



Media Chinese International Limited

**Annual General Meeting
24 August 2011**

- 
- **Corporate Portfolio**
 - 2010/11 Market Highlights
 - Financial Performance
 - Future Plans & Strategies – Expanding into Multi-media

Corporate Portfolio — Background & Products

Media Chinese (Dual Primary Listed)

Greater China

- MP Daily News (HK)
- Yazhou Zhoukan
- 4 HK magazines
- 3 Mainland China magazines
- Books Publication
- Printing plant in China
- Contract Publishing
- Travel Business

Southeast Asia

- Sin Chew Daily
- China Press
- Guangming Daily
- Nanyang Siang Pau
- Sin Chew in Indonesia
- Sin Chew Cambodia
- Over 20 magazines

North America

- MP Daily News in Vancouver and Toronto
- Canadian Chinese Express in Vancouver and Toronto
- Ming Pao (NY) Free Daily
- Travel Business

Digital Media

- Online: 29 websites
- Hihoku
- ByRead
- Iatopia
- Mobile Apps: around 12 applications

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
GuangMing Daily

Corporate Profile – History of Products

| | Publishing since | In publication for |
|---|-------------------------|---------------------------|
| ◦ Nanyang Siang Pau | 1923 | 88 years |
| ◦ Sin Chew Daily | 1929 | 82 years |
| ◦ China Press | 1946 | 65 years |
| ◦ Ming Pao Daily News (Hong Kong Edition) | 1959 | 52 years |
| ◦ Ming Pao Monthly | 1966 | 45 years |
| ◦ Ming Pao Weekly | 1968 | 43 years |
| ◦ Yazhou Zhoukan | 1987 | 24 years |
| ◦ Guang Ming Daily | 1987 | 24 years |
| ◦ Ming Pao Daily News (Toronto Edition) | 1993 | 18 years |
| ◦ Ming Pao Daily News (Vancouver Edition) | 1993 | 18 years |
| ◦ Ming Pao (NY) Free Paper | 2007 | 4 years |

Corporate Portfolio — Printed Product Brands

星洲日報
SIN CHEW DAILY

南洋商報
NANYANG SIANG PAU

明報

中國報
CHINA PRESS

光明日報
GuangMing Daily

明報 月刊

明報 周刊

TopGear

亞洲週刊
YAKHOU ZHOUKAN

TopGear
汽车测试报告

MING 明日风尚

优游香港
Hong Kong Voyage

亞洲眼
Eye Asia Focus on what Matters

星星 周刊
SINARAN SIN CHEW

小星星
BINTANG SIN CHEW

学海

科技新时代
POPULAR SCIENCE

叮叮
定眼

大家健康
LonQlife

號外周報
SPECIAL WEEKLY

少年
Bulanan Pelajar

NEWiCON 时尚男人
for him

newtide

釣魚月刊
ROD&LINE

Buletin Sukan Mengail Professional
Pancing

Rod&Line

新生活報

囍 My Wedding

Premier
WEDDING

Let's
travel
吃風

都会佳人
CITÁ Bella

SWEET
HOME

城市网络
CityNET

南洋商報
青苗 月刊
BULANAN TUNAS

美味 風采
Oriental Cuisine

風采 feminine

Mommy Baby
妈咪宝贝

Corporate Portfolio — Digital Media Brands

Online Media (Southeast Asia)



Online Media (Hong Kong)



Online Media (Mainland China)




Online Media (Canada)



Mobile Media



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- Corporate Portfolio
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- Newsprint prices are on an upward trend due to tightening of supply (made worse by recent Tsunami) and rising raw material costs
- Increasing inflation will lead to rising labour costs
- A new free paper has just been launched in Hong Kong making the media market even more challenging
- European debt crisis and recent decline in the US markets leads to uncertainty for 2H of 2011.
- Continuous effort in developing internet and mobile technology

