


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 FIRST QUARTER ENDED
30 JUNE 2016**
Unaudited Financial Highlights

	For the three months ended 30 June 2016	For the three months ended 30 June 2015	Change %
	US\$'000	US\$'000	
Turnover	82,786	99,974	-17.2%
Profit before income tax	7,439	12,600	-41.0%
EBITDA	10,442	16,246	-35.7%

(23 August 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 first quarter ended 30 June 2016.

For the first quarter of the financial year 2016/2017, the Group registered a turnover of US\$82,786,000, 17.2% or US\$17,188,000 less than the US\$99,974,000 reported in the same quarter last year. The Group's publishing and printing segment and the tour segment reported declines in turnover of 15.3% and 22.5% respectively. If currency impact was excluded, the decrease in the Group's turnover would have been about 12.6%.

Profit before income tax amounted to US\$7,439,000 for the current quarter, reflecting a decrease of 41% from US\$12,600,000 in the prior year quarter. The decline in operating result was due primarily to lower revenue which was mitigated in part by falling newsprint costs as well as savings from rigid cost controls and improved operating efficiencies. The decline would be about 34.1% if currency impact was excluded.

EBITDA for the quarter was US\$10,442,000, representing a 35.7% or US\$5,804,000 decrease when compared with US\$16,246,000 in the year-ago quarter. The decline would be about 29% if currency impact was excluded.

For the three months ended 30 June 2016, turnover and profit before income tax from the Group's publishing and printing segment amounted to US\$62,149,000 and US\$7,480,000, representing decreases of 15.3% and 37.2% from the corresponding quarter of last year respectively. If currency impact was excluded, the respective decreases would be 9.2% and 30%.

The Group's publishing and printing operations in Malaysia were adversely impacted by persistent weak consumer and business sentiment, low oil prices and the depreciation of Malaysian Ringgit ("RM"). The operations reported a turnover of US\$44,126,000, 15.9% lower than the year-ago quarter, while segment profit before income tax decreased by 23.1% to US\$9,010,000. The declines would have been 7.9% and 15.7% respectively if currency impact was excluded.

The declining retail environment, in particular for luxury high-end products, continued to affect the performance of the Group's publishing and printing operations in Hong Kong, Taiwan and Mainland China. Adding to this, the segment's revenue was impacted by the decline in advertising expenditures on properties as the Hong Kong property market has become less active amid concerns about an uncertain economic outlook. Segment turnover dropped 13% year-on-year to US\$13,558,000 while segment loss amounted to US\$1,240,000 as against a profit before income tax of US\$313,000 reported in the earlier year quarter.

Due to the ongoing local economic slowdown as well as the impact of a weakening Canadian dollar ("CAD") against the US dollar, the Group's operations in North America reported a 15.3% decline in turnover, which amounted to US\$4,465,000 as against US\$5,273,000 in the corresponding quarter last year. The segment recorded a loss of US\$290,000 as against a loss of US\$128,000 reported in the prior year quarter.

During the first quarter of 2016/2017, the Group's travel business registered a segment turnover of US\$20,637,000, a decrease of 22.5% from US\$26,626,000 in the prior year quarter. Segment profit before income tax dropped 46.6% or US\$1,117,000 to US\$1,278,000 when compared with US\$2,395,000 in the same quarter a year ago. The decrease in segment performance was mainly due to a sharp decline in people travelling to Europe after a string of terrorist attacks in the region. The incidents seriously hit the tourism industry in Europe which was one of the main tour destinations of the Group's travel business.

The depreciation of both RM and CAD against the US dollar during the current quarter brought negative currency impact on the Group's revenue and profit before income tax of approximately US\$4,593,000 and US\$867,000 respectively.

Basic earnings per share for the first quarter ended 30 June 2016 was US0.30 cents, compared with US0.52 cents in the corresponding quarter last year. Net assets per share attributable to owners of the Company was US12.02 cents. As at 30 June 2016, the Group's cash and cash equivalents amounted to US\$151,891,000, an increase of 7.8% since 31 March 2016. The net gearing ratio was nil.

Commenting on the outlook of the remaining quarters, **Media Chinese's Group Chief Executive Officer, Mr Francis TIONG** said, "The Board expects the difficult advertising business environment to continue in the remaining quarters of 2016/2017 in light of the persistent weak consumer and business sentiment in the Group's major markets. Moreover, the increasing safety and security concerns across the globe will continue to weigh on the Group's travel business."

He added, "Although newsprint prices are expected to remain stable, we will stay cautious as the Group's overall performance could be adversely impacted by any further depreciation of RM and CAD against the US dollar."

"Despite the challenging market conditions, the Group will strive to reinforce its cost-control efforts to achieve operational efficiencies and to diversify its revenue stream to achieve synergistic benefits through business expansion into multiple platforms." 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).

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

For further enquiries, please contact:

Media Chinese International Limited

Malaysia

Ms TONG Siew Kheng Tel: (603) 7965-8885
 Fax: (603) 7965-8689

Hong Kong

Corporate Communications Department

Ms Justina FAN Tel: (852) 2595-3355
 Fax: (852) 2515-0294
 E-mail: corpcom@mediachinese.com

Financial PR (HK) Limited

Mr Fung HON E-mail: hf@financialpr.hk
Ms Cara PANG E-mail: carapang@financialpr.hk
Ms Eiko XU E-mail: eikoxu@financialpr.hk
 Tel: (852) 2610-0846
 Fax: (852) 2610-0842