



Media Chinese International Limited
Annual Results 2018/19
Presentation to Analysts

May 2019

Agenda

(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

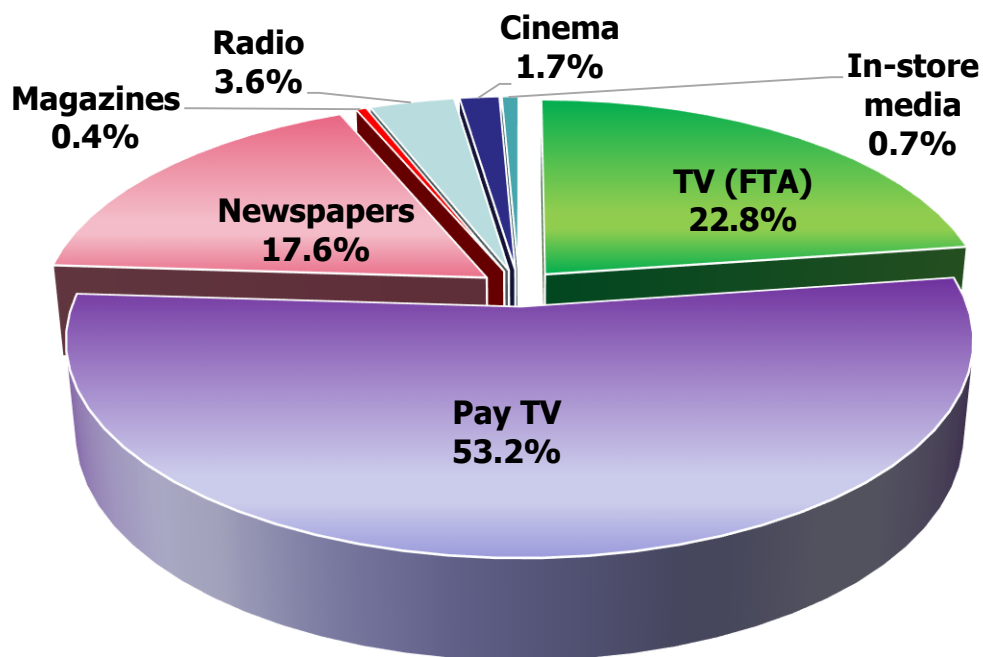
Peninsular Malaysia		Period from 1 July 2017 to 30 June 2018	
Chinese Newspapers		Readership	Ranking in Malaysia
- Sin Chew Daily		869,000	No. 1
- China Press		779,000	No. 2
- Guang Ming Daily		178,000	No. 3
- Nanyang Siang Pau		53,000	with PMEB focus
SUB TOTAL		1,879,000	

Source: (Q2 2018 Nielsen Consumer & Media View – excluding market share in East Malaysia)

HONG KONG	
Chinese Newspapers	
Ming Pao Daily News	
- Readership	500,000
Source: Nielsen Media Index 2017 Year-end Report	
- Monthly Unique Visitors (Desktop + Mobile Site + Apps + Tablet)	6,140,000
Source: Google Analytics (April 2019)	

Adex for April 2018 to March 2019 in Malaysia

YTD Adex (Apr'18 to Mar'19)



Total Adex (Apr'18 to Mar'19): RM12,026m

↓ 26.7%

Total Adex (Apr'17 to Mar'18): RM16,417m

Total Adex (RM)

