



**Media Chinese International Limited**  
**Annual Results 2016/17**  
**Presentation to Analysts**

**May 2017**

# 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)**



# Publishing – Newspapers and Magazines

星洲日報  
SIN CHEW DAILY

中國報  
CHINA PRESS

明報

南洋商報  
NANTANG SIANG PAU

光明日報  
Guang Ming DAILY

亞洲週刊  
YAZHOU ZHOUKAN

明報 月刊

明周

TopGear

TopGear  
汽车测试报告

TopGear

MINGWATCH 明錶

明表 MINGWATCH

100毛

鼎 旺

学海

星星 周刊  
SINARAN SIN CHEW

小星星  
BINTANG SIN CHEW

南洋学生  
Mingguan Pelajar Nanyang

新生活報

風采 feminine

NEWTIDE

都会佳人  
CITTA Bella

囍 My Wedding

SWEET HOME

美味 風采  
Oriental Cuisine

Mommy Baby  
妈咪宝贝

Let's 吃風  
travel

城市网络  
CityNET

號外周報  
SPECIAL WEEKLY

釣魚 月刊  
Rod & Line

PANCING

PETS  
宠物報

# Digital/New Media – e-Papers, e-Magazines, websites & mobile apps

## Online Media (Southeast Asia)



## Online Media (Hong Kong)



## Online Media (Mainland China)



## Online Media (Canada)



## Mobile Media





## (2) Performance Review

- Market Highlights

# Market Share in Peninsular Malaysia and Hong Kong

Peninsular Malaysia		Period from 1 Jan 2016 to 31 Dec 2016	
Chinese Newspapers	Readership	Ranking in Malaysia	
<b>Sin Chew</b>			
- Sin Chew Daily	1,123,000	<b>No. 1</b>	
- Guang Ming Daily	182,000	<b>No. 3</b>	
<b>Nanyang</b>			
- China Press	812,000	<b>No. 2</b>	
- Nanyang Siang Pau	51,000	<b>with PMEB focus</b>	
<b>SCMC &amp; NPH SUB TOTAL</b>	<b>2,168,000</b>		

Source: (Q42016 Nielsen Consumer & Media View – excluding market share in East Malaysia)

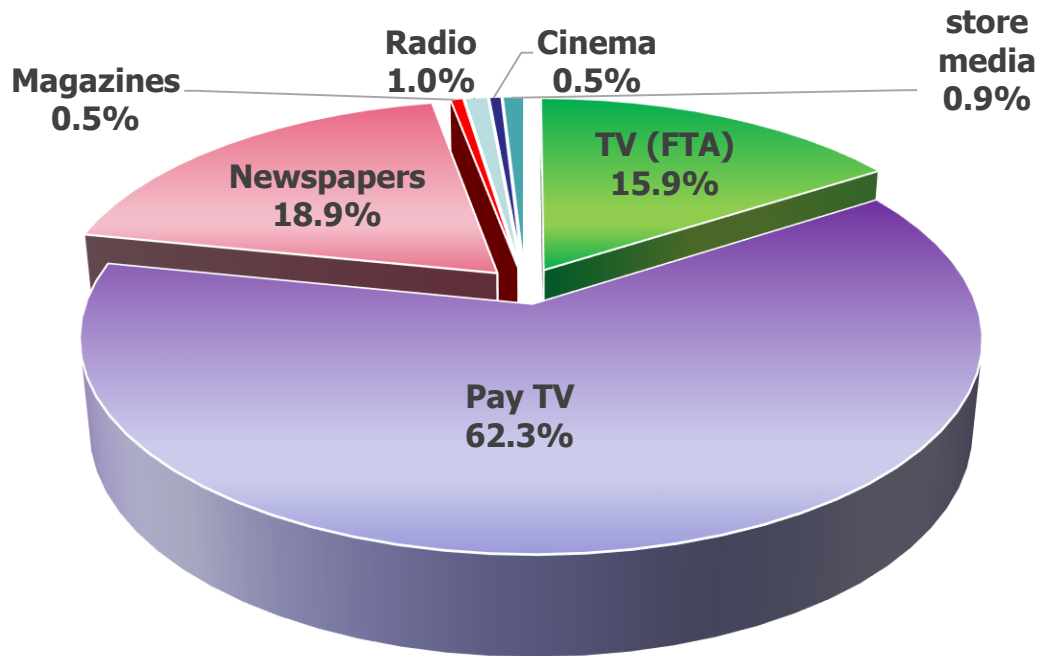
HONG KONG		Period from 1 Jan 2016 to 31 Dec 2016	
Chinese Newspapers	Readership		
Ming Pao Daily News (Print + Online)	403,000	<b>Highly recognized as a reputable and credible Chinese newspaper</b>	

