



Media Chinese International Limited Annual General Meeting

14th August 2019

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

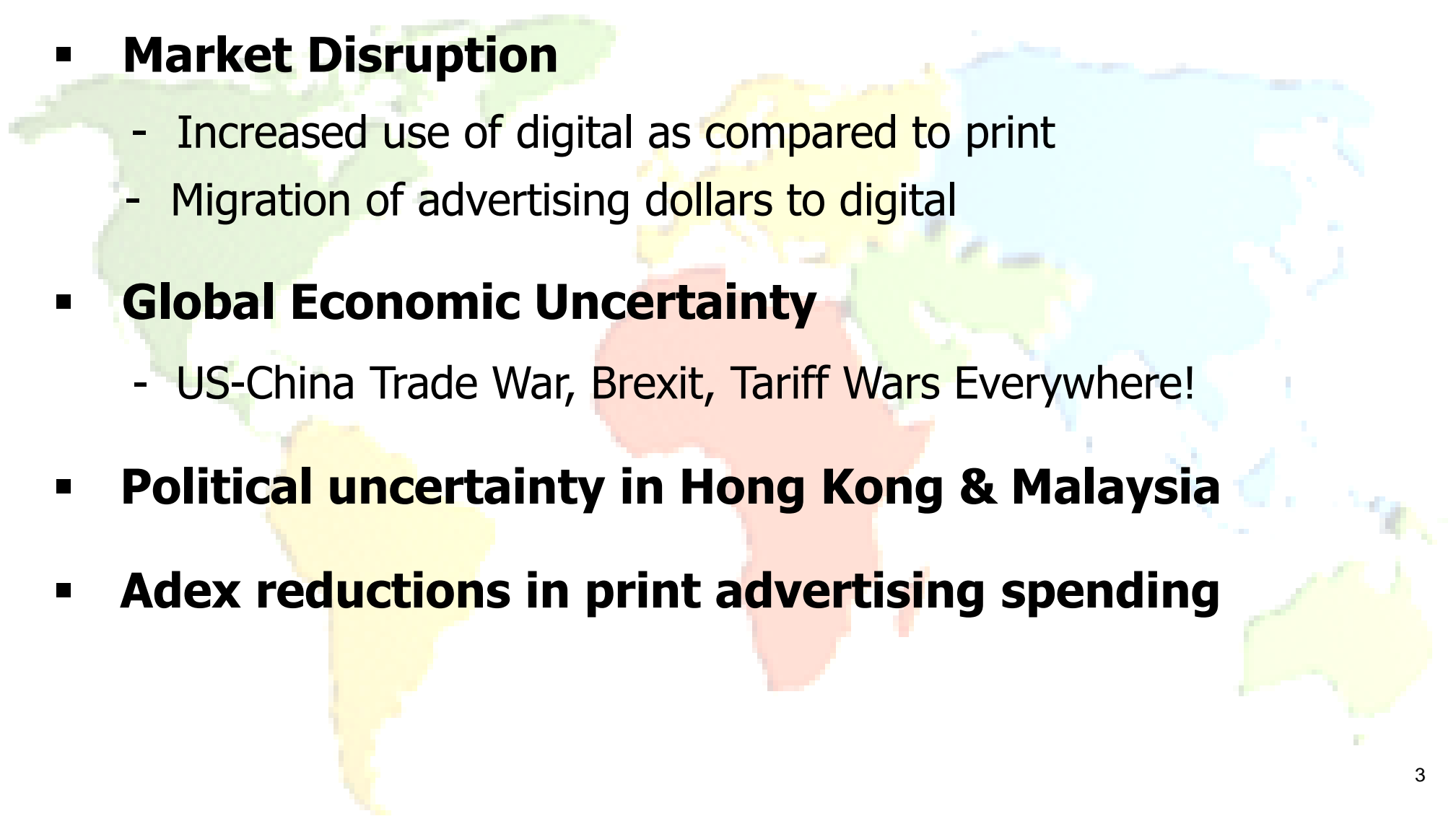
Agenda

- 
- (1) Current Trends and Market Challenges**
 - (2) Financial Performance**
 - (3) Strategic Update**
 - (4) Outlook**



