



**Media Chinese International Limited  
Annual Results 2013/14  
Presentation to Analysts**

**30 May 2014**

# Agenda

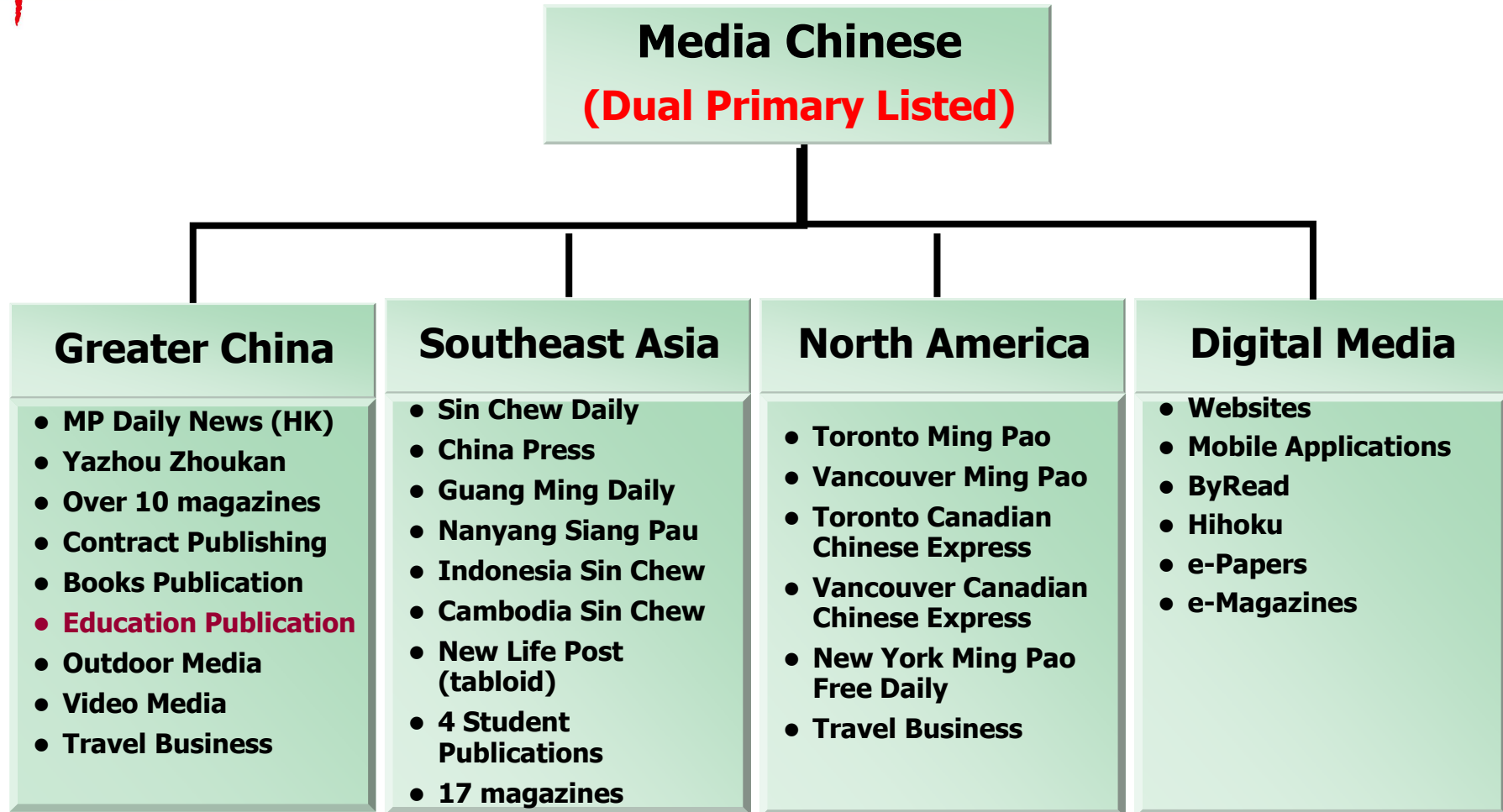
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- **(1) Overview**
- **(2) Performance Review**
  - **Market Highlights**
  - **Financial Performance**
- **(3) Strategic Update**
- **(4) Outlook**



