


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 SECOND QUARTER ENDED
30 September 2019**

Unaudited Financial Highlights

	(Unaudited) Three months ended 30 September			(Unaudited) Six months ended 30 September		
	2019 US\$'000	2018 US\$'000	% Change	2019 US\$'000	2018 US\$'000	% Change
Turnover	72,898	85,669	-14.9%	144,530	167,701	-13.8%
Profit before income tax	2,757	4,348	-36.6%	6,001	9,236	-35.0%
EBITDA	4,566	6,298	-27.5%	9,653	13,256	-27.2%

(25 November 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 second quarter ended 30 September 2019.

For the quarter ended 30 September 2019, the Group's turnover declined by 14.9% to US\$72,898,000 when compared to the corresponding quarter last year, adversely impacted by decreases in revenue from both the publishing and printing and the travel segments of 12.6% and 18.1% respectively. Consequently, the Group's profit before income tax fell 36.6% year-over-year to US\$2,757,000.

Compared to the corresponding quarter last year, EBITDA for the quarter fell 27.5% to US\$4,566,000.

During the current quarter, both the Malaysian Ringgit ("RM") and the Canadian dollar ("C\$") weakened against the US dollar, resulting in negative currency impacts of approximately US\$586,000 on the Group's turnover and US\$32,000 on the Group's profit before income tax.

(a) Publishing and Printing

For the quarter under review, the turnover of the publishing and printing segment fell by 12.6% or US\$6,260,000 to US\$43,366,000 from US\$49,626,000 in the same quarter previous year. This resulted in a decline in the segment's profit before income tax by 68.0% to US\$751,000 from last year's US\$2,349,000.

Turnover of the Malaysia and other Southeast Asia segment for the quarter in review was US\$27,433,000, a decrease of 17.9% from last year's US\$33,416,000. This is in spite of the Malaysian economy having improved in the second quarter of 2019 to 4.9% from 4.5% in the first quarter. The lack of significant adex-friendly events in Malaysia has muted the growth of advertising revenue for the media sector. The Group's print revenue declined whilst its digital advertising revenue growth continued. Nevertheless, the Group has continued its efforts to improve its revenue by organising more revenue generating events and providing comprehensive advertising solutions for its customers. Meanwhile, cost containment and efficiency initiatives have been continued with the result that the segment's overall operating costs for the current quarter were 13.4% below those of the same quarter last year.

Amid the US-China trade tension and continuing protests, Hong Kong's GDP contracted by 2.9% year-over-year in the 3rd quarter of 2019, its first time decline since 2009. The number of tourists visiting Hong Kong plunged 34.2% in September while Hong Kong's retail sales showed a record drop of 22.9% in August 2019 when compared with the corresponding months in 2018.

Despite the adverse business conditions, the performance of the Hong Kong and Taiwan segment improved marginally during the quarter under review with a 2.9% growth in its turnover to US\$13,368,000 as compared to US\$12,997,000 in the corresponding quarter last year. This slight improvement was mainly contributed by the steady growth in revenue from the recruitment and education sectors as well as increased digital advertising revenue and revenue from the segment's book publication business. Together with the savings achieved from its continued cost control efforts, the segment reduced its loss before income tax for the quarter to US\$451,000 from US\$1,163,000 in the same quarter last year.

The performance of the North America segment remained weak, given the lackluster business environment and a softening property market. The turnover for this segment fell by 20.2% to US\$2,565,000. The segment recorded a loss before income tax of US\$827,000 for the quarter under review as compared to a loss before income tax of US\$866,000 for the prior-year quarter. This slight improvement was achieved through continued cost savings and with the help of a grant from the local government.

(b) Travel and travel related services

Turnover for the travel segment amounted to US\$29,532,000 in the current quarter, a decrease of 18.1% compared to US\$36,043,000 in the corresponding quarter last year. The decrease resulted in a 23.6% drop in the travel segment's profit before income tax to US\$2,209,000 from last year's US\$2,890,000. The decline in turnover was partly due to more tours last year for the FIFA World Cup. The intense competition in the travel industry and uncertainty in the Hong Kong economy after months of continuous protests in the city also have adverse impact on the travel segment's performance for the current quarter.

First half of FY 2019/2020

For the six months ended 30 September 2019, the Group's turnover decreased by 13.8% or US\$23,171,000 to US\$144,530,000 when compared to the corresponding period last year. Turnover from the publishing and printing segment fell 15.5% to US\$85,292,000, while turnover from the travel segment dropped 11.3% to US\$59,238,000.

The Group's profit before income tax for this current period decreased by 35.0% or US\$3,235,000 to US\$6,001,000 when compared to the same period in the previous year.

Accordingly, the Group's EBITDA for the current period fell 27.2% to US\$9,653,000 from US\$13,256,000 in the prior year period.

During the six months ended 30 September 2019, both the RM and the C\$ weakened against the US dollar which resulted in negative currency impacts on the Group's turnover and profit before income tax of approximately US\$2,213,000 and US\$159,000 respectively.

Basic earnings per share for the six months ended 30 September 2019 was US0.32 cents, compared with US0.36 cents for the corresponding period in 2018. As at 30 September 2019, the Group's cash and cash equivalents and short-term bank deposits totaled US\$85,122,000, an increase of 13.3% since 31 March 2019. Net assets per share attributable to owners of the Company was US9.93 cents. The net gearing ratio was nil.

The Board has declared a first interim dividend for the year ending 31 March 2020 of US0.16 cents (2018/2019 : US0.18 cents) per ordinary share payable on 30 December 2019.

