



# Media Chinese International Limited 2<sup>nd</sup> Quarter FY2017/18 Results Presentation

November 2017

Stock Code: (Malaysia) 5090 ; (Hong Kong) 685  
Stock Code: (Malaysia) 5090 ; (Hong Kong) 685

# Agenda

---

## (1) Performance Review

- Market Highlights
- Financial Performance

## (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	<b>No. 1</b>	
- China Press	596,000	<b>No. 2</b>	
- Guang Ming Daily	185,000	<b>No. 3</b>	
- Nanyang Siang Pau	57,000	<b>with PMEB focus</b>	
<b>SUB TOTAL</b>	<b>1,774,000</b>		

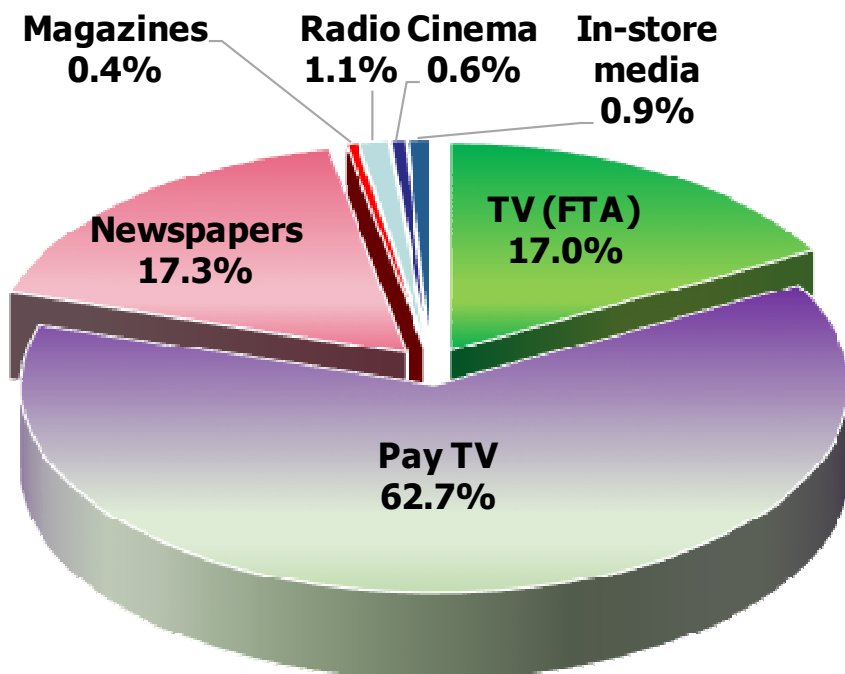
Source: (Q2 2017 Nielsen Consumer & Media View – excluding market share in East Malaysia)

HONG KONG		Period from 1 Jan 2016 to 31 Dec 2016	
Chinese Newspapers	Readership	Highly recognized as a reputable and credible Chinese newspaper	
Ming Pao Daily News (Print + Online)	403,000		

Source: (The Chinese University of Hong Kong , "Hong Kong Newspaper Reading" Study 2016 Report)