## (1) Overview

# Geographic Diversity

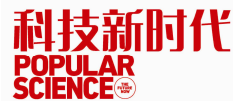




# Market Leading Brands with Long History

	<b>Publishing since</b>	<b>In publication for</b>
• Nanyang Siang Pau	1923	91 years
• Sin Chew Daily	1929	85 years
• China Press	1946	68 years
• Ming Pao Daily News (Hong Kong Edition)	1959	55 years
• Ming Pao Monthly	1966	48 years
• Ming Pao Weekly	1968	46 years
• Yazhou Zhoukan	1987	27 years
• Guang Ming Daily	1987	27 years
• Ming Pao Daily News (Toronto Edition)	1993	21 years
• Ming Pao Daily News (Vancouver Edition)	1993	21 years
• Ming Pao (NY) Free Paper	2007	7 years

# Publishing – 5 Daily Newspapers in 12 editions, 3 Free Newspapers and over 30 magazines



# 世界 華文

媒體 MEDIA CHINESE

## Digital/New Media – 4 e-Papers, 22 e-Magazines, over 40 websites & numerous mobile services

### Online Media (Southeast Asia)



### Online Media (Hong Kong)



### Mobile Media

### Online Media (Mainland China)



### Online Media (Canada)



## **(2) Performance Review**

- **Market Highlights**



# Market Share in Malaysia and Hong Kong

## Peninsular Malaysia

Period from 1 Jan 2013 to 31 Dec 2013

### Chinese Newspapers

Readership

Ranking in Malaysia

#### Sin Chew

-Sin Chew Daily

1,175,000

**No. 1**

-Guang Ming Daily

386,000

**No. 3**

#### Nanyang

-China Press

987,000

**No. 2**

-Nanyang Siang Pau

94,000

#### SCMC & NPH SUB TOTAL

**2,642,000**

Source: (Q413 Nielsen Consumer & Media View)

## HONG KONG

Period from 1 Jan 2013 to 31 Dec 2013

### Chinese Newspapers

Readership

Ming Pao Daily News

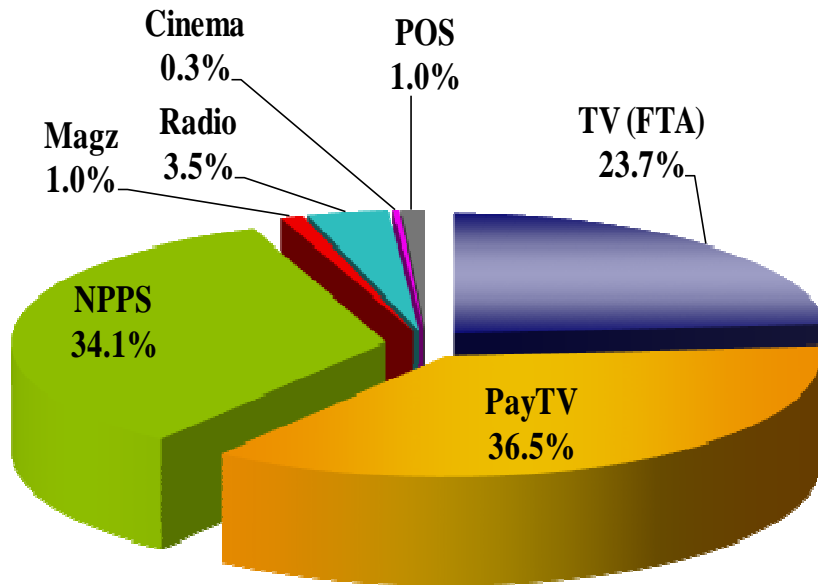
330,000

Highly recognized as  
a reputable and  
credible Chinese  
newspaper

Source: (Nielsen HK Media Index 2013 Year-end Report)

# Adex for Year 2013 in Malaysia

## YTD Adex for Year 2013



**RM 13,433m**

**↑ 19.6%**

Adex in Year 2012: RM 11,230m

## Total Adex (RM)

<b>NPPS</b>	: 4,574m	↑ 5.7%
<b>Magazines</b>	: 130m	
TV (FTA)	: 3,179m	
Pay TV	: 4,907m	
Radio	: 469m	↑ 28.8%
POS	: 137m	
Cinema	: 37m	

**NPPS** : +6.2%  
**Magazines** : -10.5%

TV (FTA) : +0.2%  
Pay TV : +64.8%  
Radio : +4.4%  
POS : -5.7%  
Cinema : +0.9%

