

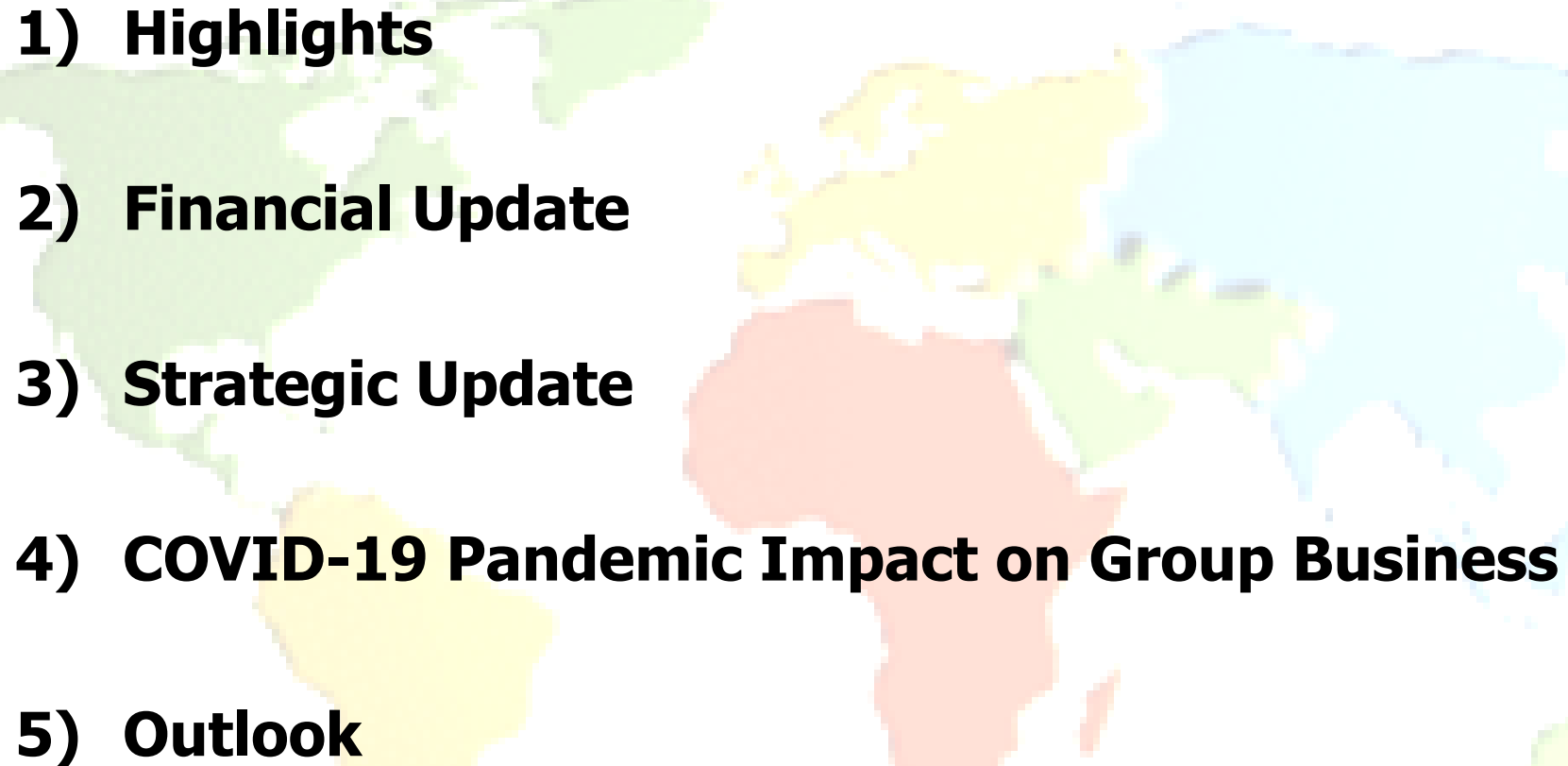


Media Chinese International Limited

Strategy Update and FY 2019/20 Annual Results

June 2020

Agenda

- 
- 1) Highlights**
 - 2) Financial Update**
 - 3) Strategic Update**
 - 4) COVID-19 Pandemic Impact on Group Business**
 - 5) Outlook**

