



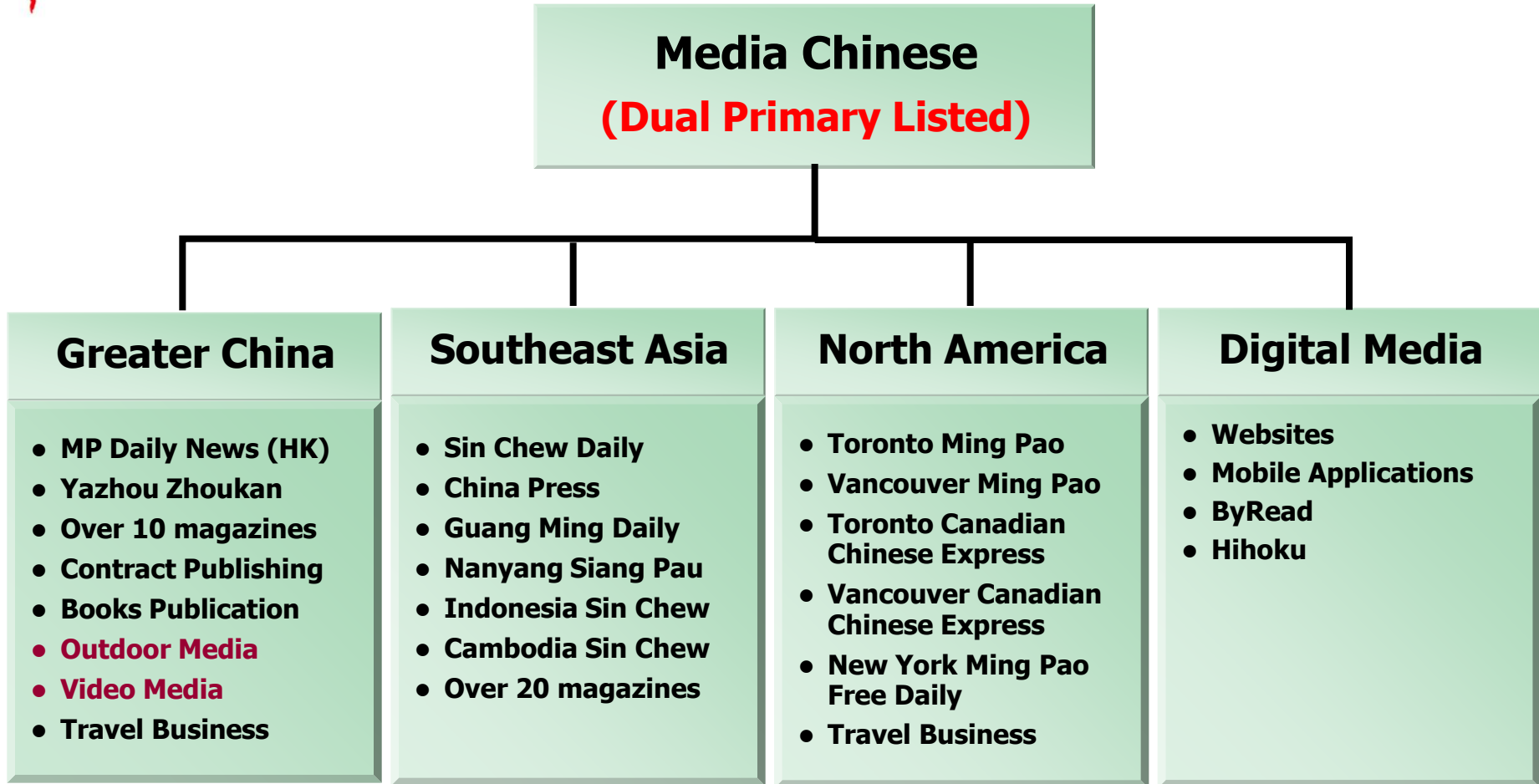
Media Chinese International Limited

**Annual General Meeting
6 August 2013**

- **Corporate Portfolio**
- Market Highlights
- Financial Performance
- Ongoing Plans & Strategies



