



**Media Chinese International Limited  
Annual Results 2014/15  
Presentation to Analysts**

**29 May 2015**

# Agenda

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## (1) Overview

## (2) Performance Review

- Market Highlights
- Financial Performance (unaudited)

## (3) Strategic Update

## (4) Outlook

## (1) Overview



# Geographic Diversity

## Media Chinese (Dual Primary Listed)



# Market Leading Brands with Long History

	Publishing since	In publication for
• Nanyang Siang Pau	1923	92 years
• Sin Chew Daily	1929	86 years
• China Press	1946	69 years
• Ming Pao Daily News (Hong Kong Edition)	1959	56 years
• Ming Pao Monthly	1966	49 years
• Ming Pao Weekly	1968	47 years
• Yazhou Zhoukan	1987	28 years
• Guang Ming Daily	1987	28 years
• Ming Pao Daily News (Toronto Edition)	1993	22 years
• Ming Pao Daily News (Vancouver Edition)	1993	22 years
• Ming Pao (NY) Free Paper	2007	8 years

# Publishing – 5 Daily Newspapers in 11 editions, 3 Free Newspapers and over 30 magazines

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  
Guang Ming DAILY

亞洲週刊  
YAZHOU ZHOUKAN

明報 月刊

明報 周刊  
MING PAO WEEKLY

TopGear

MINGWATCH 明錶

TopGear  
汽车测试报告

明表 MINGWATCH  
New!

100毛

鼎

DU SHANG 渡赏

学道

星星 周刊  
SINARAN SIN CHEW

小星星  
BINTANG SIN CHEW

南洋学生  
Minguan Pelajar Nanyang

號外周報  
SPECIAL WEEKLY

都会佳人  
CITTA Bella

城市网络  
CityNET

Mommy Baby  
妈咪宝贝

風采 feminine

Let's 吃風  
travel

大家健康  
LONG LIFE

囍 My Wedding

NEWiCON  
for him 时尚男人

NEWTIDE  
新潮流  
www.newtide.com.my

美味 風采  
Oriental Cuisine

PANGING  
Buletin Dukan Mengaji Professional

PETS  
宠物报

Rod & Line

釣魚 月刊  
Rod & Line

新生活報

sweet HOME





## **(2) Performance Review**

- **Market Highlights**



# Market Share in Malaysia and Hong Kong

## Penisular Malaysia

Period from 1 Jan 2014 to 31 Dec 2014

### Chinese Newspapers

### Readership

Ranking in Malaysia

#### Sin Chew

- Sin Chew Daily
- Guang Ming Daily

1,197,000 **No. 1**

356,000 **No. 3**

#### Nanyang

- China Press
- Nanyang Siang Pau

1,072,000 **No. 2**

88,000 **with PMEB focus**

### SCMC & NPH SUB TOTAL

**2,713,000**

Source: (Q414 Nielsen Consumer & Media View)

