



Media Chinese International Limited
Annual General Meeting
6 August 2015

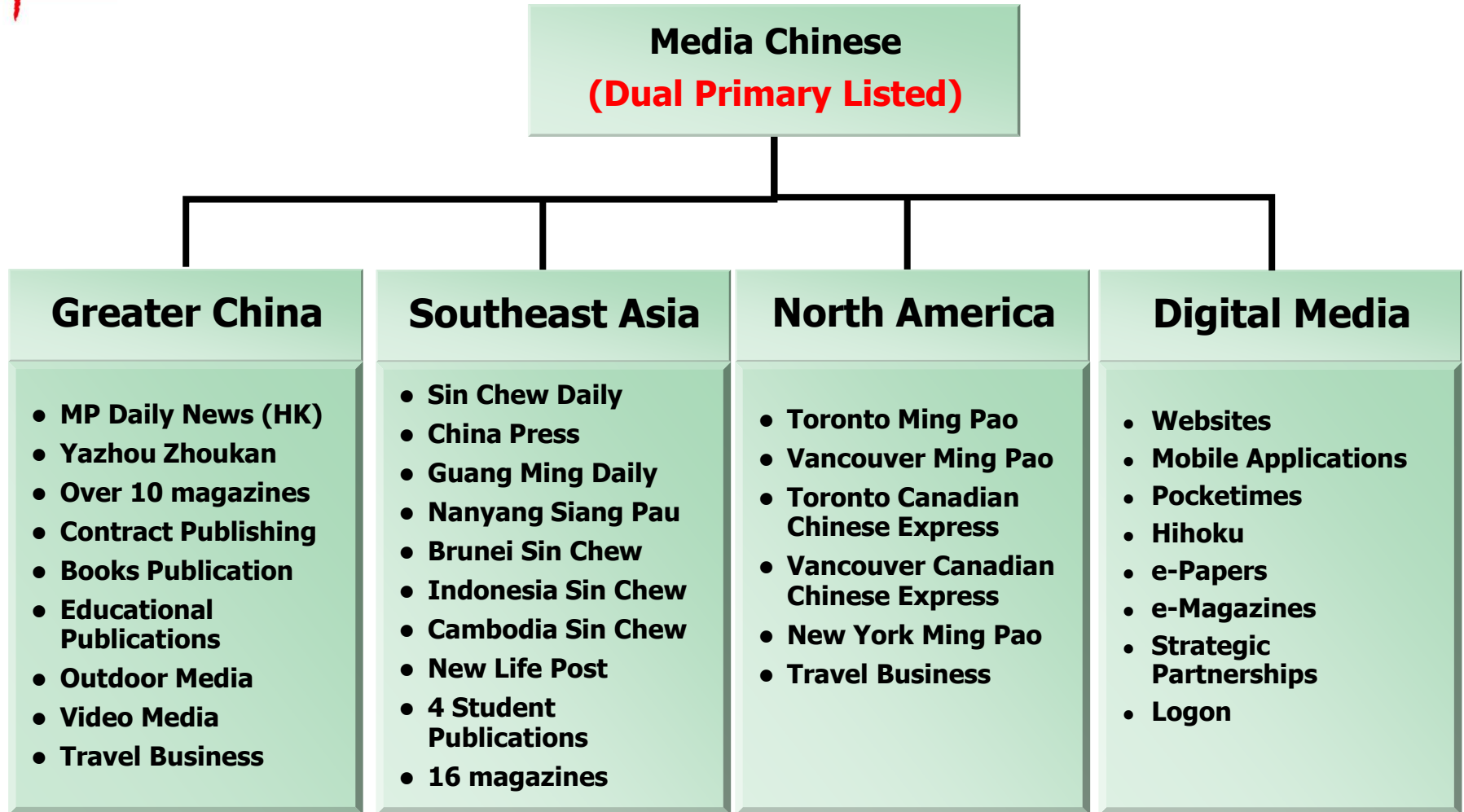
Agenda

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- (1) Overview**
 - (2) Performance Review**
 - **Market Highlights**
 - **Financial Performance**
 - (3) Strategic Update**
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 - (5) Questions from Minority Shareholder Watchdog Group**