Market Share in Malaysia and Hong Kong

PENINSULA MALAYSIA

Period from 1 Jul 09 to 30 Jun 10

Chinese Newspapers

Sin Chew

-Sin Chew Daily

403,102

-Guang Ming Daily

121,475

Nanyang

-China Press

241,300

-Nanyang Siang Pau (figure for the period 1.7.06 to 30.6.07)

114,049

SCMC & NPH SUB TOTAL

879,926

Ranking in Malaysia

No. 1

No. 3

No. 2

No. 4

HONG KONG

Period from 1 Jan 10 to 31 Dec 10

Chinese Newspapers

Readership

Ming Pao Daily News

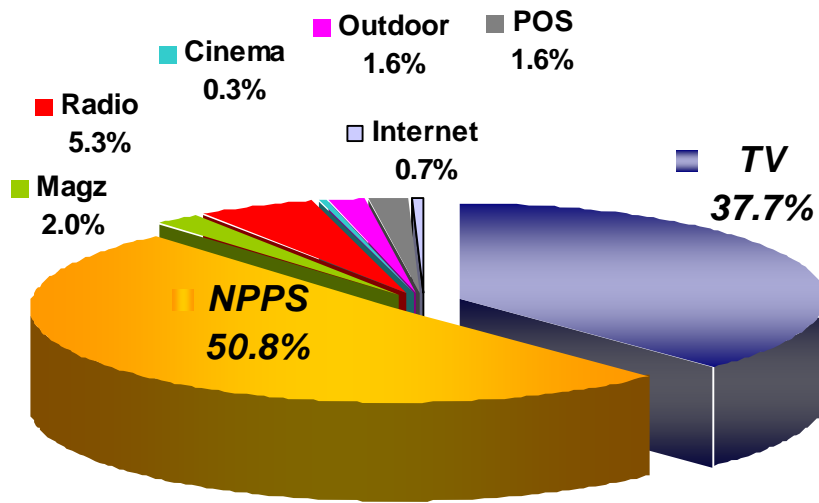
444,000

The most credible
Chinese newspaper

Source: (ACN media index 2010)

Total Adex for 2010 in Malaysia

Total Adex in 2010



RM7,663m

↑ 15.8%

Total Adex in 2009: RM6,615m

Total Adex (RM)

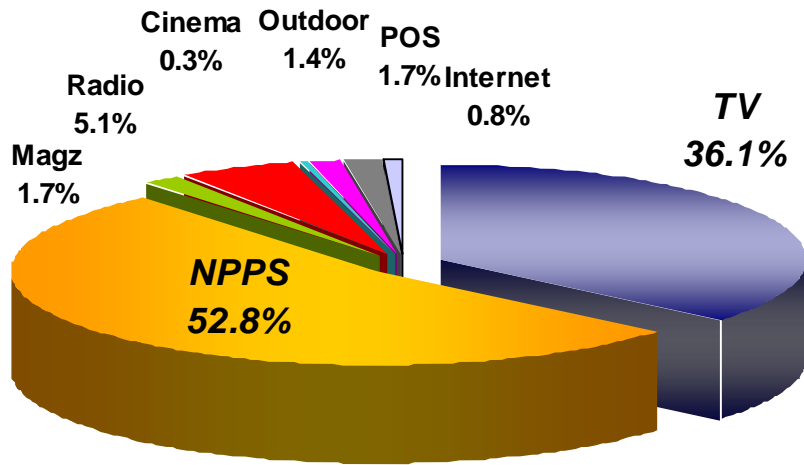
NPPS : 3,891m ↑ 14.0%
Magazines: 152m

TV : 2,892m
 Radio : 409m
 Outdoor : 120m
 POS : 124m
 Internet : 52m
 Cinema : 24m

↑ 18.0%

YTD Adex for June 2011 in Malaysia

YTD Adex for June 2011



RM 3,933m

↑ 11.4%

YTD Adex in Jun 2010: RM 3,532m

Total Adex (RM)