# Adex for Apr 2017 to Sep 2017 in Malaysia

## YTD Adex (Apr'17 to Sep'17)



**Total Adex (Apr'17 to Sep'17): RM8,449m**

**↓ 11.6%**

Total Adex (Apr'16 to Sep'16): RM9,558m

## Total Adex (RM)

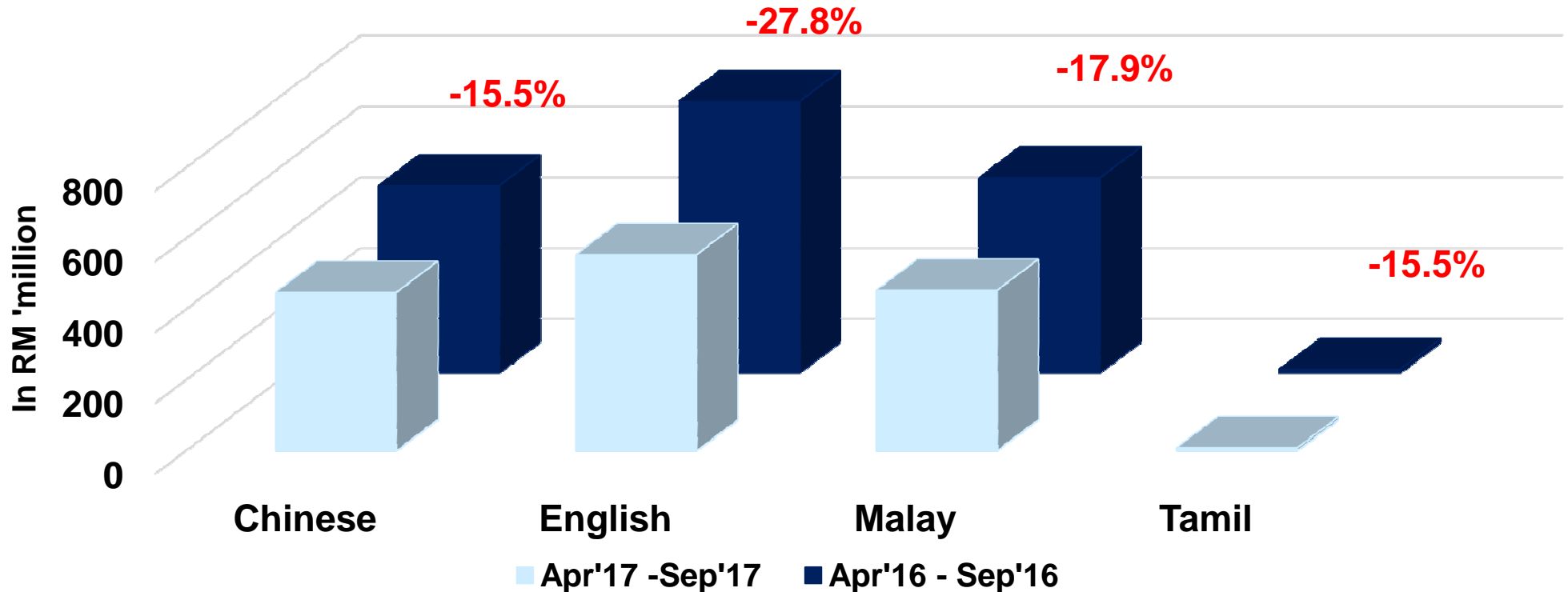
<b>Newspapers</b>	:	<b>1,461m</b>	} <b>↓ 21.4%</b>
<b>Magazines</b>	:	<b>38m</b>	
<b>TV (FTV)</b>	:	1,437m	} <b>↓ 9.2%</b>
<b>Pay TV</b>	:	5,296m	
<b>Radio*</b>	:	94m	
<b>In-store media</b>	:	75m	
<b>Cinema</b>	:	48m	