(1) Overview



Geographic Diversity



Market Leading Brands with Long History



| | Publishing since | In publication for |
|---|------------------|--------------------|
| • Nanyang Siang Pau | 1923 | 92 years |
| • Sin Chew Daily | 1929 | 86 years |
| • China Press | 1946 | 69 years |
| • Ming Pao Daily News (Hong Kong Edition) | 1959 | 56 years |
| • Ming Pao Monthly | 1966 | 49 years |
| • Ming Pao Weekly | 1968 | 47 years |
| • Yazhou Zhoukan | 1987 | 28 years |
| • Guang Ming Daily | 1987 | 28 years |
| • Ming Pao Daily News (Toronto Edition) | 1993 | 22 years |
| • Ming Pao Daily News (Vancouver Edition) | 1993 | 22 years |
| • Ming Pao (New York) | 1997 | 18 years |

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 SHANG 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

明報 周刊
MING PAO WEEKLY

TopGear

MINGWATCH 明錶

TopGear
汽车测试报告

明表 MINGWATCH
New!

100毛

黑紙

DU SHANG 渡赏

学海

星星 周刊
SINARAN SIN CHEW

小星星
BINTANG SIN CHEW

南洋学生
Minguan Pelajar Nanyang

號外周報
SPECIAL WEEKLY

都会佳人
CITTA Bella

城市网络
CityNET

Mommy Baby
妈咪宝贝

風采 feminine

Let's 吃風
travel

大家健康
LONG LIFE

囍 My Wedding

NEWiCON
for him 时尚男人

NEWTIDE
新濤

美味 風味
Oriental Cuisine

PANGING

PETS
宠物

Rod & Line

釣魚 月刊
Rod & Line

新生活報

sweet HOME

媒體 MEDIA CHINESE

The image displays a grid of 15 app icons. The top row features five icons: 'Ming' (明) in a purple square, 'Ming Pao' (明報) with '港股分析' (Hong Kong Stock Analysis) in a red square, 'Ming Pao' (明報) with a red 'a' logo in a red square, 'Ming Pao' (明報) in a green square, and 'Ming Pao' (明報) with '全新Digital版' (All new Digital Edition) in a light blue square. The second row contains four icons: 'Ming Pao Weekly Book Series' (明周叢書) in a black square, 'Ming Watch' (明錶) in a black square, 'Partyline' in a black square, and 'Jump Education Pro' (JUMP EDU Pro) in a blue square. The bottom row includes five icons: 'Top Gear' (Top Gear) in a grey square, 'Top Gear' (Top Gear) in a dark blue square, a colorful fan-like icon in a black square, a yellow icon with a stylized 'e' and sun rays, and 'Jump Education Pro' (JUMP JOB Pro) in a red square with the number '6'.

(2) Performance Review

- **Market Highlights**

Market Share in Peninsular Malaysia and Hong Kong

| Penisular Malaysia | | Period from 1 Jan 2014 to 31 Dec 2014 | |
|---------------------------------|--|---------------------------------------|------------------------|
| Chinese Newspapers | | Readership | Ranking in Malaysia |
| Sin Chew | | | |
| - Sin Chew Daily | | 1,197,000 | No. 1 |
| - Guang Ming Daily | | 356,000 | No. 3 |
| Nanyang | | | |
| - China Press | | 1,072,000 | No. 2 |
| - Nanyang Siang Pau | | 88,000 | with PMEB focus |
| SCMC & NPH SUB TOTAL | | 2,713,000 | |

Source: (Q414 Nielsen Consumer & Media View – not include market share in East Malaysia)

