



**Media Chinese International Limited  
Annual General Meeting**

**12<sup>th</sup> August 2016**

# Agenda

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## **(1) Overview**

## **(2) Performance Review**

- **Market Highlights**
- **Financial Performance**

## **(3) Strategic Update**

## **(4) World Media Trends**

## **(5) Outlook**

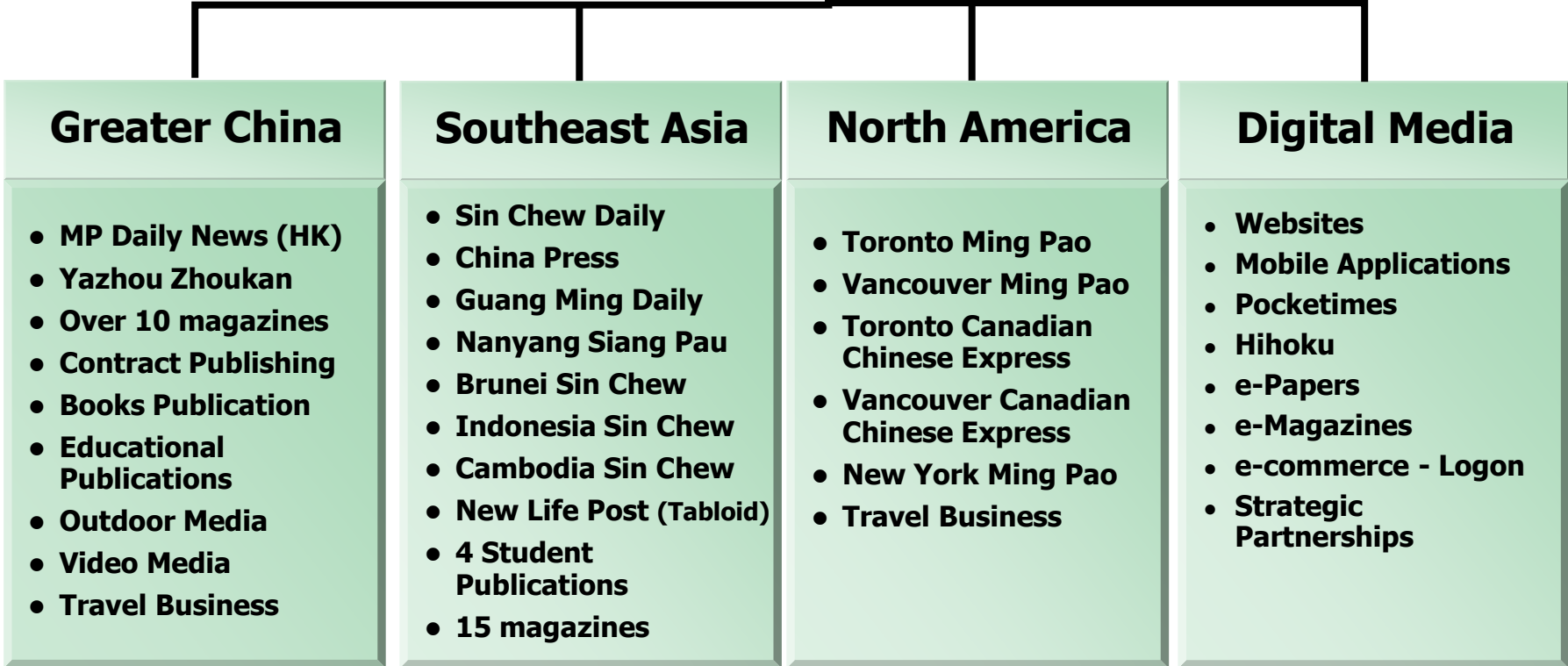
## **(6) Questions from Minority Shareholder Watchdog Group**

## (1) Overview



# Geographic Diversity

**Media Chinese**  
**(Dual Primary Listed)**



# Publishing – 5 Daily Newspapers in 11 editions, 3 Free Newspapers and over 30 magazines

星洲日報  
SIN CHEW DAILY

南洋商報  
NANTANG SIANG PAU

明報

中國報  
CHINA PRESS

光明日報  
Guang Ming DAILY

亞洲週刊  
YAZHOU ZHOUKAN

明報 月刊

明周

TopGear

TopGear  
汽車測試報告

TopGear  
New!

MINGWATCH 明錶

明表 MINGWATCH

100毛

鼎

DU SHANG 渡賞

學海

星星 周刊  
SINARAN SIN CHEW

小星星  
BINTANG SIN CHEW

南洋學生  
Mingguan Pelajar Nanyang

號外周報  
SPECIAL WEEKLY

城市网络  
CityNET

Mommy Baby  
妈咪宝贝

風采 feminine

Let's travel  
吃風

大家健康  
LONG LIFE

My Wedding

都会佳人  
CITTA Bella

NEWTIDE  
新濤

美味 風味  
Oriental Cuisine

PANGING

PETS  
宠物报

Rod & Line

釣魚 月刊  
Rod & Line

新生活報

sweet HOME

## Digital/New Media – 5 e-Papers, 19 e-Magazines, over 40 websites & numerous mobile services

### Online Media (Southeast Asia)



### Online Media (Hong Kong)



### Online Media (Mainland China)



### Online Media (Canada)



### Mobile Media





## **(2) Performance Review**

- **Market Highlights**

# Market Share in Malaysia and Hong Kong

## Peninsular Malaysia

Period from 1 Jan 2015 to 31 Dec 2015

### Chinese Newspapers

Readership

Ranking in Malaysia

#### Sin Chew

- Sin Chew Daily

1,433,000

**No. 1 Highest record in history**

- Guang Ming Daily

277,000

**No. 3**

#### Nanyang

- China Press

933,000

**No. 2**

- Nanyang Siang Pau

87,000

**with PMEB focus**

#### SCMC & NPH SUB TOTAL

**2,730,000**

Source: (Q415 Nielsen Consumer & Media View) – excluding market share in East Malaysia