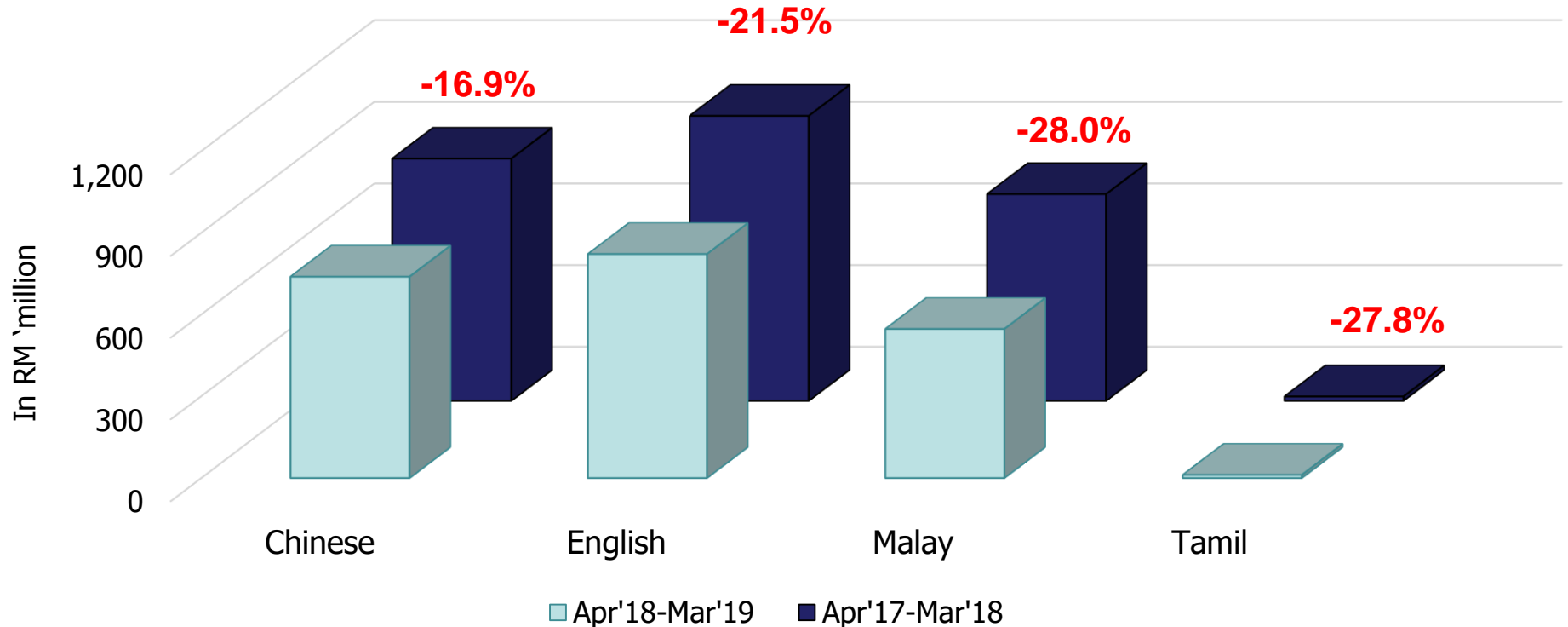
Newspapers	:	2,119m	} ↓ 22.0%
Magazines	:	53m	

TV (FTV)	:	2,736m	} ↓ 27.7%
Pay TV	:	6,401m	
Radio	:	432m	
In-store media	:	84m	
Cinema	:	201m	

Newspapers	:	-21.8%
Magazines	:	-26.0%

TV (FTV)	:	-0.8%
Pay TV	:	-36.9%
Radio	:	-10.6%
In-store media	:	-35.8%
Cinema	:	+77.5%