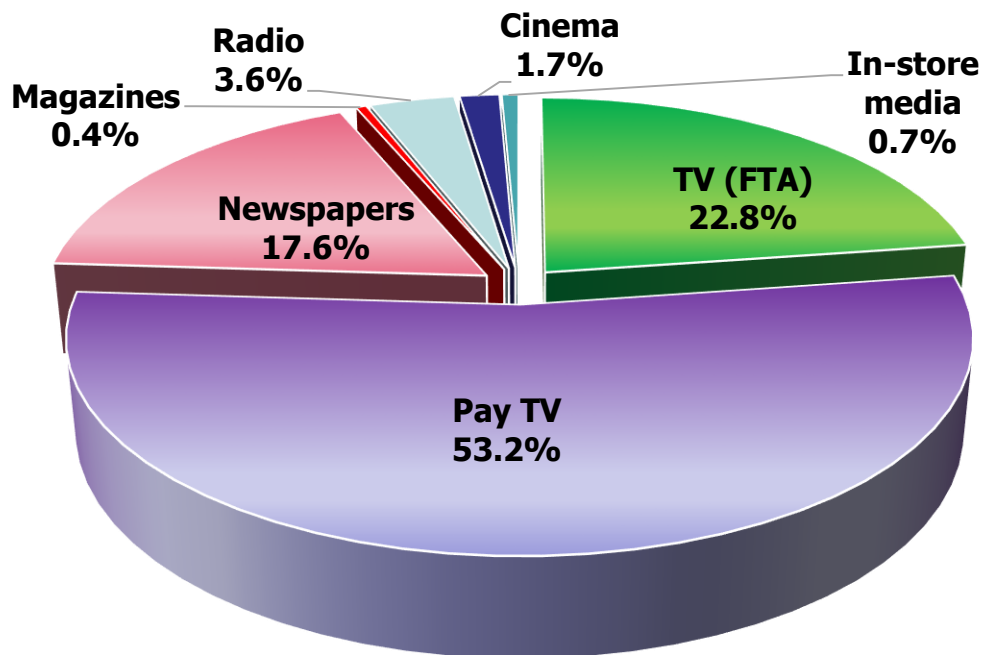
Current Trends & Market Challenges

Current Trends

- 
- **Market Disruption**
 - Increased use of digital as compared to print
 - Migration of advertising dollars to digital
 - **Global Economic Uncertainty**
 - US-China Trade War, Brexit, Tariff Wars Everywhere!
 - **Political uncertainty in Hong Kong & Malaysia**
 - **Adex reductions in print advertising spending**

Adex 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)

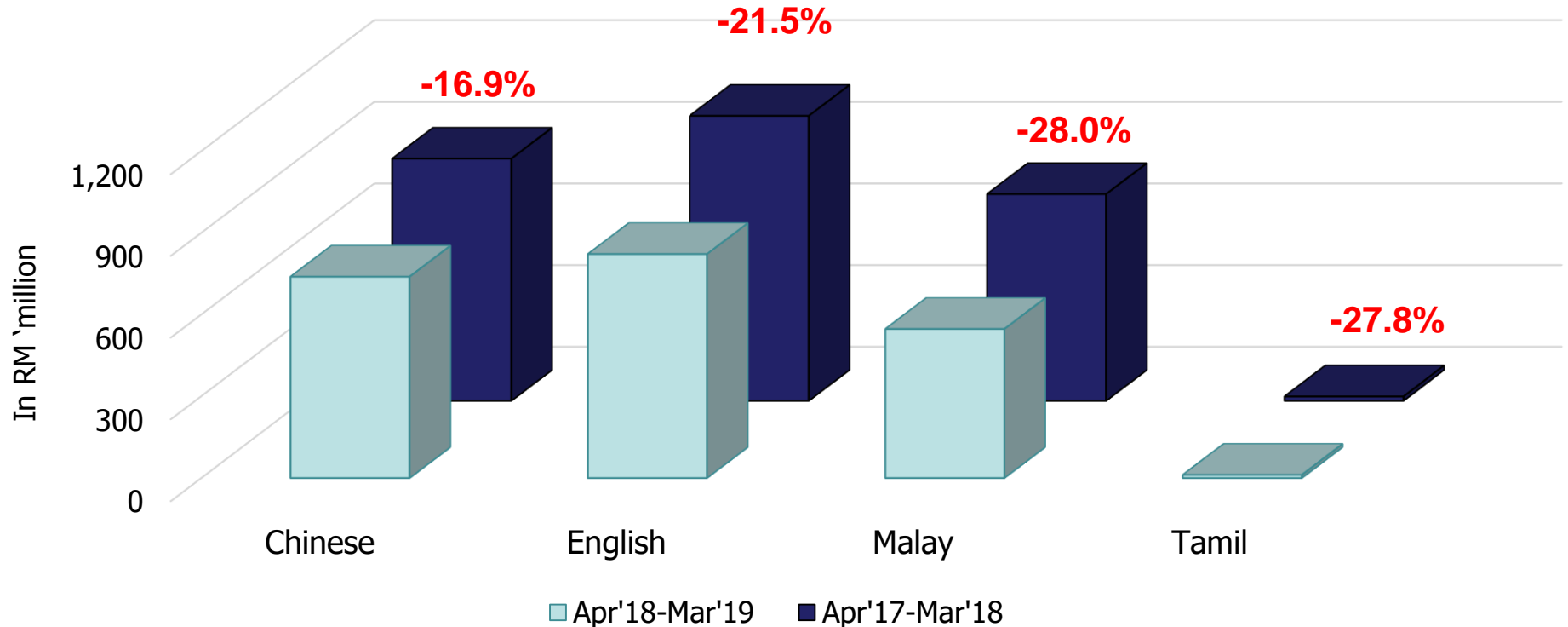
Newspapers	:	2,119m	} ↓ 22.0%
Magazines	:	53m	