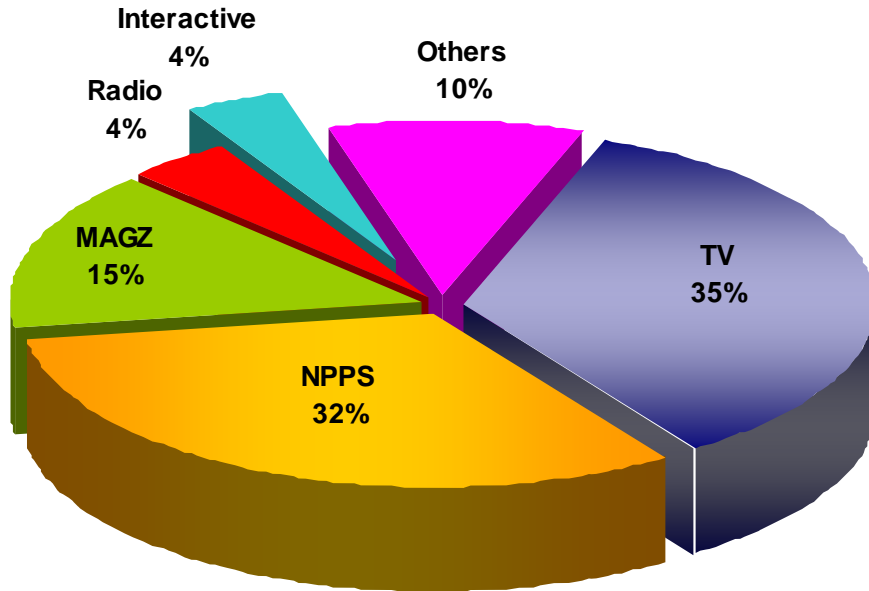
NPPS : 2,079m ↑ 12.6%
Magazines: 66m

TV : 1,421m
 Radio : 201m
 Outdoor : 57m
 POS : 68m
 Internet : 32m
 Cinema : 10m

↑ 9.9%

Total Adex for 2010 in Hong Kong

Total Adex 2010



HKD79,868m

↑ 18.6%

Total Adex in 2009: HKD67,370m

Total Adex (HKD)

NPPS : 25,658m **↑ 19.4%**
Magazines: 12,224m

TV : 27,836m
 Radio : 3,334m **↑ 17.8%**
 Interactive : 3,158m
 Others : 7,658m

Source: Admango.com

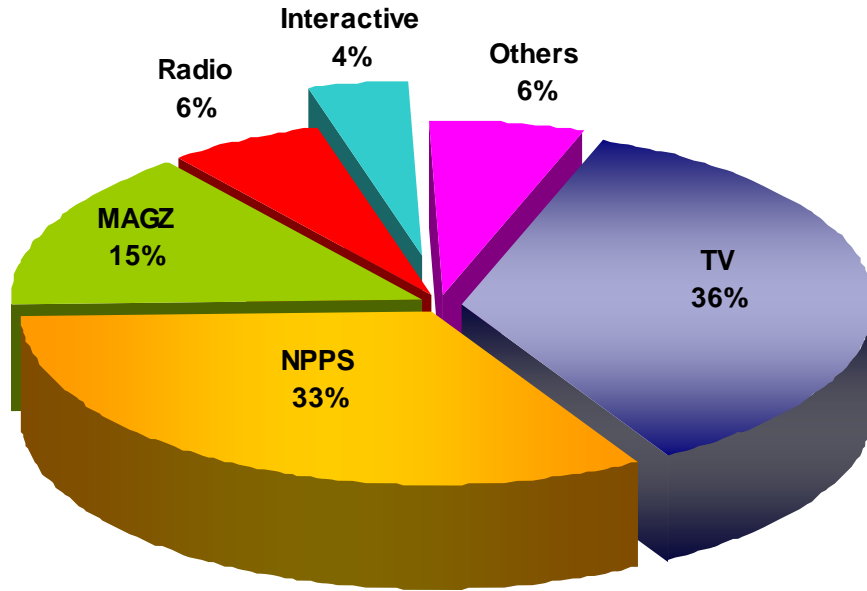
*Include regional titles

Note 1: Others: Other OOH includes Airport, Bus Shelter, First Vision, In-Store Promotion, MTR, MTR [KCRC], Newline Express, RoadShow, Tram Shelter, Video Wall & Billboard. Cinema is not included.