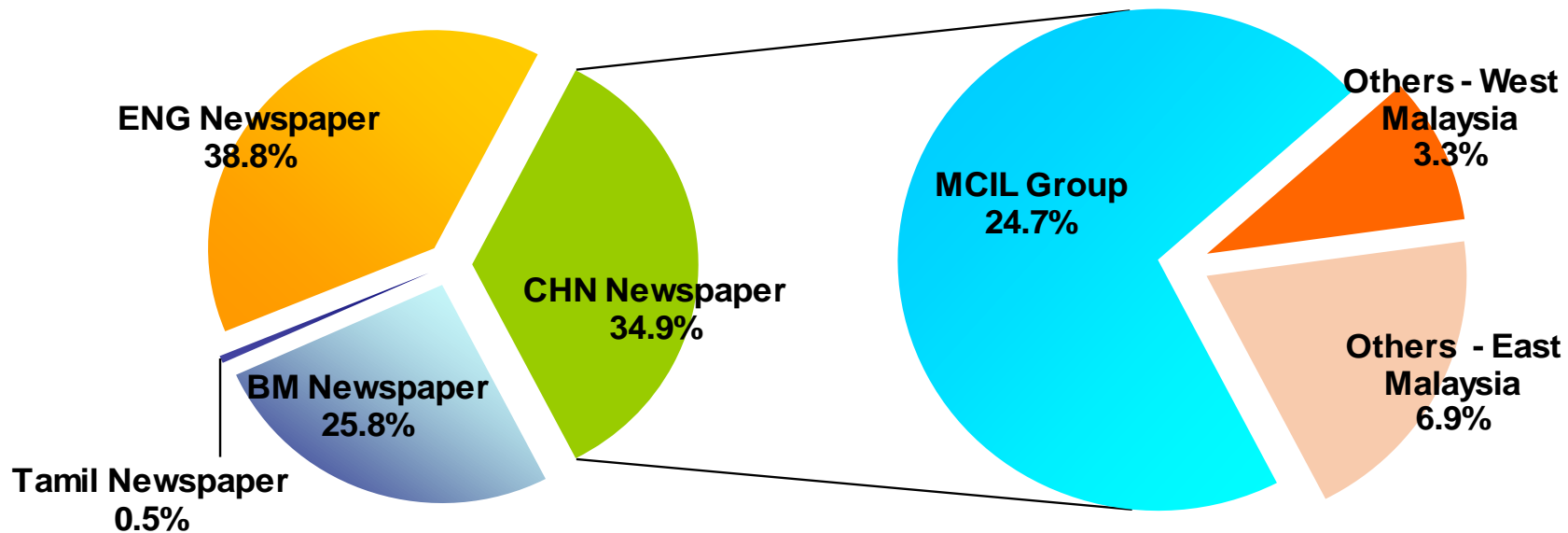
Total Newspapers Adex in Malaysia



	Chinese	English	Malay	Tamil	Total
	(In RM 'm)	(In RM 'm)	(In RM 'm)	(In RM 'm)	(In RM 'm)
Apr'18 - Mar'19	738.8	821.7	546.7	11.5	2,118.7
Apr'17 - Mar'18	889.4	1,046.5	759.2	15.9	2,711.0

Share of Chinese Newspapers Advertising Expenditure In Malaysia For Apr-18 to Mar-19

NEWSPAPERS ADEX



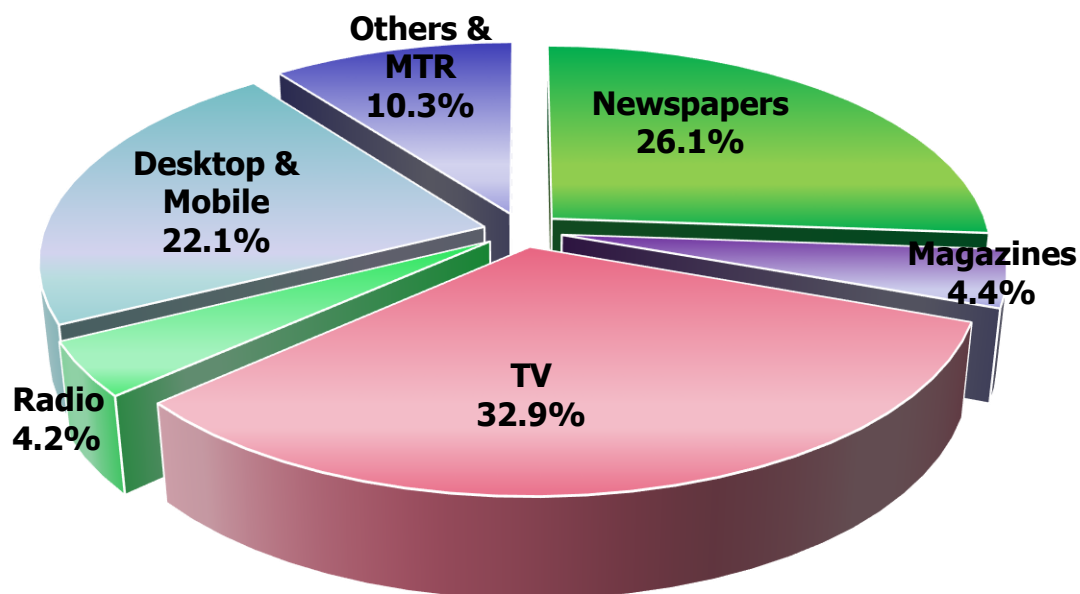
Adex for Total Newspapers : RM2,119 million

Chinese Newspapers in West Malaysia: RM 522 million

Chinese Newspapers in East Malaysia : RM 217 million

Adex for April 2018 to March 2019 in Hong Kong

YTD Adex (Apr'18 to Mar'19)



Total Adex (Apr'18 to Mar'19): HKD106,950m



2.0%

Total Adex (Apr'17 to Mar'18): HKD104,900m

Total Adex (HKD)

Newspapers	:	27,940m	} ↓ 6.5%
Magazines	:	4,699m	

TV	:	35,151m	} ↑ 6.2%
Radio	:	4,491m	
Desktop & Mobile	:	23,652m	
Others & MTR	:	11,017m	