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%

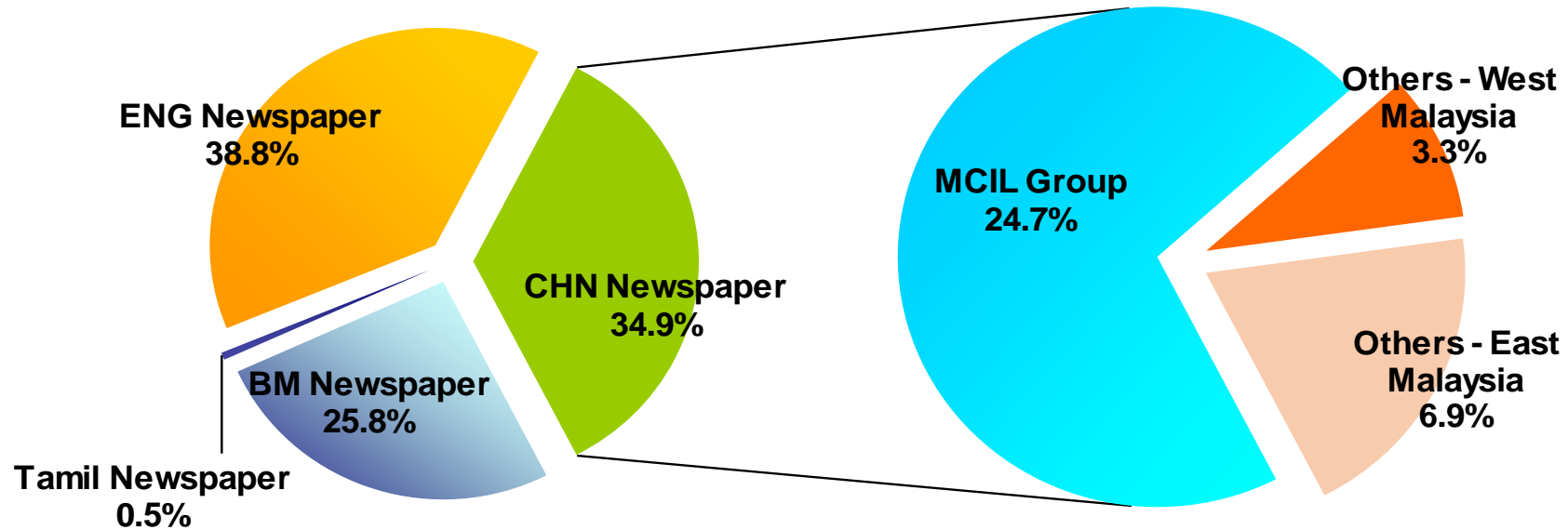
Total Newspapers Adex in Malaysia



	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

Maintain Share of Chinese Newspapers Advertising Expenditure In Malaysia

NEWSPAPERS ADEX FROM APRIL 2018 TO MARCH 2019



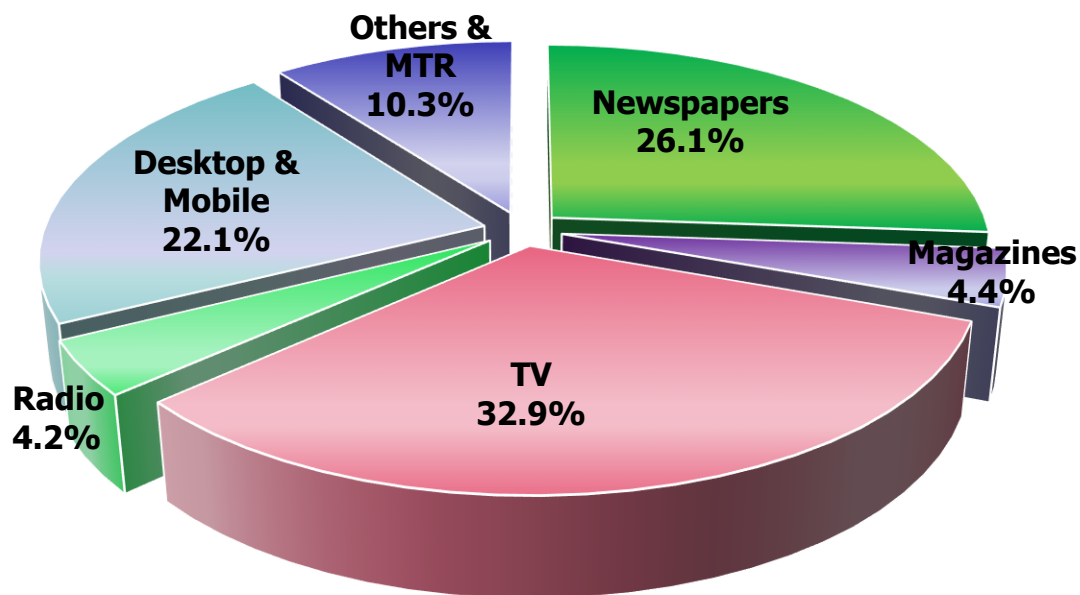
Adex for Total Newspapers : RM2,119 million

Chinese Newspapers in West Malaysia: RM 522 million

Chinese Newspapers in East Malaysia : RM 217 million

Adex 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%

Market Challenges

- 
- **Aging print readership**
 - **Accelerating technological changes**
 - **Changing media consumption behaviors**
 - **Challenges in monetizing digital channels**
 - **Tech giants like Facebook and Google continue to dominate Digital ADEX**



Financial Performance

Financial Performance - Group Results

For the year ended 31 March

(US\$' 000)	2019	2018
Turnover	285,560	284,963
Profit before impairment losses	11,440	18,981
Provision for impairment of goodwill, property, plant and equipment	(17,977)	(25,855)
Loss before income tax	(6,537)	(6,874)
Loss attributable to owners of the Company	(11,293)	(11,485)
EBITDA	4,595	8,687
EBITDA Margin (%)	1.6%	3.0%

Financial Performance - Segment Results

For the year ended 31 March 2019

(US\$ '000)	Malaysia & other SEA countries	Hong Kong, Taiwan & PRC	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)

For the year ended 31 March 2018

(US\$ '000)	Malaysia & other SEA countries	Hong Kong, Taiwan & PRC	North America	Publishing & Printing Sub-total	Travel	Total