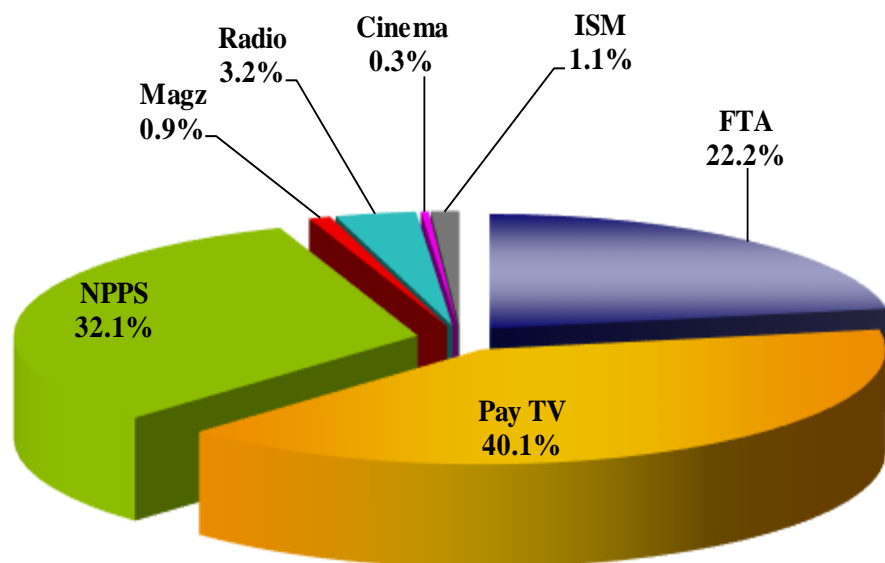
| HONG KONG | | Period from 1 Jan 2014 to 31 Dec 2014 | |
|---------------------|--|---------------------------------------|--|
| Chinese Newspapers | | Readership | |
| Ming Pao Daily News | | 356,000 | |

Source: (Nielsen HK Media Index 2014 Year-end Report)

Highly recognized as a reputable and credible Chinese newspaper

Adex for Apr 2014 to Mar 2015 in Malaysia

Adex (Apr 2014 to Mar 2015)



RM 14,255m

↑ **2.7%**

Adex (Apr 2013 to Mar 2014): RM 13,877m

Total Adex (RM) *(based on gross rate card value)*

| | | |
|----------------|----------|----------------|
| NPPS | : 4,582m | } -2.1% |
| Magazines | : 123m | |
| TV (FTA) | : 3,168m | } +5.3% |
| Pay TV | : 5,714m | |
| Radio | : 462m | |
| In-store media | : 162m | |
| Cinema | : 44m | |

| | |
|-----------|----------------|
| NPPS | : -2.0% |
| Magazines | : -5.9% |

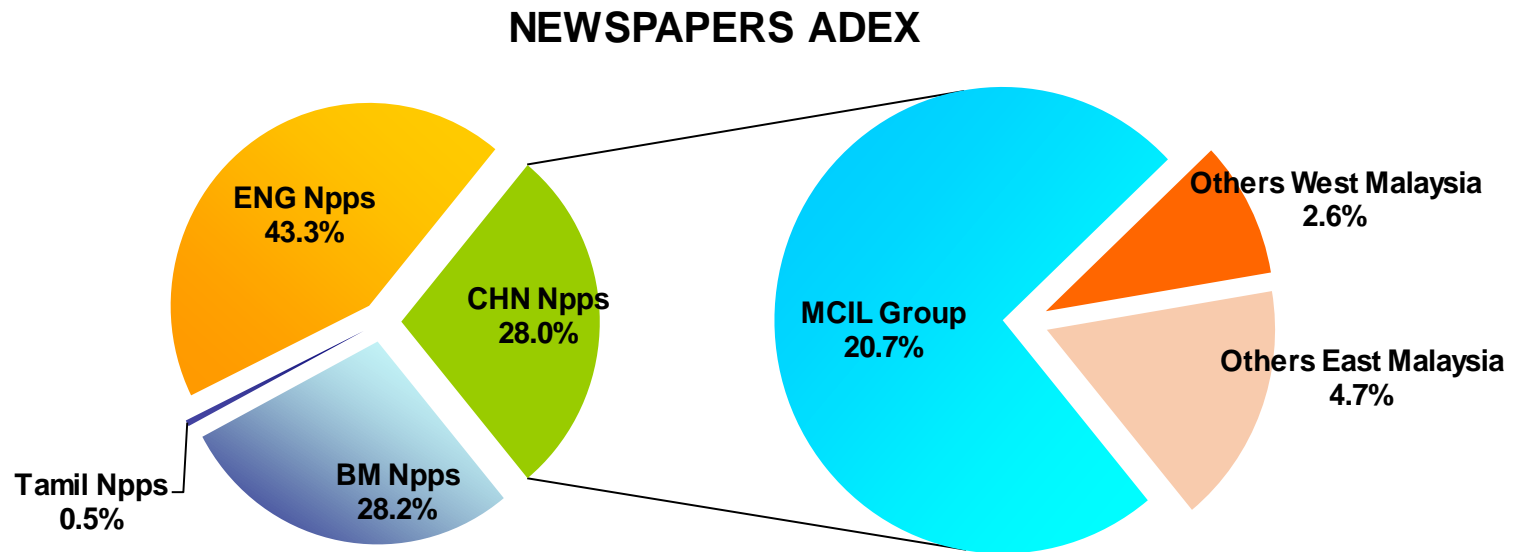
| | |
|----------------|----------|
| TV (FTA) | : -2.1% |
| Pay TV | : +10.1% |
| Radio | : -1.5% |
| In-store media | : +19.6% |
| Cinema | : +5.3% |

