Press Release

MEDIA CHINESE INTERNATIONAL LIMITED
世界華文媒體有限公司

(Incorporated in Bermuda with limited liability)
(Malaysia Company No. 995098-A)
(Hong Kong Stock Code: 685)
(Malaysia Stock Code: 5090)

To: Business Editor **【For Immediate Release】**

FINANCIAL RESULTS
FOR THE FOURTH QUARTER ENDED
31 March 2019

Unaudited Financial Highlights

	For the three months ended 31 March			For the year ended 31 March		
	2019	2018		**2019**	2018	
	US$'000	US$'000	% Change	**US$'000**	US$'000	% Change
Turnover	**54,292**	63,541	-14.6%	**285,560**	284,963	0.2%
(Loss)/profit before income tax and provisions for impairment of goodwill, property, plant and equipment	**(800)**	5,698	-114.0%	**11,440**	18,981	-39.7%
Provision for impairment of goodwill	**(15,227)**	(20,709)	26.5%	**(15,227)**	(20,709)	26.5%
Provision for impairment of property, plant and equipment	**(2,750)**	(5,146)	46.6%	**(2,750)**	(5,146)	46.6%
Loss before income tax	**(18,777)**	(20,157)	6.8%	**(6,537)**	(6,874)	4.9%
EBITDA	**(13,581)**	(11,662)	-16.5%	**4,595**	8,687	-47.1%

(28 May 2019) - **Media Chinese International Limited** ("**Media Chinese**" and, together with its subsidiaries, the "**Group**", HKSE Stock Code: 685, KUL Stock Code: 5090) today announced the unaudited results for the fourth quarter ended 31 March 2019.

The Group's turnover decreased by 14.6% in the current quarter to US$54,292,000 from US$63,541,000 in the corresponding quarter last year. The publishing and printing segment and the tour segment reported decrease in turnover of 14.9% and 12.7% respectively when compared to the prior-year quarter. For the quarter under review, the Group recorded a loss before income tax of US$18,777,000, compared to a loss before income tax of US$20,157,000 a year ago. The loss mainly resulted from the provisions for impairment of goodwill and certain plant and machinery totaling US$17,977,000 (2017/2018: US$25,855,000).

The Group reported an EBITDA loss of US$13,581,000 for the quarter, compared with an EBITDA loss of US$11,662,000 in the corresponding quarter last year.

During the current quarter, both the Malaysian Ringgit ("RM") and the Canadian dollar ("C$") weakened against the US dollar, resulting in a negative currency impact of approximately US$1,488,000 on the Group's turnover and a positive currency impact on the Group's loss before income tax of approximately US$955,000.

(a) Publishing and Printing

Turnover of the publishing and printing segment for the current quarter recorded a decline of 14.9% or US$7,984,000 to US$45,597,000 from US$53,581,000 in the same quarter last year.

For its Malaysia and other Southeast Asian market, the Group's turnover fell 20.4% to US$30,508,000 from US$38,323,000. The segment reported a loss before income tax of US$16,254,000 for the quarter under review, compared to a loss of US$19,000,000 in the previous year quarter. The loss was mainly caused by the impairment provisions mentioned above. The segment's profit before income tax and the impairment provisions was US$1,723,000, down 74.9% or US$5,132,000 from US$6,855,000 in the prior year quarter. The weaker performance was mainly attributed to the decline in turnover, which was partly offset by cost savings.

Malaysia's advertising spends for the quarter under review remained weak despite the Chinese New Year festival impact. However, the segment has seen encouraging growth for its digital business, which was mainly driven by projects that utilised cross-platform advertising strategies that combined channels from ground events to print and digital media. On the cost side, there were savings in all major operating costs, especially labour and paper costs.

For the quarter under review, the turnover of the Hong Kong and Taiwan segment improved by 3.4% or US$386,000 to US$11,805,000 from US$11,419,000 in the prior year quarter. The segment reported a loss before income tax of US$818,000 as against a profit before income tax of US$965,000 in the same quarter last year. Last year's result included a gain of US$2,716,000 recognised upon the listing of the Group's associate, Most Kwai Chung Limited. Excluding this gain, this segment's loss before income tax narrowed from last year's US$1,751,000 to US$818,000, which was achieved through revenue growth and cost savings.