Turnover	142,848	51,583	15,662	210,093	74,870	284,963
Segment profit/(loss) before income tax *	(2,959)	(585)	(2,533)	(6,077)	2,361	(3,716)

* Before unallocated finance costs and other net unallocated expenses

Financial Performance - Financial Position

As at 31 March

(US\$ '000)	2019	2018
Total assets	249,581	331,757
Net assets	169,821	201,768
Cash and cash equivalents and short-term bank deposits	75,155	120,235
Shareholders funds	167,759	197,669
Net assets per share (US cents)	9.94	11.72
Loss per share (US cents)	(0.67)	(0.68)
Net gearing ratio	Nil	Nil
Return on equity	-6.1%	-5.7%

Dividends

	FYE 2019	FYE 2018
First Interim Dividend (US cents)	0.18	0.25
Second Interim Dividend (US cents)	0.10	0.18
Total Dividend (US cents)	0.28	0.43
Dividend Pay-out Ratio (as a % of PATAMI)	* 70%	*50%
Share Price as at 31 March	RM0.22	RM0.37
Dividend Yield as at 31 March	5.20%	4.49%

* % based on adjusted PATAMI



Strategic Update

Our Strategic Priorities:-

- **Protecting print revenue**
- **Growing audiences**
- **Growing digital business**
- **Managing costs**

Continued Improving the Quality of Content

Sin Chew Daily

Introduced monthly edition “Young and Promising” page 《後生可為》

To share the stories of young people venturing in start ups and their passionate way to embracing the world. Meanwhile, to connect those creative young people to investors who are interested to invest their project.

Other specific topic features

I.e. Personal Wealth Management, Health and Wellness, Lifestyle, WE, Education, Warm Stories and Seeking Truth in both print and digital platforms.