## HONG KONG

Period from 1 Jan 2015 to 31 Dec 2015

### Chinese Newspapers

Readership

Ming Pao Daily News (print + online)

296,000

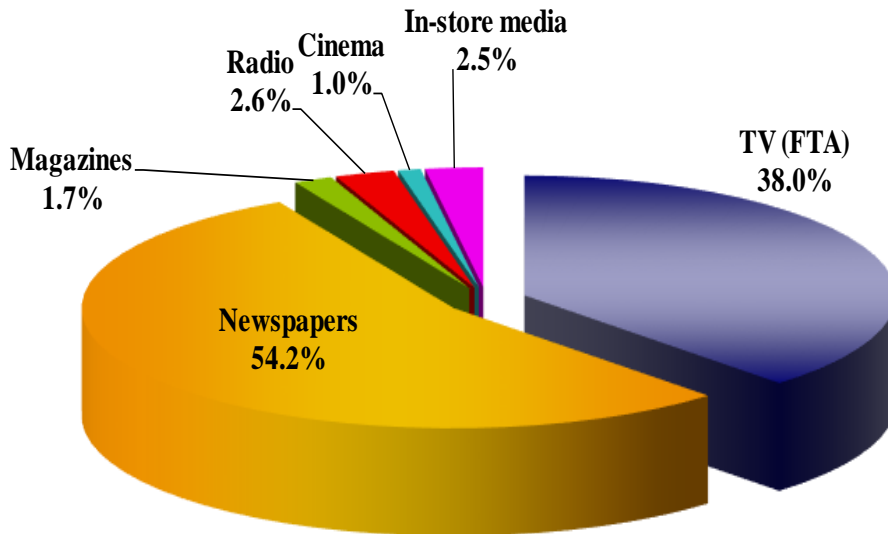
**Highly recognized as a reputable and credible Chinese newspaper**

Source: (Nielsen HK Media Index 2015 Year-end Report)



# Adex for Apr 2015 to Mar 2016 in Malaysia

## YTD Adex (Apr'15 to Mar'16)



**RM 7,439m**

**↓ 10.1%**

Total Adex (Apr'14 – Mar'15) : RM 8,279m

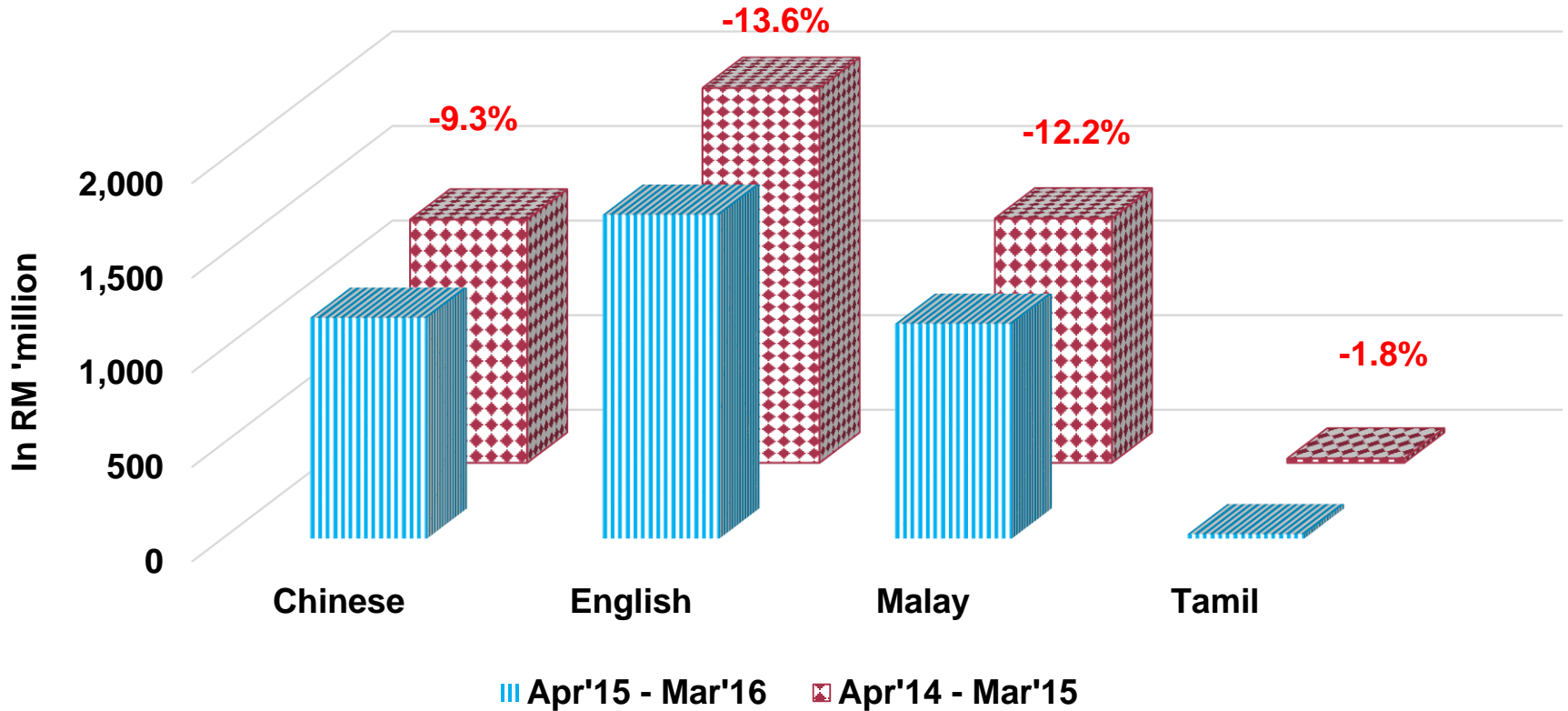
## Total Adex (RM)