Total Newspapers Adex in Malaysia

| | Apr'14 - Mar'15 RM' million | Apr'13 - Mar'14 RM' million | Variance RM' million | Variance % |
|--------------|--------------------------------|--------------------------------|-------------------------|---------------|
| English | 1,981.7 | 1,951.6 | 30.1 | 1.5% |
| Malay | 1,291.7 | 1,393.5 | (101.8) | -7.3% |
| Chinese | 1,285.6 | 1,306.5 | (20.9) | -1.6% |
| Tamil | 22.6 | 23.4 | (0.8) | -3.3% |
| TOTAL | 4,581.6 | 4,675.0 | (93.4) | -2.0% |

Source: Nielsen Advertising Information Services (AIS)

Share Of Chinese Newspapers Advertising Expenditure In Malaysia from Apr'14 to Mar'15



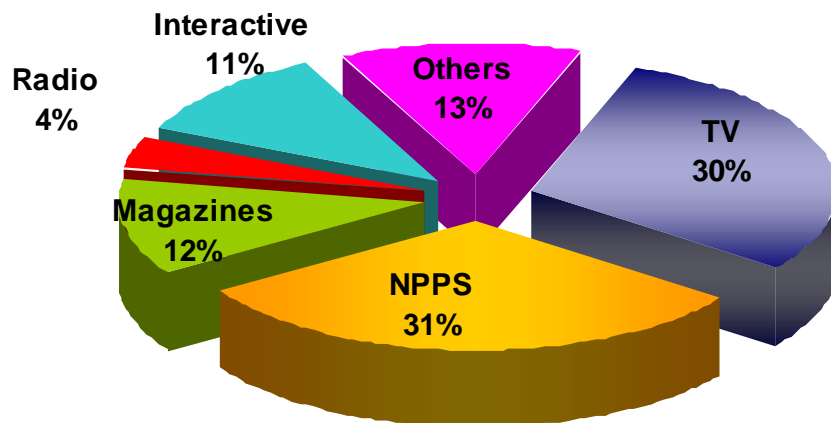
Adex for Total Newspapers : RM 4,582 million

Chinese Newspapers in West Malaysia: RM 969 million

Chinese Newspapers in East Malaysia : RM 317 million

Adex for Apr 2014 to Mar 2015 in Hong Kong

Adex (Apr 2014 to Mar 2015)



HKD115,879m

↑ 5.2%

Adex (Apr 2013 to Mar 2014): HKD110,183m

Total Adex (HKD)

| | | |
|------------|-----------|----------|
| Newspapers | : 35,350m | } - 0.8% |
| Magazines | : 13,399m | |

| | | |
|-------------|-----------|----------|
| TV | : 35,062m | } +10.0% |
| Radio | : 4,040m | |
| Interactive | : 12,638m | |
| Others | : 15,391m | |

| | |
|------------|---------|
| Newspapers | : +1.7% |
| Magazines | : -6.9% |

| | |
|-------------|----------|
| TV | : +7.6% |
| Radio | : +4.4% |
| Interactive | : +31.5% |
| Others | : +2.9% |

(2) Performance Review

- Financial Performance

Group Results Summary

For the year ended 31 March

| (US\$' 000) | 2015 | 2014 |
|---|----------------|---------|
| Turnover | 429,140 | 468,728 |
| Profit before income tax | 47,501 | 68,563 |
| Profit attributable to owners of the Company for the year | 31,429 | 48,236 |
| EBITDA (US\$ million) | 63.49 | 86.34 |
| EBITDA Margin (%) | 14.8% | 18.4% |