Revenue Diversification

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**

Revenue Diversification (cont'd)

Launch of "SIN CHEW Membership Program"

星洲人

Sinchew⁺

星洲日報
SIN CHEW DAILY

星洲
电子报

星洲
sinchew.com.my

这个八月

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

敬請期待....

Developing More Products

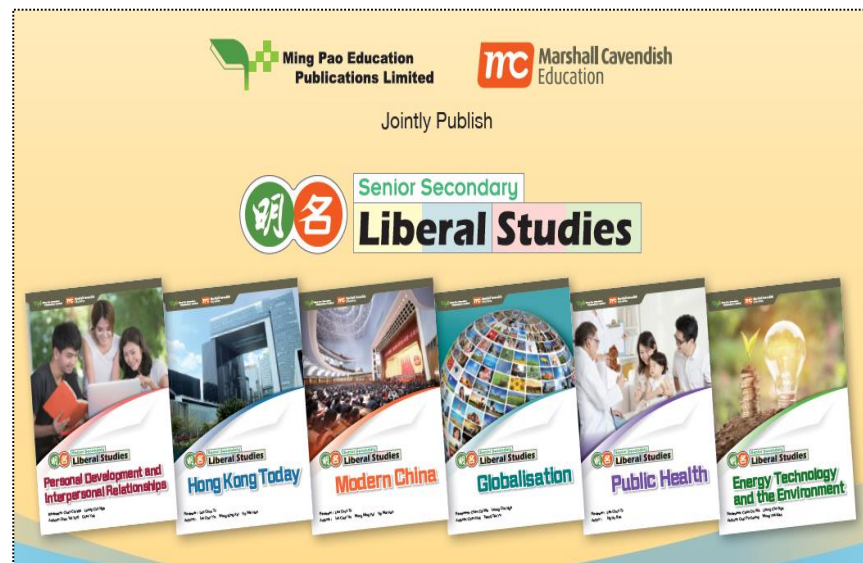
Ming Pao Education Publications

- Published “GIFTED Education Supplement” in May 2019, “STEM Education Supplement” and “HK 18 Districts Primary STEM Schools” in Oct 2018.
- Awarded by The Association of Heads of Primary Schools, The Hong Kong Council of the church of Christ in China” to publish “Make Learning English FUN Supplement” in Jan 2019.



Developing More Products (cont'd)

- Launched "Deriving Stars Easily Series 奪星易系列" educational reference books for senior secondary school students to prepare for Hong Kong Diploma of Secondary Education Examination (HKDSE). Published subjects such as Liberal Studies; Chinese Language; Business, Accounting and Financial Studies for 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 for senior secondary school students in the coming 2019/20 academic year.



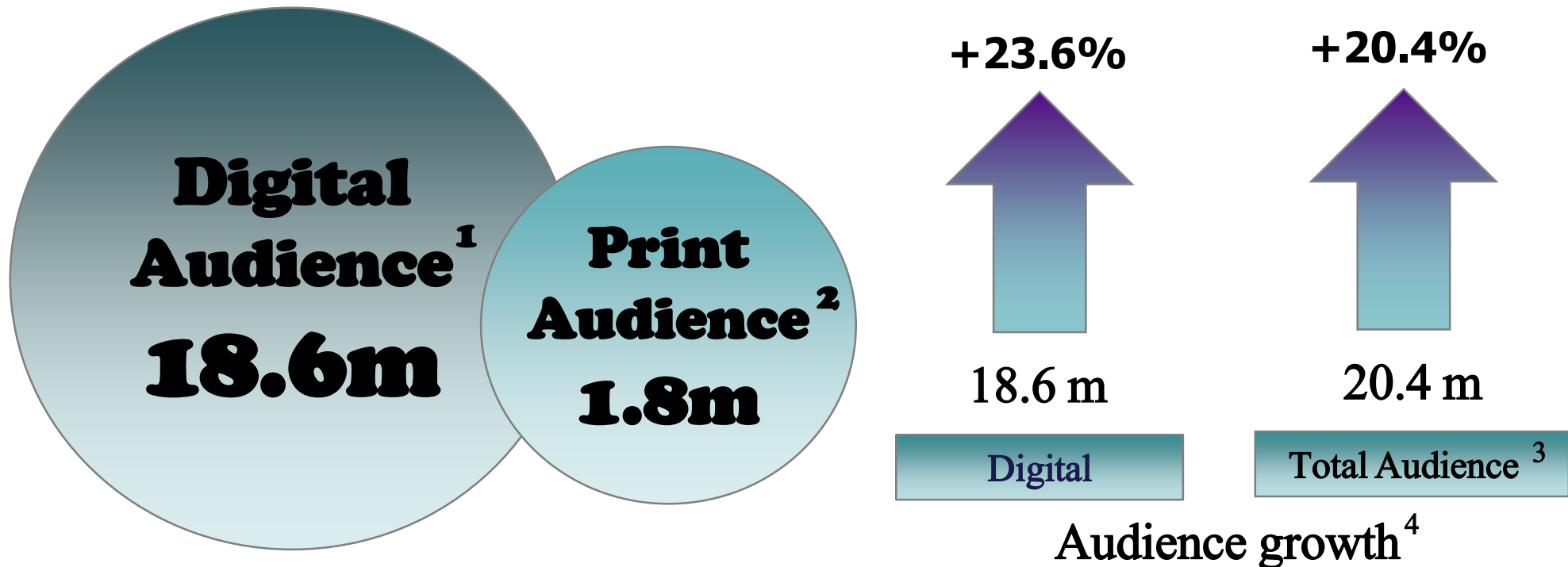
Developing More Products (cont'd)