Source: (The Chinese University of Hong Kong , "Hong Kong Newspaper Reading" Study 2016 Report)



# Adex for April 2016 to March 2017 in Malaysia

## YTD Adex (Apr'16 to Mar'17)



**Total Adex (Apr'16 to Mar'17): RM18,072m**

↑ 11.3%

Total Adex (Apr'15 to Mar'16): RM16,240m

## Total Adex (RM)

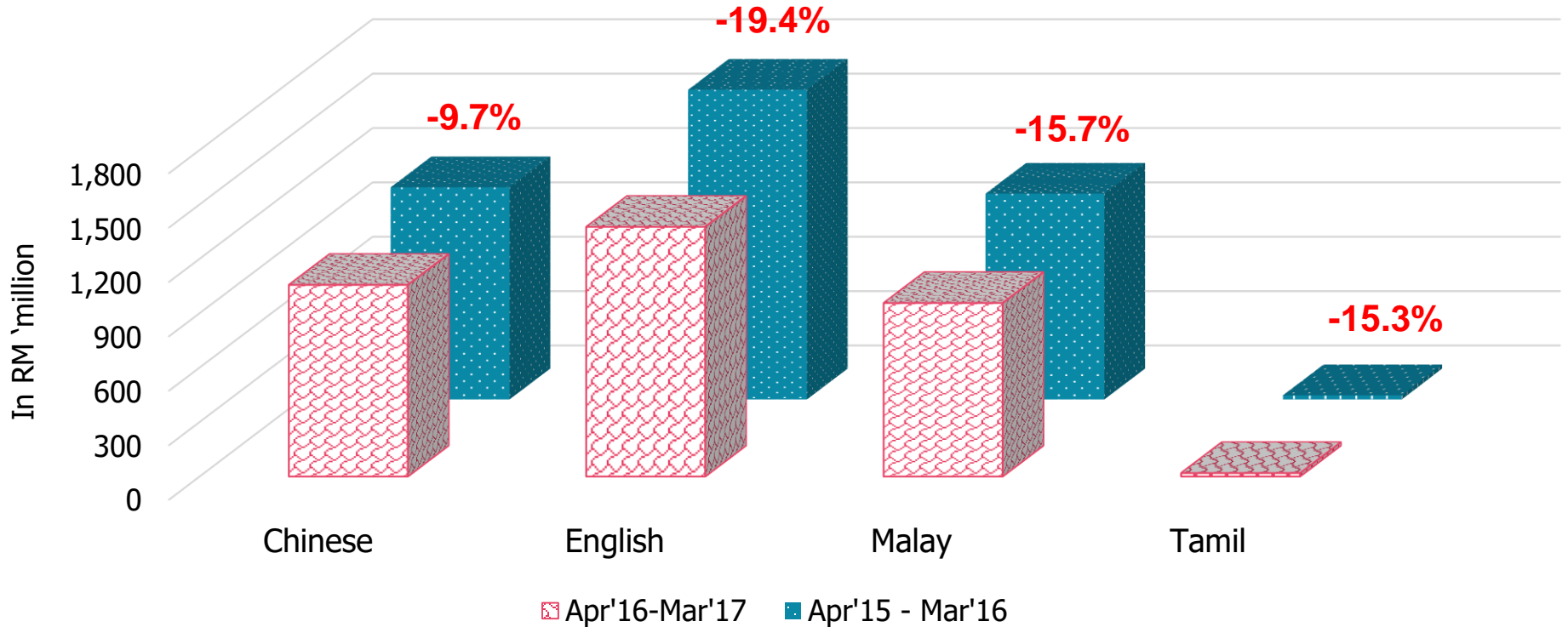
Newspapers	: 3,408m	} ↓ 15.7%
Magazines	: 98m	
TV (FTV)	: 2,870m	} ↑ 20.6%
Pay TV	: 11,264m	
Radio *	: 176m	
In-store media	: 163m	
Cinema	: 93m	

