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 2016

Unaudited Financial Highlights

	For the three months ended 31 March 2016 US$'000	For the three months ended 31 March 2015 US$'000	**Change %**
Turnover	**70,899**	86,809	**-18.3%**
Profit before income tax	**3,311**	5,791	**-42.8%**
EBITDA	**6,298**	9,502	**-33.7%**

	For the year ended 31 March 2016 US$'000	For the year ended 31 March 2015 US$'000	**Change %**
Turnover	**349,126**	429,140	**-18.6%**
Profit before income tax	**37,395**	47,501	**-21.3%**
EBITDA	**50,228**	63,493	**-20.9%**

(30 May 2016) - **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 fourth quarter 31 March 2016.

For the three months ended 31 March 2016, the Group's turnover amounted to US$70,899,000, reflecting a decrease of 18.3% or US$15,910,000 from US$86,809,000 in the corresponding quarter last year. Both the publishing and printing segment and the travel segment reported revenue declines of 19.6% and 9.8% respectively. If currency impact was excluded, the decrease in the Group's turnover would be about 9.7%.

Profit before income tax decreased by 42.8% to US$3,311,000 from US$5,791,000 in the prior year quarter. The lower profit was mainly attributed to the decline in revenue which was partly offset by falling newsprint costs as well as savings from the Group's tight cost control efforts. The decline in profit would have been about 20.1% if currency impact was excluded.

EBITDA for the quarter was US$6,298,000, a decrease of 33.7% when compared with US$9,502,000 in the previous year. The decline would be about 15.8% if currency impact was excluded.

Turnover of the Group's publishing and printing segment was US$61,056,000 for the fourth quarter in 2015/2016, reflecting a 19.6% decline from US$75,896,000 in the same quarter a year ago. The segment reported a profit before income tax of US$4,387,000, 56.7% below the US$10,122,000 recorded in 2014/2015. If currency impact was excluded, the decline in segment turnover and profit before income tax would have been 9.7% and 43.5% respectively.

Despite the tough market conditions, the Malaysian operations recorded a pre-tax profit margin of 17.5% in the current quarter and 21.3% for the financial year ended 31 March 2016. The segment achieved a triple-digit growth in its digital business income, mainly contributed by the circulation sales of its digital newspapers. This was evidenced by Sin Chew Daily having achieved a strong 20% growth in its latest readership number. The Malaysian segment reported decreases of 21.6% and 31.1% in turnover and profit before income tax respectively against the corresponding quarter last year. This was partially attributable to an impairment loss on goodwill of US$1,957,000. Furthermore, the decline in turnover and profit before income tax would have been 9.1% and 19.1% respectively if currency impact was excluded.

The Group's operations in Hong Kong, Taiwan and Mainland China reported a turnover of US$12,758,000 in this quarter, a 12.9% decrease from the previous year quarter. The segment registered a loss of US$3,236,000 for the quarter compared with a loss of US$1,080,000 recorded a year ago. The lower segment performance was due largely to declining retail demand, in particular for luxury and branded products, resulting in cautious promotion expenditure by advertisers. The Group's listed subsidiary, One Media Group, was particularly hit by the continued decline in magazine advertising and reported a loss before income tax of US$1,932,000 for the quarter.

Turnover of the Group's operations in North America fell 16.1% to US$4,593,000, while the segment reported a loss of US$19,000, compared with a profit of US$115,000 reported in the prior year quarter. The decline in segment performance was due primarily to the slow local economy as well as the weakening Canadian dollar ("CAD").

During the current quarter, the Group's travel business recorded a segment turnover of US$9,843,000, a decrease of 9.8% from the US$10,913,000 in the year-ago quarter. The segment's performance was affected by global security issues raised by the increasing terrorist activities around the world. Despite the decline in revenue, the travel segment reported a profit before income tax of US$65,000 as compared with a loss of US$495,000 reported in the corresponding quarter last year.

For the year ended 31 March 2016, the Group reported a turnover of US$349,126,000, reflecting a decrease of 18.6% when compared with US$429,140,000 in the previous financial year. Profit before income tax for the year decreased 21.3% to US$37,395,000 from last year's US$47,501,000. The decreases would be 8.6% and 3.2% respectively if currency impact was excluded.

Both Malaysian Ringgit ("RM") and the CAD weakened against the US dollar during the quarter as well as the financial year under review, resulting in negative currency impact on the Group's turnover and profit before income tax of approximately US$7,508,000 and US$1,318,000, respectively, for the quarter and US$43,090,000 and US$8,575,000, respectively, for the year ended 31 March 2016.

Basic earnings per share for the year ended 31 March 2016 was US1.58 cents, decreased by US0.28 cents or 15.1% from US1.86 cents in the previous year. As at 31 March 2016, the Group's cash and cash equivalents and net assets per share attributable to owners of the Company amounted to US$140,950,000 and US12.63 cents respectively. The Group's net gearing ratio was nil.

The Board has declared a second interim dividend, in lieu of a final dividend, of US0.600 cents per ordinary share to be paid on 13 July 2016.

Looking ahead for the coming financial year, **Media Chinese's Group Chief Executive Officer, Mr Francis TIONG** said, "The Group navigated through a progressively more challenging business environment during the year under review, and the Board expects another tough year ahead in 2016/2017 in light of the ongoing economic uncertainties and currency volatility."

He added, "The Board remains cautious on the advertising markets in the coming year given the declining consumer and business spending sentiment in the Group's key operating markets. However, the Group will offer more innovative print and digital advertising packages and bundles, with greater value marketing solutions to advertisers. Furthermore, in light of the growing trend of digital marketing and social media usage, the Group will continue to allocate more resources to enhance its various digital platforms in order to attract targeted customers and to increase the Group's revenue base. Although newsprint prices are likely to remain stable for the next financial year, any further appreciation of US dollar against RM and CAD would negatively affect the Group's overall performance. The Group's travel business is expected to continue to face difficult market conditions in the year ahead amid people's growing concerns about safety and security issues in tourist areas, especially in Europe."

"Nevertheless, the Group will continue to strengthen its efforts to diversify its revenue stream, to exploit synergistic benefits by unlocking growth potentials of the existing content assets via multiple platforms besides reinforcing its cost-control efforts to achieve operational efficiencies in order to embrace the ever changing market conditions." Mr TIONG concluded.

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<u>About Media Chinese International Limited (Stock Code: 685 HK)</u>

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).

For more information, please visit: www.mediachinesegroup.com

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