Agenda

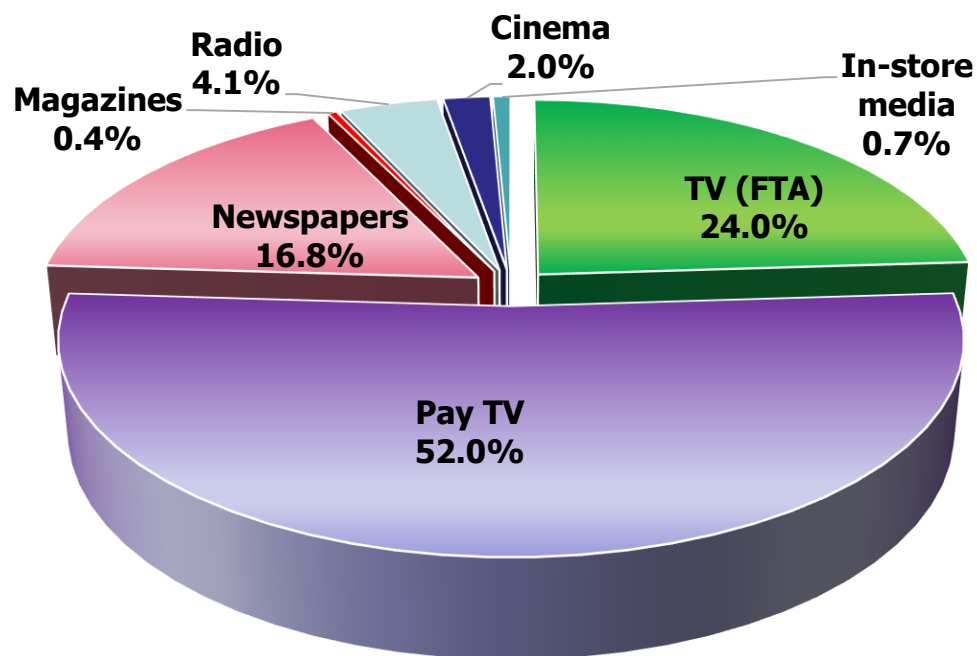


Highlights

- 
- **Global Economic Uncertainty**
 - COVID-19 pandemic, US-China Trade War, oil prices volatility
 - **Market Disruption**
 - Online becoming the primary source for news
 - Traditional print revenue continue to decline
 - Advertising ecosystem is dominated by Facebook and Google
 - **Political uncertainty in Hong Kong & Malaysia**

Adex in Malaysia

YTD Adex (Apr'19 to Mar'20)