Corporate Portfolio- Overview



Corporate Portfolio – History of Products

	Publishing since	In publication for
• Nanyang Siang Pau	1923	90 years
• Sin Chew Daily	1929	84 years
• China Press	1946	67 years
• Ming Pao Daily News (Hong Kong Edition)	1959	54 years
• Ming Pao Monthly	1966	47 years
• Ming Pao Weekly	1968	45 years
• Yazhou Zhoukan	1987	26 years
• Guang Ming Daily	1987	26 years
• Ming Pao Daily News (Toronto Edition)	1993	20 years
• Ming Pao Daily News (Vancouver Edition)	1993	20 years
• Ming Pao (NY) Free Paper	2007	6 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
Guang Ming DAILY

亞洲週刊
YAZHOU ZHOUKAN

明報 月刊

明報 周刊
MING PAO WEEKLY

TopGear

MINGWATCH 明錶

港澳台
自由行

优游香港
Hong Kong Voyage

DU SHANG 渡赏

100毛

鼎 峰

TopGear
汽车测试报告

科技新时代
POPULAR SCIENCE

小星星
BINTANG SIN CHEW

学海

大家健康
LONG LIFE

號外周報
SPECIAL WEEKLY

亞洲眼
Eye Asia Focus on what Matters

星星 周刊
SINARAN SIN CHEW

少年月刊
Bulanan Pelajar

NEWiCON 时尚男人
for him

NEWTIDE
新潮流

釣魚 月刊
Rod&Life

PANCING
Buletin Pancing Profesional

Rod & Line

新生活報

囍 My Wedding

PETS 宠物报

Let's travel
吃風

都会佳人
CITIA Bella

SWEET HOME

城市网络
CityNET

Jinak

美味 风采
Oriental Cuisine

風采 feminine

Mommy Baby
妈咪宝贝

Corporate Portfolio – Digital Media Brands

Online Media (Southeast Asia)



Online Media (Hong Kong)



Mobile Media

Online Media (Mainland China)



Online Media (Canada)



More than 40 Websites & numerous Mobile Service 世華【文庫】

- Corporate Portfolio
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Market Share in Malaysia and Hong Kong

MALAYSIA

Period from 1 Jan 2012 to 31 Dec 2012

Chinese Newspapers

Readership

Ranking in Malaysia

Sin Chew

-Sin Chew Daily

1,285,000

No. 1

-Guang Ming Daily

357,000

No. 3

Nanyang

-China Press

1,089,000

No. 2

-Nanyang Siang Pau

126,000

No. 4

SCMC & NPH SUB TOTAL

2,857,000

Source: (Q412 Nielsen Consumer & Media View)

HONG KONG

Period from 1 Jan 2012 to 31 Dec 2012

Chinese Newspapers

Readership

Ming Pao Daily News

412,000

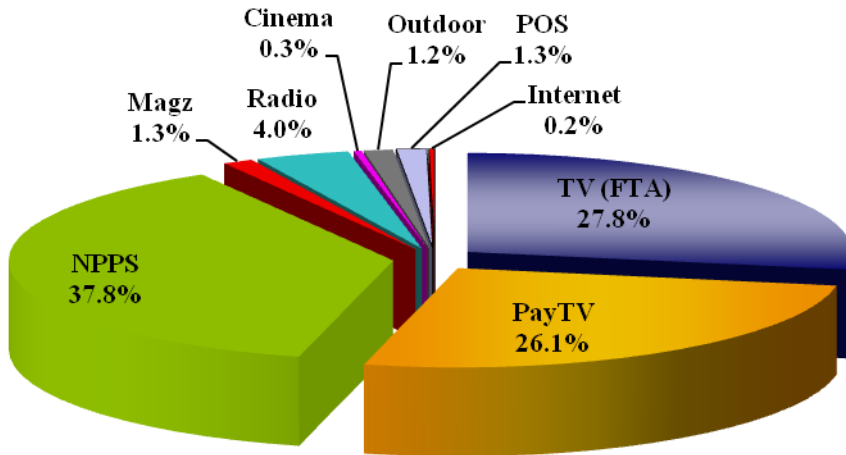
The most credible
Chinese newspaper*

Source: (Nielsen HK Media Index 2012 Year-end Report)