Newspapers	:	-5.0%
Magazines	:	-14.0%

TV	:	+2.0%
Radio	:	+1.0%
Desktop & Mobile	:	+27.0%
Others & MTR	:	-11.0%



(1) Performance Review

- **Financial Performance
(unaudited)**

Group Results Summary

US\$ 'million	Q4 FY2018/19	Q4 FY2017/18	+ / (-)	YTD FY2018/19	YTD FY2017/18	+ / (-)
Turnover	54.3	63.5	-14.6%	285.6	285.0	+0.2%
Expenses	(57.4)	(62.8)	+8.6%	(282.2)	(276.8)	-2.0%
Impairment losses	(18.0)	(25.9)	+30.5%	(18.0)	(25.9)	+30.5%
(LBT)/PBT	(18.8)	(20.2)	+6.8%	(6.5)	(6.9)	+4.9%
PBT before impairment losses	(0.8)	5.7	-114.0%	11.4	19.0	-39.7%
EBITDA	(13.6)	(11.7)	-16.5%	4.6	8.7	-47.1%
(LPS)/EPS (US cents)	(1.13)	(1.18)	+4.6%	(0.67)	(0.68)	+1.7%

Currency Impact

	Q4 FY2018/19	Q4 FY2017/18
Exchange Rate Changes:		
- US\$/RM	+4.2%	-11.7%
- US\$/C\$	+5.2%	-4.5%
Currency Impact (US\$ 'million)		
- Turnover	-1.5	+4.7
- Profit Before Income Tax	+1.0	+0.1

Segment Results

Turnover (US\$'000)

	FY 2018/19	FY 2017/18	Variance (%)
Malaysia & other SEA countries	129,906	142,848	-9.1%
Hong Kong, Taiwan, PRC & North America	64,051	67,245	-4.7%
Travel and travel related services	91,603	74,870	+22.3%
Total Turnover	285,560	284,963	+0.2%

PBT/(LBT) (US\$'000)

	FY 2018/19	FY 2017/18	Variance (%)
Malaysia & other SEA countries	(2,215)	(2,959)	+25.1%
Hong Kong, Taiwan, PRC & North America	(5,661)	(3,118)	-81.6%
Travel and travel related services	4,579	2,361	+93.9%
Profit/(loss) before income tax *	(3,297)	(3,716)	+11.3%

* Before unallocated finance costs and other net unallocated expenses

Segment Results – Malaysia & other SEA countries

PBT/(LBT) (US\$'000)

	Q4 FY 2018/19	Q4 FY 2017/18	Variance (%)
Loss before income tax*	(16,254)	(19,000)	+14.5%
Add back:-			
Prov. for impairment of goodwill	15,227	20,709	+26.5%
PPE & spare parts written off	2,865	40	-7062.5%
Prov. For impairment of PPE	2,750	5,146	+46.6%
Prov. for impairment of intangible asset	476	949	+49.8%
Profit before income tax and provisions for impairment of goodwill, PPE, intangible asset and PPE & spare parts written off *	5,064	7,844	-35.4%

* Before unallocated finance costs and other net unallocated expenses

Segment Results – Malaysia & other SEA countries

PBT/(LBT) (US\$'000)

	FY 2018/19	FY 2017/18	Variance (%)
Loss before income tax*	(2,215)	(2,959)	+25.1%
Add back:-			
Prov. for impairment of goodwill	15,227	20,709	+26.5%
PPE & spare parts written off	2,865	40	-7062.5%
Prov. For impairment of PPE	2,750	5,146	+46.6%
Prov. for impairment of intangible asset	476	949	+49.8%
Profit before income tax and provisions for impairment of goodwill, PPE, intangible asset and PPE & spare parts written off *	19,103	23,885	-20.0%

* Before unallocated finance costs and other net unallocated expenses

Financial Position

As of 31 March

(US\$ million)	2019	2018
Total assets	249.6	331.8
Net debt		
- Debt	(19.9)	(68.4)
- Cash and cash equivalents & short-term bank deposits	75.2	120.2
Net Cash	55.3	51.8
Shareholders Funds	167.8	197.7
Net assets per share (US cents)	9.94	11.72
Net gearing ratio (Net debt / Shareholders funds)	Nil	Nil
Interest cover (EBITDA/Finance costs)	1.7 times	3.1 times
Return on equity (ROE)*	-6.1%	-5.7%