Total Adex (Apr'19 to Mar'20): RM10,512m

↓ 12.7%

Total Adex (Apr'18 to Mar'19): RM12,041m

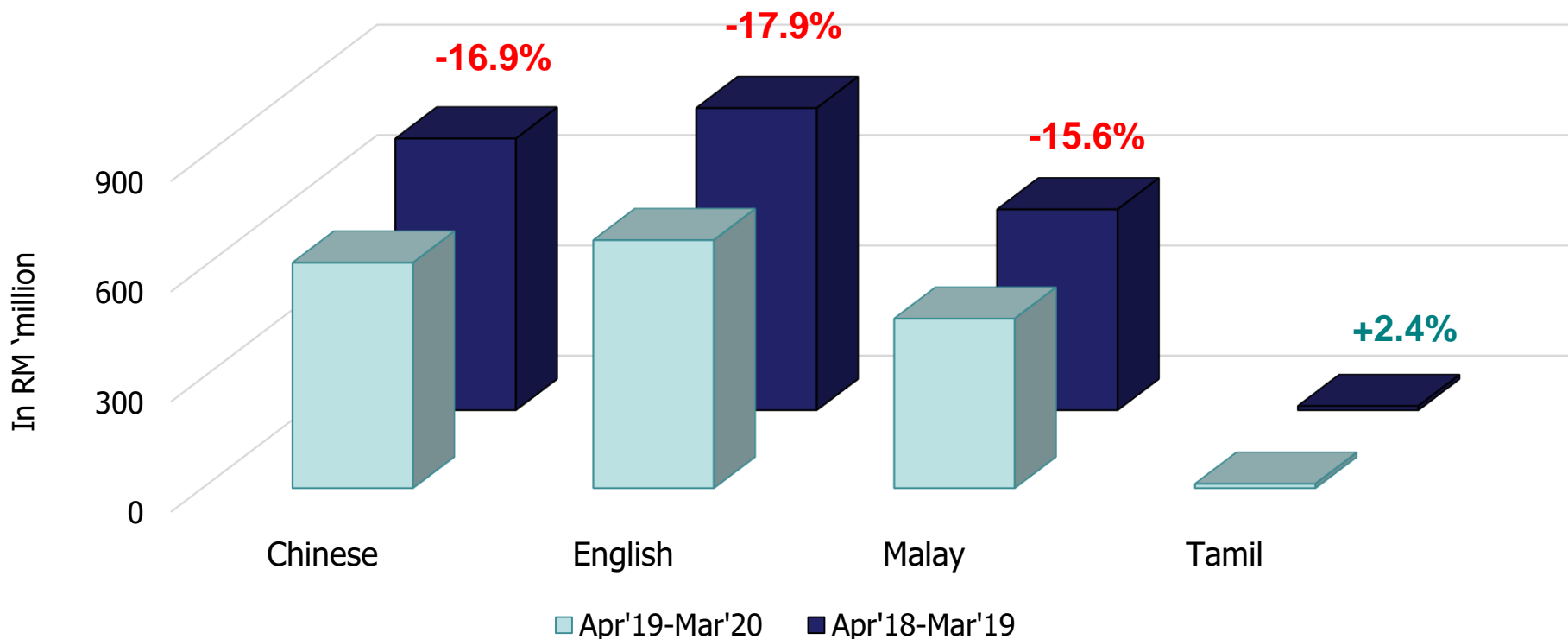
Total Adex (RM)

Newspapers	:	1,763m	↓ 17.0%
Magazines	:	41m	
TV (FTV)	:	2,524m	↓ 11.8%
Pay TV	:	5,462m	
Radio	:	436m	
In-store media	:	77m	
Cinema	:	209m	

Newspapers	:	-16.8%
Magazines	:	-23.7%

TV (FTV)	:	-8.2%
Pay TV	:	-14.7%
Radio	:	+1.0%
In-store media	:	-7.8%
Cinema	:	+3.8%

Total Newspapers Adex in Malaysia

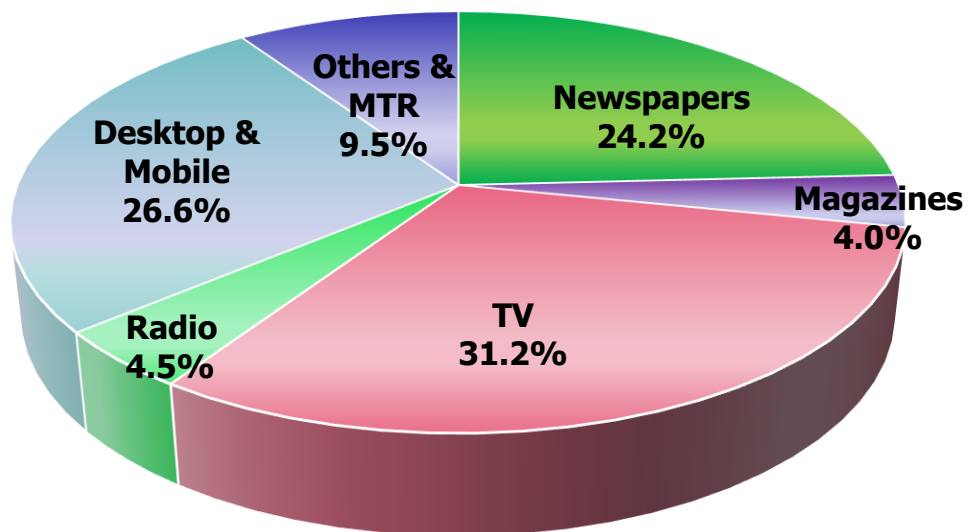


	Chinese	English	Malay	Tamil	Total
	(In RM 'm)	(In RM 'm)	(In RM 'm)	(In RM 'm)	(In RM 'm)
Apr'19 - Mar'20	614.0	675.4	461.7	11.8	1,762.9
Apr'18 - Mar'19	739.3	822.1	546.8	11.5	2,119.7