Newspapers	: 4,034m	}	<b>-11.6%</b>
Magazines	: 125m		
TV (FTA)	: 2,827m	}	<b>-8.2%</b>
Radio (excl. Astro Radio)	: 194m		
In-store media	: 187m		
Cinema	: 72m		

**Newspapers : -12.0%**  
**Magazines : 0.0%**

TV (FTA) : -10.8%  
Radio (excl. Astro Radio) : -0.9%  
In-store media : +15.2%  
Cinema : +57.9%

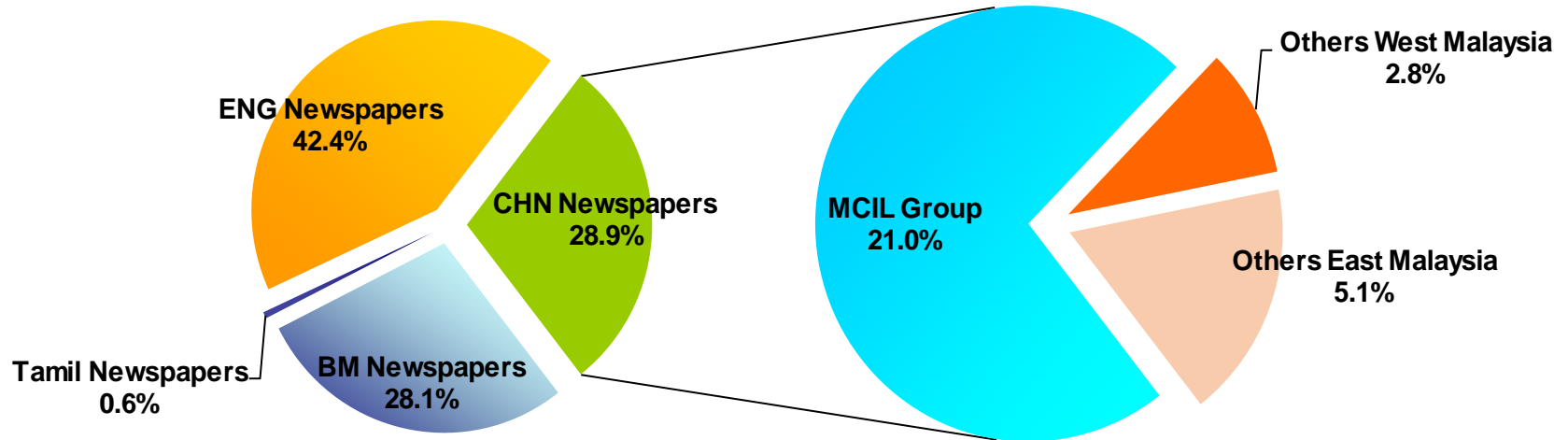
# Total Newspapers Adex in Malaysia



	Chinese	English	Malay	Tamil	Total
Apr'15 - Mar'16	1,166.2	1,711.2	1,134.6	22.2	4,034.2
Apr'14 - Mar'15	1,286.3	1,981.7	1,291.7	22.6	4,582.3

# Share Of Chinese Newspapers Advertising Expenditure In Malaysia For Apr-15 to Mar-16

NEWSPAPERS ADEX



Adex for Total Newspapers : RM 4,034 million

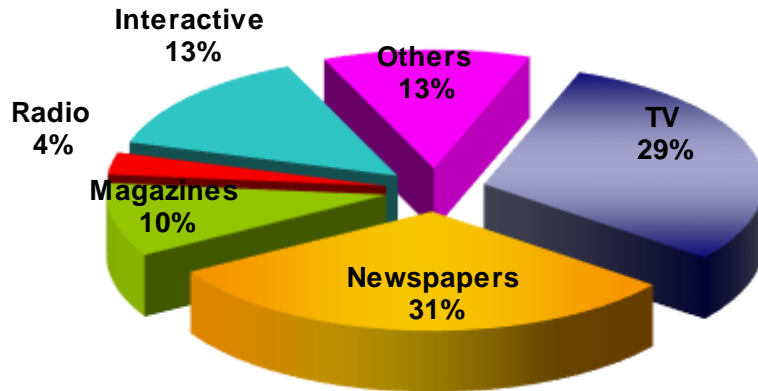
Chinese Newspapers in West Malaysia: RM 868 million