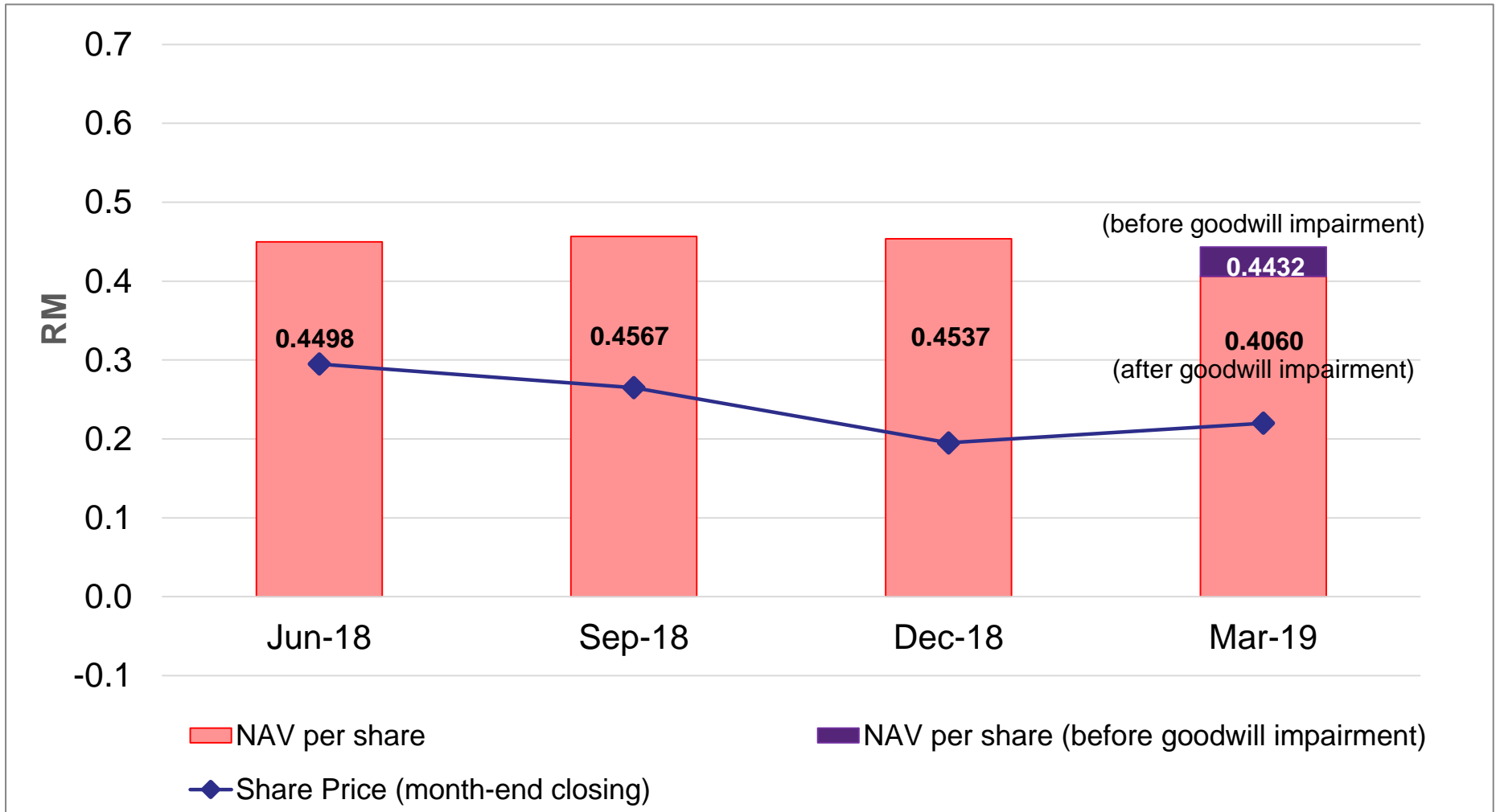
* ROE is based on average shareholders' funds for the year.

Dividends

	FYE 2019	FYE 2018	FYE 2017
First Interim Dividend (US cents)	0.180	0.250	0.360
Second Interim Dividend (US cents)	0.100	0.180	0.360
Total Dividend (US cents)	0.280	0.430	0.720
Dividend Pay-out Ratio (as a % of PATAMI)	70%	50%	80%
Share Price as at 31 March	RM0.22	RM0.37	RM0.64
Dividend Yield as at 31 March	5.20%	4.49%	4.98%

* % based on adjusted PATAMI

Share Price & NAV per Share (in RM)





(2) Strategic Update

Introduction of “Digital First”

- Rolled out “Digital First” transformation program in February 2019.
- Enable a convergence of both print and digital editorial operations, and allow faster and more convenient ways for content to be shared and accessed by readers.
- Aim to attract young readers and new advertisers.

星洲网 sinchew.com.my

手机浏览更便捷

下载APP

享更多先驱功能



手机浏览更便捷
扫码下载APP



Sin Chew Daily Editorial Content

Introduced specific topic features:-

I.e. WE, 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 Awards”, “Malaysia Health and Wellness Brand Awards”, “Sin Chew Business Excellence Awards” and Nanyang Siang Pau - “Golden Eagle Award”, etc.