Financial Position

As at 31 March

| (US\$ million) | 2015 | 2014 |
|-------------------------------------|--------------|-------|
| Total assets | 422.8 | 462.8 |
| Net assets | 216.1 | 225.0 |
| Cash and cash equivalents | 118.6 | 102.9 |
| Shareholders funds | 209.7 | 217.8 |
| Net assets per share (US cents) | 12.43 | 12.91 |
| Basic earnings per share (US cents) | 1.86 | 2.86 |
| Net gearing ratio | 5.9% | 21.9% |
| Return on equity | 14.4% | 23.2% |

Segment Results

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 |

For the year ended 31 March 2014

| (US\$ '000) | Malaysia & other SEA countries | Hong Kong & PRC | North America | Publishing & Printing Sub-total | Travel | Total |
|----------------------------------|---|----------------------------|----------------------|--|---------------|--------------|
| Turnover | 282,387 | 71,558 | 26,360 | 380,305 | 88,423 | 468,728 |
| Segment profit before income tax | 66,487 | 6,349 | 992 | 73,828 | 4,215 | 78,043 |

Dividends

| | FY 2015 | FY 2014 |
|--|---------------|------------|
| First Interim Dividend (US cents) | 0.430 | 0.750 |
| Second Interim Dividend (US cents) | 0.500 | 0.680 |
| Total Dividend (US cents) | 0.930 | 1.430 |
| Dividend Pay-out Ratio (as a % of PATAMI) ~(excluding special dividend) | 50% | 50% |
| Share Price as at 31 March | RM0.68 | RM0.91 |
| Dividend Yield as at 31 March ~(excluding special dividend) | 5.1% | 5.1% |



(3) Strategic Update

Strengthening digital media platforms

(1) E-papers

- Collaborate with *The Star* to jointly launch Sin Chew –Star e-paper Package.
- Partner with Telco and national enterprises including Sen Heng, KK Supermart, Celcom, 99 Speed Mart, Popular Book store to establish and develop a comprehensive e-paper distribution network throughout Malaysia.
- In slightly more than a year since the official launching, we have achieved more than 63,000 e-subscriptions.



Strengthening digital media platforms (cont'd)

(2) Pocketimes online video portal

- Providing short video clips of breaking news, business & sports, etc, through multiple digital channels including web and mobile *app*.
- Expanding more video content covering entertainment & lifestyle.
- Garnering close to 2.5 million video views per month.
- Exploring additional revenue streams via multi-digital video networks and advertising platforms.

(3) Web portals

- Enhancing user experience and expanding mobile reach.

Growing e-commerce platform

(4) Logon e-marketplace

- Rolled out Logon Version 2.0 to enrich a new e-shopping experience.
- Introduced a more competitive pricing to emerge as major market player.
- Building up further online audiences by educating SMEs and e-shoppers to trade online more effectively and rewardingly.
- Introduced mobile apps in end June.
- A new Logon merchant facility center will be introduced by this year end acting as catalysts for sustainable growth.

Diversifying to non-media business

(5) Actively exploring new investment opportunities including:

- e-retail
- education
- properties development
- others – Big Data marketing, etc.

1) Education Publications



“Life & Society” 29 booklets
printed and e-textbooks
for junior secondary schools



Done



Liberal Studies ---

“Today Hong Kong”, “Nowadays China”,
“Public Hygiene” and “Globalisation”
printed textbooks for senior secondary
schools



Done

2) Digital Performance (Ming Pao Daily News)

Online readership (2014 vs 2013)

+150% *(Source: Nielsen Media Index 2014 Year-end Report)*

Facebook page for mingpao.com instant news (May 2015)

reached **217,000 fans** *(Source: Socialbakers)*

2nd most liked Facebook page amongst Chinese newspapers in HK

Monthly unique visitors (May 2015 vs May 2014)

+92% *(Source: Google Analytics)*

Monthly page view (May 2015 vs May 2014)

+32% *(Source: Google Analytics)*

Digital income growth (May 2015 vs May 2014)

+30%

(4) Outlook



Outlook Statement FY 2016

The Board is expecting another challenging year in 2015/16, given the continued economic uncertainties in the Group's operating markets as well as the slow pace of recovery of the global economy.

We anticipate that the implementation of the GST in April 2015 and the ensuing deterioration in consumer and business sentiments will continue to weigh on the Group's performance as well as that of the media industry in Malaysia in the short term.

Newsprint prices are expected to remain weak for the coming year which can create a buffer for the Group amidst unfavorable business environment. Despite the challenges ahead, we will remain focused on driving revenue growth and work towards strengthening the Group's market position. The Group will continue to reinforce its business strategies and strive for higher productivity and profitability while at the same time maintain ongoing vigilance over all operating costs.



