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 2018

Unaudited Financial Highlights

	For the three months ended 30 June		
	2018	2017	
	US$'000	US$'000	% Change
Turnover	**82,032**	73,768	11.2%
Profit before income tax	**4,888**	3,886	25.8%
EBITDA	**6,958**	6,262	11.1%

(28 August 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 first quarter ended 30 June 2018.

Business review

The Group recorded a turnover of US$82,032,000 for the first quarter of the financial year 2018/2019, reflecting a growth of 11.2% when compared to the corresponding quarter last year. This was mainly contributed by the travel segment which registered an increase of 32.7% in turnover to reach US$30,773,000 from US$23,193,000 in the same quarter last year. The publishing and printing segment recorded a turnover of US$51,259,000, which reflected a marginal increase of 1.4% over the prior year quarter.

The improvement in turnover resulted in the Group's profit before income tax rising by 25.8% to US$4,888,000 from US$3,886,000 in the same quarter previous year. Both the publishing and printing segment and the travel segment reported better results with increases in segment profit before income tax of 8.9% and 55.4% respectively when compared to the previous year.

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

The Group's EBITDA for the quarter was US$6,958,000, an 11.1% increase when compared with the US$6,262,000 in the corresponding quarter last year.

Publishing and printing segment

Turnover for the Malaysian operation for this quarter grew by 3.4% to US$34,985,000. It would have been a decrease of about 5.8% if currency impact was excluded. Print advertising revenue continued to soften during the current quarter, which was cushioned by the continued growth of the operation's digital business revenue as well as an increase in circulation revenue, the latter being driven by a cover price increase since March 2018. Meanwhile, turnover for the publishing and printing operations in Hong Kong, Taiwan and Mainland China fell marginally by 1.1% to US$12,655,000. The main revenue drivers for the Hong Kong operation were advertising revenue from the property and recruitment sectors as well as revenue from its digital business. The Group's North American operation's performance remained weak with turnover declining by 7.9% year-on-year to US$3,619,000.

The profit before income tax for the Malaysian operation improved by 15.5% from US$4,523,000 a year ago to US$5,226,000 in the current quarter. The increase was attributable to the continued cost saving measures undertaken by the Malaysian operation including stringent controls on the usage of newsprint and consumables, and optimisation of manpower resources. The Hong Kong, Taiwan and Mainland China operations recorded a loss before income tax of US$979,000 for the current quarter, about the same level as in the prior year quarter. With its revenue adversely affected by the rapid migration of advertisers to digital platforms, the Group's North American operation's reported a wider loss before income tax of US$858,000 for the quarter under review compared to last year's US$491,000. The Group has taken steps to reduce costs such as outsourcing the prepress production process including graphic design, artwork, pagination and proofing in order to improve the North American operation's results.

Travel and travel related services segment

Turnover for this segment surged 32.7% to US$30,773,000 in the current quarter from US$23,193,000 a year earlier. This improvement in turnover was mainly driven by an increase in demand for the segment's European, China and incentive tours.

The increase in the travel segment's turnover led to a significant increase in its quarterly profit before income tax, which rose by 55.4% to US$2,435,000 when compared to the previous year.

Basic earnings per share for the first quarter ended 30 June 2018 was US0.18 cents, compared with US0.14 cents for the corresponding quarter in 2017. As at 30 June 2018, the Group's cash and cash equivalents and short-term bank deposits totaled US$128,945,000, an increase of 7.2% since 31 March 2018. Net assets per share attributable to owners of the Company was US11.14 cents. The net gearing ratio was nil.

Outlook

Commenting on the outlook of the remaining quarters, **Media Chinese's Group Chief Executive Officer, Mr Francis TIONG said**, "The operating environment for the Group's core print business is expected to remain challenging in the quarters ahead as advertising expenditure remains slow due to weak consumer spending. This is exacerbated by the rising newsprint price as well as market uncertainties due to looming trade wars and Malaysia's recent change of government."

"Nevertheless, the Group will continue its efforts in strengthening its core publishing business; expanding its digital capabilities to drive more revenue; and growing its travel business by rolling out more appealing tour packages, while at the same time accelerating its cost reduction and efficiency enhancement initiatives." 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).

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

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