**Newspapers** : **-21.3%**  
**Magazines** : **-25.2%**

**TV (FTV)** : -2.9%  
**Pay TV** : -11.1%  
**Radio\*** : -1.0%  
**In-store media** : -10.3%  
**Cinema** : +25.7%

*\*Excluded Astro Radio*

# Total Newspapers Adex in Malaysia

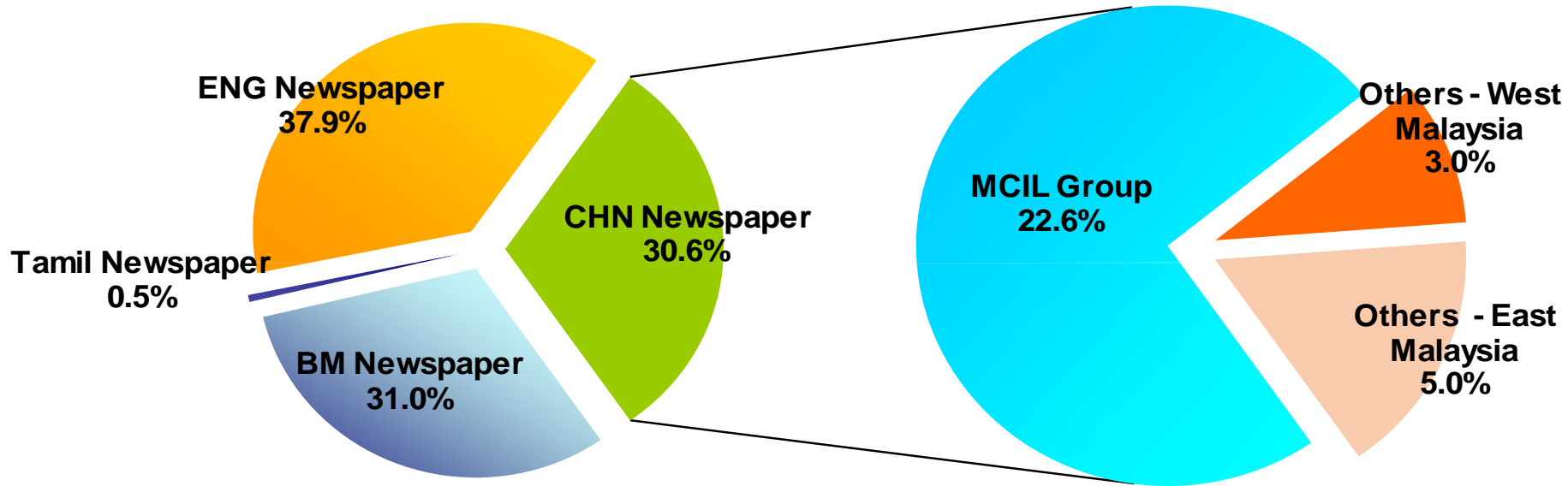


	Chinese (In RM 'm)	English (In RM 'm)	Malay (In RM 'm)	Tamil (In RM 'm)	Total (In RM 'm)
<b>Apr'17 - Sep'17</b>	447.1	553.2	452.6	7.9	1,460.8
<b>Apr'16 - Sep'16</b>	528.8	766.6	551.2	9.3	1,855.9

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

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

## NEWSPAPERS ADEX



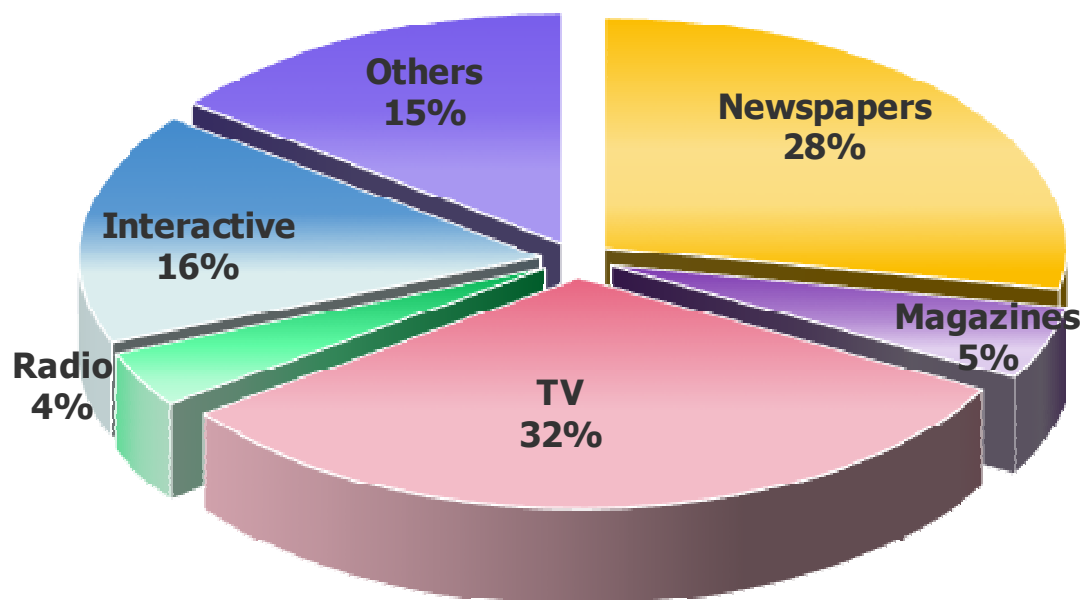
Adex for Total Newspapers : RM1,461 million

Chinese Newspapers in West Malaysia: RM 329 million

Chinese Newspapers in East Malaysia : RM 118 million

# Adex for Apr 2017 to Sep 2017 in Hong Kong

## YTD Adex (Apr'17 to Sep'17)



**Total Adex (Apr'17 to Sep'17): HKD54,209m**

**↑ 5.8%**

Total Adex (Apr'16 to Sep'16): HKD51,249m

## Total Adex (HKD)

<b>Newspapers</b>	:	<b>15,102m</b>	} ↓ <b>10.3%</b>
<b>Magazines</b>	:	<b>2,814m</b>	
<b>TV</b>	:	17,345m	} ↑ <b>13.3%</b>
<b>Radio</b>	:	2,145m	
<b>Interactive</b>	:	8,841m	
<b>Others</b>	:	7,962m	