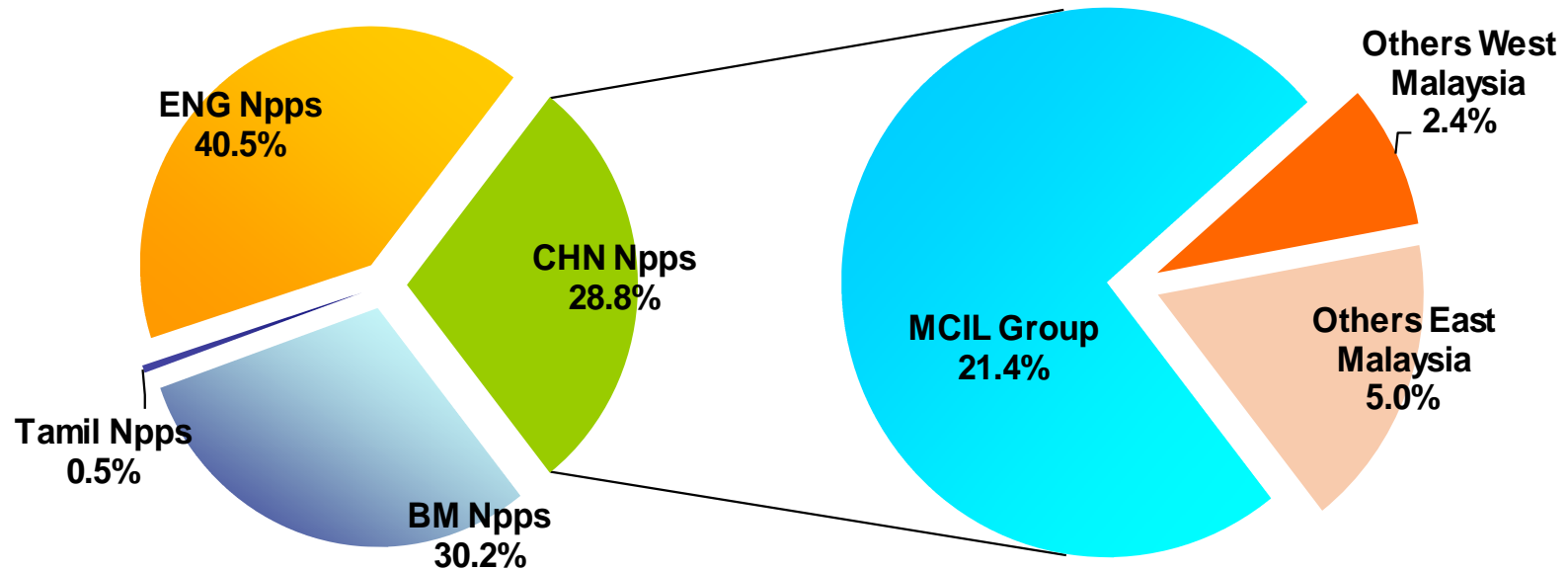
## Total Newspapers Adex in Malaysia 2013 Vs 2012

	Year 2013 RM' million	Year 2012 RM' million	Variance RM' million	Variance %
English	<b>1,854</b>	1,647	207	13%
Malay	<b>1,380</b>	1,379	1	0%
Chinese	<b>1,316</b>	1,259	57	5%
Tamil	<b>24</b>	21	3	11%
<b>TOTAL</b>	<b>4,574</b>	4,306	268	6%

Source: Nielsen Advertising Information Services (AIS)