*Survey conducted by the Chinese University of Hong Kong

YTD Adex for FY2012 in Malaysia

YTD Adex for FY2012



RM 11,399m

↑ 5.9%

Adex in FY2011: RM 10,759m

Total Adex (RM)

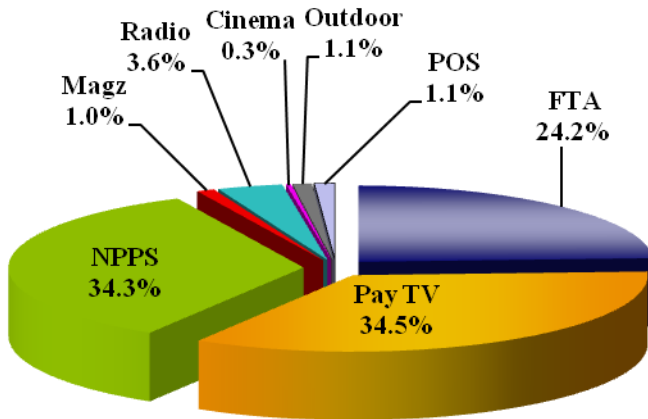
NPPS	: 4,306m	↓ 1.2%
Magazines	: 145m	
TV (FTA)	: 3,171m	
Pay TV	: 2,976m	
Radio	: 450m	↑ 11.1%
Outdoor	: 141m	
POS	: 145m	
Internet*	: 28m	
Cinema	: 37m	

*Note: Adex for internet is not available since July 2012 (temporarily suspended)

NPPS	: ↓ 1.2%
Magazines	: ↓ 0.6%
TV (FTA)	: ↑ 5.2%
Pay TV	: ↑ 20.6%
Radio	: ↑ 5.3%
Outdoor	: ↑ 18.0%
POS	: ↑ 2.7%
Internet*	: ↓ 55.7%
Cinema	: ↑ 72.1%

YTD Adex for YTD June 2013 in Malaysia

YTD Adex (Jan – Jun 2013)



RM 6,041m

↑ 19.0%

Adex in YTD June 2012: RM 5,077m

Total Adex (RM)

NPPS	: 2,070m	↓ 0.4%
Magazines	: 59m	
TV (FTA)	: 1,464m	
Pay TV	: 2,083m	
Radio	: 217m	↑ 33.1%
Outdoor	: 64m	
POS	: 68m	
Cinema	: 17m	

*excluded adex for internet

NPPS	: 0%
Magazines	: ↓ 12.1%
TV (FTA)	: ↑ 7.1%
Pay TV	: ↑ 71.8%
Radio	: ↑ 5.6%
Outdoor	: ↓ 9.7%
POS	: ↓ 5.8%
Cinema	: ↑ 44.9%

Adex for Total Newspapers in Malaysia

Adex for total Newspapers for YTD 2012 VS YTD 2011

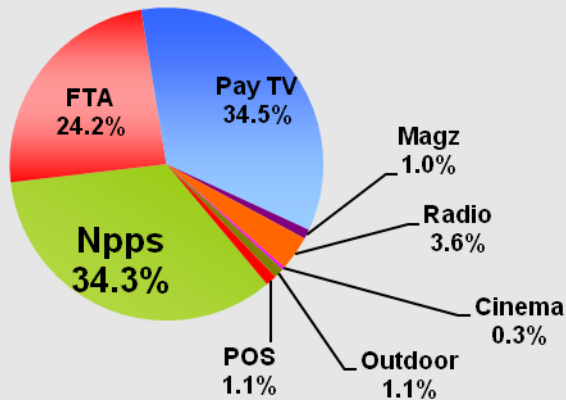
	YTD 2012 RM' million	YTD 2011 RM' million	Variance RM' million	Variance %
English	1,646.6	1,735.4	(88.8)	(5%)
Malay	1,379.0	1,355.4	23.6	2%
Chinese	1,258.6	1,245.9	12.7	1%
Tamil	21.3	21.2	0.1	0%
TOTAL	4,305.5	4,357.9	(52.4)	(1%)