Newspaper : -15.5%  
Magazines : -21.7%

TV (FTA) : +1.5%  
Pay TV : +31.6%  
Radio \* : -59.7%  
In-store media : -13.0%  
Cinema : +28.4%

\* Excluded Astro radio

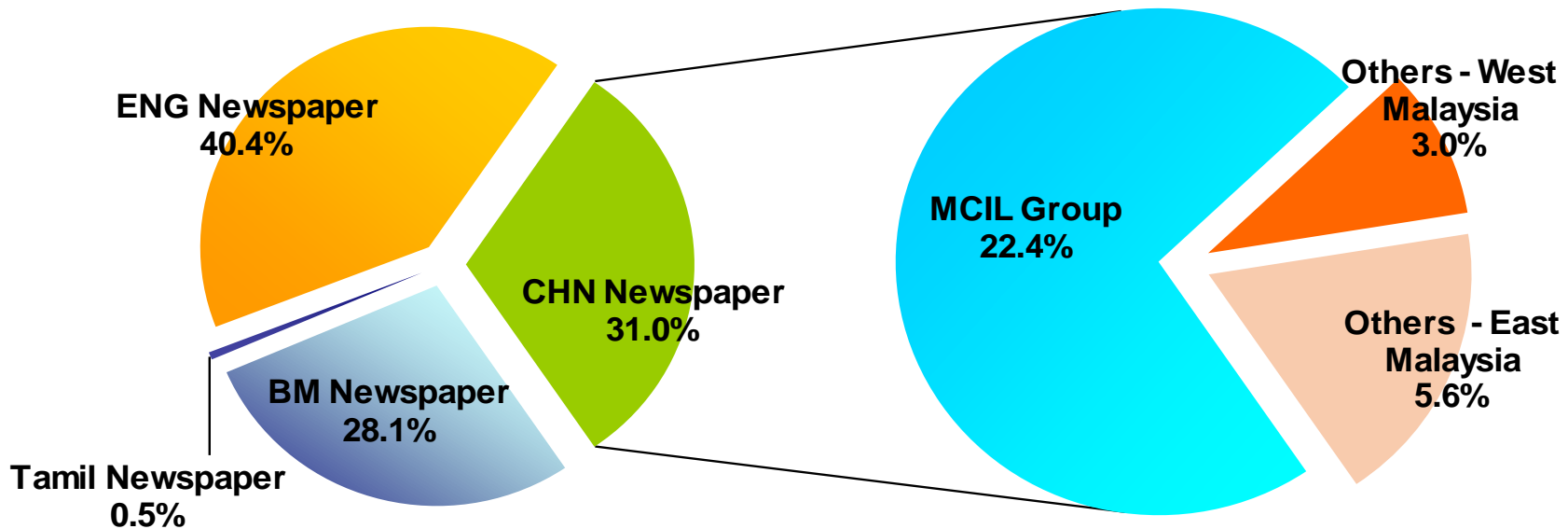
# Total Newspapers Adex in Malaysia



	<b>Chinese</b> (In RM 'm)	<b>English</b> (In RM 'm)	<b>Malay</b> (In RM 'm)	<b>Tamil</b> (In RM 'm)	<b>Total</b> (In RM 'm)
<b>Apr'16 - Mar'17</b>	1,056.3	1,376.4	956.4	18.8	3,407.9
<b>Apr'15 - Mar'16</b>	1,169.6	1,707.9	1,134.6	22.2	4,034.3