- 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.



Achievement in Digital Reach Out

Malaysian Operations



1 Digital audience is based on unique visitors as at Jun 2019.

2 Print audience is based on Q4 2018 readership (period from Jan 2018 to Dec 2018).

3 Total audience = Digital audience + print audience

4 Audience growth - Digital : Jun 2019 vs. Dec 2018

Print : Q4 2018 (Jan 2018 to Dec 2018) vs Q2 2018 (Jul 2017 to Jun 2018)

Achievement in Digital Reach Out (cont'd)

Hong Kong Operations

	May 2018	May 2019	Vs 2018
Ming Pao News Channels (Desktop aged 6+ & Mobile aged 18+) (Hong Kong only)	2,167,000	2,353,000	+9%

Source : comScore

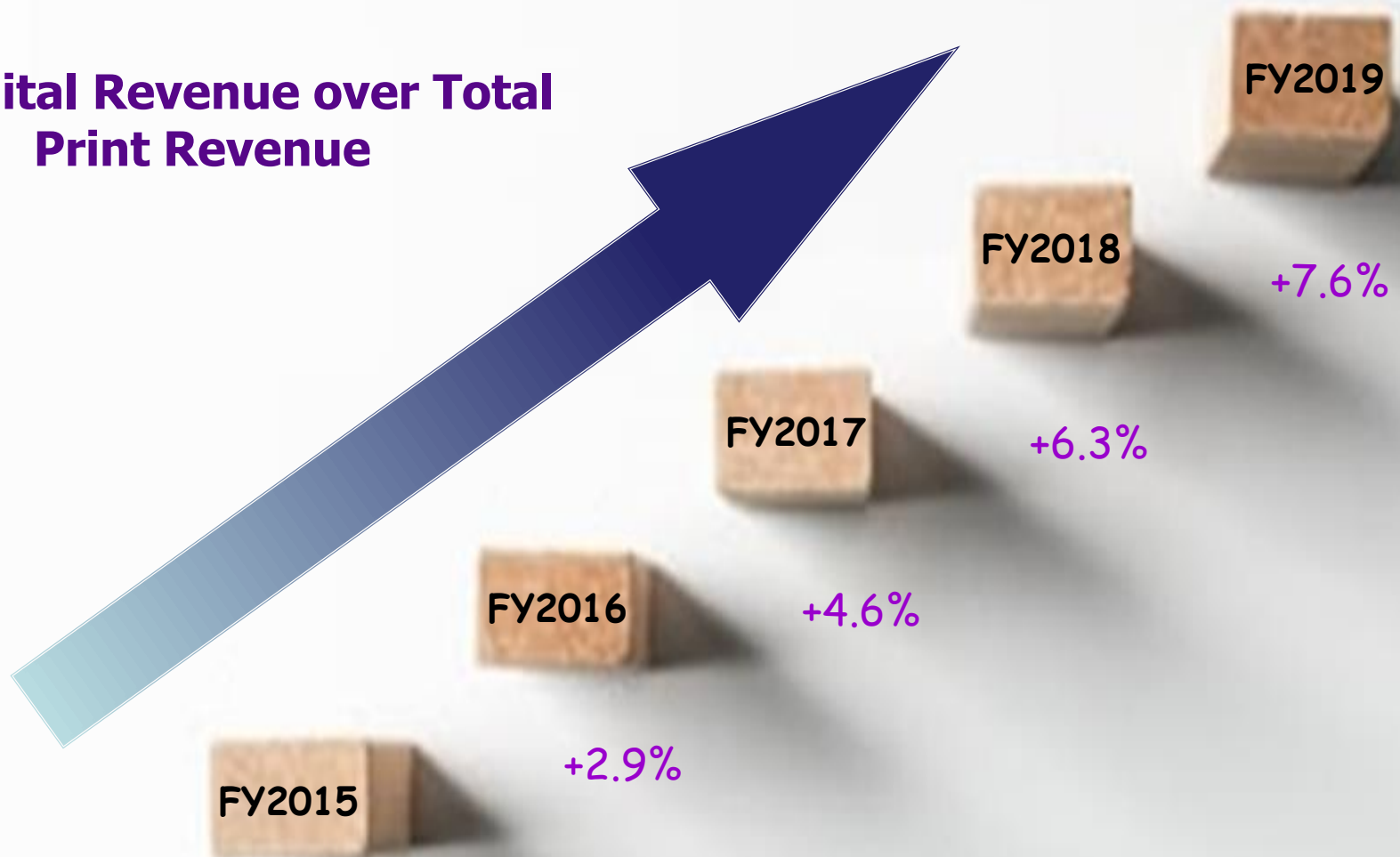
	Jun 2018	Jun 2019	Vs 2018
news.mingpao.com	3.0M	4.4M	+46%
News App	94K	0.14M	+47%
ol.mingpao.com	1.1M	1.3M	+17%
mpfinance.com	0.42M	1.1M	+154%
jump.mingpao.com	0.24M	0.30M	+27%
Jump app	19K	21K	+8%