## HONG KONG

Period from 1 Jan 2014 to 31 Dec 2014

### Chinese Newspapers

### Readership

Ming Pao Daily News

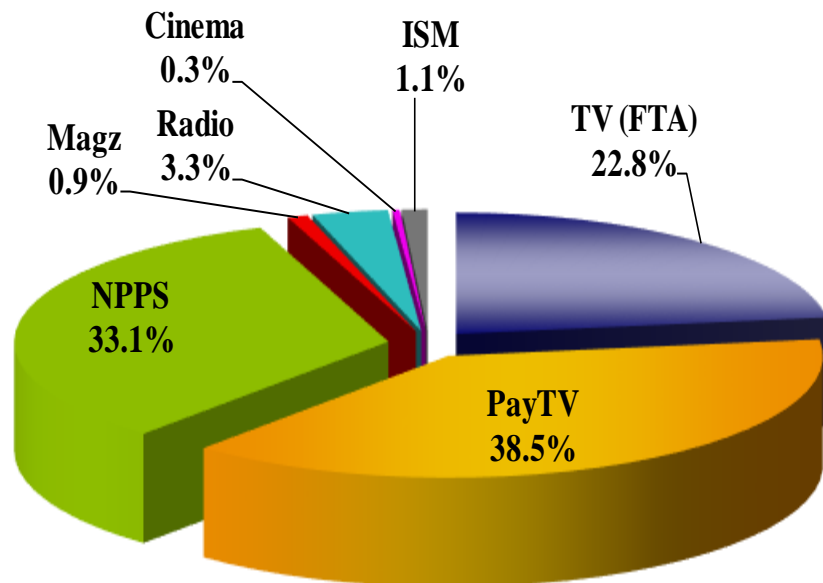
356,000

**Highly recognized as a  
reputable and credible  
Chinese newspaper**

Source: (Nielsen HK Media Index 2014 Year-end Report)

# Adex for Jan to Dec 2014 in Malaysia

## YTD Adex for Year 2014



**RM 14,063m**

↑ **4.7%**

Adex in Year 2013: RM 13,433m

## Total Adex (RM)

<b>NPPS</b>	: 4,653m	} <b>+1.5%</b>
<b>Magazines</b>	: 124m	
TV (FTA)	: 3,210m	} <b>+6.4%</b>
Pay TV	: 5,416m	
Radio	: 461m	
In-store media	: 156m	
Cinema	: 44m	

**NPPS** : **+1.7%**  
**Magazines** : **-4.8%**

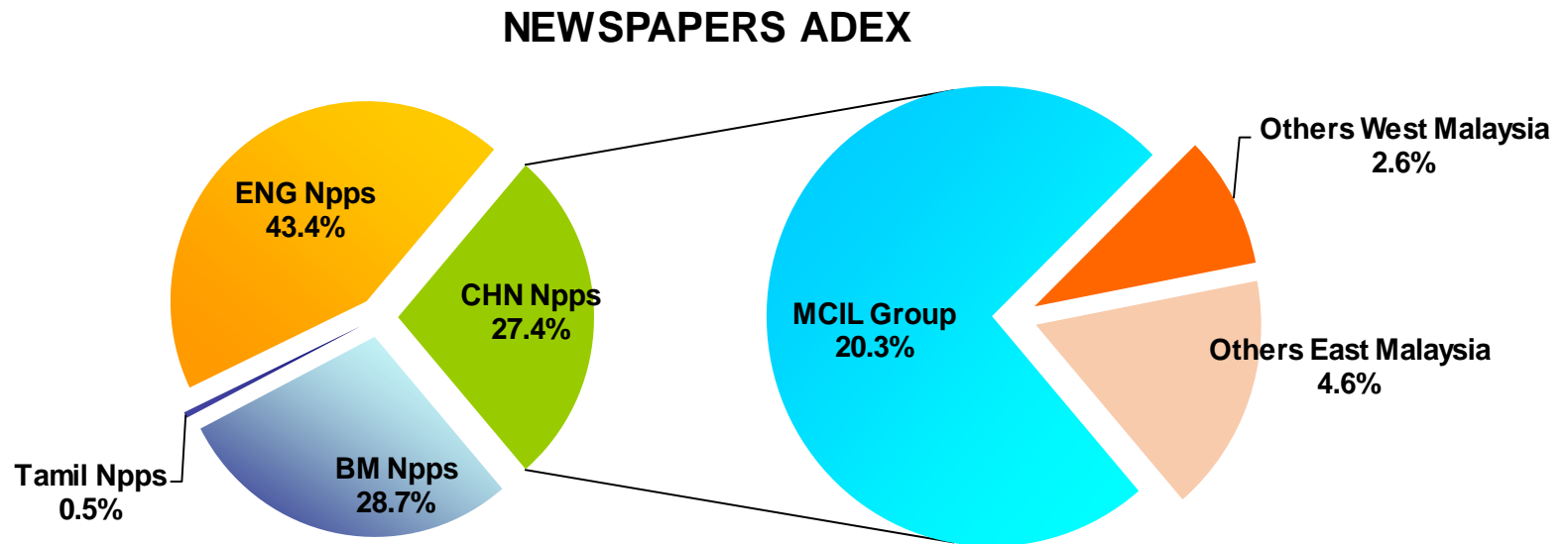
TV (FTA) : +1.0%  
 Pay TV : +10.4%  
 Radio : -1.6%  
 In-store media : +14.3%  
 Cinema : +16.8%