(5) Questions from Minority Shareholder Watchdog Group

Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

Question 1:

The Group had suffered deteriorating financial performance for last two financial years with the latest quarterly report for 31 March 2015 showing a drastic drop in the profit after taxation to RM9.2 million.

What steps are being taken by the Board to counter the challenging operating environment and when is the Group expected to reverse its deteriorating financial performance?

Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

Answer 1:

The significant decrease in the Group's profit after taxation for the 4th quarter ended 31 March 2015 was mainly due to the impairment loss of goodwill and allowance for impairment loss of interest in an associate. Excluding these items, the Group's profit attributable to owners of the Company for the quarter would have been about 2% higher than the comparative figure for the previous year.

Questions from Minority Shareholder

Watchdog Group – Strategic/Financial Matters

Answer 1 (cont'd):

The newspaper industry has been facing serious challenges ever since the internet made news available online. In Hong Kong, the launch of free newspapers places greater pressure on the paid newspapers. We are fully aware of the challenges ahead that include the intense market competition and cautious spending sentiment as well as the impact of weakening Ringgit on the operating costs of the Malaysian operations. In order to thrive and to continue to grow in this fast-paced, competitive and informative overload era, we believe that high quality journalism as well as niche and unique content are keys to long-term sustainability as a media group. As such, we maintain our commitment in bringing quality journalism to our audiences.

Questions from Minority Shareholder

Watchdog Group – Strategic/Financial Matters

Answer 1 (cont'd):

We have also been investing resources and effort to build our digital capabilities which enable us to disseminate news and information to our readers via multiple platforms including print, websites, mobile apps, broadcast and social media. It also allows us to better serve advertisers in marketing their products across multiple channels and platforms.

At the same time, we have developed and refined our operational processes and procedures to ensure that all resources are appropriately allocated to achieve maximum efficiency and productivity in all business units.

Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

Question 2:

Could the Board share with shareholders their views/thoughts on the developments pertaining to the mass media industry and their potential impact to the Group, for instance, the implementation of GST since 1 April 2015?

Questions from Minority Shareholder

Watchdog Group – Strategic/Financial Matters

Answer 2:

In terms of GST, the good news is that the prices of newspapers sales in Malaysia are zero rated. Although there is still a 6% GST on advertisements, but this tax is being passed on to the advertisers to pay, similar to the replaced Sales & Service Tax of 6%. This means that the impact of GST on MCIL's operations is virtually a non-issue especially when the Group is able to claim input tax credit for its purchases from suppliers.

Questions from Minority Shareholder

Watchdog Group – Strategic/Financial Matters

Answer 2 (cont'd):

However, with the implementation of GST in Malaysia, we are already experiencing an adverse impact on consumer sentiment. This is showing an effect on the general business environment, thereby leading to a weak advertising market. Barring unforeseen circumstances that may erode consumer confidence further, we expect this market scenario to last only for a short period of time in Malaysia.

Being mindful of the various challenges being faced by the media industry today, MCIL will continue to grow its digital business further while consolidating its print market share and seeking new business diversification opportunities, both locally and abroad.

Questions from Minority Shareholder

Watchdog Group – Strategic/Financial Matters

Question 3:

Subsequent to the impairment of US\$4.1 million on the goodwill of Guang-Ming Ribao Sdn. Bhd. incurred in the previous financial year, and yet there was another impairment loss of goodwill and allowance for impairment loss of US\$7.6 million for an associate during the FY 2015. Please explain.

Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

Question 3(i), (ii) & (iii):

- i. Which associate had its goodwill being impaired? What are its plans going forward?**
- ii. When is it expected to turn profitable and are there any serious problems difficult to resolve?**
- iii. When would the Board expect to see a reversal or recovery of the impairment? Would the Board consider disposing the investment in the associate to salvage some value to cover some of the impairment losses?**

Questions from Minority Shareholder

Watchdog Group – Strategic/Financial Matters

Answer 3 (i), (ii) & (iii):

During the FY2015, the Group recognised in the consolidated income statement (i) an allowance for impairment loss of interest in an associate, ByRead Inc. ("ByRead"), held by One Media Group ("OMG"), of US\$1.9 million, (ii) an impairment loss of goodwill of US\$0.4 million in relation to OMG's subsidiaries in the PRC, and (iii) an impairment loss of goodwill of US\$5.3 million on Guang Ming.