<b>Newspapers</b>	:	<b>-5.4%</b>
<b>Magazines</b>	:	<b>-29.7%</b>

<b>TV</b>	:	+6.9%
<b>Radio</b>	:	-0.3%
<b>Interactive</b>	:	+38.5%
<b>Others</b>	:	+9.3%





## **(1) Performance Review**

- **Financial Performance**



# Group Results Summary (unaudited)

For the 6 months ended 30 September

(US\$ million)	2017	2016	% Variance	(Excluding currency impact) % Variance
Turnover	<b>153.6</b>	168.3	-8.7%	-6.0%
Profit before income tax	<b>9.0</b>	14.5	-38.1%	-33.3%
Profit attributable to owners of the Company	<b>5.7</b>	10.2	-43.7%	-38.5%
EBITDA	<b>13.7</b>	20.5	-33.2%	-28.5%
EBITDA margin (%)	<b>8.9%</b>	12.2%	-3.3%	-2.9%
EPS (US cents)	<b>0.34</b>	0.60	-43.7%	-38.5%

## Segment Results (unaudited)

### Turnover (US\$ million)

For the 6 months ended 30 September	2017	2016	% Variance
Malaysia & other SEA countries	69.2	85.8	-19.3%
Hong Kong, Taiwan, PRC & North America	34.0	36.3	-6.3%
Travel and travel related services	50.4	46.2	9.1%
<b>Total Turnover</b>	<b>153.6</b>	<b>168.3</b>	<b>-8.7%</b>

### PBT (US\$ million)

For the 6 months ended 30 September	2017	2016	% Variance
Malaysia & other SEA countries	10.5	16.2	-35.3%
Hong Kong, Taiwan PRC & North America	-2.9	-1.8	-62.1%
Travel and travel related services	2.9	2.8	4.4%
<b>Profit before income tax *</b>	<b>10.5</b>	<b>17.2</b>	<b>-39.1%</b>

\* Before unallocated interest expense, other net unallocated expenses and share of post-tax results of joint ventures and associates.

## Financial Position (unaudited)

(US\$ million)	As at 30 Sept 2017	As At 31 Mar 2017	% Variance
Total assets	<b>329.3</b>	308.8	+6.6%
Net assets	<b>203.3</b>	197.3	+3.0%
Cash and cash equivalents, and short term bank deposits	<b>104.7</b>	90.0	+16.3%
Owners' equity	<b>200.7</b>	193.7	+3.6%
Net assets per share (US cents)	<b>11.90</b>	11.48	+3.7%
Net gearing ratio (%)	<b>Nil</b>	Nil	N/A
Return on owners' equity (%) *	<b>2.9%</b>	5.0%	-2.1%

\* Based on the results for the 6 months ended 30 September 2017 and 2016

# Dividends

For the 6 months ended 30 September	2017	2016
Profit attributable to owners of the Company (US\$ million)	<b>5.7</b>	10.2
Dividend per share (US cents)	<b>0.25</b>	0.36
Dividend pay-out ratio	<b>74%</b>	60%
Share price as at 28 Nov 2017 / 28 Nov 2016	<b>RM0.415</b>	RM0.660
Dividend yield as at 28 Nov 2017 / 28 Nov 2016	<b>4.96%</b>	4.39%



## (2) Strategic Update

## Sin Chew Daily Editorial Content

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

### 1) Introduced “Seeking Truth” page 《求真》

In the era of post truth, we carried follow-ups on fake stories and photographs circulated on social media to verify each of them in order to restore truth.

有圖/未必有真相

假新聞真/多

假的真/不了

求真/熱問

原來是/這樣

新聞求/真

在失真的時代  
堅持求是精神  
求真書

求真



## Sin Chew Daily Editorial Content (cont'd)

2) Introduced “Power of Warm-Hearted” page 《暖勢力》 with stories that remind readers of the goodness in the world

To report on inspiring and warm-hearted stories of good people, with an aim to inspire and generate more positive energy in society.

After reading the touching stories, readers may have more empathy and impulse to help others.





## Sin Chew Daily Editorial Content (cont'd)

### 3) Introduced specific topic features

I.e. health and wellness, education, lifestyle and personal wealth management in both print and digital platforms, with an aim to broaden advertising revenue streams with targeted audiences.