Sin Chew Business Excellence Awards



Sin Chew Education Awards



**Malaysia Health and Wellness
Brand Awards**



**Nanyang Siang Pau -
Golden Eagle Award**

Strategic Update – Malaysia (cont'd)

Pockettimes Online Video Portal



新面貌
全新出击

- ▶ Attained highest video views of 9.7 million monthly in April 2019.
- ▶ 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.

- 新闻 News
- 创意 Creative
- 直播 Live
- 原创 Original

Strategic Update – Malaysia (cont'd)

China Press Regional Sub-sites

📱 Johore sub-site:
Launched in March 2016



📱 East Coast sub-site:
Launched in Sept 2018



📱 KL sub-site:
Launched in August 2018



📱 Northern sub-site:
Launched in Dec 2018

Strategic Update – Malaysia (cont'd)

Daily Newscast

- ❑ Daily newscast was launched since March 2018.
- ❑ Averagely attained 100,000 video views daily after its launch.
- ❑ Continue to attract more advertisers come in as Presenter sponsor.



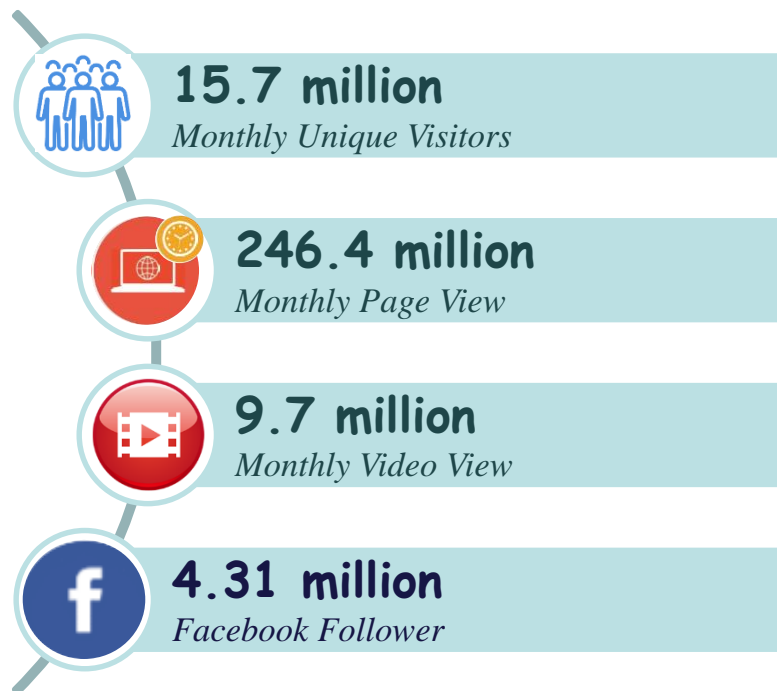
Talk Show



- ❑ China Press studio set up completed in April 2019.
- ❑ First series of talk show production published.
- ❑ More content and commercial talk shows in the pipeline.

Strategic Update – Malaysia (cont'd)

MCIL Malaysian Operations, total



Sources: Google Analytics as at April 2019

Strategic Update – Hong Kong

1) Ming Pao Education Publications

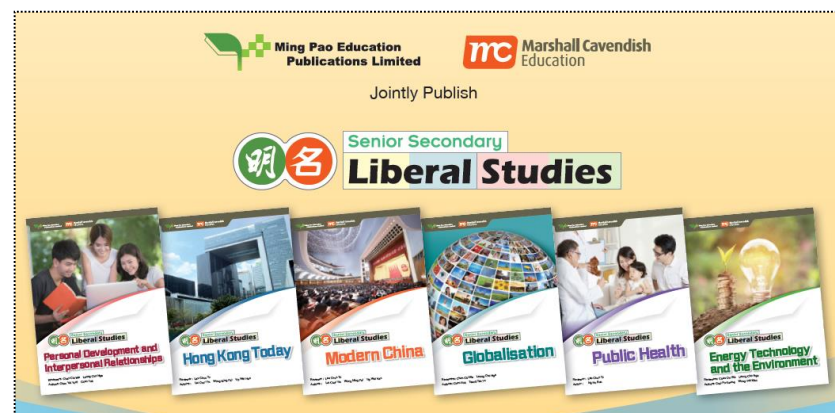
- Newly published “GIFTED Education Supplement” in May 2019, published “STEM Education Supplement” and “HK 18 Districts Primary STEM Schools” in Oct 2018.
- To be awarded the project from “The association of heads of primary schools The Hong Kong Council of the church of Christ in China” and published “Make Learning English FUN Supplement” in Jan 2019. Total 24 schools shared their English teaching school-based experiences.