Source : Google Analytics, Worldwide

Performance of the Group's Digital Business

MCIL Group

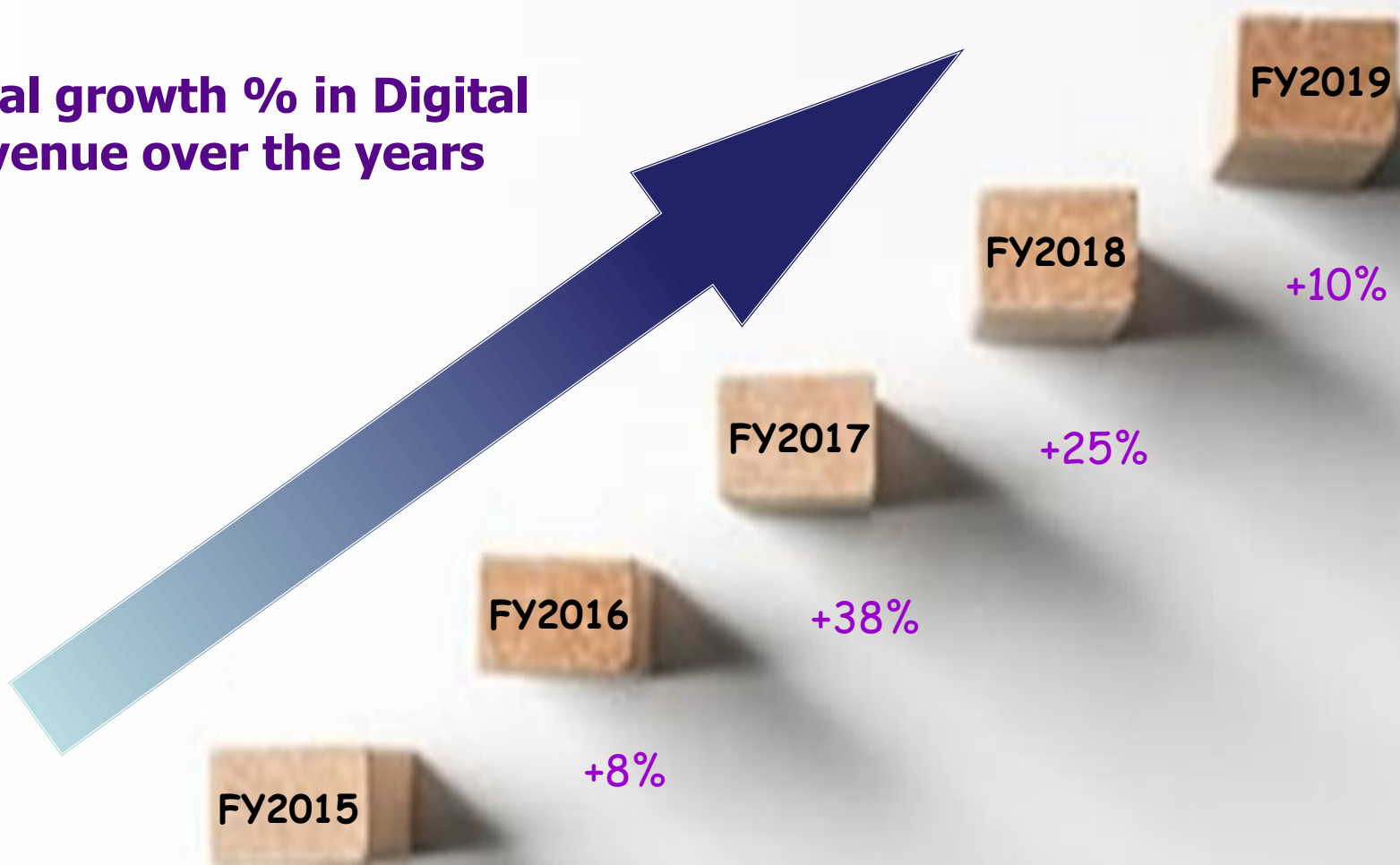
% Digital Revenue over Total
Print Revenue