Source: Independent Market Research Companies
(Adex Numbers have not taken into consideration the discounting factor)

Adex in Hong Kong

YTD Adex (Apr'19 to Mar'20)



Total Adex (Apr'19 to Mar'20): HKD90,195m

↓ **15.8%**

Total Adex (Apr'18 to Mar'19): HKD107,064m

Total Adex (HKD)

Newspapers	:	21,973	} ↓ 22.7%
Magazines	:	3,595	

TV	:	28,074	} ↓ 13.2%
Radio	:	4,085	
Desktop & Mobile	:	23,912	
Others & MTR	:	8,556	

Newspapers	:	-27.2%
Magazines	:	-23.5%

TV	:	-20.1%
Radio	:	-9.1%
Desktop & Mobile	:	+1.0%
Others & MTR	:	-11.0%



Financial Update

FY 2019/20 Group Results

For the year ended 31 March

(US\$' 000)	2020	2019
Turnover	239,217	285,560
Profit before income tax and provision for impairment of goodwill, property, plant and equipment	9,383	11,440
Provision for impairment of goodwill, property, plant and equipment	(100)	(17,977)
Profit/(Loss) before income tax	9,283	(6,537)
Profit/(Loss) attributable to owners of the Company	7,055	(11,293)
EBITDA	16,586	4,595
EBITDA Margin (%)	6.9%	1.6%

FY 2019/20 Segment Results

For the year ended 31 March 2020

(US\$ '000)	Malaysia & other SEA countries	Hong Kong & Taiwan	North America	Publishing & Printing Sub-total	Travel	Total
Turnover	106,294	44,198	10,764	161,256	77,961	239,217
Segment profit/(loss) before income tax *	12,447	(5,275)	(518)	6,654	3,397	10,051

For the year ended 31 March 2019

(US\$ '000)	Malaysia & other SEA countries	Hong Kong & Taiwan	North America	Publishing & Printing Sub-total	Travel	Total
Turnover	129,906	50,654	13,397	193,957	91,603	285,560
Segment profit/(loss) before income tax *	(2,215)	(3,394)	(2,267)	(7,876)	4,579	(3,297)

* Before unallocated finance costs and other net unallocated expenses

FY 2019/20 Financial Position

As at 31 March

(US\$ '000)	2020	2019
Total assets	223,111	249,581
Net assets/Shareholders funds	162,153	167,759
Cash and cash equivalents and short-term bank deposits	73,882	75,155
Net assets per share (US cents)	9.61	9.94
Earnings/(Loss) per share (US cents)	0.42	(0.67)
Net gearing ratio	Nil	Nil
Return on equity	4.2%	-6.1%

Dividends

	FYE 2020	FYE 2019
First Interim Dividend (US cents)	0.16	0.18
Second Interim Dividend (US cents)	0.10	0.10
Total Dividend (US cents)	0.26	0.28
Dividend Pay-out Ratio (as a % of PATAMI)	*61%	*70%
Share Price as at 31 March	RM0.170	RM0.220
Dividend Yield as at 31 March	6.60%	5.20%

* % based on adjusted PATAMI



Strategic Update

Our Strategic Priorities:-

- **Managing print media decline**
- **Growing digital audience and revenue**
- **Managing costs**