# Share Of Chinese Newspapers Advertising Expenditure In Malaysia Year 2013

## NEWSPAPERS ADEX



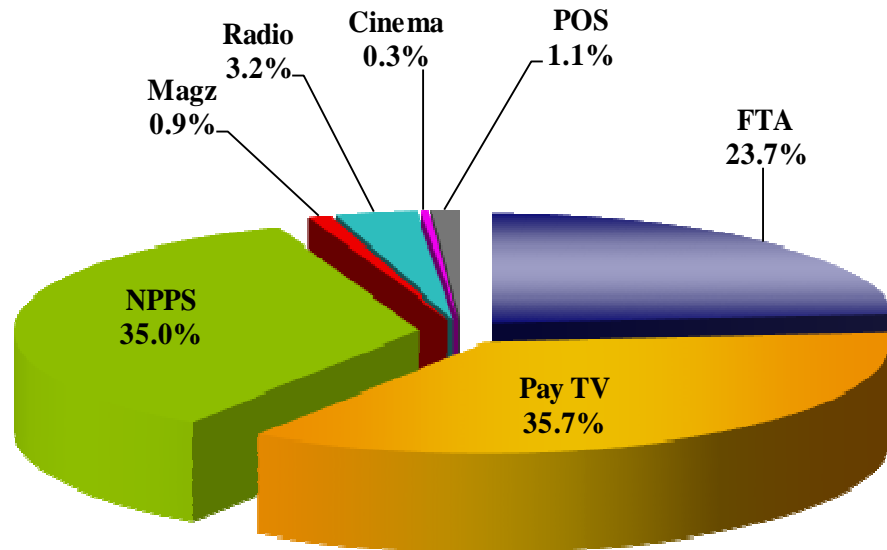
Adex for Total Newspapers : RM 4,574 million

Chinese Newspapers in West Malaysia: RM 1,029 million

Chinese Newspapers in East Malaysia : RM 287 million

# Adex for YTD March 2014 in Malaysia

## YTD Adex (Jan–Mar 2014)



**RM 3,086m**

**↑ 15.2%**

Adex in YTD March 2013: RM 2,679m

## Total Adex (RM)

**NPPS** : 1,080m ↑ 9.5%  
**Magazines** : 28m

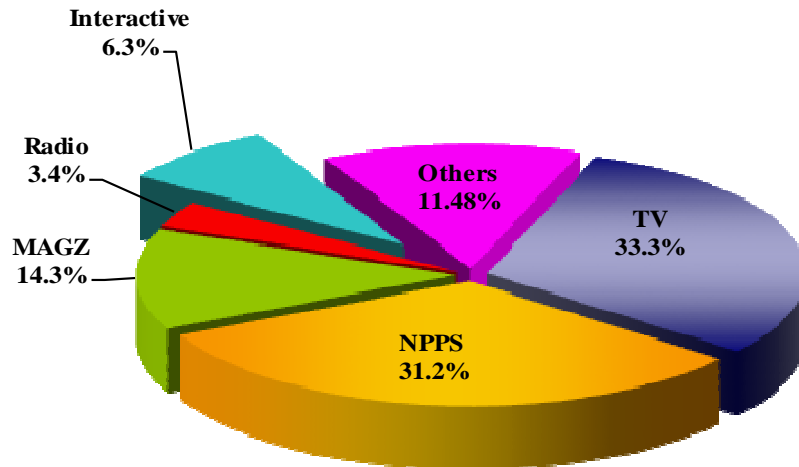
TV (FTA) : 730m  
 Pay TV : 1,103m  
 Radio : 99m ↑ 18.7%  
 POS : 35m  
 Cinema : 10m

**NPPS** : +9.7%  
**Magazines** : +3.2%

TV (FTA) : +8.4%  
 Pay TV : +29.4%  
 Radio : +0.8%  
 POS : -2.3%  
 Cinema : +64.5%

# Adex for Year 2013 in Hong Kong

## YTD Adex for Year 2013



**HKD108,255m**

**↑ 5.1%**

Adex in Year 2012: HKD103,004m

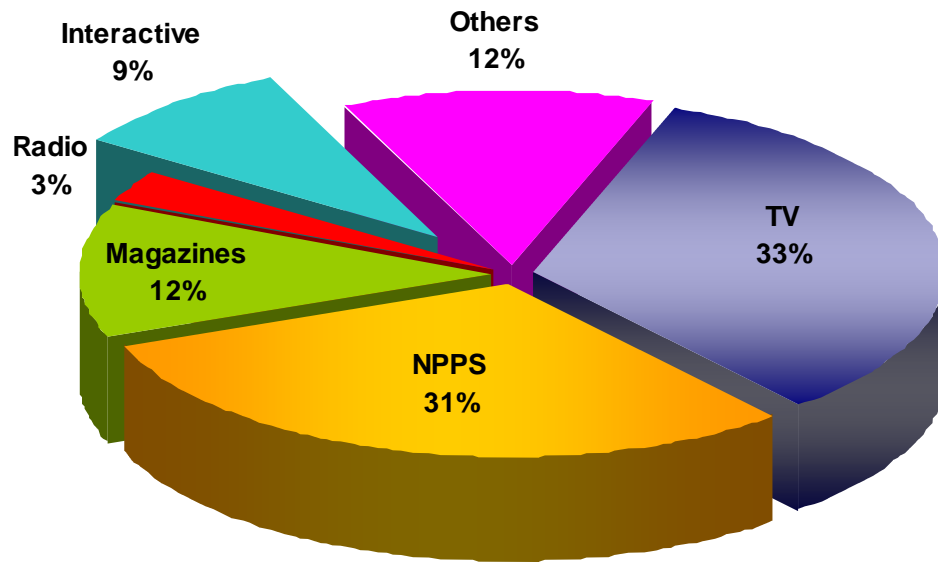
## Total Adex (HKD)