Note 2: The above figures are based on rate card costs and in gross amount without taking into consideration of any discount.

Total Adex for YTD Jun 2011 in Hong Kong

Total Adex Apr-Jun 2011



HKD41,507m

↑ 12.8%

Total Adex Jan-Jun 2010: HKD36,781m

Total Adex (HKD)

NPPS : 13,563m **↑ 13.5%**
Magazines: 6,080m


TV : 14,778m
 Radio : 1,603m
 Interactive : 1,824m **↑ 17.7%**
 Others : 4,657m

Source: Admango.com

*Include regional titles

Note 1: Others: Other OOH includes Airport, Bus Shelter, First Vision, In-Store Promotion, MTR, MTR [KCRC], Newline Express, RoadShow, Tram Shelter, Video Wall & Billboard. Cinema is not included.

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FY2010/11 Full Year Results

For the year ended 31 March

| (US\$' 000) | 2011 | 2010 | 2009 |
|--|---------------|---------------|---------------|
| Turnover | 445,844 | 376,001 | 394,303 |
| Profit before tax (before one time loss) | 78,339 | 55,113 | 31,035 |
| One time gain/(loss) | (4,132) | Nil | Nil |
| Profit before tax | 74,207 | 55,113 | 31,035 |
| Profit after tax for the year | 55,785 | 41,442 | 17,355 |

Full Year Financial Performance – Turnover

| Full Year Results (US\$ million) | FY 2010/11 | FY 2009/10 | FY 2008/09 |
|----------------------------------|----------------------|--------------|--------------|
| Malaysia & other SEA countries | 276.2 ↑ 17.8% | 234.4 | 234.3 |
| Hong Kong, PRC & North America | 104.3 ↑ 9.4% | 95.3 | 105.0 |
| Tour and travel related services | 65.3 ↑ 41.0% | 46.3 | 54.9 |
| Total Turnover | 445.8 ↑ 18.6% | 376.0 | 394.2 |

Full Year Financial Performance – Profit before tax (before one time loss)

| Full Year Results (US\$ million) | FY 2010/11 | FY 2009/10 | FY 2008/09 |
|---|----------------------|---------------|---------------|
| Malaysia & other SEA countries | 68.5 ↑ 30.48% | 52.5 | 36.6 |
| Hong Kong, PRC & North America | 8.7 ↑ 163.60% | 3.3 | (4.4) |
| Tour and travel related services | 1.9 ↑ 100.00% | (0.0) | (0.1) |
| Other cost | (0.8) ↑ 14.30% | (0.7) | (1.1) |
| Profit before tax (before one time loss) | 78.3 ↑ 42.10% | 55.1 | 31.0 |

Financial Performance Highlights


As at 31 March

| (US\$ million) | 2011 | 2010 | 2009 |
|---------------------------------|--------|--------|--------|
| Total assets | 504.50 | 457.20 | 373.40 |
| Net assets | 399.90 | 349.60 | 288.00 |
| Cash and cash equivalents | 110.50 | 77.60 | 70.20 |
| Shareholders Funds | 394.40 | 341.30 | 279.80 |
| Net assets per share (US cents) | 23.41 | 20.27 | 16.62 |
| Earnings per share (US cents) | 3.26 | 2.44 | 1.00 |
| Gearing | 4.0% | 9.6% | 7.3% |