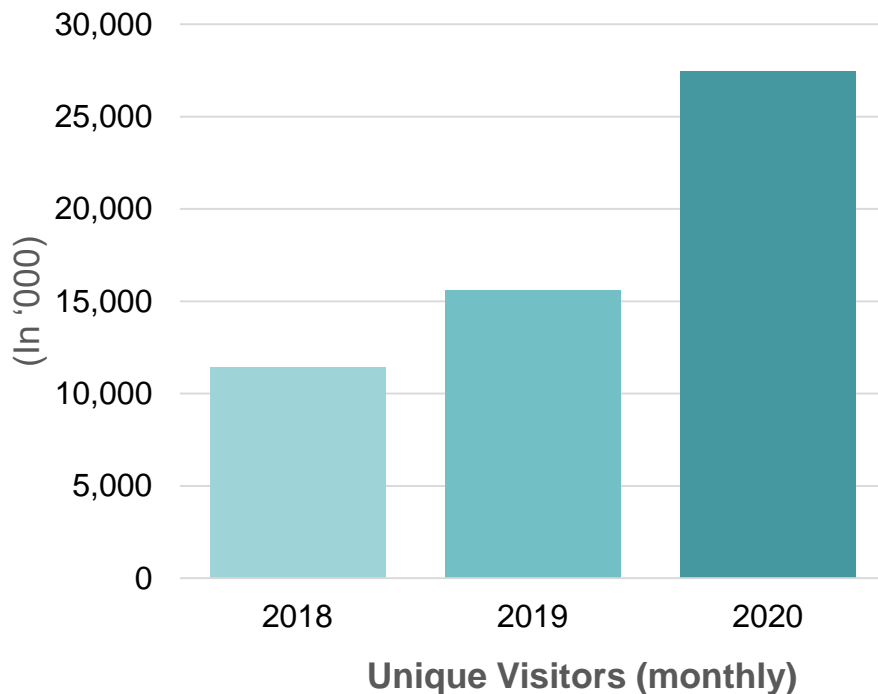
Strategic in Action - Managing Print Media Decline

- Protect our print brands by delivering quality contents
- High quality contents results in loyal readership
- Streamlining editorial workflow to raise efficiency
- Share content where possible between publications to improve our offer and reduce costs

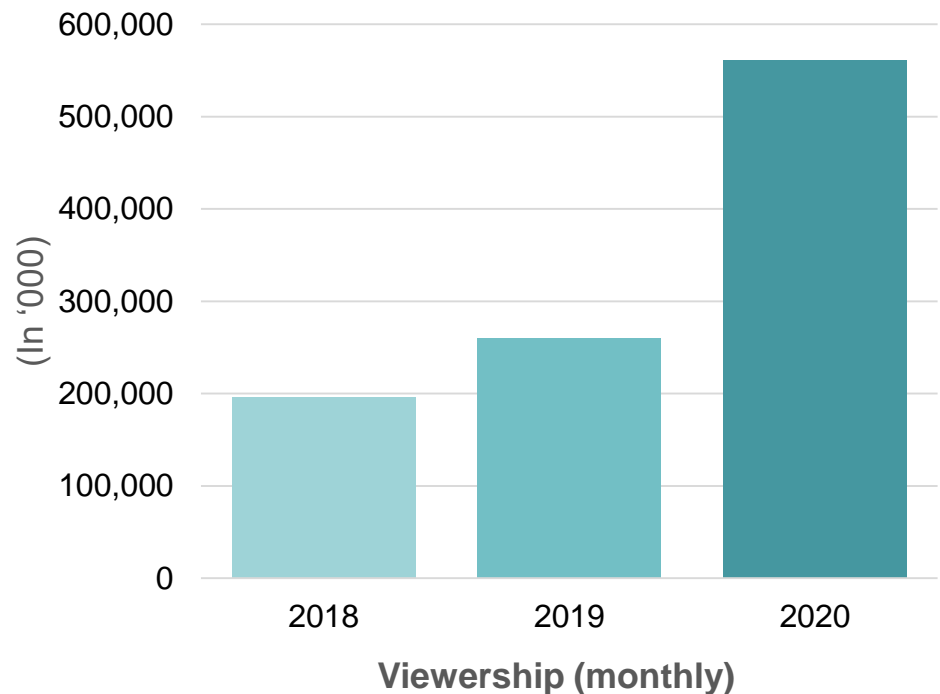
Strategic in Action - Growing Digital Audience and Revenue

Grow Digital Reach Malaysian Operations

As at 31st March



As at 31st March



Strategic in Action - Growing Digital Audience and Revenue

Grow Digital Reach Hong Kong Operations

Unique Visitors	Mar 2019	Mar 2020	Vs 2019
Ming Pao News Channels	1,850,000	2,809,000	+52%

Source : comScore

Unique Visitors	Jan-Mar 2019	Jan-Mar 2020	Vs 2019
news.mingpao.com	6.8M	10.7M	+57%
News App	0.15M	0.24M	+57%
ol.mingpao.com	2.7M	4.8M	+77%
mpfinance.com	1.2M	2.4M	+95%
health.mingpao.com	0.73M	1.6M	+123%