<b>Newspapers</b>	<b>: 34,718m</b>	<b>↑ 5.0%</b>
<b>Magazines</b>	<b>: 14,449m</b>	
TV	: 32,829m	
Radio	: 3,742m	
Interactive	: 8,981m	<b>↑ 5.1%</b>
Others	: 13,536m	

<b>Newspaper</b>	<b>: +8.1%</b>
<b>Magazines</b>	<b>: -1.7%</b>
TV	: -4.4%
Radio	: +6.0%
Interactive	: +38.2%
Others	: +14.0%

# Adex for YTD March 2014 in Hong Kong

## YTD Adex (Jan-Mar 2014)



**HKD25,264m**

**↑ 3.8%**

Adex in YTD March 2013: HKD 24,328m

## Total Adex (HKD)

<b>Newspapers</b>	: 7,676m	↑ 0.4%
<b>Magazines</b>	: 2,952m	
TV	: 8,383m	
Radio	: 846m	↑ 6.5%
Interactive	: 2,164m	
Others	: 3,244m	

<b>Newspapers</b>	: +1.9%
<b>Magazines</b>	: -3.4%
TV	: +2.8%
Radio	: +0.2%
Interactive	: +29.5%
Others	: +11.8%

## **(2) Performance Review**

- **Financial Performance**



# Group Results Summary

For the year ended 31 March

	2014	2013 (restated)	Change (%)
	(US\$ '000)	(US\$ '000)	
Turnover	<b>468,728</b>	477,853	-1.9%
Profit before income tax	<b>68,563</b>	77,094	-11.1%
Profit attributable to shareholders	<b>48,236</b>	56,678	-14.9%
EBITDA	<b>86,343</b>	89,783	-3.8%
EBITDA margin (%)	<b>18.4</b>	18.8	-2.1%
Net margin (%)	<b>10.3</b>	11.9	-13.4%
EPS (US cents)	<b>2.86</b>	3.36	-14.9%

# Publishing & Printing Segment Results

## By geographical location

Turnover	FY 2013/14 (US\$ '000)	FY 2012/13 (US\$ '000)	Change (%)
Malaysia & other SEA countries	<b>282,387</b>	295,809	-4.5%
Hong Kong & PRC	<b>71,558</b>	76,515	-6.5%
North America	<b>26,360</b>	27,941	-5.7%
<b>Total</b>	<b>380,305</b>	400,265	-5.0%

Segment profit/(loss) before income tax	FY 2013/14 (US\$ '000)	FY 2012/13 (restated) (US\$ '000)	Change (%)
Malaysia & other SEA countries	<b>66,487</b>	69,985	-5.0%
Hong Kong & PRC	<b>6,349</b>	9,410	-32.5%
North America	<b>992</b>	(21)	+4823.8%
<b>Total</b>	<b>73,828</b>	79,374	-7.0%

## Tour Segment Results

	FY 2013/14 (US\$ '000)	FY 2012/13 (US\$ '000)	Change (%)
Turnover	<b>88,423</b>	77,588	+14.0%
Profit before income tax	<b>4,215</b>	1,790	+135.5%