**Education Point**  
~ Publish every Sunday ~



**Lifestyle**  
~ Publish every Monday ~



**Personal Wealth Management**  
~ Publish every Wednesday ~



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

**Health and Wellness**  
~ Publish everyday ~

# Strategic Update – Malaysia (cont'd)



Co-founded the CO3 (COnnectivity, COllaboration and COmmunity) social office project to provide co-working and office spaces in Malaysia and other ASEAN countries. The first CO3 office location in Puchong had been launched on 27 July 2017 with the next target in Petaling Jaya.

24/7

24/7 access



Fat-Pipe Wifi



Honor system



Various size meeting rooms



Sun corner



On site community team



Library



Arcade room



Sleeping pod



Maintenance fuss free

17

# Strategic Update – Malaysia (cont'd)

## China Press Mobile App



- ☑ Launched in March 2016
- ☑ Accumulated download users > 100,000
- ☑ Monthly Screen Views > 25 million
- ☑ Latest News plus top stories from Malaysia, Asia & around the world
- ☑ Breaking news notifications



- ☑ Launched in June 2016
- ☑ Complete classified portal with 4 main category, i.e. Jobs, Cars, Property and Services



# Strategic Update – Malaysia (cont'd)

## Chinapress.com.my Website

- In 2017, Website monthly Page Views increase more than double to 70 million averagely, compare to 30 million in 2016.
- Unique Visitors increases from 3 million to 5.9 million on y-o-y basis.



Over 70 Million Page Views

Mobile Traffic 80%

5.9 Million Unique Visitors



Source: Google Analytic

# Strategic Update – Malaysia (cont'd)

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



星洲网  
sinchew.com.my

中國報  
CHINA PRESS  
chinapress.com.my

南洋  
您的創富伙伴  
cnanyang.my

生活杂志  
Life Magazines  
lifemagazines.com.my

光明日報  
guangming.com.my

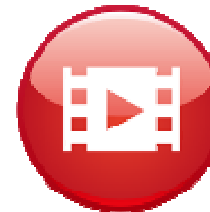
百格  
pockettimes.my

**WEBSITES**



**11.1 million**  
Unique Visitors per month

**126.6 million**  
Pageviews per month



**4.1 million**  
Video Views per month

**127,000**  
Average e-Copies per Day



Sources: Google Analytics as at October 2017

## 1) Ming Pao Education Publications

The launching issue of “Open School STEM Education Special Issue” was published in April 2017. The 2<sup>nd</sup> issue was published half year later in October. The publications were distributed free of charge to all primary and secondary schools in Hong Kong and Macau.

The Open School website was also revamped with the addition of a new column “Academy KOL”. Dr. Andrew Lau, Director of the Institute of Physics at Oxford University contributes articles to help enhance the website content and brand value.





## 1) Ming Pao Education Publications

We also published the "18 Districts STEM School Tours" booklet to appreciate secondary schools with outstanding performance in STEM education development. The booklet was delivered free of charge with "STEM Education Special Supplement" to all primary schools in Hong Kong.



The Hong Kong Science Park will cooperate to hold the "18 Districts STEM School & Business Partnership" program in December. 18 companies will be selected to support 18 schools on their development of STEM.

# Strategic Update – Hong Kong (cont'd)

## 1) Ming Pao Education Publications

- In order to consolidate the development of STEM, we have hold the STEM Lesson Plan Competition 2017 with strong support from schools. Professional judges include scholars from the Chinese University of Hong Kong, Polytechnic University and University of Education.
- The Awards Presentation Ceremony was held in October with full support from prize-winning principals and teachers.







