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 FIRST QUARTER ENDED 30 JUNE 2017

Unaudited Financial Highlights

	For the three months ended 30 June 2017 US$'000	For the three months ended 30 June 2016 US$'000	**% change**
Turnover	**73,768**	82,786	**-10.9%**
Profit before income tax	**3,886**	7,439	**-47.8%**
EBITDA	**6,262**	10,442	**-40.0%**

(29 August 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 first quarter ended 30 June 2017.

The Group's turnover for the quarter ended 30 June 2017 was US$73,768,000, a decrease of 10.9% or US$9,018,000 from US$82,786,000 in the corresponding quarter last year. The decrease was mainly due to lower revenue from the publishing and printing segment, partially offset by an increase in revenue from the travel segment.

Profit before income tax fell 47.8% or US$3,553,000 from US$7,439,000 in the year-ago quarter to US$3,886,000 in the current quarter. This was mainly attributed to lower profit contribution from the publishing and printing segment resulted from the decline in revenue, the impact of which was partly cushioned by improved results from the travel segment and savings from the Group's continued costs control efforts as well as lower finance costs following the partial redemption of the medium-term notes in February 2017.

During the quarter under review, both the Malaysian Ringgit ("RM") and the Canadian dollar ("CAD") weakened against the US dollar which resulted in negative currency impacts on the Group's operating results for the quarter. If currency impact was excluded, the decreases in the Group's turnover and profit before income tax would have been about 7.1% and 42.5% respectively.

EBITDA for the quarter was down by 40.0% year-on-year, from US$10,442,000 to US$6,262,000. The decrease would have been about 34.8% if currency impact was excluded.

Turnover of the Group's publishing and printing segment amounted to US$50,575,000 for the first quarter of 2017/2018, representing a decrease of 18.6% or US$11,574,000 from US$62,149,000 in the same quarter a year ago. The segment registered a profit before income tax of US$3,064,000, down 59.0% or US$4,416,000 from US$7,480,000 in the corresponding quarter last year.

The Malaysian operations recorded a total turnover of US$33,847,000, reflecting a decline of 23.3% from the prior year quarter. The segment's performance was impacted by the significant decline in advertising revenue which was attributable to the persistently weak consumer sentiment, softening advertising expenditure and the structural shift to digital media. Nevertheless, the 17.0% reduction in operating expenses, contributed mainly by lower raw material costs and labour costs, partially cushioned the revenue shortfall. The Malaysian segment registered a profit before income tax of US$4,523,000, a decrease of 49.8% from US$9,010,000 achieved a year ago. The decreases in turnover and profit before income tax would have been about 17.1% and 45.4% respectively if currency impact was excluded.

Turnover for the Hong Kong, Taiwan and Mainland China segment amounted to US$12,798,000, reflecting a decrease of 5.6% or US$760,000 from US$13,558,000 in the prior year quarter. The segment's performance was affected by the continued shift of advertising expenditure from the traditional to digital media and the still-soft consumer sentiment in the luxury products sector. Total advertising expenditure on newspapers and magazines in Hong Kong fell 6.2% and 31.1% year-on-year respectively, whereas interactive and mobile platforms registered a 39.9% growth. Despite the decline in revenue, the segment's loss before income tax for the quarter narrowed to US$968,000 from US$1,240,000 a year earlier. This was mainly attributed to higher contributions from the segment's digital and educational textbooks businesses as well as effective cost savings.

Against a background of slow economic growth and intensified competition from the digital media, turnover of the Group's North America segment dropped 12.0% year-on-year to US$3,930,000. Segment loss before income tax increased to US$491,000 from US$290,000 in the same quarter a year ago.

Turnover of the Group's travel segment registered an increase of 12.4% or US$2,556,000 for the quarter under review to US$23,193,000 from US$20,637,000 in the corresponding quarter last year. The improvement was mainly attributable to the increase in demand for tours to destinations in Scandinavia, Eastern Europe, Australia and New Zealand. Driven by the increase in revenue, the travel segment reported a profit before income tax of US$1,567,000 for the quarter, an increase of 22.6% or US$289,000 from US$1,278,000 in the year-ago quarter.

Basic earnings per share for the first quarter ended 30 June 2017 was US0.14 cents, compared with US0.30 cents in the corresponding quarter last year. As at 30 June 2017, the Group's cash and cash equivalents and short-term bank deposits totalled US$104,663,000, an increase of 16.3% since 31 March 2017. Net assets per share attributable to owners of the Company was US11.54 cents. The Group's 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 print media industry in Malaysia is anticipated to remain challenging for the year. Consumer confidence has been dampened by the weak business conditions and soft market sentiments, which in turn is expected to have an adverse impact on the advertising and promotion budgets of advertisers."

He added, "The media market in Hong Kong is expected to show some improvement in the coming quarter driven mainly by the various events in commemoration of the 20th anniversary of the establishment of the HKSAR in July 2017 and the initiatives to be taken by the new government. The slowly recovering inbound tourism and retail sales are also expected to benefit the local economy and businesses."

"Moving forward, the Group will remain focused on its print business while continuing to accelerate the growth of its digital business and to broaden its revenue stream through cross-platform advertising initiatives. At the same time, the Group will continue its cost optimisation efforts and manpower rationalisation in order to improve profitability." Mr TIONG concluded.

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Press Release

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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