## Total Newspapers Adex in Malaysia 2014 Vs 2013

	Year 2014 RM' million	Year 2013 RM' million	Variance RM' million	Variance %
English	<b>2,018</b>	1,854	164	9%
Malay	<b>1,335</b>	1,380	(45)	-3%
Chinese	<b>1,277</b>	1,316	(39)	-3%
Tamil	<b>23</b>	24	(1)	-5%
<b>TOTAL</b>	<b>4,653</b>	4,574	79	2%

Source: Nielsen Advertising Information Services (AIS)

# Share Of Chinese Newspapers Advertising Expenditure In Malaysia Year 2014



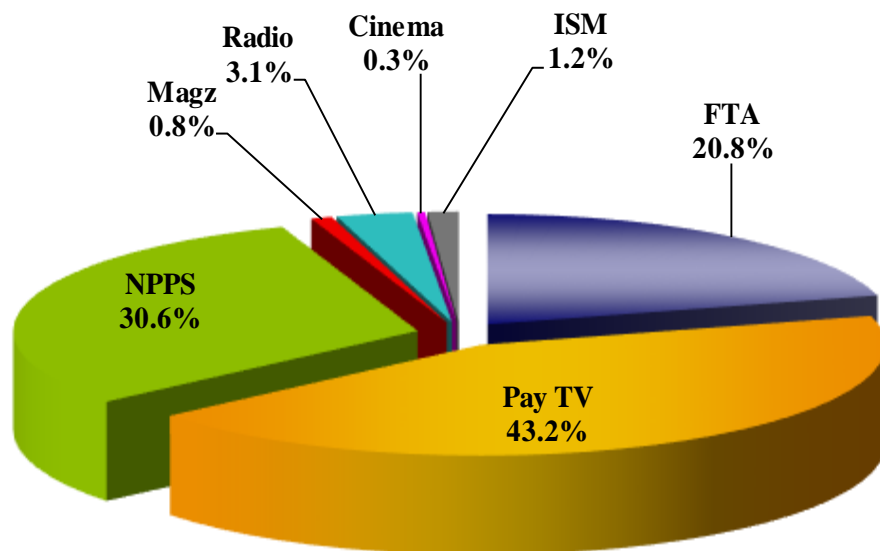
Adex for Total Newspapers : RM 4,653 million