Adex for total Newspapers for YTD Jun'13 VS YTD Jun'12

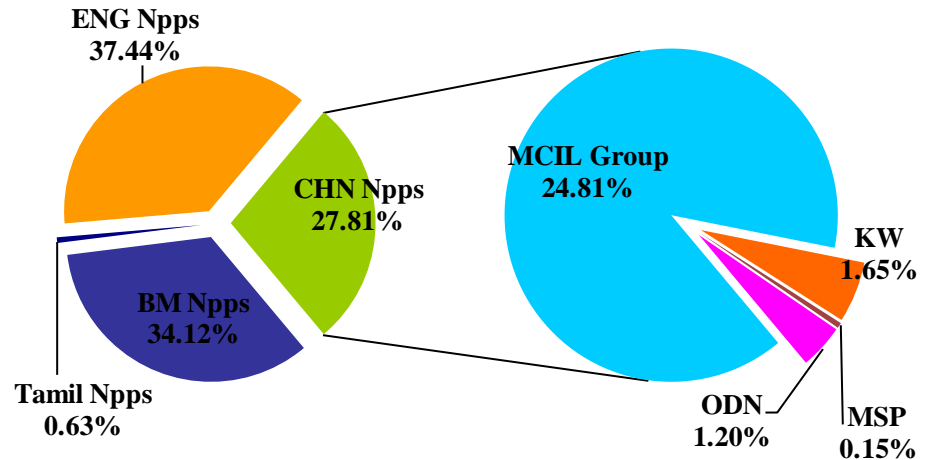
	YTD Jun'13 RM' million	YTD Jun'12 RM' million	Variance RM' million	Variance %
English	778.1	800.7	(22.6)	(3%)
Malay	628.6	645.7	(17.1)	(3%)
Chinese	651.9	613.9	38.0	6%
Tamil	11.6	10.5	1.1	10%
TOTAL	2,070.2	2,070.8	(0.6)	(0%)

Share Of Advertising Expenditure In Malaysia Media YTD June 2013

ALL MEDIA (NATIONAL)



NEWSPAPERS IN W.M



Total Adex (RM): 1,842.5 million

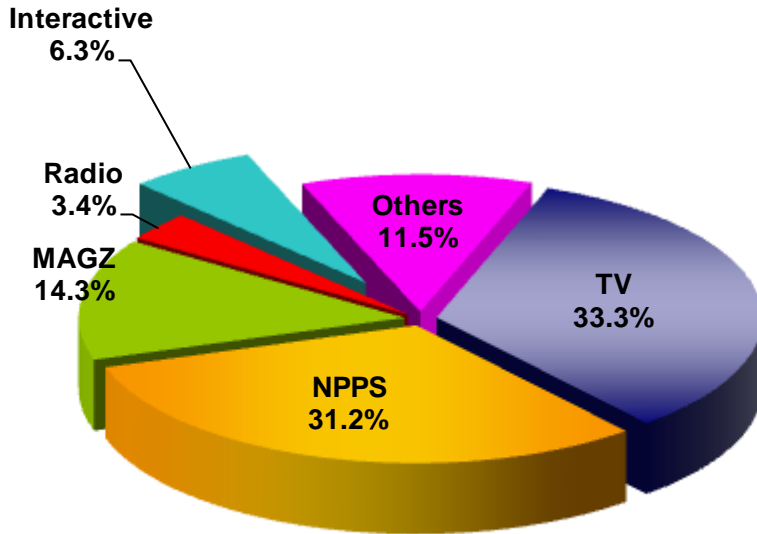
Adex for Total Newspapers : RM 2,070.2 million