# Share of Chinese Newspapers Advertising Expenditure In Malaysia For Apr-16 to Mar-17

## NEWSPAPERS ADEX



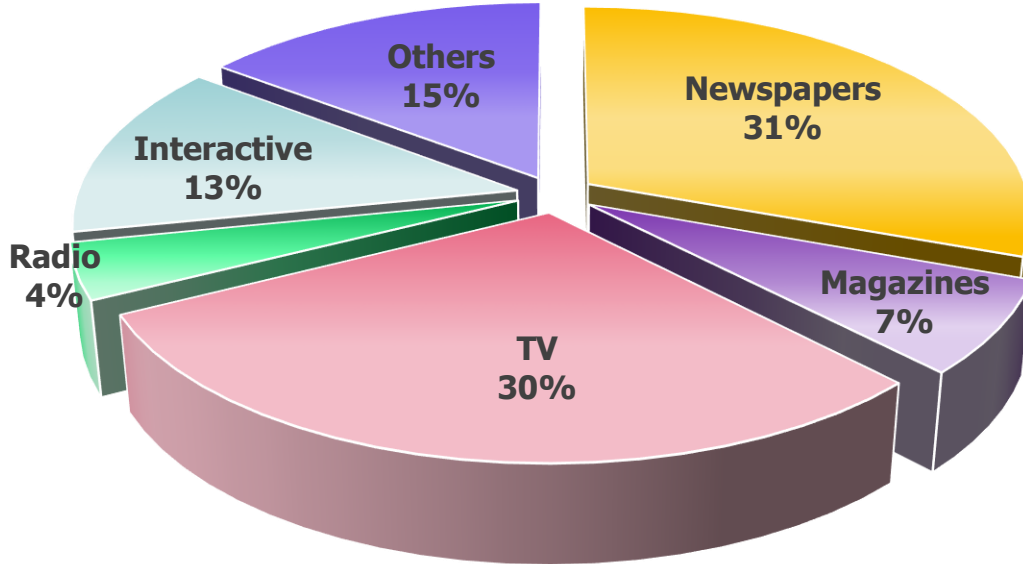
Adex for Total Newspapers : RM3,408 million

Chinese Newspapers in West Malaysia: RM 774 million

Chinese Newspapers in East Malaysia : RM 282 million

# Adex for April 2016 to March 2017 in Hong Kong

## YTD Adex (Apr'16 to Mar'17)



**Total Adex (Apr'16 to Mar'17): HKD102,633m**

**↓ 9.9%**

Total Adex (Apr'15 to Mar'16): HKD113,861m

## Total Adex (HKD)

**Newspapers : 31,337m**  
**Magazines : 7,331m** } **↓ 16.2%**

TV : 30,720m  
Radio : 4,367m  
Interactive : 13,757m  
Others : 15,121m } **↓ 5.5%**

**Newspaper : -11.1%**  
**Magazines : -32.9%**

TV : -8.7%  
Radio : +2.9%  
Interactive : -4.8%  
Others : -1.7%

A world map is shown in the background, with continents colored in various shades: North America is green, South America is yellow, Europe and Africa are orange, Asia is light blue, and Australia is light green.