Strategic Update – Hong Kong (cont'd)

1) Ming Pao Education Publications

- Launched “Deriving Stars Easily Series 奪星易系列” educational reference books for senior secondary school students to tackle with Hong Kong Diploma of Secondary Education Examination (HKDSE). Published subjects include Liberal Studies; Chinese Language; Business, Accounting and Financial Studies in 2018/19 academic year.
- Co-operated with Marshall Cavendish Education 名創教育 to publish a new series (6 modules) of Liberal Studies 《高中通識教育》 in English version for senior secondary school students in the upcoming 2019/20 academic year.



Strategic Update – Hong Kong (cont'd)

1) Ming Pao Education Publications

- Funded by the "Fung Yiu King Charitable Foundation", co-operated with "The Hong Kong Jockey Club Centre for Suicide Research and Prevention (CSRP)" and "The Comfort Care Concern Group" to publish "Life Education learning and teaching kits" for secondary school teacher in Jan 2019. The Education University of Hong Kong and The Chinese University of Hong Kong promote this set of materials to prospective teachers.



生命教育
點亮人生

馮克敏慈善基金會題



Strategic Update – Hong Kong (cont'd)

2) Digital Performance (User)

According to market currency comScore in January 2019 report, we have recorded -19% and +4% of users for desktop and mobile sites respectively.

When we further looked on entertainment platform (ol.mingpao.com and mpdeluxe.mingpao.com), finance platform (mpfinance.com) & health platform in the 4th quarter of 18/19, users have recorded significant growth in Google Analytics.

Mingpao News Channels	Jan 2018	Jan 2019	Vs 2018
Website (aged 6+)	447,000	361,000	-19%
Mobile site (aged 18+)	1,654,000	1,723,000	+4%

Source : comScore

	Jan - Mar 2018	Jan - Mar 2019	Vs 2018
ol.mingpao.com	1.7M	2.7M	+56%
mpfinance.com	1.1M	1.2M	+17%
health.mingpao.com	0.16M	0.73M	+357%
mpdeluxe.mingpao.com	15K	0.15M	+904%

Source : Google Analytics

Strategic Update – Hong Kong (cont'd)

2) Digital Development (WAW Creation)

WAW Creation, a creative arm of Ming Pao Newspapers Limited, was formed to provide a diversify array of professional services in content marketing to the advertising clients.



Strategic Update – Hong Kong (cont'd)

3) Digital Development (Influencers)

Started building Ming Pao's own influencers so as to extend Ming Pao's digital platforms and social media coverage since Nov 2018.

Influencers	Influencers	Influencers	Influencers
			
<p>"香港禮服設計師、刺繡師。擁有自己個人的訂製禮服品牌 ADA PAT COUTURE, 喜歡大自然的鮮艷色彩元素和綠色生活, 深信刺繡是一個美麗的媒介, 與萬物接連, 也是一門靈修的藝術。2016年Ada 遠赴法國巴黎Chanel 旗下 École Lesage 鑽研高級訂製之刺繡技巧, 並擁有8個級別的高級訂製刺繡師資格。現在一直優雅知性地享受工作, 享受她的針線舞台。"</p>	<p>"食飲愛好者, 放洋英國, 食貫中西, 從大學開始產生對美食的熱情, 閒時喜愛穿梭大街小巷選購食材, 並在寓居內親自下廚, 烹飪手法簡潔俐落, 絕無浪費。他的美食之旅, 多彩又多姿。 gwz Fastidious and meticulous aiming for 'Perfection at your palate'. Passionately homemade in Hong Kong."</p>	<p>"英國WSET高級品酒師, 留英碩士, 熱愛生活, 熱愛美酒美食及旅行, 足跡遍佈全球近30個國家。深信「一個好的品酒師, 同樣是一個熱愛旅行的專欄作家」。她亦是報章雜誌專欄作家, 著有《走近葡萄酒走進中國酒莊》一書。寓興趣於職業, 寓工作於生活, 不求富貴榮華, 但求簡單豁達。"</p>	<p>"畢業於喇沙書院後, 負責美國華盛頓大學 (University of Washington) 攻讀電腦科學, 畢業後加入美國微軟總部(Microsoft)從事軟件工程師, 及後加入雅虎香港(Yahoo)及微軟香港, 分別從事電子商貿總監及市務總監, 令他在資訊科技和商業的眼界同樣廣闊。作為新世代爸爸的Harris深覺香港在推動STEM教育發展遠落後其他亞洲地區, 希望在數碼轉型的大趨勢下, 透過編程(Coding)教育培育新一代跟未來接軌。過往的經歷和工作經驗促使Harris成立 Cobo Academy, 深信學習編程能有效令小朋友培養邏輯思考、協作和溝通能力。"</p>
Ada Pat	王子	Stacey	Harris