# Strategic Update – Hong Kong (cont'd)

---

## 2) Readership (Ming Pao Daily News)

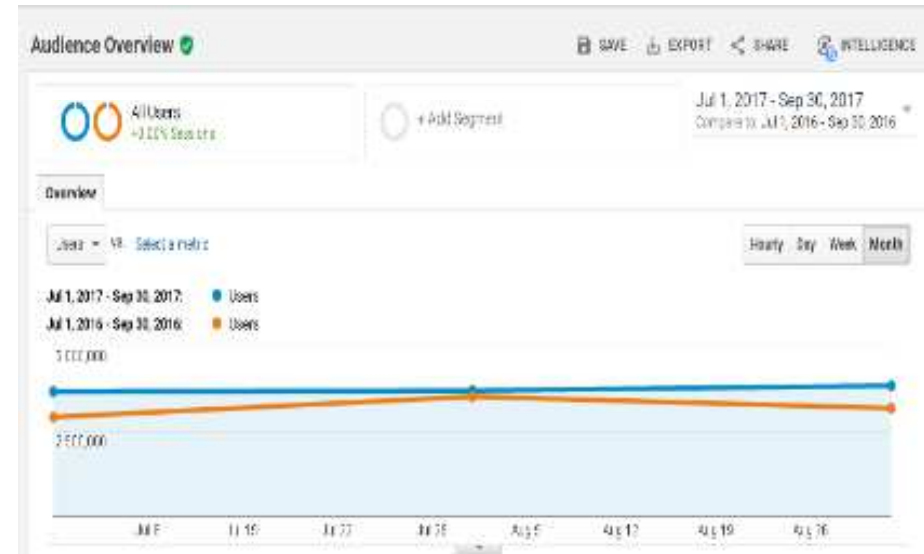
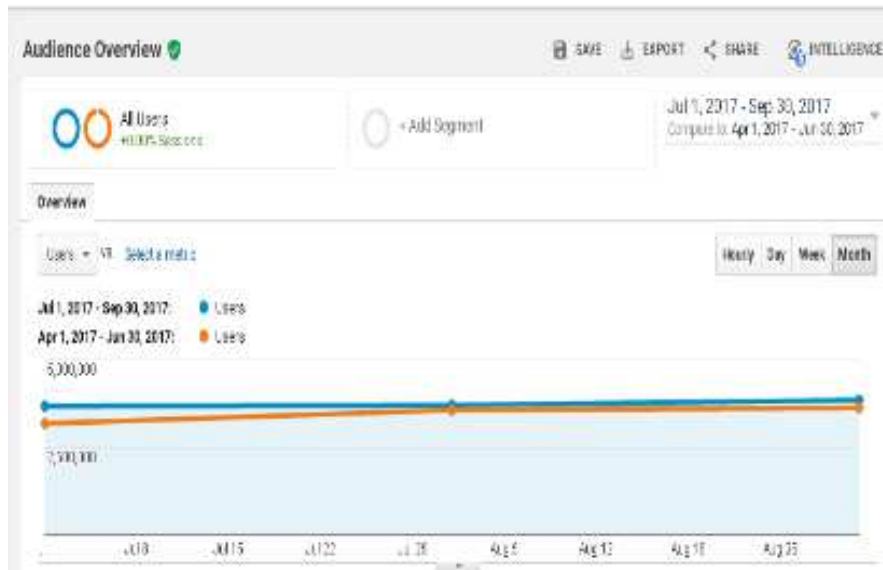
**Total readership experienced a U-turn to 419,000, main engine lays on digital growth which reported as over digital 277,000 readership**

Source: The Chinese University of Hong Kong "Hong Kong Newspaper Reading" study 2017 report (July 2016 - June 2017)

# Strategic Update – Hong Kong (cont'd)

## 3) Digital Performance (Ming Pao Daily News)

Mingpaonews.com website has continued to grow and reached its record high of 3.8M users in June 2017, after the umbrella movement in October 2014, representing 7% and 13% user growth vs last quarter and vs same quarter last year





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

---

### 3) Digital Performance (Ming Pao Daily News)

In last quarter we launched the new mainpage (mingpao.com) mobile version to meet the ever increasing mobile user needs on a viable directory for our whole group websites, and fully capitalize and monetize mobile user's traffic too.