ByRead:

An impairment of about US\$1.9m was made for the goodwill of ByRead Inc. ("ByRead"), an associate held by the Group's listed subsidiary, One Media Group.

Questions from Minority Shareholder

Watchdog Group – Strategic/Financial Matters

Answer 3(i), (ii) & (iii) (cont'd):

ByRead is engaged in the provision of mobile value-added services such as entertainment and online reading for individuals and enterprises in Mainland China. The performance of ByRead has been hindered by the lack of effective payment gateways to generate income from its increasing subscriber base. Despite all its efforts, the management is still unable to find an economically viable solution to solve the issue and this has led to the company's poor performance.

Going forward, the Group will continue to explore exit opportunities and search for potential buyer of ByRead.

Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

Answer 3(i), (ii) & (iii) (cont'd):

Guang-Ming Ribao Sdn Bhd ("Guang-Ming")

Despite the impairment of goodwill, Guang Ming had recorded a profit in FY2014/15. Nevertheless, management has implemented and will continue to undertake effective measures to improve its revenue streams, as well as effective cost management strategies to further enhance the overall performance of Guang-Ming.

Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

Question 3(iv):

Would there be expected impairment losses on any other subsidiaries or associates in FY2016?

Answer 3 (iv):

Despite the efforts put in place and barring any unforeseen circumstances, we do not intend to have any impairment in FY2016.

Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

Question 4:

Please brief shareholders on digital business contribution to the Group in terms of revenue and profit after taxation in FY 2015 and moving forward and enlighten shareholders on the future prospect and outlook of the digital business.

Questions from Minority Shareholder

Watchdog Group – Strategic/Financial Matters

Answer 4:

For the FY 2015, revenue from the Group's digital business constituted less than 5% of the Group's total revenue from the publishing segment. Although the monetary contribution is still small relative to that of the Group's print business, the performance of the digital business is encouraging for future growth.

Questions from Minority Shareholder

Watchdog Group – Strategic/Financial Matters

Answer 4 (cont'd):

The growth in digital news consumption is inevitable and so are the related advertising and e-commerce opportunities. Many initiatives have been put into place to reach a wider online community, whilst at the same time to provide more alternatives for advertisers to maximise their advertisements effectively. As part of the strategy to capture the youth segment and mobile community, more niche contents that are tailored to each particular platform such as websites, social networks, mobile devices and digital publications will be created. The Group will continue to allocate and invest resources to enhance its digital business and make use of technology to better meet consumer demands in all platforms.

Questions from Minority Shareholder Watchdog Group – Strategic/Financial Matters

Question 5:

As substantial part of the Group's business is generated from overseas' divisions and thus very much affected by foreign exchange rate fluctuations, please elaborate on the extent of the Group's hedging transactions? How effective and successful has been the Group's hedging operations?

Questions from Minority Shareholder

Watchdog Group – Strategic/Financial Matters

Answer 5:

Each of the Group's operating unit is relatively self-contained and integrated within a particular country. The operating unit's cash flow is primarily received and paid for in the local currency of that particular country and do not directly affect the Group's cash flows. Although the weakening of a unit's local currency, like Ringgit, against the USD may result in a lower translated amount being reported in the Group's consolidated financial statements, but this does not affect the underlying financial performance of the operating unit itself.

For the FY 2015, the Group recognised net exchange loss of only US\$124k in the consolidated income statement.

Question 1:

MSWG is promoting certain standards of corporate governance best practices in PLCs. In this regard, we hope the Board could address the following:-

Formalise a policy on succession planning taking into consideration the composition of the Board, the position of Executive Chairman and the level of independent Directors on the Board in accordance with MCCG 2012.

Questions from Minority Shareholder

Watchdog Group – Corporate Governance

Answer 1:

The Board is mindful of the importance of succession planning in relation to the Board's composition and will deliberate thereof. As for the level of independent directors on the Board, the Board will definitely ensure that the total number of independent directors on the Board meets the requirements of both Bursa and the Hong Kong Stock Exchange. In addition, the Nomination Committee of the Company will from time to time review the structure, size and composition of the Board after considering the future development of the Group and make recommendations to the Board regarding the proposed changes, if any.



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.