Performance of the Group's Digital Business (cont'd)

MCIL Group

Annual growth % in Digital Revenue over the years



Implementation of Convergent Media Integration Platform

New Sin Chew News App

- Rolled out “Digital First” transformation program in Sin Chew Daily to simplify the newsroom processes in 2019.
- Launched new Sin Chew News App.
- Enabled a convergence of both print and digital editorial operations, and allows faster and more convenient ways for content to be shared and accessed by readers.
- Aims 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



Driving Audience Growth

E-Paper News App

New E-paper News App is now available at App Store and Google Play for both mobile and tablet devices. The accumulative download was close to 5,000 since its launch in Feb 2019.



明報電子報 (4.5)
Mingpao.com Limited
在「新聞」類中排名第 43
★★★★★ 2.3 · 3 則評分
免費

螢幕截圖 iPhone iPad



Focusing on and Investing in Video

Digital Development (Influencers' Videos@ YouTube)

Started extending video coverage to YouTube Channel, so as to outreach different digital users and test out the ad revenue potential from YouTube channel. Playlist (【資訊】品味葡萄酒、食譜烹飪、美酒佳餚) was created with videos from 《王子煮場》 and 《Stacey的葡萄酒世界》).



Focusing on and Investing in Video (cont'd)

Pocketimes 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
- 直播 Live
- 创意 Creative
- 原创 Original

Focusing on and Investing in Video (cont'd)



- ☑ With UV of 8.5 million and PV of 184 million, China Press continues to lead in the Chinese online segment. *(Source: Google Analytics, figures based on June 2019)*
- ☑ In its efforts to enhance the content further, China Press has set up a studio in April 2019 and started production of talk shows on various topics.

➤ China Press YB Chatroom

- A series of programs with interview of elected representatives.
- First episode was released on 2nd August 2019, and followed by every Friday. The interview videos are released through chinapress.com.my, mobile app, Facebook and Youtube.



➤ The Man of Excellence

- "The Man of Excellence" is China Press' latest project on stories of 25 successful businessmen in Malaysia.
- It combines video interviews, newspaper coverage, online articles and will be published into a book.



➤ Wealth Management Talk Show

- Series of topics on wealth management targeted at different age group and interest.



New Advertising Offerings

WAW Creation

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



New Advertising Offerings (cont'd)

Creative ideas, professional and one-stop services in content marketing is provided to customers from different aspects.

Banking and Finance

Citi x AASTOCKS跨平台股票交易



Citi Bank

Life and Style

千色29週年樂購物



Citi Store

Peach Blossom Collection



Pandora

Education

涂毓麟(Oscar)分享升學心得



明報升學網

澳門20道風味
中學生短片創作比賽



澳門旅遊局

浸會大學國際學院



浸會大學

浸會大學護理系



浸會大學持續教育學院

New Advertising Offerings (cont'd)

連線大中華之海南海口

The first China project under the theme of 連線大中華 was kicked off in May 2019. The development of Haikou was analyzed from different angles. Government officer and businessman shared their point of view in economic development, a Hong Kong people who live in Haikou showed the living facilities in Haikou, entertainment and recreational activities were introduced by our influencer Stacey. Videos and text coverage were published on both digital and print platforms.

Economic Development



Vice-mayor of Haikou



President of Mission Hills



Financial Expert Wong Sir

Living facilities



Professor of Haikou university
Hong Kong people in Haikou

Entertainment and recreational activities



Influencer Stacey

print



website



youtube



facebook



Managing Costs

- **Rationalisation of regional plants**
- **Rationalisation of branch offices**
- **Cessation of certain loss-making publication titles**

Agenda



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.



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.