Proposed Dividend FY 2011

Proposed second interim dividend of US 1.153 cent for FY 31 March 2011

| | FY 2010/11 | FY 2009/10 | FY 2008/09 |
|---|---------------|---------------|--------------|
| Interim Dividend (US cent) | 0.800 | 0.450 | 0.450 |
| Second Interim Dividend (US cent) | 1.153 | 0.771 | 0.143 |
| Total Dividend (US cent) | 1.953 | 1.221 | 0.593 |
| Dividend Pay-out Ratio (as a % of PATAMI) | 60.00 % | 49.98% | 59.48% |
| Share Price as at 31 March | RM1.13 | RM0.86 | RM0.52 |
| Dividend Yield as at 31 March | 5.29 % | 4.76 % | 4.1 % |

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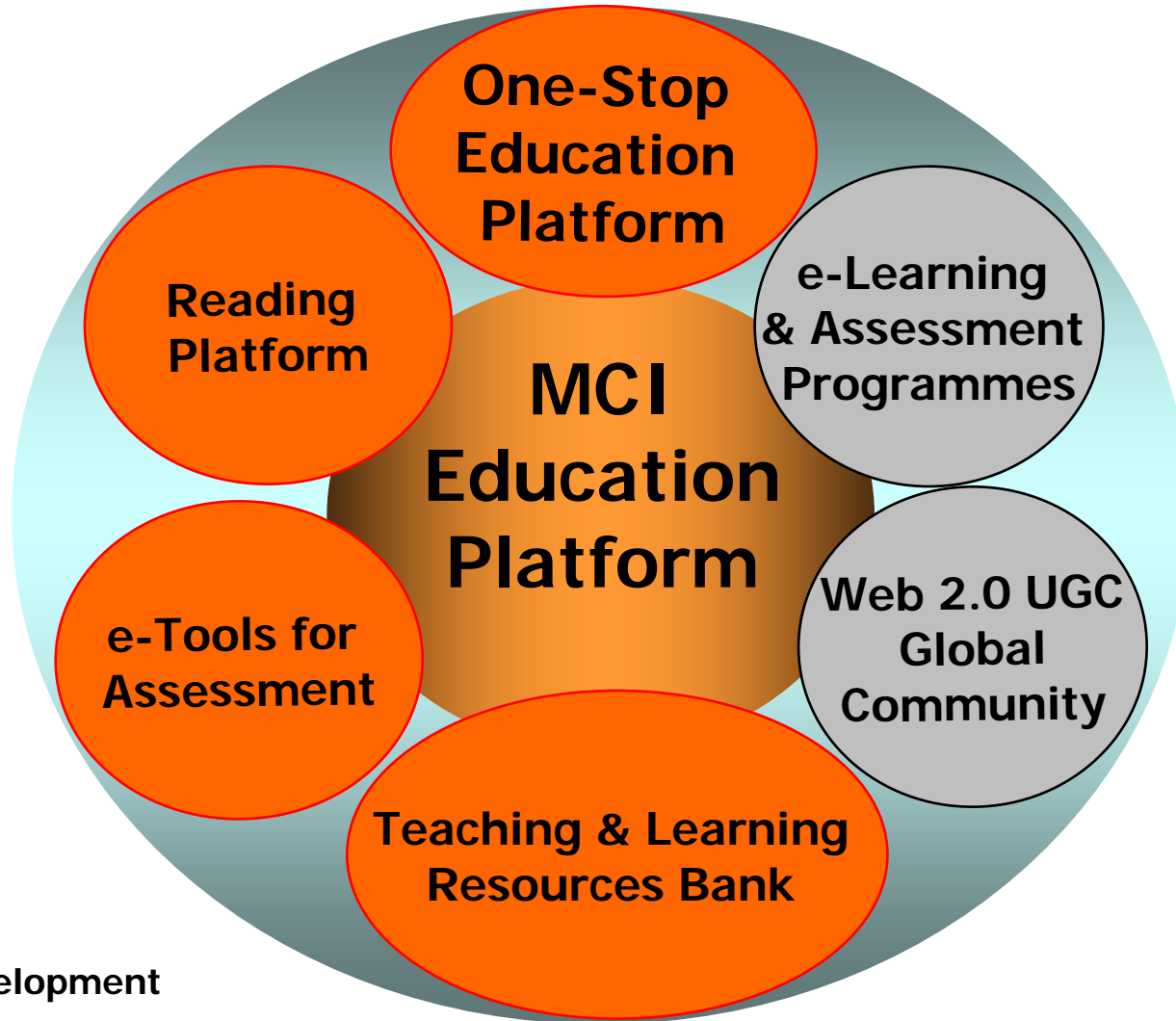
Digital Media – e-Learning Platform