## (2) Performance Review

- **Financial Performance (unaudited)**

# Group Results Summary

US\$ 'million	Q4 FY2016/17	Q4 FY2015/16	+ / (-)	YTD FY2016/17	YTD FY2015/16	+ / (-)
Turnover	62.4	70.9	-12.0%	302.6	349.1	-13.3%
Expenses	(61.6)	(68.7)	10.3%	(287.0)	(319.1)	10.1%
Impairment losses	(3.6)	(2.0)	-84.1%	(3.6)	(2.0)	-84.1%
PBT	(0.0)	3.3	-101.1%	20.8	37.4	-44.4%
PBT before impairment losses	3.6	5.3	-32.3%	24.4	39.4	-38.1%
EBITDA	2.6	6.3	-58.9%	32.2	50.2	-36.0%
EPS (US cents)	0.05	0.16	-68.8%	0.90	1.58	-43.0%

# Currency Impact

	Q4 FY2016/17	Q4 FY2015/16
<b>Exchange Rate Changes:</b>		
- US\$/RM	+5.9%	+16.0%
- US\$/C\$	-3.5%	+10.6%
<b>Currency Impact (US\$ 'million)</b>		
- Turnover	(1.9)	(7.5)
- Profit Before Income Tax	(0.1)	(1.3)

## Segment Results

### Turnover (US\$'000)

	FY 2016/17	FY 2015/16	Variance (%)
Malaysia & other SEA countries	<b>162,080</b>	186,387	-13.0%
Hong Kong, Taiwan, PRC & North America	<b>71,097</b>	80,034	-11.2%
Travel and travel related services	<b>69,409</b>	82,705	-16.1%
<b>Total Turnover</b>	<b>302,586</b>	349,126	-13.3%

### PBT (US\$'000)

	FY 2016/17	FY 2015/16	Variance (%)
Malaysia & other SEA countries	<b>28,301</b>	39,619	-28.6%
Hong Kong, Taiwan, PRC & North America	<b>(4,855)</b>	(2,817)	-72.3%
Travel and travel related services	<b>2,464</b>	6,250	-60.6%
<b>Profit before income tax *</b>	<b>25,910</b>	43,052	-39.8%

\* Before unallocated interest expenses, other net unallocated expenses and share of results of joint ventures and associates.