Newspapers in West Malaysia: RM 1,842.5 million

Newspapers in East Malaysia : RM 227.7 million

YTD Adex for FY2012 in Hong Kong

YTD Adex for FY2012



HKD 103,003m

↑ 11.3%

Adex in FY2011: HKD 92,569m

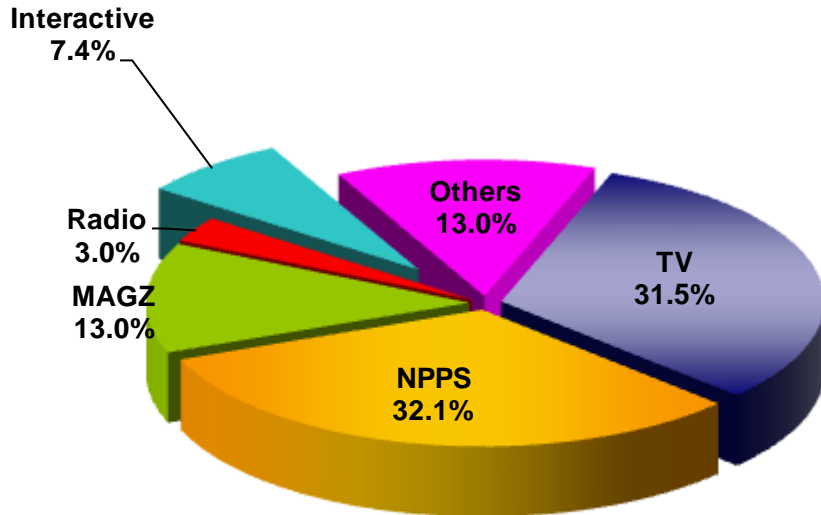
Total Adex (HKD)

NPPS	: 32,105m	↑ 9.7%
Magazines	: 14,701m	
TV	: 34,348m	
Radio	: 3,530m	
Interactive	: 6,498m	↑ 13.2%
Others	: 11,822m	

NPPS	: ↑ 9.7%
Magazines	: ↑ 7.6%
TV	: ↑ 9.4%
Radio	: ↑ 2.6%
Interactive	: ↑ 62.9%
Others	: ↑ 9.4%

YTD Adex for YTD June 2013 in Hong Kong

YTD Adex (Jan-Jun 2013)



HKD 50,576m

↑ 5.2%

Adex in YTD June 2012: HKD 48,063m

Total Adex (HKD)

NPPS	: 16,127 m	↑ 6.2%
Magazines	: 6,737 m	
TV	: 15,881 m	
Radio	: 1,652 m	
Interactive	: 3,743 m	↑ 4.4%
Others	: 6,436 m	

NPPS	: ↑ 8.8%
Magazines	: ↑ 0.6%
TV	: ↓ 2.0%
Radio	: ↑ 1.9%
Interactive	: ↑ 22.9%
Others	: ↑ 13.5%

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- Ongoing Plans & Strategies



Full Year Results

For the year ended 31 March

(US\$' 000)	2012/13	2011/12	2010/11	2009/10	2008/09
Turnover	477,853	472,237	445,844	376,001	394,303
Profit before income tax	77,401	84,915	74,207	55,113	31,035
Profit attributable to owners of the Company for the year	56,985	63,209	54,825	41,136	16,790
EBITDA (US\$ million)	90.1	94.8	84.3	64.6	41.8
EBITDA Margin (%)	18.9%	20.1%	18.9%	17.2%	10.6%

Full Year Financial Performance – Turnover

Full Year Results (US\$ million)	FY 2012/13	FY 2011/12	FY 2010/11	FY 2009/10	FY 2008/09
Malaysia & other SEA countries	↑ 1.3% 295.8	292.0	276.2	234.4	234.3
Hong Kong, PRC & North America	↓ 4.9% 104.5	109.9	104.3	95.3	105.0
Tour and travel related services	↑ 10.4% 77.6	70.3	65.3	46.3	54.9
Total Turnover	↑ 1.2% 477.9	472.2	445.8	376.0	394.3