Chinese Newspapers in East Malaysia : RM 298 million

Source: Nielsen Advertising Information Services (Adex Numbers have not taken into consideration the discounting factor)

# Adex for Apr 2015 to Mar 2016 in Hong Kong

## Adex (Apr 2015 to Mar 2016)



**HKD113,344m**

**↓ 2.2%**

Adex (Apr 2014 to Mar 2015): HKD115,864m

## Total Adex (HKD)

**Newspapers** : 35,232m  
**Magazines** : 10,929m } **- 5.3%**

TV : 33,632m  
 Radio : 4,242m  
 Interactive : 14,447m  
 Others : 14,862m } **+0.1%**

**Newspapers** : **-0.3%**  
**Magazines** : **-18.4%**

TV : -4.1%  
 Radio : +5.0%  
 Interactive : +14.4%  
 Others : -3.5%



## **(2) Performance Review**

- **Financial Performance**

# Group Results Summary

For the year ended 31 March

(US\$' 000)	2016	2015
Turnover	<b>349,126</b>	429,140
Profit before income tax	<b>37,395</b>	47,501
Profit attributable to owners of the Company for the year	<b>26,649</b>	31,429
EBITDA	<b>50,228</b>	63,493
EBITDA Margin (%)	<b>14.4%</b>	14.8%

# Financial Position

As at 31 March

(US\$ '000)	2016	2015
Total assets	<b>402,940</b>	422,816
Net assets	<b>218,727</b>	216,105
Cash and cash equivalents	<b>140,950</b>	118,620
Shareholders funds	<b>213,024</b>	209,744
Net assets per share (US cents)	<b>12.63</b>	12.43
Basic earnings per share (US cents)	<b>1.58</b>	1.86
Net gearing ratio	<b>Nil</b>	5.9%
Return on equity	<b>13.1%</b>	14.4%

# Segment Results

For the year ended 31 March 2016

(US\$ '000)	Malaysia & other SEA countries	Hong Kong, Taiwan & PRC	North America	Publishing & Printing Sub-total	Travel	Total
Turnover	<b>186,387</b>	<b>60,848</b>	<b>19,186</b>	<b>266,421</b>	<b>82,705</b>	<b>349,126</b>
Segment profit/(loss) before income tax	<b>39,619</b>	<b>(1,821)</b>	<b>(996)</b>	<b>36,802</b>	<b>6,250</b>	<b>43,052</b>

For the year ended 31 March 2015

(US\$ '000)	Malaysia & other SEA countries	Hong Kong & PRC	North America	Publishing & Printing Sub-total	Travel	Total
Turnover	249,961	69,744	23,529	343,234	85,906	429,140
Segment profit before income tax	48,374	4,617	297	53,288	3,770	57,058



# Dividends

	FY 2016	FY 2015
First Interim Dividend (US cents)	<b>0.500</b>	0.430
Second Interim Dividend (US cents)	<b>0.600</b>	0.500
<b>Total Dividend (US cents)</b>	<b>1.100</b>	0.930
Dividend Pay-out Ratio (as a % of PATAMI)	<b>70%</b>	50%
Share Price as at 31 March	<b>RM0.72</b>	RM0.68
Dividend Yield as at 31 March	<b>6.00%</b>	5.07%



## (3) Strategic Update



## Strengthening digital media platforms

### (1) E-papers

- Partner with key retailers for comprehensive e-paper distribution network throughout Malaysia.
- Achieved more than 100,000 e-subscriptions since the launch in 2014.
- Organise various events and roadshows to reach online community and to engage with young readers.
- Continue to collaborate with *The Star* for joint e-package in West & East Malaysia.



### Strengthening digital media platforms

#### (2) Pocketimes online video portal

- Providing short video clips of breaking news, business & sports, etc.
- Providing live interactive talk shows on major events.
- New version of upgraded Pocketimes with new entertainment & lifestyle contents, including variety shows, reality shows and drama series has been launched on 11 August 2016.

## Growing e-commerce platform

### (3) Web portals

- Revamping web portals to be more interactive & mobile friendly.
- Enhancing user experience and expanding mobile reach & social media presence.
- Monetization through the sales of the Group's Consumer Preference Targeting Advertising packages.

### (4) Logon e-marketplace

- Launch of Logon app in June 2015.
- Recruiting both individual and international merchants.
- Organising events e.g. e-commerce conferences, trainings, workshops and seminars, etc.

## Growing Facebook platform

- (5) As of June 2016, Malaysian Operations achieved 4.67 million fans through 60 Facebook accounts managed by the Group.

We are leveraging the power of content and social media marketing as another tool to elevate our audience and customer base.

We aim to:

- a. Increase brand recognition.
- b. Improve brand loyalty.
- c. Interaction with digital generation.
- d. Attract traffic to our digital platforms.