# Financial Position

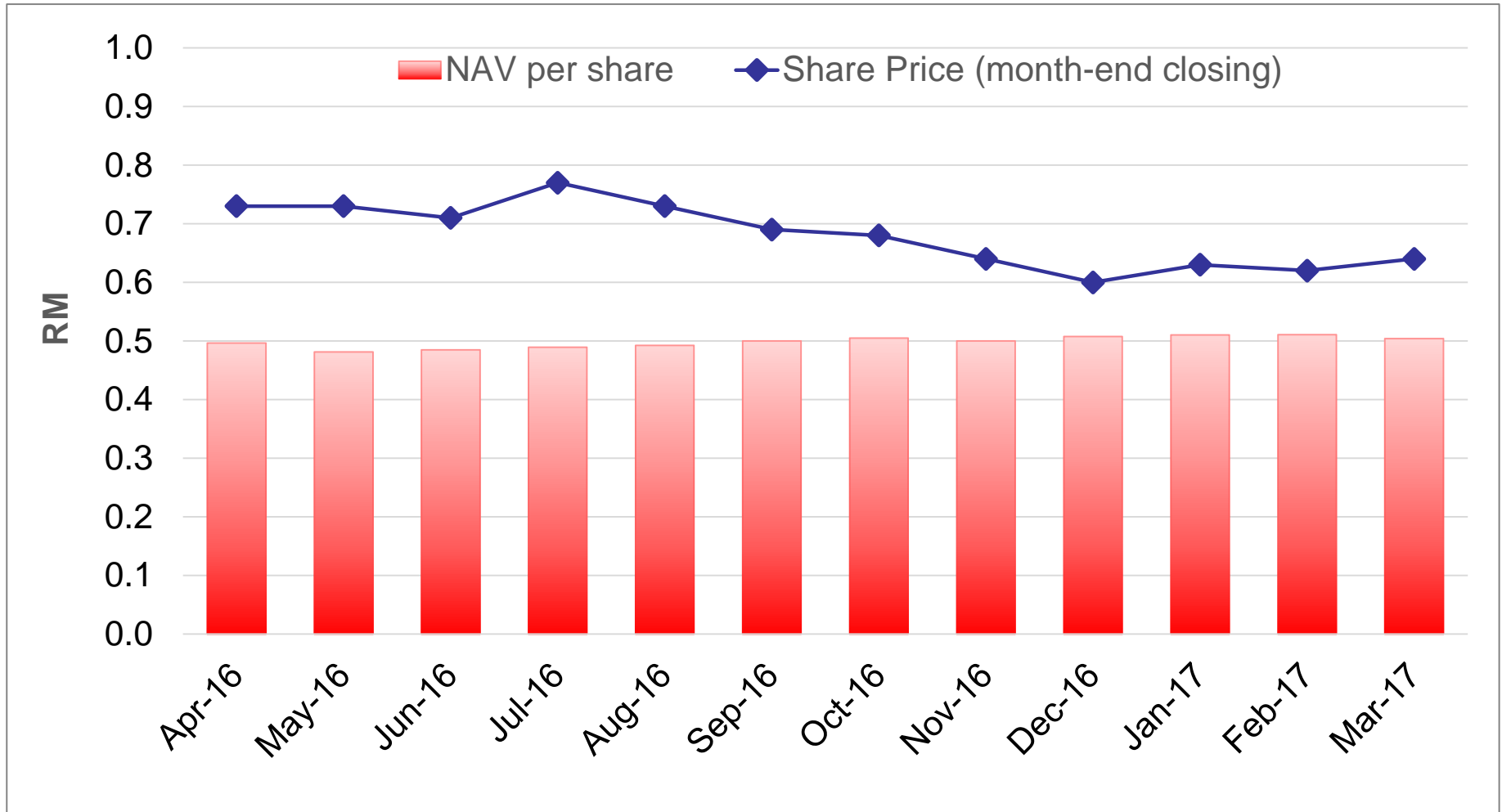
As of 31 March

(US\$ million)	2017	2016
Total assets	<b>308.8</b>	402.9
Net debt		
- Debt	<b>(53.4)</b>	(116.1)
- Cash and cash equivalents & short-term bank deposits	<b>90.0</b>	141.0
Net Cash	<b>36.7</b>	24.9
Shareholders Funds	<b>193.7</b>	213.0
Net assets per share (US cents)	<b>11.48</b>	12.63
Net gearing ratio (Net debt / Shareholders funds)	<b>Nil</b>	Nil
Interest cover (EBITDA/Finance cost)	<b>6.7 times</b>	9.4 times
Return on equity (ROE)	<b>6.9%</b>	13.1%

# Dividends

	FYE 2017	FYE 2016	FYE 2015
First Interim Dividend (US cents)	0.360	0.500	0.430
Second Interim Dividend (US cents)	0.360	0.600	0.500
<b>Total Dividend (US cents)</b>	0.720	1.100	0.930
Dividend Pay-out Ratio (as a % of PATAMI)	80%	70%	50%
Share Price as at 31 March	RM0.64	RM0.72	RM0.68
Dividend Yield as at 31 March	4.98%	5.96%	5.07%

# Share Price & NAV per Share (in RM)





## (3) Strategic Update

# Strategic Update – Malaysia

## Sin Chew E-Paper



- Organised “Voice Journalist Search (VJ Search)” and “Sin Chew Best Story” contest to inspire the young generation’s imagination and emotions.
- Added new function to e-paper apps, i.e. “Micro Film Section” for young generation to share their short videos, and “Lifestyle Blog” to explore interesting place for fun, food and fashion.
- Achieved more than 121,000 e-subscription (for both day and night edition) since launched.





## Pocketimes Online Video Portal






- ▶ Upgraded version of "Pocketimes Plus" was launched with more lifestyle content.
- ▶ Presented more new programs such as a 23-episodes health related program, food and Detective Le lifestyle program with Sin Chew e-paper in November 2016.
- ▶ Providing audiences with diversified mix and match advertisement package, from websites display ads to creative buys such as print or video advertorial and social media exposure.