Chinese Newspapers in West Malaysia: RM 973 million

Chinese Newspapers in East Malaysia : RM 304 million

# Adex for Jan to Mar 2015 in Malaysia

## YTD Adex (Jan–Mar 2015)



**RM 3,316m**

↑ **6.2%**

Adex in YTD March 2014: RM 3,123m

## Total Adex (RM)

**NPPS** : 1,015m } **-6.4%**  
**Magazines** : 28m }

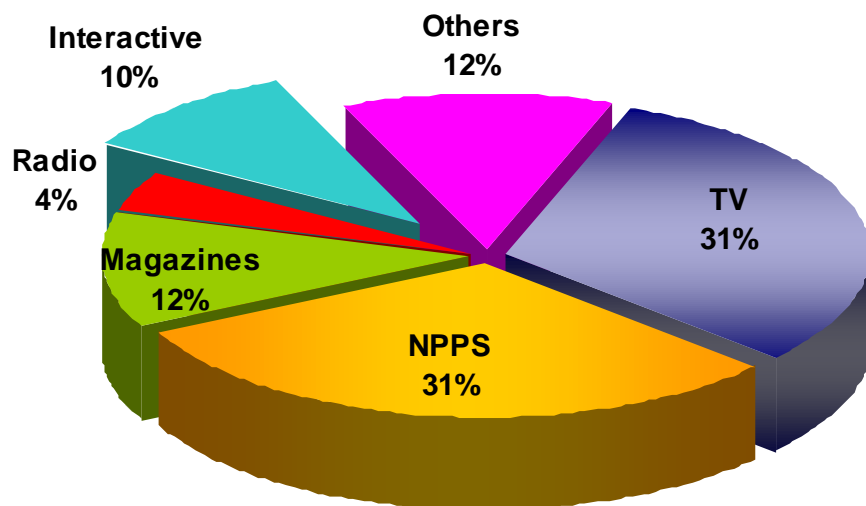
TV (FTA) : 689m } **+13.1%**  
 Pay TV : 1,431m }  
 Radio : 101m }  
 In-store media : 42m }  
 Cinema : 10m }

**NPPS** : -6.6%  
**Magazines** : -0.8%

TV (FTA) : -5.7%  
 Pay TV : +26.3%  
 Radio : +1.5%  
 In-store media : +17.6%  
 Cinema : -0.4%

# Adex for Jan to Dec 2014 in Hong Kong

## Total Adex (Jan to Dec 2014)



**HKD113,383m**

↑ **3.8%**

Total Adex (Apr to Dec 2013): HKD109,272m

## Total Adex (HKD)

Newspapers	: 35,013m	} <b>-1.1%</b>
Magazines	: 13,574m	

TV	: 35,183m	} <b>+7.8%</b>
Radio	: 3,957m	
Interactive	: 11,420m	
Others	: 14,236m	

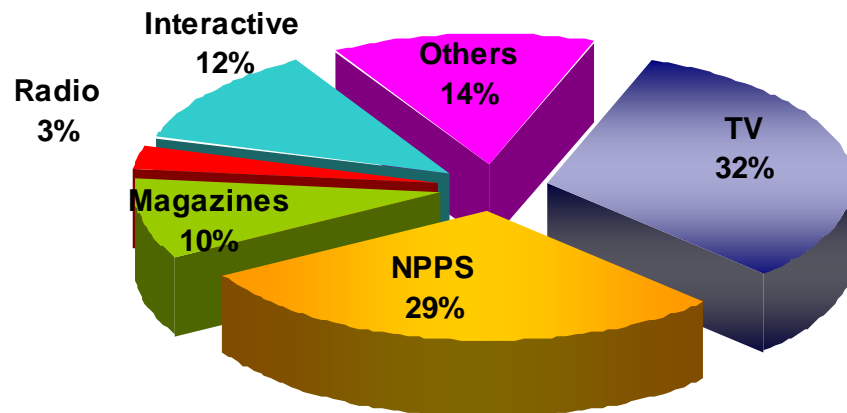
Newspapers	: <b>+1.0%</b>
Magazines	: <b>-6.3%</b>

TV	: +6.8%
Radio	: +4.6%
Interactive	: +25.6%
Others	: -0.5%



# Adex for Jan to Mar 2015 in Hong Kong

## Total Adex (Jan to Mar 2015)



**HKD27,318m**

**↑ 7.8%**

Total Adex (Jan to Mar 2014): HKD25,335m

## Total Adex (HKD)

Newspapers	: 8,008m	}	<b>+1.2%</b>
Magazines	: 2,753m		

TV	: 8,682m	}	<b>+12.6%</b>
Radio	: 808m		
Interactive	: 3,404m		
Others	: 3,663m		