- New project kicked off early this year
- An education platform comprises a print and e-library catalogue management unit, as well as a delicate module on administrating teaching materials
- Aim to build a “teaching and learning” quality online community for interactive communications among teachers and students
- Has received encouraging response and market recognition
- Some schools in Macau committed to use our system in the coming academic year

e-Learning — Create a Global Education Community

To create a Community of Education and Youth,
by continuous growth of the users in MCI Education Platform





Reading Platform

- Managing eBooks and printed books in the same platform
- Providing reading progress data for evaluation



e-Tools

- For project-based learning
- Personalized learning portfolio of individual student



Teaching & Learning Resources Bank

- Sharing teaching and learning resources
- Question bank
- Intra-school or inter-school



Digital Media- Sin Chew Smart TV Application (launched on 30 March 2011)

星洲 視野
Sin Chew Vision





Questions from Minority Shareholder Watchdog Group

Questions from Minority Shareholder Watchdog Group

Question 1 (a)

What could be the impact to the Group's bottom line given the newsprint spot prices are hovering at US\$624/ton since fourth quarter of 2010, as well as the recent increase in electricity tariff for industrials ?

In this financial year, the Group will face rising costs in its operations resulting from the upward trend of newsprint prices and increase in labour costs. To minimize the impact to the bottom line, the Group will strive towards improving its revenue through various sales strategy. Further to cushion the increase in newsprint costs, the Group has put in place several measures. This includes the newsprint inventory that the Group has built up and the constant monitoring of wastage. The electricity costs for the Group does not sit among the top few cost for the Group, nevertheless the Group has reminded all its employees to be mindful of any wastage of electricity.

Questions from Minority Shareholder Watchdog Group

Question 1 (b)

Other than newsprint cost, the second major cost was staffing costs which increased by 15.7% to US\$114.9 million in FYE 2011. As noted, the Group is under the pressure of increasing operating costs, in particular labour costs caused by the creeping inflation. What is the measure in place to cope with the rising operations costs ?

The Group is fully aware of the challenges posed by the upward trend in its costs. In tandem with its continuous cost containment exercise, the Group is looking into ways it can minimize wastage and improving the efficiency of its operations. Some methods it is currently reviewing are putting in place systems that can increase the efficiency of its production lines.

Questions from Minority Shareholder Watchdog Group

Question 1 (c)

What is the nature of the other expenses of US\$89.27 million (2010:US\$81.27 million) (Note 8 on page 109) ?

The details of other expenses are as follows:

- (a) Sales Commission
- (b) A&P, selling and distribution expenses
- (c) Production materials and godown charges
- (d) Utilities and other administrative expenses

Questions from Minority Shareholder Watchdog Group

Question 2 (a)

What is the continuing effort to improve the profit margin of its Hong Kong and Mainland China market which remained at 7.0% (2010:5.4%) the lowest among all its market?

The newspaper industry in Hong Kong is facing keen competition, there are 12 paid Chinese language newspapers and 4 free Chinese daily newspapers in the market with a population of 7.1 million. The popularity of free newspaper is a great threat to and creates huge pressure on the paid newspapers.

To continue remaining competitive, the Group will constantly review and improve the paper's presentation, implement aggressive promotional and marketing strategies and adhere to the highest standard of quality journalism. It is expected that the markets in PRC and Hong Kong will continue to be challenging, as such the management will keep on implementing the ongoing cost-containment measures and focus on realigning the operation structure.