# Strategic Update – Malaysia (cont'd)

## Logon e-Marketplace



-  Expanding e-commerce business by focusing on 'business to consumer (B2C)' model.
-  Introducing 'call-to-buy' and 'cash-on-delivery' features to enable a friendlier buying experience for home-shoppers which helped boost sales.
-  Organising various events, shows and talks, such as Stocks Investment forum, Goods and Service Tax forum, Digital Marketing forum, etc.

**BUY NOW**

OR



CALL-TO-BUY  
**03-7953 3338**  
Mon – Sat 9am – 6pm

# Strategic Update – Malaysia (cont'd)

## Health and Wellness



Launched  
in  
Dec 2016

<http://easily.sinchew.com.my>



Introduced specific topic features, e.g. health and wellness, education, personal wealth management and etc., in both print and digital platforms, with an aim to broaden advertising revenue streams with targeted audiences.

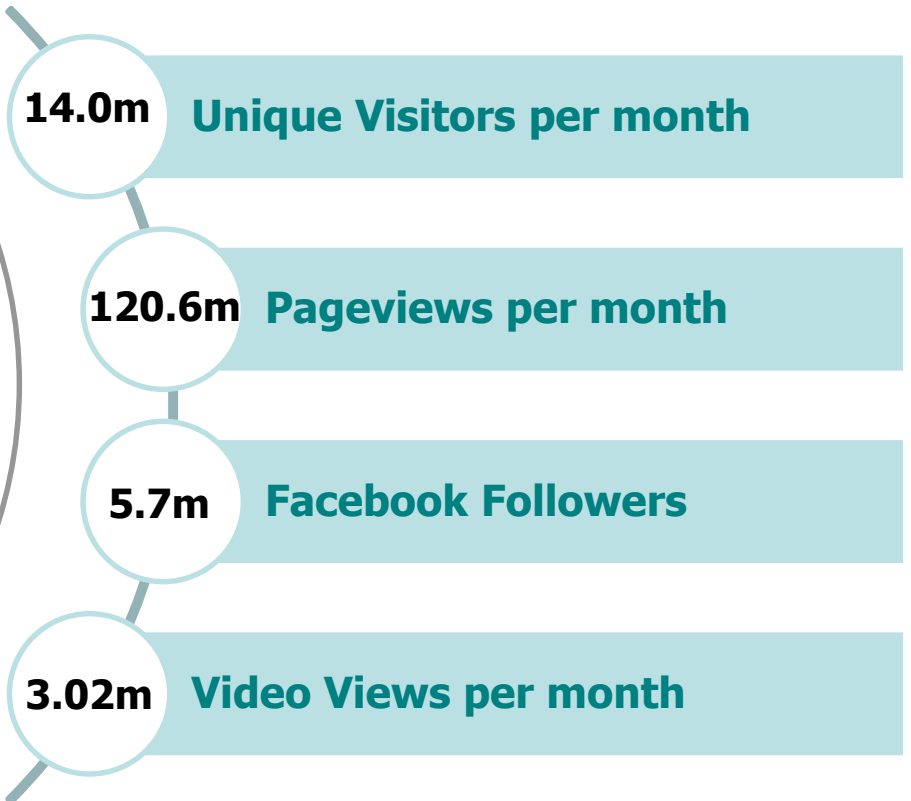
Co-founded the CO3 (COnnectivity, COllaboration and COmmunity) Social Office Project to provide co-working and office spaces in Malaysia and other ASEAN countries. The first CO3 will be launched in Puchong with next target in Petaling Jaya.