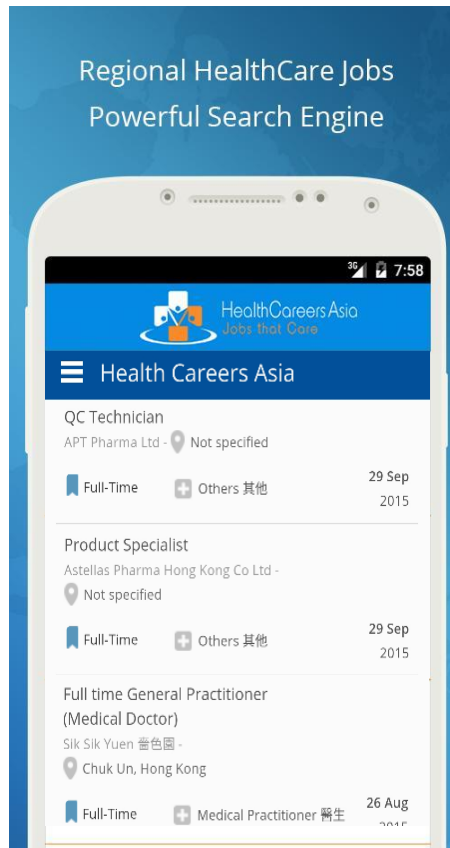
## Diversifying to non-media business

- (6) Exploring new investment opportunities including:
- education
  - properties development
  - others – Big Data marketing, etc.

## 1) New Websites/Apps

HEALTH JOB THAT CARE  
[www.healthcareersasia.com](http://www.healthcareersasia.com)

- Focus on Health Sector in Asia
- Regional Exposure
- Aggregate Health Event



- Easy navigation & editable
- Fully responsive
- Multi-device platform
- Social media integration



# Strategic Update – Hong Kong (cont'd)

## 1) New Websites/Apps

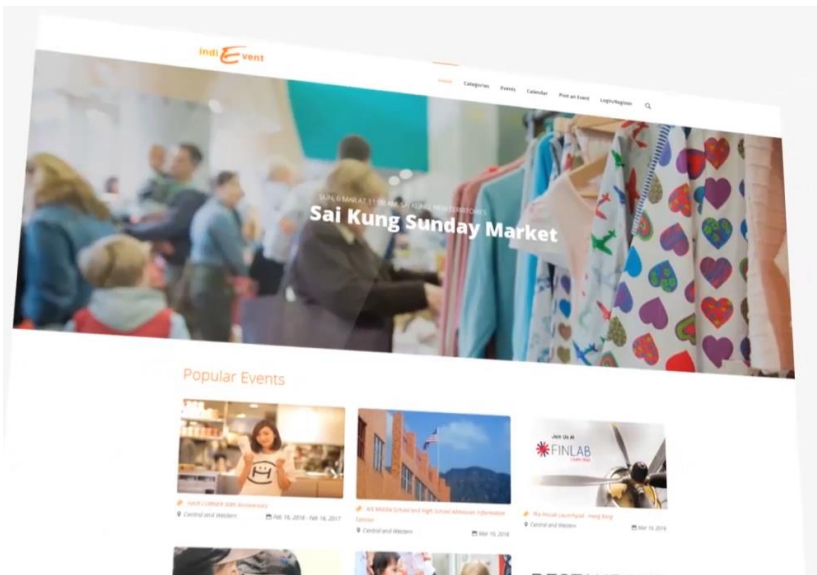
indi **E**vent

- PEOPLE . ENGAGE . REVENUE
  - [www.indievent.net](http://www.indievent.net)



**To be one of leading Hong Kong event directory website.**

- Promote & Post events
- List events by sector or by event category
- Search event by date/location and export its to Outlook, Google Calendar or other schedulers
- Book or purchase tickets by event
- Available on Desktop, Notebooks & smartphones



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

**Online readership (2015 vs 2014)**

**+74%**

*(Source: Nielsen Media Index 2015 Year-end Report)*

**Facebook page for mingpao.com instant news (Jul 2016)**

**reached 260,065 fans for mingpao.com instant news and all together  
15 facebook pages under mingpao now have 480,377 fans and ranked  
as the 2nd most liked facebook page amongst Chinese newspapers in HK**

*(Source: Socialbakers)*

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

Pageview (Jan - Jun 2016 vs Jan - Jun 2015)

+14% for mingpao.com as a whole including news, lifestyle and finance & self enhancement channels, amongst them followings are key engines for growth

- +33% for news mobile platform
- +114% for OL revamped site ([www.ol.mingpao.com](http://www.ol.mingpao.com))  
from which mobile platform grew for 237%
- proper launch of Finance website in Jun also recorded 32% increase in user and 25% increase in session

*(Source: Google Analytics)*

Market ranking (Mar 2016)

The 4<sup>th</sup> website in News/Information category, right after Yahoo, Next Media and on.cc

The 3<sup>rd</sup> mobile website and app audience in News/Information category, right after Next Media and on.cc

