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】**

SECOND QUARTER AND INTERIM FINANCIAL RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

Unaudited Financial Highlights

	For the three months ended 30 September 2014 US$'000	For the three months ended 30 September 2013 US$'000	**Change %**
Turnover	**121,671**	125,485	**-3.0%**
Profit before income tax	**13,791**	16,773	**-17.8%**
EBITDA	**18,028**	21,379	**-15.7%**

	For the six months ended 30 September 2014 US$'000	For the six months ended 30 September 2013 US$'000	**Change %**
Turnover	**237,136**	251,787	**-5.8%**
Profit before income tax	**26,286**	35,650	**-26.3%**
EBITDA	**34,722**	44,908	**-22.7%**

(26 November 2014) **- Media Chinese International Limited** ("**Media Chinese**" which together with its subsidiaries, the "**Group**", HKSE Stock Code: 685, KUL Stock Code: 5090) today announced the unaudited results for the second quarter and six months ended 30 September 2014.

For the second quarter ended 30 September 2014, the Group recorded a turnover of US$121,671,000 as compared with US$125,485,000 in the corresponding quarter last year, representing a decrease of 3.0% or US$3,814,000.

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Profit before income tax for the current quarter amounted to US$13,791,000, 17.8% or US$2,982,000 lower than the US$16,773,000 reported in the year-ago quarter. The Group's result for the quarter was impacted by lower revenue, mitigated in part by savings in operating expenses through cost control efforts.

EBITDA for the second quarter was US$18,028,000, a decrease of 15.7% from US$21,379,000 a year earlier.

The Group's publishing and printing segment reported a profit before income tax of US$13,569,000, down 18.0% or US$2,981,000 against the corresponding quarter last year, due mainly to lower contribution from the Malaysian segment.

The Malaysian segment's revenue fell 5.1% to US$65,499,000 from US$69,031,000 a year ago. Segment profit before income tax was US$12,667,000, down 20.8% from US$15,986,000 reported in the second quarter of last year.

The Malaysian segment faced a tough business climate in the second quarter. Its advertising revenue was adversely affected by the market's weak consumer demand as many firms slashed their advertising expenditures in the wake of a slower retail environment. The MH17 incident also impacted the advertising market in July and August as many events and promotions were held back or cancelled by the advertisers. Adding to this, this year's National Day celebrations were also toned down as a mark of respect for the two aircraft tragedies, which further drove down advertising spending in the current quarter.

Supported by a pick-up in activities in the Hong Kong property market, the Group's Hong Kong and Mainland China segment reported a 6.3% growth in segment turnover to US$17,705,000 from US$16,650,000 in the same quarter last year. Segment profit before income tax rose 46.6% to US$1,155,000 from US$788,000 a year ago.

Turnover for the North America segment reported a decline of 5.7% to US$5,849,000, due largely to negative currency impact from the weakening Canadian dollar. The segment reported a loss of US$253,000 for the quarter, compared to a loss of US$224,000 in the prior year quarter.

Tour revenue amounted to US$32,618,000 in the second quarter, representing a 2.9% decrease when compared with the same quarter last year. The tour operation in Hong Kong continued to face intensified competition and price pressure in the local tourism market and reported a decline in revenue for the current quarter. However, the decrease was partly compensated by higher revenue from the tour operations in North America. As a result of the decline in revenue, the tour segment's profit before income tax dropped by 21.6% to US$2,194,000 from US$2,797,000 a year earlier.

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For the first half-year of 2014/2015, the Group's profit before income tax dropped 26.3% or US$9,364,000 to US$26,286,000 from US$35,650,000 in the prior year period. The decline in profit was mainly due to a decrease in turnover of 5.8% or US$14,651,000 to US$237,136,000 from US$251,787,000 in the corresponding period last year, offset in part by lower operating costs incurred during the period.

During the current quarter, the Group recorded favourable currency impact of approximately US$463,000 and US$201,000 on the Group's turnover and profit before income tax respectively, mainly due to the strengthening of the Malaysian Ringgit against the US dollar.

However, due to a higher negative currency impact in the first quarter, the total net currency impact for the six months ended 30 September 2014 was negative at approximately US$3,602,000 and US$455,000 on the Group's turnover and profit before income tax respectively.

Basic earnings per share for the six months period ended 30 September 2014 was US1.09 cents, compared with US1.51 cents in the corresponding period last year. Net assets per share attributable to owners of the Company was US13.25 cents. As at 30 September 2014, the Group's cash and cash equivalents amounted to US$108,828,000, an increase of 5.8% since 31 March 2014, resulting in the net gearing ratio being reduced from 21.9% to 17.1%.

The board of directors resolved to declare the payment of a first interim dividend for the year ending 31 March 2015 of US0.430 cents per ordinary share (2013/2014: US0.750 cents per ordinary share) payable on 15 January 2015.

Looking ahead for the remaining quarters, **Media Chinese's Group Chief Executive Officer, Mr Francis TIONG** said, "We expect the business environment for the second half of the financial year to be tough and challenging. The Malaysian segment is facing a weak advertising business environment as local business and consumers remain cautious. This is mainly due to the overhanging economic uncertainties following the government's subsidy rationalisation plan and the impending implementation of the GST."

He added, "The retail sectors in both Hong Kong and Mainland China, especially for luxury products, continue to show signs of slowing down due in part to the strengthened control of government spending in Mainland China. This would affect the Group's advertising revenue in these markets as advertisers would become more cautious with their spending."

"The operating environment for the Group's travel business will remain competitive in the light of increasingly intense market competition and concerns over the Ebola virus."

"On a positive note, the newsprint prices are expected to remain weak for the remaining of this financial year. The Group will continue to strengthen its efforts to increase revenue and market share, while maintaining disciplined cost-controls to improve efficiencies." 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 3 free newspapers, as well as about 30 magazines. The Group has also expanded its business into digital media. Media Chinese is the proprietor of Life Magazines, the largest Chinese language magazine publisher in Malaysia, and 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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