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 FOURTH QUARTER ENDED
31 March 2018

Unaudited Financial Highlights

	For the three months ended 31 March			For the year ended 31 March		
	2018	2017		**2018**	2017	
	US$'000	US$'000	% Change	**US$'000**	US$'000	% Change
Turnover	**63,541**	62,394	1.8%	**284,963**	302,586	-5.8%
Operating profit before provision for impairment of goodwill	**1,364**	4,518	-69.8%	**16,549**	28,755	-42.4%
Provision for impairment of goodwill	**(20,709)**	(3,603)	-474.8%	**(20,709)**	(3,603)	-474.8%
(Loss)/profit before income tax	**(20,157)**	(36)	-55891.7%	**(6,874)**	20,775	-133.1%
EBITDA	**(11,662)**	2,590	-550.3%	**8,687**	32,154	-73.0%

(30 May 2018) - **Media Chinese International Limited** ("**Media Chinese**" and, together with its subsidiaries, the "**Group**", HKSE Stock Code: 685, KUL Stock Code: 5090) today announced the unaudited results for the fourth quarter ended 31 March 2018.

The Group's turnover for the three months ended 31 March 2018 was US$63,541,000, reflecting a marginal increase of 1.8% or US$1,147,000 over the US$62,394,000 reported in the same quarter last year. However, it would have been a decrease of about 5.7% if currency impact was excluded.

Revenue from the publishing and printing segment increased by 3.1% or US$1,612,000 from US$51,969,000 to US$53,581,000 whilst revenue from the travel segment fell 4.5% or US$465,000 to US$9,960,000 from US$10,425,000 in the prior year quarter. If currency impact was excluded, the two segments would have registered decreases in revenue of about 5.9% and 4.8% respectively.

The Group reported a loss before income tax of US$20,157,000 for the quarter ended 31 March 2018 as compared to a loss of US$36,000 for the last corresponding quarter. The increase in loss was mainly due to a provision for impairment of goodwill of US$20,709,000 (2016/2017: US$3,603,000). The Group's operating profit before the provision for impairment of goodwill was US$1,364,000, 69.8% below the US$4,518,000 reported in the prior-year quarter.

Both the Malaysian Ringgit ("RM") and the Canadian dollar ("CAD") strengthened against the US$ during the quarter under review, which resulted in a positive currency impact on the Group's result for the quarter.

The Group reported a EBITDA loss of US$11,662,000 for the quarter, compared with a EBITDA of US$2,590,000 in the corresponding quarter last year.

For the fourth quarter of the financial year 2017/2018, the turnover of the Group's publishing and printing segment in Malaysia increased by 6.2% to US$38,323,000 from US$36,086,000 in the same quarter last year. The 6.2% increase was due to positive currency impact, excluding which, it would have been a decrease of about 6.3%. The segment reported a loss before income tax of US$19,000,000, mainly due to a provision for impairment of goodwill of US$20,709,000 and a provision for impairment of plant and machinery of US$5,146,000. Excluding these non-cash charges, the segment's result fell by 9.6% year-on-year to US$6,855,000 from US$7,581,000 in the prior year quarter on a comparable basis. The weaker performance was mainly driven by lower advertising revenue from the segment's print publications, which was partly cushioned by increased revenue from the segment's digital business as well as savings from cost containment measures.

Turnover for the Group's publishing and printing segment in Hong Kong, Taiwan and Mainland China amounted to US$11,419,000 for the current quarter, a marginal decrease of 0.6% or US$72,000 when compared to US$11,491,000 in the corresponding quarter a year ago. The segment reported a profit before income tax of US$965,000 for the current quarter as compared to a loss before income tax of US$2,958,000 recorded a year earlier. The marginal drop in this segment's revenue was attributable to the slowly improving economy and the increased contribution from its digital business which continued to expand and registered a double-digit growth in revenue during the quarter under review. The improved segment result was mainly due to the recognition of a gain of US$2,716,000 arising from the listing of the Group's associate, Most Kwai Chung Limited, on 28 March 2018.

Against a background of slowing economic growth, turnover of the Group's North American publishing and printing segment dropped by 12.6% to US$3,839,000. The segment's performance during the quarter was also adversely affected by the cooling down of the Canadian housing market following the country's imposition of various new regulations and policies. The segment's loss before income tax increased to US$674,000 from US$19,000 in the same quarter last year. The Group has been taking various measures to improve the segment's operating efficiency and reduce its overall costs, including outsourcing some of the segment's business processes and further review its manpower needs.

Turnover of the Group's travel business fell by 4.5% to US$9,960,000 from US$10,425,000 recorded in the same quarter last year. This resulted in the segment reporting a larger loss before income tax of US$615,000, compared to US$138,000 in the year-ago quarter. The current quarter's weaker performance was attributable to the increased competition from airlines and other industry players which affected both the revenue and profit margins of the travel segment.

For the year ended 31 March 2018, the Group's turnover decreased by 5.8% or US$17,623,000 to US$284,963,000 when compared to US$302,586,000 in FY 2016/2017. The turnover of the Group's publishing and printing segment fell 9.9% to US$210,093,000 whereas its travel segment registered a 7.9% growth in turnover from last year's US$69,409,000 to US$74,870,000. Besides the decline in revenue, the Group's operating result for the year ended 31 March 2018 was also affected by the provision for impairment of goodwill of US$20,709,000. The Group reported a loss before income tax of US$6,874,000 as against last year's profit before income tax of US$20,775,000. Accordingly, the Group's EBITDA for the year 2017/2018 dropped 73.0% or US$23,467,000 from last year's US$32,154,000 to US$8,687,000.

During the year ended 31 March 2018, both RM and the CAD strengthened mildly against the US$ which resulted in a positive currency impact of about US$1.8m on the Group's turnover and a negative currency impact of about US$0.4m on the Group's profit before income tax and provision for impairment of goodwill.

Basic loss per share for the year ended 31 March 2018 was US0.68 cents, compared with a basic earnings per share of US0.90 cents in the last year. As at 31 March 2018, the Group's cash and cash equivalents and short-term bank deposits amounted to US$120,235,000, an increase of 33.5% since 31 March 2017. Net assets per share attributable to owners of the Company was US11.72 cents. The Group's net gearing ratio was nil.

The Board has declared a second interim dividend for the year ended 31 March 2018 of US0.18 cents (2016/2017 : US0.36 cents) per ordinary share payable on 13 July 2018.

Looking ahead for the coming financial year, **Media Chinese's Group Chief Executive Officer, Mr Francis TIONG said**, "We expect the operating environment for our businesses, both publishing and travel, to remain challenging amid weak consumer sentiment and rising costs of doing business as well as new technologies that continue to reshape the media industry. Despite the improvement in the general economy of the countries we operate in, such improvement has not benefitted our businesses as the sectors in which our advertisers operate in remain subdued. Furthermore, newsprint prices are escalating due to a supply shortage and this will hit the Group with more challenges in the year ahead. "

"Nevertheless, we will continue our efforts in converging our print with our digital businesses and intensify our cost cutting efforts, particularly in streamlining our printing process in Malaysia. The Group is committed to further developing its digital media business in order to ensure long term sustainable competitiveness while continuing to strengthen its core publishing and travel businesses. " 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 25 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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