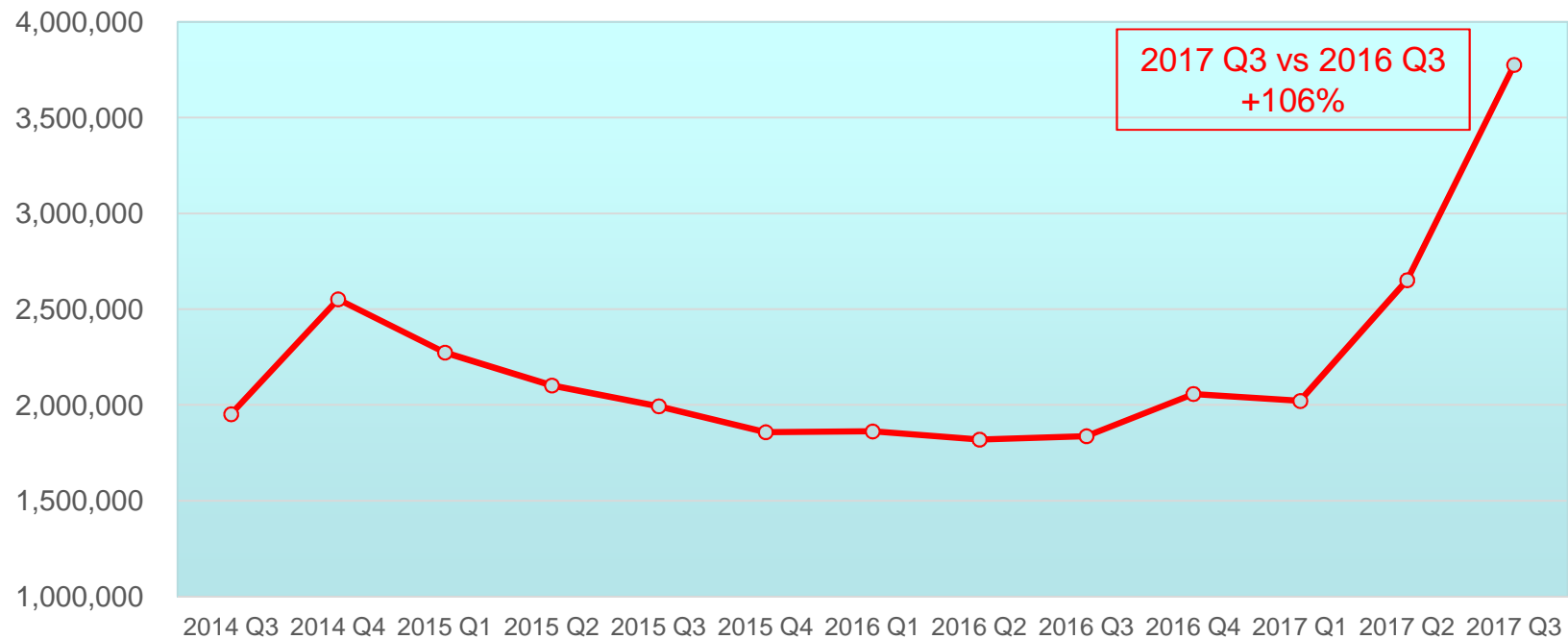
Average quarterly pageview for this quarter 3.8M, representing 42% vs last quarter and 106% YOY growth.

Again, it is the highest point over last 10 years since July 2008.

## 3) Digital Performance (Ming Pao Daily News)

### PV Tracking – Main Portal

PV portal (Monthly average)



Remarks: Main portal incl. mingpao.com/ mediachinese.com

Source: Google Analytics

## 3) Digital Performance (Ming Pao Daily News)

Pageview (Jul-Sep 2017 vs Jul-Sep 2016) recorded an overall growth of 1% for mingpao.com as a whole including news, lifestyle and finance & self enhancement channels, amongst them followings are key engines for growth

→ +106% for main platform

→ +18% for news (mobile web) platform

→ +26% for Finance revamped site from which mobile platform grew for 57%

*(Source: Google Analytics)*

Market ranking (Aug 2017)

Number 7<sup>th</sup> website and the 6<sup>th</sup> mobile website and app audience in News/Information category.

*(Source: comScore)*

With effort from 15 different Facebook pages under mingpao umbrellas, by July 2017, we have around 651,000 fans and ranked as 2nd most liked facebook page amongst Chinese newspapers in Hong Kong and reached 345,000 fans for mingpao.com instant news.

*(Source: Socialbakers)*

## 3) Digital Performance (Health Site)

The co-brand health portal with HKSH was revamped with new layout and content for desktop and mobile versions since 15 Sep 2017.

Desktop



Mobile



A world map with continents colored in different shades: North America (green), South America (yellow), Europe (yellow), Africa (orange), Asia (light blue), and Australia (yellow).

## (3) Outlook

## Outlook Statement FY2018

---

- Market conditions in the second half of the financial year 2017/2018 are expected to remain challenging for the Group. For the print media, advertising spending will remain slow given the still weak consumer spending and the continuing shifting of print advertising dollars to big digital and social media players like Google and Facebook. In addition, newsprint price has started showing signs of an upward trend which will further put pressure on the Group's performance.
- Nevertheless, the Group will continue its efforts in developing innovative marketing packages integrating its print and digital businesses, enhancing its digital infrastructure, building its digital content and ensuring that its products and content stay competitive and relevant to its readers.



**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.