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 SECOND QUARTER ENDED
30 September 2017

Unaudited Financial Highlights

	For the three months ended 30 September			For the six months ended 30 September		
	2017	2016		**2017**	2016	
	US$'000	US$'000	% Change	**US$'000**	US$'000	% Change
Turnover	**79,875**	85,465	-6.5%	**153,643**	168,251	-8.7%
Profit before income tax	**5,110**	7,104	-28.1%	**8,996**	14,543	-38.1%
EBITDA	**7,452**	10,077	-26.0%	**13,714**	20,519	-33.2%

(28 November 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 second quarter ended 30 September 2017.

For the quarter ended 30 September 2017, the Group's turnover decreased by 6.5% or US$5,590,000 to US$79,875,000 when compared to the corresponding quarter last year. This was mainly due to the decrease in the turnover of the publishing and printing business especially for the Malaysia and Southeast Asia segment. The decrease was partially offset by the increase of 6.4% in the turnover of the travel segment.

Profit before income tax for the quarter fell 28.1% or US$1,994,000 to US$5,110,000 from US$7,104,000 in the year-ago quarter, with the impact of revenue decline mitigated by savings in finance costs and other operating expenses.

During the quarter under review, the US dollar strengthened against the Malaysian Ringgit ("RM") but was weaker versus the Canadian dollar ("CAD"). This led to net negative currency impacts on the Group's turnover and profit before income tax which would have decreased by about 4.9% and 23.6% respectively if currency impact was excluded.

EBITDA for the quarter fell 26.0% year-on-year from US$10,077,000 to US$7,452,000. The decrease would have been about 22.0% if currency impact was excluded.

The Malaysian economy has shown signs of improvement with a 5.8% GDP growth in the second quarter of 2017. Nevertheless, advertisers remained cautious with their promotional spending as the increase in cost of living has weakened consumer spending. Such cautious sentiments have affected the Group's advertising revenue from major brands. As such, the turnover for the Malaysia and other Southeast Asia segment fell 15.0% to US$35,404,000 from US$41,647,000 in the year-ago quarter. The shortfall in revenue was partially cushioned by lower operating expenses, especially newsprint costs and labour costs. Segment profit before income tax fell 17.2% or US$1,237,000 year-on-year to US$5,962,000 from US$7,199,000. The decreases in turnover and profit before income tax would have been about 10.6% and 12.8% respectively if currency impact was excluded.

The shifting of advertising spending to digital channels and the still weak luxury goods market continued to affect the performance of the Hong Kong, Taiwan and Mainland China segment which registered a 3.7% year-on-year decline in turnover to US$13,342,000. This quarter also saw the segment making a loss before income tax of US$637,000 as against a profit of US$213,000 in the prior year quarter.

Faced with similar challenges from the fast-growing digital market and the slow local economy, the North America segment reported a 10.8% decline in turnover to US$3,898,000 whilst its loss before income tax widened from US$476,000 to US$810,000 for the second quarter of 2017/2018.

Turnover for the travel segment amounted to US$27,231,000 in the current quarter, a growth of 6.4% or US$1,642,000 if compared to the prior-year quarter. This was mainly contributed by the growth in outbound travel business for the North America tour operations, as outbound travel became relatively cheaper with the stronger US dollar and CAD. The growth in demand for the Canadian Rockies tours also contributed to the increase in revenue. However, the rapid appreciation of the euro during the current quarter and the competitive airfares offered by the airlines have squeezed the profit margins of the travel business. As such, despite the increase in its turnover, the profit before income tax for the Group's travel segment decreased by 11.2% to US$ 1,334,000 when compared with the corresponding quarter last year.

For the six months ended 30 September 2017, the Group's turnover decreased by 8.7% or US$14,608,000 to US$153,643,000 when compared to the corresponding period last year. This was mainly due to a 15.4% decrease in the turnover of the Group's publishing and printing segment, which was partly cushioned by a 9.1% increase in the turnover of the travel segment.

The profit before income tax for this current period dropped 38.1% or US$5,547,000 to US$8,996,000 when compared to the previous year. Accordingly, the Group's EBITDA for the first half-year of 2017/2018 dropped 33.2% or US$6,805,000 from the prior year period to US$13,714,000.

During the six months ended 30 September 2017, both the RM and the CAD weakened against the US dollar which resulted in negative currency impacts on the Group's operating results for the period. If currency impact was excluded, the decreases in the Group's turnover and profit before income tax would have been about 6.0% and 33.3% respectively.

Basic earnings per share for the six months ended 30 September 2017 was US0.34 cents, compared with US0.60 cents in the corresponding period last year. As at 30 September 2017, the Group's cash and cash equivalents and short-term bank deposits amounted to US$104,710,000, an increase of 16.3% since 31 March 2017. Net assets per share attributable to owners of the Company was US11.90 cents. The Group's net gearing ratio was nil.

The Board has declared a first interim dividend for the year ending 31 March 2018 of US0.25 cents (2016/2017 : US0.36 cents) per ordinary share payable on 29 December 2017.

Looking ahead to the outlook of the remaining quarters, **Media Chinese's Group Chief Executive Officer, Mr. Francis TIONG** said, "Market conditions in the second half of the financial year 2017/2018 are expected to remain challenging for the Group. For the print media, advertising spending will remain slow given the still weak consumer spending and the continuing shifting of print advertising dollars to big digital and social media players like Google and Facebook. In addition, newsprint price has started showing signs of an upward trend which will further put pressure on the Group's performance. "

"Nevertheless, the Group will continue its efforts in developing innovative marketing packages integrating its print and digital businesses, enhancing its digital infrastructure, building its digital content and ensuring that its products and content stay competitive and relevant to its readers." 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

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