*(Source: Comscore)*



## (4) World Media Trends

# Global newspaper reach 2015

**2.7bn**

40% of all adults  
read print newspapers



**1.3bn**

more than 40% of all Internet  
users read newspapers  
in digital formats



**TOTAL  
POPULATION**



**7.395  
BILLION**

URBANISATION  
**54%**

**INTERNET  
USERS**



**3.419  
BILLION**

PENETRATION  
**46%**

**ACTIVE SOCIAL  
MEDIA USERS**



**2.307  
BILLION**

PENETRATION  
**31%**

**UNIQUE  
MOBILE USERS**



**3.790  
BILLION**

PENETRATION  
**51%**

**ACTIVE MOBILE  
SOCIAL USERS**

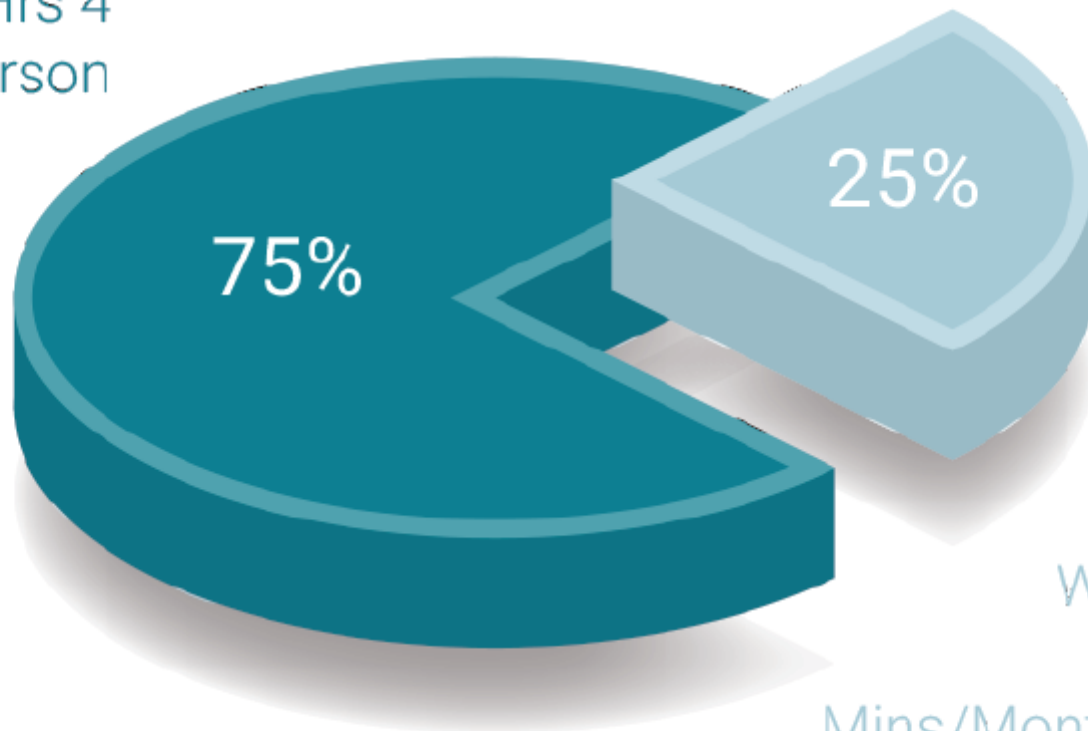


**1.968  
BILLION**

PENETRATION  
**27%**

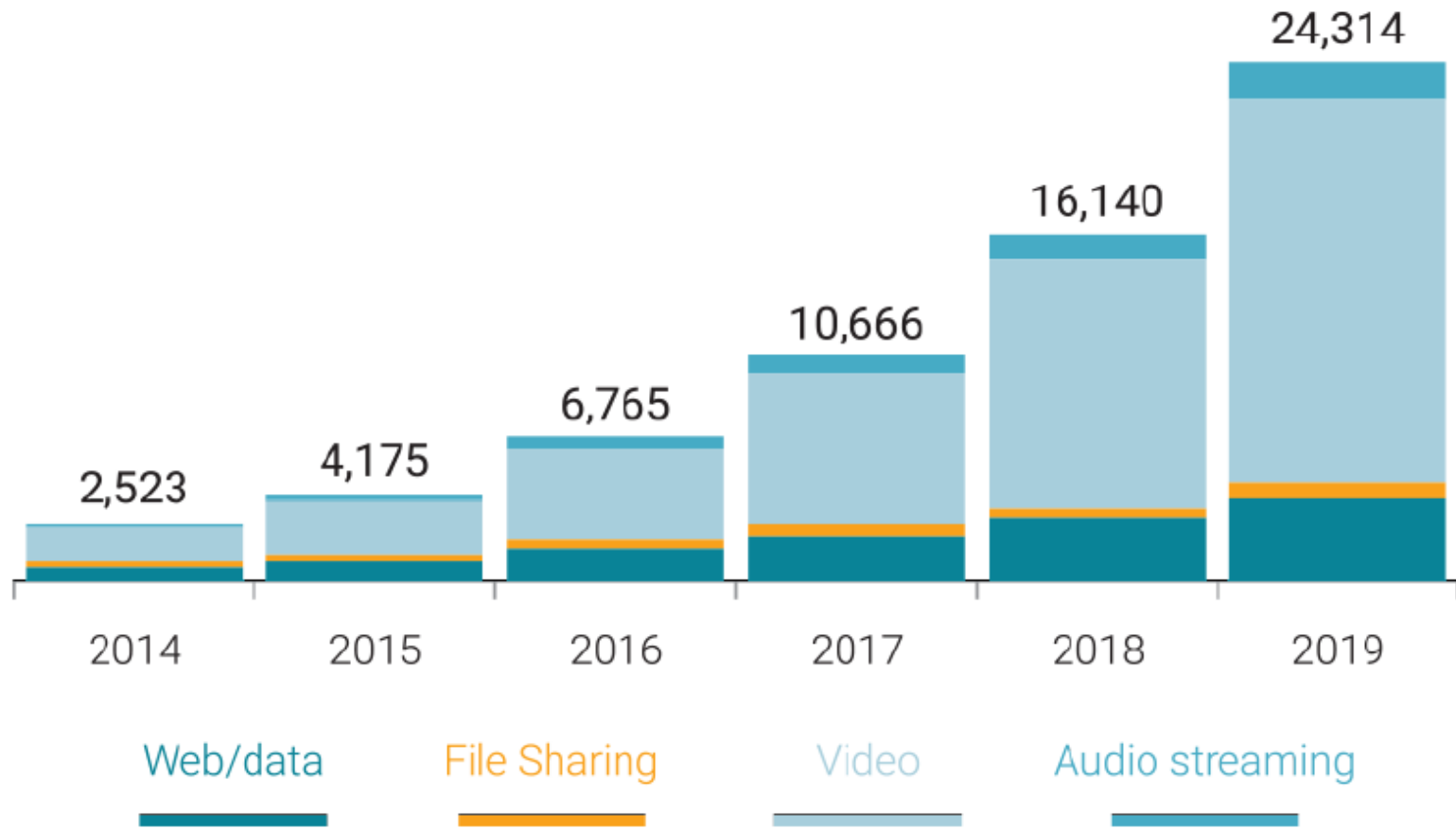
## Total mobile news **time spent** (app vs. browser)