Source : Google Analytics, Worldwide

Strategic in Action - Growing Digital Audience and Revenue

Strengthening relationships with readers and optimising response for advertisers through increased customers engagement

- improved customer experience
- drive engagement via personalisation
- drive registrations



星洲人  **Sinchew⁺**

成为星洲人 享会员专利

- 独家精彩内容
- 专属聊天区
- 互动投稿专区
- 独家活动
- 常年百万抽奖游戏
- 超值现金奖券
- 多家商户伙伴优惠
- 与编采高层及特约作者交流机会

星洲日報 SIN CHEW DAILY  电子报  星洲 sinchew.com.my

Strategic in Action - Growing Digital Audience and Revenue

Integrated all platform marketing

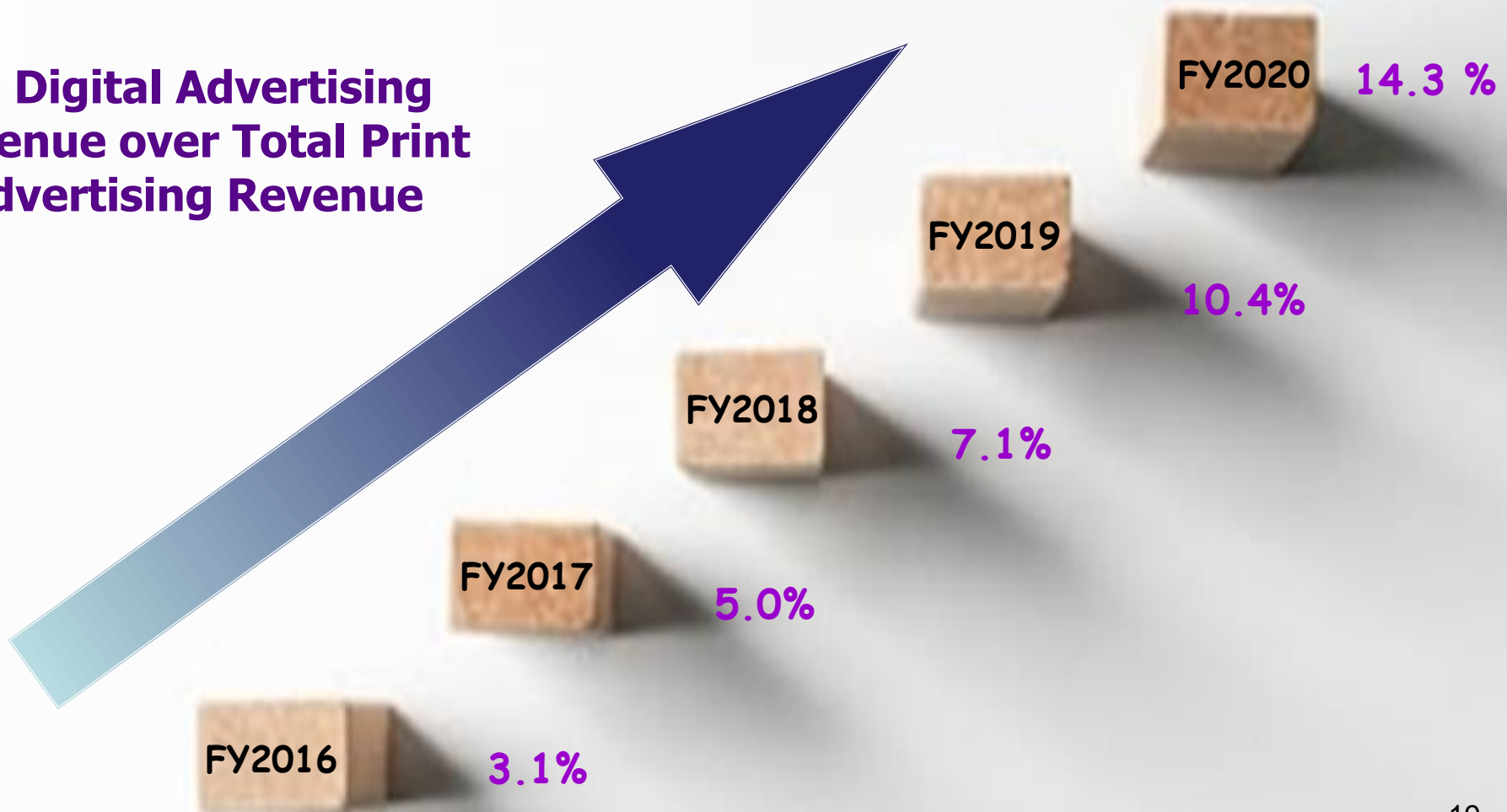
- Selling digital audiences instead of platforms
- Driving results for advertisers through activities and events
- Increasing brand value through content marketing