## Cash Generation

	FYE 2014 US\$ '000	FYE 2013 US\$ '000	Change US\$ '000
<b>OPERATING CASH FLOW</b>	<b>84,562</b>	99,365	(14,803)
Less:			
Interest	<b>(7,066)</b>	(2,855)	(4,211)
Taxation	<b>(20,461)</b>	(18,173)	(2,288)
Dividends	<b>(30,500)</b>	(262,401)	231,901
<b>Sub-Total:</b>	<b>26,535</b>	(184,064)	210,599
Capital Expenditure	<b>(11,169)</b>	(22,226)	11,057
Others	<b>(10,127)</b>	173,617	(183,744)
<b>Net cash flow</b>	<b>5,239</b>	(32,673)	37,912
Cash and cash equivalents as at 1 April	<b>101,829</b>	134,657	(32,828)
Exchange adjustments on cash and cash equivalents	<b>(4,216)</b>	(155)	(4,061)
<b>Cash and cash equivalent as at 31 March</b>	<b>102,852</b>	101,829	1,023

# Financial Position

As of 31 March

(US\$ million)	2014	2013 (restated)
Total assets	<b>462.8</b>	479.1
Net debt		
- Debt	<b>150.5</b>	170.6
- Cash and cash equivalents	<b>(102.8)</b>	(101.8)
Net Debt	<b>47.7</b>	68.8
Shareholders Funds	<b>217.8</b>	207.0
Net assets per share (US cents)	<b>12.91</b>	12.27
Net gearing ratio (Net debt / Shareholders funds)	<b>21.9%</b>	33.2%
Interest cover (EBITDA/Finance Costs)	<b>10.6 times</b>	26.3 times
Return on equity (ROE)	<b>23.2%</b>	18.8%

## Dividends

	FYE 2014	FYE 2013	FYE 2012
Special Dividend (US cents)	---	13.000	0.400
First Interim Dividend (US cents)	<b>0.750</b>	0.673	0.800
Second Interim Dividend (US cents)	<b>0.680</b>	1.015	1.448
<b>Total Dividend (US cents)</b>	<b>1.430</b>	14.688	2.648
Dividend Pay-out Ratio (as a % of PATAMI) ~(excluding special dividend)	<b>50.0%</b>	50.0%	60.0%
Share Price as at 31 March	<b>RM0.91</b>	RM1.18	RM1.18
Dividend Yield as at 31 March ~(excluding special dividend)	<b>5.1%</b>	4.4%	5.8%



## (3) Strategic Update

# Strategic Update - Malaysia

- MCIL Multimedia has collaborated with Media Prima Digital to access each other's video and news content in their respective online portals.





## Strategic Update - Malaysia



- *Nanyang Siang Pau, Sin Chew Daily and Guang Ming Daily* had soft launched their e-papers to attract and to retain a larger share of their readership.
- E-magazines already available.
- *China Press* will be launching its e-paper soon.

## Strategic Update - Malaysia



**Soft launching of Sin Chew Daily – Sabah Edition by Tan Sri Tiong on 8<sup>th</sup> April 2014**

- The Group launched *Sin Chew Daily – Sabah print edition* on 8.4.2014, targeting 10,000 daily copies by end of the year.

**Sabah Chinese Entrepreneurship Appreciation Night cum Book Launching Ceremony on 16<sup>th</sup> May 2014**



### - Education & e-textbook Business Development

- a) e-textbook for 2014/15 school year
  - “Life & Society” 《生活與社會》 for junior secondary students
- b) Printed textbooks for 2014/15 school year
  - “Life & Society” 《生活與社會》 for junior secondary students
  - “Liberal Studies” 《通識教育》 for upper secondary students
- c) e-education Platform
  - iRead 閱讀平台
  - iCampus 家校通學校網站平台

## Strategic Update – Digital Media

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We will continue to invest in new media products and platforms in order to meet the changing needs of readers/advertisers, to develop new revenue streams and to expand our customer bases, for example:

- Sin Chew partnering with major media houses & retail outlets in Malaysia.
- Developing new online and mobile apps for video broadcasting.
- Collaborating with merchants for online e-commerce.

## (4) Outlook

## **Outlook Statement FY 2015**

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**We anticipate the business environment to be extremely challenging in the next financial year in the wake of economic uncertainties and intensified competition in the Group's major markets.**

**Although newsprint prices are expected to remain stable, the Group foresees a weaker than usual advertising business environment since both consumers and businesses are likely to stay cautious with their spending.**

**Despite the satisfactory results of the travel segment during the current year, the Group anticipates fierce competition from its competitors in the higher margin sections and the increasing airline capacity among most of the major carriers.**

**Nevertheless, the Group will continue to reinforce its business strategies to enhance productivity and profitability whilst continue with its cost containment measures.**

**Thank you**

## Forward Looking Statements

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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.