Strategic Update – Hong Kong (cont'd)

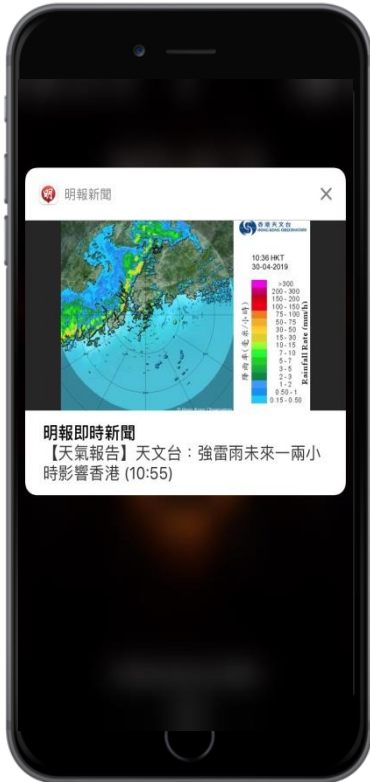
3) Technology Update (E-Paper News App)

New E-paper News App was launched. The App allows subscribers to read the newspapers in a full image mode for infographic. Subscribers can also download the pages for offline browsing.



Strategic Update – Hong Kong (cont'd)

3) Technology Update (MP News Apps)



What's new ...

- Latest version: 9 Apr 2019
- Related daily news
- Related instant news
- Related news by Editors
- Image push notification
- Native ad push notification
- Google Firebase integration
- Inapp tutorial

Strategic Update – Hong Kong (cont'd)

3) Technology Update (Video Zone)

News website and apps keep their own video zone for better user experience (UX) consideration



Strategic Update – Hong Kong (cont'd)

3) Technology Update (Facebook Chatbot)



Facebook Page

明報即時新聞 52分钟 · 52分钟 · 52分钟

碑文曰：「惟此獨立之精神，自由之思想，歷千萬祀，與天壤而同久，共三光而永光」。

#明報 #明報即時新聞 #兩岸 #王國維 #清華大學 #清華 #

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【讚好「明報即時新聞」專頁】... 展开



清華校慶围住了陳寅恪題王國維紀念碑。

NEWS.MINGPAO.COM

國學大師王國維「獨立自由」紀念碑文 清華校慶期間被围封 - 20190429 - 兩岸

15条评论 22次分享

其他6条评论 从旧到新

Alma YM Chan 唔差在拆埋佢啦，橫掂大陸對文化保育都係求其真真

贊 · 回復 · 19分钟

Sincere Chung 廢線

贊 · 回復 · 16分钟

Lee Jerry 請問香港公共圖書館在哪里？

贊 · 回復 · 1分钟

写评论...




Messenger Inbox

明報即時新聞 36 萬人對此讚好，包括 Yingwah Lam 和 10 位朋友

媒體 / 新聞公司

16:44



新聞追蹤：圖書館借閱榜

【明報專訊】香港公共圖書館早前公布2018年借閱量最高書籍，兒童中文小說類書籍中，中國四大名著——《西遊記》、《三國演義》、《紅樓夢》、《水滸傳》都榜上有名，其...

View Website

Start Chatting

Show Video

Strategic Update – Hong Kong (cont'd)

3) Technology Update (Video Widget)

Video widget implemented to News, Finance, Entertainment websites (desktop), showing latest video clips from Ming Pao.

Features ...

- Preroll video ads
- Flexible playlist
- Auto-play, default mute
- Always on screen
- Hide / close widget
- Content syndication





(3) Outlook

Outlook Statement FY 2020

The Group expects the operating environment for the next financial year to remain challenging. The unsettling trade tension between China and the USA adds to the uncertainty of the global economy and may have an adverse impact on the Group's performance for the coming year.

Notwithstanding the challenges, the Group will continue to remain focused on growing its core businesses while seeking growth opportunities in new markets and channels.

For its publishing business, it will continue to work on improving its content to meet the demands of its readers and devising new advertising options for its advertisers. Furthermore, it will continue its efforts in driving cost efficiency whilst leveraging on technology to further develop and enhance its digital content and platform capabilities. A positive note is that the newsprint price is softening which will help reduce the Group's production costs.

For the travel segment, through its expertise and worldwide travel network, the Group will continue to develop and offer interesting and tailor-made tour packages that provide customers with exclusive travel experiences.

Agenda



THANK YOU

Forward Looking Statements

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.