App usage  
2Hrs 4  
Mins/Month/Person



Web usage  
0Hrs 45  
Mins/Month/Person

## Video fueling strong mobile data growth





## (5) Outlook



## Outlook Statement FY 2017

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The Group navigated through a progressively more challenging business environment during the year under review, and the Board expects another tough year ahead in 2016/2017 in light of the ongoing economic uncertainties and currency volatility.

The Board remains cautious on the advertising markets in the coming year given the declining consumer and business spending sentiment in the Group's key operating markets. However, the Group will offer more innovative print and digital advertising packages and bundles, with greater value marketing solutions to advertisers. Furthermore, in light of the growing trend of digital marketing and social media usage, the Group will continue to allocate more resources to enhance its various digital platforms in order to attract targeted customers and to increase the Group's revenue base.

## Outlook Statement FY 2017 (cont'd)

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Although newsprint prices are likely to remain stable for the next financial year, any further appreciation of US dollar against RM and CAD would negatively affect the Group's overall performance.

The Group's travel business is expected to continue to face difficult market conditions in the year amid people's growing concerns about safety and security issues in tourist areas, especially in Europe.

Nevertheless, the Group will continue to strengthen its efforts to diversify its revenue stream, to exploit synergistic benefits by unlocking growth potentials of the existing content assets via multiple platforms besides reinforcing its cost-control efforts to achieve operational efficiencies in order to embrace the ever changing market conditions.



## **(6) Questions from Minority Shareholder Watchdog Group**

# Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

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## Question 1 (i):

**Please enlighten shareholders regarding the development of the Group's online portals:**

- (i) What is the current update, outlook and future development for the online portals that supports the Group's digital edition?**

# Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

## Answer 1 (i):

As a prominent media marketer, MCIL has been continuously developing and enhancing its multiple online portals, revamping websites and developing mobile Apps throughout the year. The web portals, news websites and mobile apps have also gained increasing popularity in terms of unique visitors, page viewers and video viewers.

In supporting the Group's digital editions, the Group has presented Sin Chew latest version of mobile site, new smartphone App and e-classified portal of China Press, Ming Pao Daily News' revamp of its two main supplementary platforms (i.e. its soft-core women-oriented platform (ol.mingpao.com) and a finance based platform (mpfinance.com)), and the launch of new version of upgraded Pocketimes with new entertainment & lifestyle content, etc. A number of segmented social media platforms including Facebook pages, have also been developed to leverage on the growth of online audiences.

The outlook of online portals is very encouraging and we strongly believe that it will continue to attract significant traffic, leading to further growth in advertisement revenue.

*continued ...*

# Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

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## Answer 1 (i):

Moving forward, the Group will continue to focus in strengthening its digital assets. The Group will invest and implement various strategies to expand the footprint and market share of our portfolio, both in its traditional and digital media assets in order to attract targeted customers and to increase the Group's revenue base.

# Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

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## Question 1 (ii):

Please enlighten shareholders regarding the development of the Group's online portals:

(ii) What was the traffic for the Group's websites in FYE 2016?



# Questions from Minority Shareholder

## Watchdog Group – Strategic/Financial Matters

### Answer 1 (ii):

Unique visitors based on Google Analytics:

		March 2016	June 2016
1	<i>Sinchew.com.my</i>	3.56 m	3.69 m
2	<i>Chinapress.com.my</i>	3.05 m	3.11 m
3	<i>Guangming.com.my</i>	1.14 m	713 k
4	<i>Pocketimes.com.my</i>	552 k	541 k
5	<i>eNanyang</i>	573 k	575 k
6	<i>Mingpao.com</i>	4.80 m	4.92 m

# Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

## Answer 1 (ii):

Page view per month based on Google Analytic:

		<b>March 2016</b>	<b>June 2016</b>
1	<i>Sinchew.com.my</i>	21.53 m	19.64 m
2	<i>Chinapress.com.my</i>	16.33 m	20.10 m
3	<i>Guangming.com.my</i>	3.97 m	2.76 m
4	<i>Pocketimes.com.my</i>	1.27 m	1.20 m
5	<i>eNanyang (Nanyang.com)</i>	2.95 m	3.67 m
6	<i>Others</i>	1.30 m	1.19 m
	MY Operations Total page view	47.35 m	48.56 m
7	<i>Mingpao.com</i>	54.82 m	63.16 m

# Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

## Answer 1 (ii):

From Youtube: Pocketimes video view

		<b>March 2016</b>	<b>June 2016</b>
1	<i>Pocketimes</i>	2.25 m	2.49 m

# Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

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## Question 1 (iii):

**Please enlighten shareholders regarding the development of the Group's online portals:**

- (iii) How the growth of the traffic could have translated into various sources of income for the Group and illustrate with comparison of results in 2015 and 2016?**

# Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

## Answer 1 (iii):

The growth in traffic and eyeballs has contributed to the significant increase in digital revenue, e-papers subscription copies as well as readership numbers.

