pageview	+172%
Mobile users	+1031%



# Strategic Update – Hong Kong (cont'd)

## 3) Digital Performance (Product Development)

Ming Pao News app was revamped with new layout and function since 8 Jan 2018.





## (3) Outlook

## Outlook Statement FY 2019

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We expect the operating environment of our businesses, both publishing and travel, to remain challenging amid weak consumer sentiment and rising costs of doing business as well as new technologies that continue to reshape the media industry. Despite the improvement in the general economy of the countries we operate in, such improvement has not benefitted our businesses as the sectors in which our advertisers operate in remain subdued. Furthermore, newsprint prices are escalating due to a supply shortage and this will hit the Group with more challenges in the year ahead.

Nevertheless, we will continue our efforts in converging our print with our digital businesses and intensify our cost cutting efforts, particularly in streamlining our printing process in Malaysia. The Group is committed to further developing its digital media business in order to ensure long term sustainable competitiveness while continuing to strengthen its core publishing and travel businesses.

# Agenda

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**THANK YOU**

## Forward Looking Statements

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This presentation includes certain forward-looking statements. All statements, other than statements of historical facts, that address activities, events or developments that Media Chinese International Ltd expects or anticipates will or may occur in the future are forward looking statements. Media Chinese International Ltd.'s actual results or developments may differ materially from those indicated by these forward-looking statements as a result of various factors and uncertainties, including but not limited to price fluctuations, actual demand, exchange rate fluctuations, market shares, competition, environmental risks, changes in legal, financial and regulatory frameworks, international economic and financial market conditions, political risks, project delay, project approval, cost estimates and other risks and factors beyond the control of Media Chinese International Ltd. In addition, Media Chinese International Ltd makes the forward looking statements referred to in this presentation as of today and undertakes no obligation to update these statements.