Strategic in Action - Growing Digital Audience and Revenue

MCIL Group Digital Advertising Performance

% Digital Advertising
Revenue over Total Print
Advertising Revenue



Strategic in Action – Managing Costs

- **Cost well managed**
- **Continue to review business process to trim costs further**





COVID-19 Pandemic Impact on Group Business

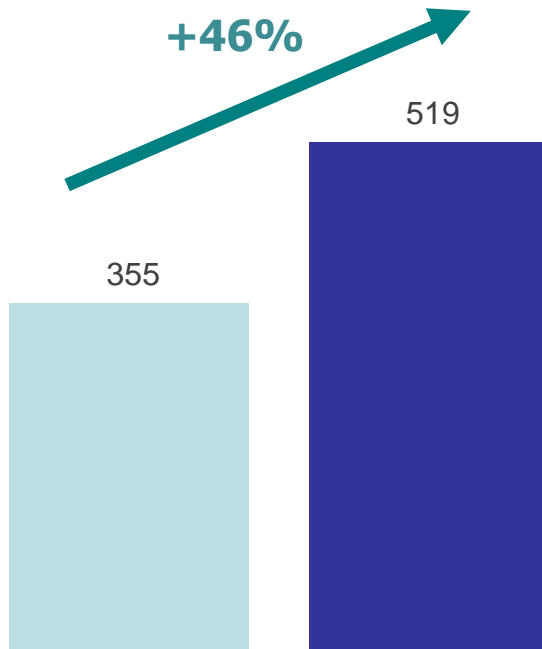
COVID-19 Pandemic Impact on Group Business

Business Segment	Impact of the COVID-19 pandemic	Mitigation Actions
Publishing	<ul style="list-style-type: none"> Demand for advertising significantly down Events postponed Circulation sales affected negatively but less than advertising 	<ul style="list-style-type: none"> Our COVID-19 response was to protect the safety of our employees and their families, while also continuing to deliver vital news and information to our readers and advertisers Streamlining of businesses for increased cost efficiency Promote e-paper
Digital	<ul style="list-style-type: none"> Significant growth in audiences of the Group's news portals and apps Demand for advertising down 	
Tour	<ul style="list-style-type: none"> Cancelled all tours booked from March to June 2020, and operating results in 2020 are in dismay 	<ul style="list-style-type: none"> Higher potential for digital conversion and subscription Reductions in staff force and furloughs, significant pay reductions for our tour operations Adopting prudent financial management practises <ul style="list-style-type: none"> Conserve cash Cancellation of non-essential travel and spending

Strong Digital Performance Metrics

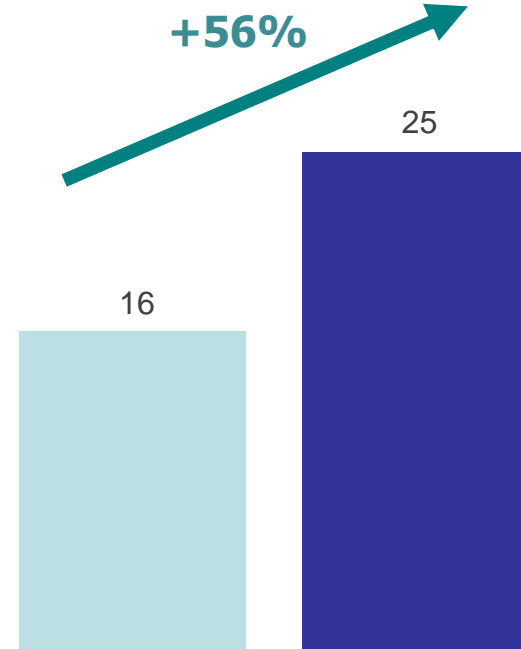
Malaysian Operations

■ Apr-19 ■ Apr-20



Monthly viewership (in mil)

■ Apr-19 ■ Apr-20



Monthly unique visitors (in mil)

Adapting and Adjusting to The New Norm

HK operations launched 生活 Power Up Store in March 2020 (E-commerce Platform)

生活 Power Up covers 4 categories, i.e. 抗疫&健康 Health / 家居&食品 Food / 親子&玩樂 Parental / 學習&課程 Learning. Our strong media platform and content marketing strength help to build trust from marketers. We put out content which engages users, and generating positive response to the product marketed.