Total digital revenue (including e-paper subscription revenue) for the Group improved by 8% in FY2016 against FY2015 with a 24% YoY growth in the last quarter of FY2016. In Malaysia, the digital revenue grew significantly by 68% in FY2016 as compared to FY2015.

Apart from the achievement on digital platform, the flagship title of the Group - Sin Chew Daily also recorded a triple-digit growth in its digital subscription base during FY2016. This was evidenced by the achievement of a 20% growth over the past year in Sin Chew Daily's average daily readership to 1.43 million readers in Peninsular Malaysia during the period of January to December 2015 (source: Q4 2015 Nielsen Consumer and Media View). The Group's 4 titles in Peninsular Malaysia commanded a combined average daily readership of 2.73 million.

The Group will continue its effort to monetize and optimize its revenue by unlocking growth potential of the existing content assets and expanding multiple digital platforms.

# Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

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## Question 2 (i):

For the year under review, the Group proposed to dispose 73.01% shareholding in One Media Group Limited for a cash consideration of HK\$498.1 million.

- (i) It was announced that part of the disposal proceeds, i.e. US\$29 million would be utilised for general working capital and investment purposes. What are the Board's plans on the investment?

Answer:-

The Group plans to use part of the proceeds for expansion of the Group's digital media business and other appropriate acquisition/business opportunities identified according to the strategic plans to be formulated and guided by the Board of Directors.

# Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

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## Question 2 (ii):

**For the year under review, the Group proposed to dispose 73.01% shareholding in One Media Group Limited for a cash consideration of HK\$498.1 million.**

**(ii) Would the Board distribute part of the disposal proceeds as special dividend to reward shareholders who had supported the Company over the years?**

## Answer:-

The proposal is yet to be completed and subject to fulfilment of many conditions precedent. Any distribution of dividend would be deliberated and guided by the Board's decision.

# Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

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## Question 3 (i):

**It was stated in the Chairman Statement that “Life Magazines has diversified its revenue stream through growing its digital portfolios and expanding its business in events management and exhibitions”.**

- (i) What are the plans to grow this operating segment in events management and exhibitions?**



## Answer 3 (i):

Life Magazines will continue to plan for the diversification of revenue stream through growing its digital portfolios and expanding businesses in events management and exhibitions.

Examples of some successfully organized events were:

- ❖ Life Magazines' bridal fair
- ❖ Mommy Baby's Positive pregnancy workshop
- ❖ Employees Provident Fund seminars
- ❖ Health food forums
- ❖ Cooking workshops

# Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

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## Question 3 (ii):

It was stated in the Chairman Statement that “Life Magazines has diversified its revenue stream through growing its digital portfolios and expanding its business in events management and exhibitions”.

(ii) What would be the expected operating profit margin of the events management and exhibition business?

## Answer:

Maximization of profit, profit margin and minimization of cost is always the top priority of management. Life Magazines did achieve a reasonable operating profit margin in this segment but will strive to achieve a higher double digit profit margin in the near future.

# Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

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## Question 3 (iii):

It was stated in the Chairman Statement that “Life Magazines has diversified its revenue stream through growing its digital portfolios and expanding its business in events management and exhibitions”.

(iii) How much CAPEX would be utilized for the events management and exhibitions business?

## Answer:

Only very minimum capex will be spent in events management and exhibitions business.

# Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

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## Question 3 (iv):

It was stated in the Chairman Statement that “Life Magazines has diversified its revenue stream through growing its digital portfolios and expanding its business in events management and exhibitions”.

(iv) Would the Board consider segmental reporting on the new business in events management and exhibitions?

## Answer:

At this stage, the Board will not consider segmental reporting on the business in events management and exhibitions as its contribution towards the Group's total revenue, profit or assets is less than 10%, which is a quantitative threshold required by IFRS 8 for reportable segments.

# Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

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## Question 4:

**Could the Board provide additional information on the management of its carbon footprint, especially in regard to the recycling of old newspapers in order that the shareholders have a better understanding?**

## Answer:

The Group's old, unsold and returned newspapers are being systematically disposed of on a regular basis for commercial re-cycling and re-production of newsprint, in which, we in turn, purchased back as our core raw material in our publication & printing business. In this way, we encourage a more sustainable green environment, with the minimum usage of natural pulp as far as possible in our newsprint consumption, thereby reducing the carbon footprint of greenhouse gas emissions in our planet.

## Question 1:

**We noted that Tan Sri Datuk Sir Tiong Hiew King had attended only 2 out of 4 Board meetings in FYE 2016. Please explain.**

## Answer:

Due to unavoidable urgent business commitments, our Group Executive Chairman, Tan Sri Datuk Sir Tiong Hiew King was unable to attend all board meetings in FY2016. However, he will endeavor to attain full attendance in future board meetings.

**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.