The Group's business in the North America segment was negatively impacted by Canada's slowing economy and weakening property market as well as competition from other digital media. While the turnover for this segment declined 14.5% to US$3,284,000, its loss before income tax was reduced to US$14,000 from US$674,000 in the same quarter last year, driven by the Group's continuous cost containment efforts.

(b) Travel and travel related services

Turnover for the travel segment fell by 12.7% to US$8,695,000 if compared to the prior-year quarter. It was mainly due to the decrease in turnover from the segment's Hong Kong operation, while its North American operations reported a marginal increase in turnover. The decline in turnover resulted in this segment's loss before income tax widened to US$1,137,000 from US$615,000 a year ago.

FY 2018/2019

For the year ended 31 March 2019, the Group's total turnover increased marginally by 0.2% to US$285,560,000 as compared with US$284,963,000 in the last year. The increase was attributed to an encouraging performance from the Group's travel segment, which achieved a year-over-year growth of 22.3% in turnover to reach US$91,603,000 from last year's US$74,870,000. On the other hand, the Group's publishing and printing segment recorded a 7.7% decrease in turnover to US$193,957,000 from last year's US$210,093,000.

The provisions for impairment of goodwill and certain plant and machinery totaled about US$17,977,000 (2017/2018: US$25,855,000) made in the fourth quarter of the year resulted in the Group reporting a loss before income tax of US$6,537,000 for the year 2018/2019, as compared with a loss before income tax of US$6,874,000 a year ago. Driven by revenue growth, the travel segment reported a profit before income tax of US$4,579,000 for the year, 93.9% above that of last year's US$2,361,000. On the other hand, the publishing and printing segment's profit before income tax and the impairment provisions fell 48.7% to US$10,101,000 from last year's US$19,778,000 mainly attributed to the decline in revenue, which was partially offset by savings from the Group's cost reduction efforts.

The Group's EBITDA for the year was US$4,595,000, decreased by 47.1% when compared with last year's US$8,687,000.

During the year ended 31 March 2019, the US dollar weakened against the RM but strengthened against the C$, resulted in net positive currency impacts of approximately US$2,494,000 and US$1,621,000 on the Group's turnover and loss before income tax respectively.

Basic loss per share for the year ended 31 March 2019 was US0.67 cents, compared with a basic loss per share of US0.68 cents in the last year. As at 31 March 2019, the Group's cash and cash equivalents and short-term bank deposits amounted to US$75,155,000, a decrease of 37.5% since 31 March 2018. Net assets per share attributable to owners of the Company was US9.94 cents. The Group's net gearing ratio was nil.

The Board has declared a second interim dividend for the year ended 31 March 2019 of US0.10 cents (2017/2018: US0.18 cents) per ordinary share payable on 12 July 2019.

Outlook

Commenting on the outlook of the coming financial year, **Media Chinese's Group Chief Executive Officer, Mr. Francis TIONG said**, "The Group expects the operating environment for the next financial year to remain challenging. The unsettling trade tension between China and the USA adds to the uncertainty of the global economy and may have an adverse impact on the Group's performance for the coming year."

"Notwithstanding the challenges, the Group will continue to remain focused on growing its core businesses while seeking growth opportunities in new markets and channels.

For its publishing business, it will continue to work on improving its content to meet the demands of its readers and devising new advertising options for its advertisers. Furthermore, it will continue its efforts in driving cost efficiency whilst leveraging on technology to further develop and enhance its digital content and platform capabilities. A positive note is that the newsprint price is softening which will help reduce the Group's production costs.

For the travel segment, through its expertise and worldwide travel network, the Group will continue to develop and offer interesting and tailor-made tour packages that provide customers with exclusive travel experiences." Mr. TIONG concluded.

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About Media Chinese International Limited (Stock Code: 685 HK)

Media Chinese International Limited is a leading global Chinese language media group dual-listed on The Stock Exchange of Hong Kong Limited (Stock Code: 685) and Bursa Malaysia Securities Berhad (Stock Code: 5090). Media Chinese's product portfolio in Southeast Asia, Greater China and North America comprises 5 daily newspapers in 11 editions and 2 free newspapers, as well as more than 15 magazines. The Group has also expanded its business into digital media. Media Chinese is the major shareholder of One Media Group Limited (listed on The Stock Exchange of Hong Kong Limited, Stock Code: 426).

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