Full Year Financial Performance – Profit before income tax

Full Year Results (US\$ million)	FY 2012/13	FY 2011/12	FY 2010/11	FY 2009/10	FY 2008/09
Malaysia & other SEA countries	↓ 3.7% 70.0	72.7	64.4	52.5	36.5
Hong Kong, PRC & North America	↓ 8.5% 9.7	10.6	8.7	3.3	(4.3)
Tour and travel related services	↓ 28.0% 1.8	2.5	1.9	--	(0.1)
Segment profit before income tax	↓ 5.0% 81.5	85.8	75.0	55.8	32.1
Less: other unallocated expenses, net of income	(4.1)	(0.9)	(0.8)	(0.7)	(1.1)
Profit before income tax	↓ 8.8% 77.4	84.9	74.2	55.1	31.0

Financial Performance Highlights

Financial Position As At 31 March

(US\$ million)	2012/13	2011/12	2010/11	2009/10	2008/09
Total assets	479.1	517.3	504.5	457.2	373.4
Net assets	213.9	419.8	399.9	349.6	288.0
Cash and cash equivalents	101.8	134.7	110.5	77.6	70.2
Shareholders Funds	207.0	413.6	394.4	341.3	279.8
Net assets per share (US cents)	12.27	24.51	23.41	20.27	16.62
Basic earnings per share (US cents)	3.38	3.75	3.26	2.44	1.00
Net gearing ratio	33.20%	N/A*	N/A*	N/A*	N/A*
Return on equity	18.4%	15.6%	14.9%	13.2%	5.6%

* Not applicable as it was net cash position

Dividends

	FYE 2013	FYE 2012	FYE 2011	FYE 2010	FYE 2009
Special Dividend (US cents)	13.000	0.400	--	--	--
First Interim Dividend (US cents)	0.673	0.800	0.800	0.450	0.450
Second Interim Dividend (US cents)	1.015	1.448	1.153	0.771	0.143
Total Dividend (US cents)	14.688	2.648	1.953	1.221	0.593
Dividend Pay-out Ratio (as a % of PATAMI) ~(excluding special dividend)	50%	60%	60%	50%	60%
Share Price as at 31 March	RM1.18	RM1.18	RM1.13	RM0.86	RM0.52
Dividend Yield as at 31 March ~(excluding special dividend)	4.4%	5.8%	5.3%	4.6%	4.2%
Price/Earnings (x)	11.3	10.3	11.5	10.7	14.3

- 
- Corporate Portfolio
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 - **Ongoing Plans & Strategies**

Ongoing Plans & Strategies

1) Proposed Spin-off of Charming Holidays

~ Ongoing



2) e-Education Business

a) Education Solution

- ~i-read
- ~i-class
- ~i-web

b) e-Textbook Market

- ~ MediaNet Holdings Limited, a subsidiary of Media Chinese, was granted licences to develop e-textbooks in Hong Kong

Ongoing Plans & Strategies

3) New Business (Outdoor Media)



- ~ On 26 November 2012, Media Chinese's subsidiary, One Media Group Limited (stock code: 0426) entered into an agreement with Chu Kong Shipping Enterprises (Group) Company Limited (stock code: 0560)
- ~ The two Groups formed a new media company, **Connect Media Company Limited** ("Connect Media")
- ~ Connect Media is a brand new media platform engaged in all-around media business in cross-boundary passenger transportation across the prosperous Pearl River Delta
- ~ It is an expansion of One Media Group from print advertising to outdoor advertising in Greater China

4) Sin Chew expands into Sabah market

- Set up a printing plant in Kota Kinabalu, Sabah.
- Target to commence printing in first quarter of 2014.
- Sabah is only state in Malaysia that we have yet to actively market our papers due to high transportation cost.
- Sabah market may be comparatively small in size but with great potential to explore.
- Total Chinese papers average circulation copies per day is 76,679 copies (ABC, Jan to June 2012).