Newspapers	: <b>+4.3%</b>
Magazines	: <b>-6.8%</b>

TV	: +6.2%
Radio	: -4.8%
Interactive	: +57.2%
Others	: +4.1%

## **(2) Performance Review**

- **Financial Performance (unaudited)**

# Group Results Summary

US\$ 'million	Q4 FY2014/15	Q4 FY2013/14	+ / (-)	YTD FY2014/15	YTD FY2013/14	+ / (-)
Turnover	86.8	99.6	-12.9%	429.1	468.7	-8.4%
Expenses	(75.8)	(90.6)	16.3%	(385.1)	(413.8)	6.9%
Impairment losses	(7.6)	-	N/A	(7.6)	-	N/A
PBT	5.8	13.0	-55.4%	47.5	68.6	-30.7%
PBT before impairment losses	13.4	13.0	2.8%	55.1	68.6	-19.7%
EBITDA	9.5	17.1	-44.3%	63.5	86.3	-26.5%
EPS (US cents)	0.15	0.53	-71.7%	1.86	2.86	-35.0%

# Currency Impact

	Q4 FY2014/15	Q4 FY2013/14
<b>Exchange Rate Changes:</b>		
<b>- US\$/RM</b>	+9.7%	+4.6%
<b>- US\$/C\$</b>	+12.7%	+8.0%
<b>Currency Impact (US\$ 'million)</b>		
<b>- Turnover</b>	(6.2)	(13.3)
<b>- Profit Before Tax</b>	(1.0)	(2.1)

## Segment Results

### Turnover (US\$'000)

	FY 2014/15	FY 2013/14	Variance (%)
Malaysia & other SEA countries	<b>249,961</b>	282,387	-11.5%
Hong Kong, PRC & North America	<b>93,273</b>	97,918	-4.7%
Travel and travel related services	<b>85,906</b>	88,423	-2.8%
<b>Total Turnover</b>	<b>429,140</b>	468,728	-8.4%

### PBT (US\$'000)

	FY 2014/15	FY 2013/14	Variance (%)
Malaysia & other SEA countries	<b>48,374</b>	66,487	-27.2%
Hong Kong, PRC & North America	<b>4,914</b>	7,341	-33.1%
Travel and travel related services	<b>3,770</b>	4,215	-10.6%
<b>Profit before income tax *</b>	<b>57,058</b>	78,043	-26.9%

\* Before unallocated interest expenses, other net unallocated expenses, provision for impairment of interest in an associate and share of losses of joint ventures and associates.

# Cash Generation

	FYE 2015 US\$ '000	FYE 2014 US\$ '000	Variance US\$ '000
<b>OPERATING CASH FLOW</b>	<b>76,600</b>	84,562	-9.4%
Less:			
Interest	<b>(6,532)</b>	(7,066)	7.6%
Taxation	<b>(16,970)</b>	(20,461)	17.1%
Dividends	<b>(19,237)</b>	(30,500)	36.9%
<b>Sub-Total:</b>	<b>33,861</b>	26,535	27.6%
Capital Expenditure	<b>(9,381)</b>	(11,169)	16.0%
Others	<b>150</b>	(10,127)	101.5%
<b>Net cash flow</b>	<b>24,630</b>	5,239	370.1%
Cash and cash equivalents as at 1 April	<b>102,852</b>	101,829	1.0%
Exchange adjustments on cash and cash equivalents	<b>(8,862)</b>	(4,216)	-110.2%
<b>Cash and cash equivalent as at 31 March</b>	<b>118,620</b>	102,852	15.3%