Questions from Minority Shareholder Watchdog Group

Question 2 (b)

Are the turnaround of North America market and travel and travel related services sustainable in years to come given the gloomy market condition in the European countries as well as the US?

As we are only in the first quarter of our financial year, it is difficult to ascertain the performance for these operations for this whole financial year, especially under the gloomy market conditions in the European countries and the US which adversely affect the desire of people to travel.

Once the impact of financial uncertainty is stabilised, we believe that the travel segment would continue to deliver satisfactory results as the demand for the segment's expertly planned tours to long-haul destinations is strong.

In addition, we will continue implementing measures to control costs and improve the competitiveness of our tour operations.

Questions from Minority Shareholder Watchdog Group

Question 3

During the year, the goodwill of Guang Ming Ribao Sdn Bhd (GMRB) was impaired by US\$ 4.13 million (2010:Nil). Key assumptions used for the value-in-use calculation included a -1% average growth rate and pre-tax discount rate at 10.6%. The primary reason was due to challenging business conditions. What is the plan to revive the decline in performance of GMRB given Guang Ming Daily is a mainstream daily paper well received by the northern readers for many years?

Guang Ming Daily is still the paper favoured by many in the north. In order to remain relevant, the management is constantly reviewing its content and presentation to cater to the changing demands of its readers. In addition it has carried out many activities to promote interaction with its readers and to reach out and understand the needs of its readers. It continuously launches promotions which will promote the circulation of its paper in addition to playing a supportive role to its advertisers to assist them to plan their advertising needs in a more creative way.

Questions from Minority Shareholder Watchdog Group

Question 4

In line with the Corporate Governance Blueprint 2011 (CG Blueprint), a cumulative term limit of up to nine (9) years will be imposed on independent directors. Directors may continue to serve thereafter, but will be redesignated as non-independent directors. We note that one independent director has served on the Board for 12 years.

What is the Board's plan as regards this, as it will then tilt the balance of independent directors in the Company?

We would also encourage the Board to formalize a policy on the succession planning, constantly reviewing the Board evaluation process and setting a maximum tenure for independent directors.

Question 6

Being an international corporate, it is important that MCIL be exemplary in Corporate Governance matters. One comment that MSWG would like to make is since the Company's Chairman is not independent, we would like to encourage that a more balanced structure be in place where there are more independent directors preferably more than 50%.

Questions from Minority Shareholder Watchdog Group

The Board had taken note of the blueprint announced by the Securities Commission on 8th July 2011 and the Board will deliberate on its content. We note your comments in both items (a) and (b) and the Board will require some time to study and review the impact of the guidelines before formulating or revising any policy. As for the presence of Independent directors on the board, the Board will definitely ensure that the total number of Independent directors on the Board meet the requirements of both Bursa and the Hong Kong Stock Exchange.

Questions from Minority Shareholder Watchdog Group

Question 5

The CG Blueprint also recommended the separation of position of the Chairman and the CEO, where the Chairman must be a non-executive member of the Board. We hope the Board would look into the executive position of the Chairmanship.

Our Chairman holds the stewardship in our Group and under his guidance, the Group has grown in a positive manner. We note your comments and whilst we understand the suggested amendments in the CG Blueprint, any change in the stewardship of our Group would require much discussion and planning in order to ensure minimal impact on the vision and future strategy of the Group.

Questions from Minority Shareholder Watchdog Group

Question 7

Though the Company has a consistent dividend payment track record, it is encouraged to have a stated dividend policy for good governance purpose.

We note your comments and we will look into your suggestion. Nevertheless, we would like to assure all our shareholders that we have consistently paid our dividends in the region of 50% and even 60% for our last financial year. We are grateful to all our shareholders for their support and we will strive towards consistent dividend payouts.

Thank you

Looking Forward 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.