Ongoing Plans & Strategies

Sabah Plant Photo:-

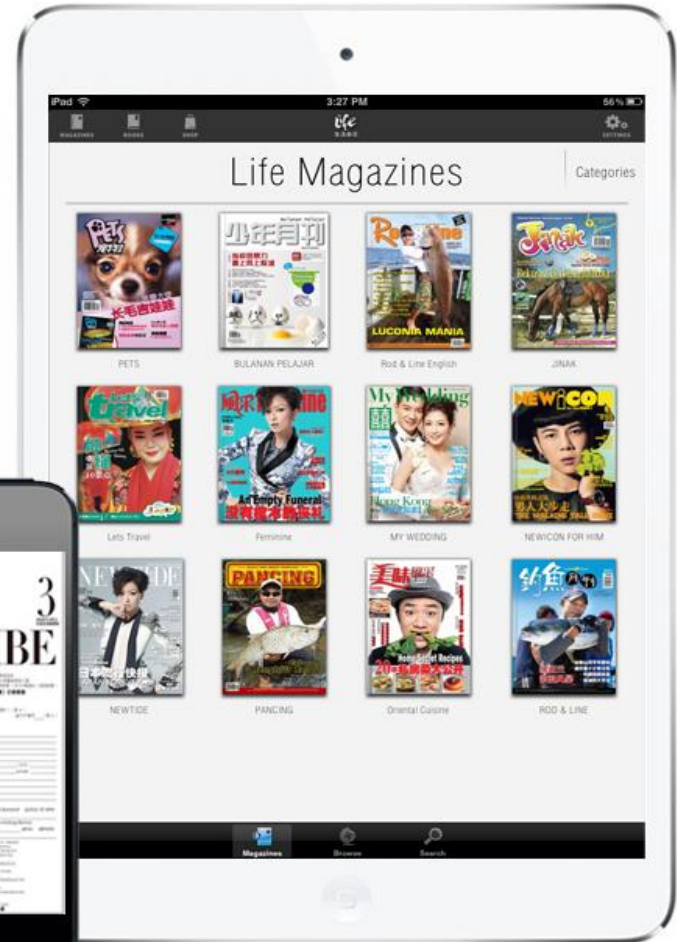


5) Malaysian Operations Web Apps Development

- E-Magazines.
- E-Papers.

Ongoing Plans & Strategies

- ❖ E-Magazines Apps: Life Magazines' Titles Apps
- ❖ Launched on January 2013
- ❖ Subscription based paid service



Available for



Language : Chinese



Ongoing Plans & Strategies



- ❖ E-Papers Apps: ***Sin Chew Daily***
China Press
Nanyang Siang Pau
Guang Ming Daily
- ❖ To launch soon
- ❖ Subscription based paid service



Questions from Minority Shareholder Watchdog Group

Questions from Minority Shareholder Watchdog Group

- 1. We noted that the Group recorded higher revenue in the travel and travel related services in FY2013 (US\$77.6 million) compared to FY2012 (US\$70.3 million). However, the segment profit declined by 27.3% year-on-year (2013: US\$1.8 million, 2012: US\$2.5 million). How would the Board plan to address the decline in the segment profit?**

The decrease in the travel segment's profit was mainly due to higher operating expenses and costs associated with the proposed separate listing of the Group's travel business in Hong Kong. The said listing expenses are one-off and will not impact the future profitability of the tour segment.

Questions from Minority Shareholder Watchdog Group

2. As reported in the Chairman's Statement, the Group's performance for the current year was impacted by rising operating expense (OPEX), which rose 4%. With the major components of the rising OPEX being labour and finance charges, how would the Group be able to address the issue?

The Group is fully aware of the challenges posed by an increase in labor costs and finance charges. The costs increment is an inevitable global issue driving the progress and development of any vibrant organization, including our Group.

The increase in labor costs was due mainly to payments of annual increments, bonuses and staff benefits to eligible employees. The Group needs to revise the staff salaries appropriately in order to retain and attract new talents to the organization. Due to the intense competition for experienced staff in the media industry, we need to have a competitive salary structure to groom and retain capable and high calibre employees in all business units. Adding to this, a chain reaction resulting from the implementation of the minimum wage policy in the markets that the Group operates in also had an impact on the Group's labour costs.