# Financial Position

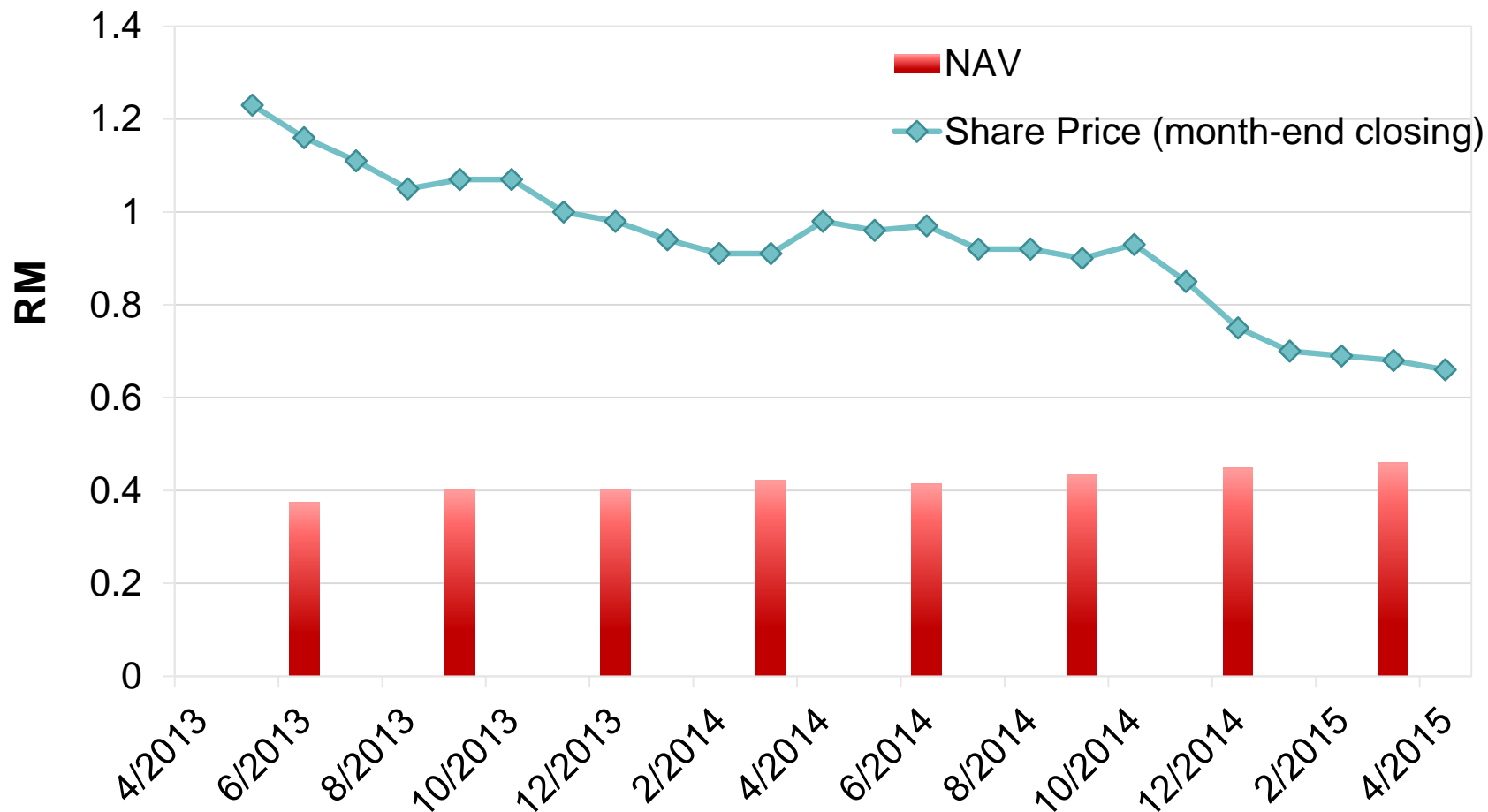
As of 31 March

(US\$ million)	2015	2014
Total assets	<b>422.8</b>	462.8
Net debt		
- Debt	<b>(131.1)</b>	(150.5)
- Cash and cash equivalents	<b>118.6</b>	102.8
Net Debt	<b>(12.5)</b>	(47.7)
Shareholders Funds	<b>209.7</b>	217.8
Net assets per share (US cents)	<b>12.43</b>	12.91
Net gearing ratio (Net debt / Shareholders funds)	<b>5.9%</b>	21.9%
Interest cover (EBITDA/Finance cost)	<b>9.6 times</b>	10.6 times
Return on equity (ROE)	<b>14.4%</b>	23.2%