# Strategic Update – Malaysia (cont'd)

## MCIL Malaysian Operations, total .....



## 1) Ming Pao Education Publications

OpenSchool website and  
STEM (Science, Technology, Engineering and Mathematics) supplement  
--- launched in April 2017



## 2) Technology update



- **Totally Revamped in Oct 2016**
  - Website for employers and jobseekers
  - Apps (Android & iOS) for mobile jobseekers



- **Functions and Features**
  - Jobs – simple and advanced search engine, online application, premium employers
  - Courses – latest and hot courses
  - Career News – in hot industries and others
  - Resources – daily tips, smart talk, statistics notice, job hunting tips
  - Specials & events
  - My JUMP – member zone for job alert, online resume, saved, viewed and applied jobs
- **Coming Next**
  - Scheduled push notification to apps (Jun 2017)
  - Video Channel – combines all videos resources such as career tips and industry trends to a single area

## 2) Technology update



- **Mingpao.com Homepage Redesigned**
  - Branding + content
  - Entry point to all Ming Pao digital content including News, Finance, Entertainment, Education, Magazines and others
  - Clean user interface (UI) and design concept, balanced between text, image and video arrangements
  - Enhanced user experience (UX), customized for multiple screen sizes



## 2) Technology update (Push Notification)



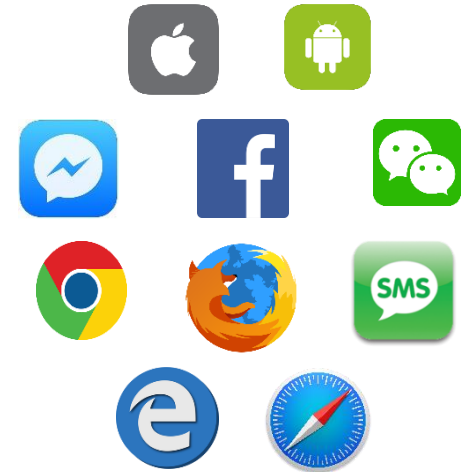
- **App Push**

- Text messages
- User-controlled push queue
- Multimedia messages (next phase)



- **Browser Push**

- Supports Chrome & Firefox (>70%)
- Safari & Edge (next phase)



- **Push as a Service**

- All-in-one push solution
- Cover most popular platforms (App Push + Browser Push + Facebook Push + WeChat Push + SMS)
- Dashboard & Analytics
- Subscription packages

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

**Facebook page for mingpao.com instant news (May 2017)  
reached 320,000 fans for mingpao.com instant news and  
all together 15 facebook pages under mingpao now have  
580,000 fans and ranked as 2nd most liked facebook page  
amongst Chinese newspapers in Hong Kong**

*(Source: Socialbakers)*

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

**Pageview (Apr 2016 – Mar 2017 vs Apr 2015 - Mar 2016)**

**+15% for mingpao.com as a whole including news, lifestyle and finance & self enhancement channels, amongst them followings are key engines for growth**

**→ +28% for News platform**

**→ +19% for Finance revamped site from which mobile platform grew for 74%**

**→ +19% for OL mobile platform**

*(Source: Google Analytics)*

**Market ranking (Mar 2017)**

**Number 6<sup>th</sup> website and the 6<sup>th</sup> mobile website and app audience in News/Information category**

*(Source: Comscore)*



## (4) Outlook



## Outlook Statement FY 2018

The Group remains cautious about the business conditions for the year ahead. China is tightening its capital outflows policies which may have adverse influence on the advertising and promotion budgets from advertisers especially for the property and luxury industries in the Greater China region. The US new administration's policies may also trigger some negative influence on the trade and business conditions that affect the Group's North America operations. Furthermore, the potential for further substantial cost savings is likely to be limited, particularly after several rounds of cost-cutting exercises throughout the Group.

However, the probable 14th Malaysian General Election is expected to present favorable opportunities for advertising spending in 2017. The media market in Hong Kong is also expected to show some improvement driven by the 20<sup>th</sup> anniversary of the establishment of the HKSAR. In addition, the recent growth in the number of Mainland visitors to Hong Kong and the uptake in retail sales in March 2017 may also provide some boost to the advertising market.

Furthermore, the Group will continue to explore opportunities to broaden its revenue stream and to expand its presence in the digital market.



**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.