The increase in finance charges was due to the drawdown of a short term bridging loan, which was used to pay a special dividend to shareholders in November 2012. In an effort to keep its finance charges at a lower and manageable level, the Group is currently undertaking a corporate exercise to issue a longer term Islamic bond to replace the bridging loan.

In order to be a lean and efficient organization, the Group is constantly reviewing its work processes and cost structure to ensure that the Group's businesses remain competitive and sustainable in the long run.

Questions from Minority Shareholder Watchdog Group

3. The Group would be able to account for 73.1% market share of the Chinese newspaper advertising market.

I. What were the Group's market shares of the print media and digital media (online newspapers)?

According to AC Nielsen Media Research, the Group accounted for 22% of the market share of the print media in Malaysia for the period April 2012 to March 2013.

Total online adex recorded in Malaysia was RM14.7 million for the period of April to July 2012. Since July 2012, AC Nielsen has stopped reporting online adex spend due to insufficient data from internet companies. As such, our market share in digital media in Malaysia cannot be independently verified.

Questions from Minority Shareholder Watchdog Group

II. Could the Board provide shareholders the growth rate in the Group's newspaper advertising revenue in FY2013 and target for FY2014?

According to AC Nielsen Research, the advertising expenditure for the Chinese newspaper segment grew by 3% in FY2013 and our Group's newspaper advertising revenue in the Malaysian market grew in tandem with the market's growth.

Likewise, for FY2014, the Group is expecting the advertising revenue in the Malaysian business to grow in sync with that of the local economic growth for the Chinese segment adex.

III. As far as the digital media is concerned, how could it impact the readership of the Group in the future?

The size of the digital media is currently not significant enough to impact the Group's readership in Malaysia.

The Group's mission is to deliver excellent news and entertainment contents to our discerning readers across various media platforms. In addition to our existing print publications, the Group has been investing in digital media and we will be venturing into e-papers in Malaysia soon. The combination of the print and digital media platforms across different markets will expand the Group's readership base further and larger.

Questions from Minority Shareholder Watchdog Group

4. What were the Group's key reasons and advantages for spinning off the travel and travel related business and to have a separate listing of the same on the GEM?

For Media Chinese

- To enable investors, financiers and market rating agencies to appraise and assess the potential and performance of the businesses of Media Chinese separately.
- To help Media Chinese and the Travel Group to broaden their shareholder bases.
- To enable Media Chinese to unlock the value of its investments in the Travel Group.
- By completion of the proposed spin-off, Media Chinese remains the controlling shareholder (holding approx. 75%) of the Travel Group and to enjoy the benefits from the development of the Travel Group.

For the Travel Group

- To enable the Travel Group to gain recognition and corporate stature.
- To enhance the corporate governance, operational and financial transparency to attract new investors.
- To facilitate dedicated management to focus on the specific opportunities arising in the development of the travel businesses.

Questions from Minority Shareholder Watchdog Group

What is the status and timeline?

The proposed listing application is still in process and is subject to the approval of the listing committee of The Stock Exchange of Hong Kong Limited. Formal notification of the application result will be made as soon as practicable.

Questions from Minority Shareholder Watchdog Group

5. Please update the shareholders on the Group's expansion into education e-textbook market in Hong Kong and what is the outlook and expected contribution?

According to the direction of Education Bureau in Hong Kong, using electronic learning resources to enhance interactive learning has become a trend in this digital age. The e-Textbook Market Development Scheme (EMADS) in Hong Kong aims to facilitate and encourage the participation of potential and aspiring e-textbook developers to develop a diverse range of e-textbooks in line with the local curricula. In view of this new direction, the Bureau has granted 2 licences in each subject.

MediaNet Resources, a subsidiary of Media Chinese, has been granted licences of developing e-textbooks in Chinese language and General Studies. We have also appointed reputable professors to be the authors of the e-textbooks. In the meantime, we are developing the materials, including contents and programs, for the Bureau to approve, and also building up a new business team to handle the operation. We hope this could be a new business pillar for the Hong Kong operation in the future.

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.