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 THIRD QUARTER ENDED
31 DECEMBER 2016

Unaudited Financial Highlights

	For the three months ended 31 December 2016 US$'000	For the three months ended 31 December 2015 US$'000	**Change %**
Turnover	**71,941**	80,947	**-11.1%**
Profit before income tax	**6,268**	10,513	**-40.4%**
EBITDA	**9,045**	13,477	**-32.9%**

	For the nine months ended 31 December 2016 US$'000	For the nine months ended 31 December 2015 US$'000	**Change %**
Turnover	**240,192**	278,227	**-13.7%**
Profit before income tax	**20,811**	34,084	**-38.9%**
EBITDA	**29,564**	43,930	**-32.7%**

(27 February 2017) - **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 third quarter ended 31 December 2016.

During the third quarter of 2016/2017, the challenging and difficult business conditions in its main markets continued to weigh on the Group's performance. The publishing and printing segment has been affected by the decline in the markets' advertising spending as businesses have been reducing or deferring their advertising expenditure in view of the unfavourable business environment. The travel segment also faced headwinds arising from increased flight capacity and intensified competition in the market as well as the decline in demand for European tours amid security concerns.

The Group's total turnover amounted to US$71,941,000 for the third quarter ended 31 December 2016, down by 11.1% or US$9,006,000 from US$80,947,000 in the corresponding quarter last year. Profit before income tax was US$6,268,000, reflecting a year-on-year decrease of 40.4% or US$4,245,000. If currency impact was excluded, the decline in turnover and profit before income tax would have been about 10.6% and 39.4% respectively.

EBITDA for the third quarter was US$9,045,000, a decrease of 32.9% from US$13,477,000 in the year-ago quarter.

During the third quarter of 2016/2017, the Group's publishing and printing segment recorded an 11.0% decline in turnover to US$59,183,000, while the segment profit before income tax decreased by 31.5% to US$8,032,000. The decreases would have been about 10.5% and 30.6% respectively if currency impact was excluded.

The Group's Malaysian operations were adversely impacted by the country's subdued consumer spending, shrinking advertising revenue as many businesses slashed their advertising expenditures in view of the continuing slack demand as well as a depreciating Malaysian Ringgit ("RM"). The segment reported turnover and profit before income tax for the current quarter of US$40,221,000 and US$8,114,000, reflecting decreases of 10.0% and 25.4% respectively from the prior year quarter.

The performance of the publishing and printing segment in Hong Kong, Taiwan and Mainland China was also adversely affected by the markets' diminishing advertising spending especially for the magazines, as advertisers reduced their marketing campaigns amid weak consumer sentiment. The segment's turnover fell 14.3% to US$14,592,000 from US$17,020,000 in the corresponding quarter in 2015, while the segment registered a profit before income tax of US$190,000, a decrease of 82.4% or US$889,000 from the prior year quarter.

The North America publishing and printing segment continued to be affected by the region's slow economy growth. Furthermore, new tightening policies on the Canadian real estate market rolled out during the current financial year have substantially hampered investors' sentiments and deterred the market's spend on advertising. The segment reported a year-on-year decline in turnover of 8.9% to US$4,370,000 from US$4,795,000 in the same quarter last year. The third-quarter segment loss widened slightly to US$272,000 from US$223,000 in the prior year quarter.

Performance of the Group's travel and travel related services segment has been adversely affected by weak consumer spending, reduced demand for European tours amid security concerns as well as competitive peer pressure. The segment registered a turnover of US$12,758,000, reflecting an 11.5% decrease, while the segment recorded a loss of US$178,000 as against a profit before income tax of US$165,000 in the prior-year quarter.

On a positive note, the Group's digital business reported a double-digit growth in revenue which was attributed to the Group's consistent endeavor to expand its footprint in the digital market through various platforms including the main websites for the Group's newspapers - *Sin Chew Daily*, *China Press*, *Nanyang Siang Pau*, *Guang Ming Daily* and *Ming Pao Daily News*, a number of mobile websites and apps, an online mobile video portal "Pocketimes" and an e-commerce marketplace "Logon". The Group will continue to allocate resources to its digital business in order to draw more audience and to capitalize on the trend that more advertisers are shifting their marketing campaigns to digital and mobile channels.

For the nine months ended 31 December 2016, the Group's turnover and profit before income tax were US$240,192,000 and US$20,811,000, representing decreases of 13.7% and 38.9% respectively as against the performance of the corresponding period a year ago. If currency impact was excluded, the declines would have been about 11.9% and 36.3% respectively.

Both RM and Canadian dollar ("C$") weakened against the US$ during the quarter and the nine months ended 31 December 2016. The currency impact was not significant for the third quarter and for the nine-month period, there were negative currency impacts on the Group's turnover and profit before income tax of approximately US$4,879,000 and US$902,000 respectively.

Basic earnings per share for the third quarter ended 31 December 2016 was US0.25 cents, compared with US0.44 cents in the corresponding quarter in 2015. Net assets per share attributable to owners of the Company was US11.31 cents. As at 31 December 2016, the Group's cash and cash equivalents amounted to US$133,379,000, a decrease of 5.4% since 31 March 2016. The net gearing ratio was nil.

Commenting on the outlook of the remaining quarter, **Media Chinese's Group Chief Executive Officer, Mr Francis TIONG** said, "As for the last quarter of 2016/2017, the Board remains conservative on the prospect of the overall business environment in view of the uncertainty in global economic conditions and the persistent softness in the advertising markets. The fourth quarter is a traditional low season for the Group's advertising business and this cyclical trend is expected to be more pronounced this year under the prevailing challenging market conditions. However, the Group will work towards securing new businesses, optimizing operational efficiency and enforcing a strict cost control regime for all its operations. The Group will also continue to leverage on its growing digital business and to enlarge its digital user base in order to generate additional revenue sources."

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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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