# Dividends

	FYE 2015	FYE 2014	FYE 2013
Special Dividend (US cents)	---	---	13.00
First Interim Dividend (US cents)	0.430	0.750	0.673
Second Interim Dividend (US cents)	0.500	0.680	1.015
<b>Total Dividend (US cents)</b>	<b>0.930</b>	<b>1.430</b>	<b>14.688</b>
Dividend Pay-out Ratio (as a % of PATAMI) ~(excluding special dividend)	49.9%	50.0%	50.0%
Share Price as at 31 March	RM0.68	RM0.91	RM1.18
Dividend Yield as at 31 March ~(excluding special dividend)	5.07%	5.1%	4.4%

# Share Price & NAV per Share (in RM)





## (3) Strategic Update

## Strengthening digital media platforms

### (1) E-papers

- Collaborate with *The Star* for joint e-papers promotion.
- Partner with major media houses or retail outlets for bundling print together with e-versions.
- Achieve 41,000 e-subscriptions since the launch of e-papers last year.



## Strengthening digital media platforms (cont'd)

### (2) Pocketimes online video portal

- Providing short video clips of breaking news, business & sports, etc.
- Expanding more video content covering entertainment & lifestyle.
- Garnering about 1 million video views per month.

### (3) Web portals

- Revamping web portals to be more interactive & mobile friendly.

### (4) Online video network

- Exploring additional revenue streams via multi-digital video networks and advertising platforms.



## Growing e-commerce platform

### (5) Logon e-marketplace

- Rolled out an improved layout version to enrich a new e-shopping experience.
- Building up further online audiences by educating SMEs and e-shoppers to trade online more effectively and rewardingly.
- A new Logon merchant facility center and mobile apps version will be introduced by end of June to act as catalysts for sustainable growth.

## Diversifying to non-media business

- (6) Actively exploring new investment opportunities in:
- education
  - properties development
  - others – Big Data marketing, etc.

## Malaysia: MCIL's strength in reaching out...

- Approximately 730,000 circulation copies per day
- Approximately 2.7 million print readers per day
- More than 4.8 million unique visitors per month
- More than 34 million page views per month
- More than 2.5 million combined followers on social media platforms (i.e. Facebook, Twitter, WeChat)
- About 1 million video views per month, or accumulated 6.3 million video views since going live on 21 July 2014

## 1) Education Publications



“Life & Society” 29 booklets  
printed and e-textbooks  
for junior secondary schools



Done



Liberal Studies ---

“Today Hong Kong” , “Nowadays China”,  
“Public Hygiene” and “Globalisation”  
printed textbooks for senior secondary  
schools



Done

## 2) Digital Performance (Ming Pao Daily News)

### Online readership (2014 vs 2013)

**+150%** (Source: Nielsen Media Index 2014 Year-end Report)

### Facebook page for mingpao.com instant news (May 2015)

exceeded **211,000** fans (Source: Socialbakers)

2nd most liked facebook page amongst Chinese newspapers in HK

### Monthly unique visitors (Apr 2015 vs Apr 2014)

**+89%** (Source: Google Analytics)

### Monthly pageview (Apr 2015 vs Apr 2014)

**+40%** (Source: Google Analytics)

### Digital income growth (Apr 2015 vs Apr 2014)

i) **+34%**

ii) first time crossed double digit percentage of our total newspaper advertisement revenue.

## (4) Outlook





## Outlook Statement FY 2016

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The Group is expecting another challenging year in 2015/16, given the continued economic uncertainties in the Group's operating markets as well as the slow pace of recovery of the global economy.

We anticipate that the implementation of the GST in April 2015 and the ensuing deterioration in consumer and business sentiments will continue to weigh on the Group's performance as well as that of the media industry in Malaysia in the short term.

Newsprint prices are expected to remain weak for the coming year which can create a buffer for the Group amidst unfavorable business environment. Despite the challenges ahead, we will remain focused on driving revenue growth and work towards strengthening the Group's market position. The Group will continue to reinforce its business strategies and strive for higher productivity and profitability while at the same time maintain ongoing vigilance over all operating costs.

**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.