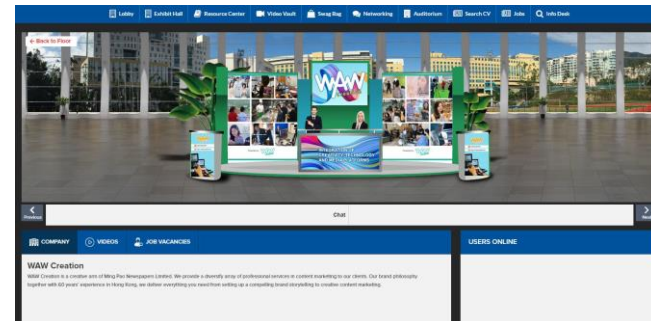


Adapting and Adjusting to The New Norm

Ming Pao organized Virtual Expo in March 2020- MP Overseas Education Fair

Format: Virtual Expo with webinars

Landing URL: overseasedu.mingpao.com



Adapting and Adjusting to The New Norm

We organized a paid Webinar.

王冠一「亂世中如何部署」視像研討會 Webinar
(2020/4/28, 12:00-13:00 HKT)

王冠一「兩會後的金融風雲」視像研討會
Webinar (2020/5/26, 17:00-18:00 HKT)



合辦 明報財經 王道財經
www.mingpao.com www.wedchannel.com.hk

「亂世中如何部署」 視像研討會 Webinar

明報讀者專享優惠
日期：2020年4月28日(星期二)
時間：12:00pm - 1:00pm
方式：以Zoom視像會議進行
立即參加、勿失良機！
原價：\$400
優惠價：\$300
[http:// link.mingpao.com/63110.htm](http://link.mingpao.com/63110.htm)
報名熱線：(852) 2515 5052
電郵：marketing@mingpao.com



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www.mingpao.com www.wedchannel.com.hk

「兩會後的金融風雲」 26/5視像研討會Webinar

明報讀者專享優惠
日期：2020年5月26日(星期二)
時間：5:00pm - 6:00pm (HKT)
方式：以Zoom視像會議進行
立即參加、勿失良機！
原價：HK\$400
優惠價：\$300
[http:// link.mingpao.com/63449.htm](http://link.mingpao.com/63449.htm)
報名熱線：(852) 2515 5052
電郵：marketing@mingpao.com

我會在《明報》及《王道財經》合辦的

Agenda



Outlook

Outlook for FY 2020/21

With the world brought down to its knees by the Covid-19 pandemic and many countries imposing lockdown or movement control restrictions, the global economy is facing and will continue to experience contraction until the pandemic comes under control and the confinement measures gradually uplifted. Despite the Covid-19 stimulus packages introduced by governments in many countries including Malaysia and Hong Kong, consumer demands remains weak whilst businesses globally struggle to stay afloat. With this backdrop, the Group expects the coming financial year to be extremely challenging.

With most parts of the world experiencing lockdown in various degrees to curb the spread of Covid-19, digital platforms have become the tool for many to work from home, to communicate with each other or for governments to dispense information to their citizens. The Group hopes to adapt this “new normal” to grow its market share and revenue from the digital platforms. For the travel segment, the Group expects the year ahead to be challenging as travel will be greatly reduced due to the pandemic until a cure or a vaccine is found. Efforts have been taken to streamline the tour operations and ensure that the operations will have the resources necessary to get through the pandemic and restart operations once international travel resumes.

Meanwhile, the Group will continue to exercise prudent cost controls across all business units and intensify its efforts to strengthen operational efficiency and effectiveness. Furthermore, the Group will work continuously adapting its operations in all regions to meet the crippling effects brought about by this pandemic.

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.