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 2019

Unaudited Financial Highlights

	(Unaudited) Three months ended 31 December			(Unaudited) Nine months ended 31 December		
	2019 US$'000	2018 US$'000	% Change	**2019 US$'000**	2018 US$'000	% Change
Turnover	**56,230**	63,567	-11.5%	**200,760**	231,268	-13.2%
Profit before income tax	**4,819**	3,004	60.4%	**10,820**	12,240	-11.6%
EBITDA	**6,582**	4,920	33.8%	**16,235**	18,176	-10.7%

(27 February 2020) - **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 third quarter ended 31 December 2019.

For the quarter ended 31 December 2019, the Group's turnover decreased by 11.5% to US$56,230,000 when compared to the corresponding quarter in 2018. Both the publishing and printing and the travel segments reported decrease in turnover. Despite the revenue decline, the Group managed to report a higher profit before income tax of US$4,819,000 for the current quarter, representing an increase of 60.4% or US$1,815,000 over that of the prior year quarter. This was mainly due to stringent controls on expenses which, in total, fell 14.1% from the same quarter last year.

Compared to the corresponding quarter of the previous year, EBITDA for the quarter rose 33.8% to US$6,582,000.

There was no significant currency impact on the Group's financial results for the quarter under review.

(a) Publishing and Printing

For the quarter under review, the turnover of the publishing and printing segment decreased by 11.1% to US$42,199,000 from US$47,475,000 in the same quarter last year. This decline was seen across all of the Group's market segments. However, the segment's profit before income tax improved by 38.3% year-over-year to US$4,803,000, compared to US$3,472,000 in the 3rd quarter of 2018/2019, driven primarily by savings realised from cost reduction initiatives.

The Group's turnover for its Malaysia and other Southeast Asian markets fell by 9.4% to US$28,094,000. This was in tandem with Malaysia's challenging domestic business conditions: the country registered a GDP growth of 3.6% in the fourth quarter of 2019, compared to 4.7% in the year-ago quarter, driven mainly by slowing domestic demand growth and continued sluggishness in exports.

To cushion the decline in revenue, the Group continued to focus on providing innovative advertising solutions that included custom-made content across a broad range of platforms. In addition, sponsored events such as the "Malaysia Health and Wellness Fair" and the "Sin Chew Business Excellence Awards" organised by *Sin Chew Daily*, and the "Golden Eagle Award" organised by *Nanyang Siang Pau* also contributed positively to the revenue of the Malaysian operations.

In terms of costs, there were substantial savings in production and manpower costs, mainly attributed to cheaper newsprint prices and natural attrition of the Group's manpower. As such, the segment reported a 16.0% increase in its profit before income tax to US$5,144,000 from US$4,435,000 in the previous year, despite the decline in turnover.

For the quarter under review, the turnover of the Hong Kong and Taiwan segment fell by 13.4% to US$11,431,000 from US$13,197,000 recorded in the prior-year quarter. The segment reported a loss of US$462,000 for the quarter, about the same level as last year's. The continuous protests in Hong Kong have impacted the city's retail and luxury goods sectors negatively which led to a decline in the revenue of the Group's operations in Hong Kong. The raising of the cover price of *Ming Pao Daily News* since March 2019 and the continuing growth in the segment's digital income has helped cushion such decline. The Group continued to focus on enhancing its growth in recruitment advertisements as well as participating in more advertisers and government sponsored projects. Savings from cost containment efforts also helped lessen the impact of lower revenue.

The performance of the North America segment remained subdued given the continued weakness of the Canadian economy. The turnover for this segment fell by 18.5% year-over-year to US$2,674,000. However, it reported a profit before income tax of US$121,000 as against a loss before income tax of US$529,000 in the corresponding quarter last year. This was attributed to increased revenue following a recent raise in the newspaper's cover price and a grant from the local government as well as continued cost control efforts.

(b) Travel and travel related services

Turnover for the travel segment amounted to US$14,031,000 in the current quarter, a decrease of 12.8% when compared to the prior-year quarter. This was mainly caused by lower sales from the Hong Kong tour operation, the performance of which has been adversely affected by the city's ongoing protests that weakened people's travel sentiment. The travel segment reported a corresponding decrease in profit before income tax for the quarter of 56.0% to US$172,000 from US$391,000 in the same quarter last year.

Nine months of FY 2019/2020

For the nine months ended 31 December 2019, the Group's turnover fell by 13.2% to US$200,760,000 when compared to the corresponding period last year, with decreases in the turnover of the Group's publishing and printing segment and the travel segment of 14.1% and 11.6% respectively.

As a result of the decline in turnover, the Group's profit before income tax for the current period fell by 11.6% to US$10,820,000 from US$12,240,000 in the same period last year, with weaker performance from both its publishing and printing and travel segments.

The Group's EBITDA for the period was US$16,235,000 which was 10.7% below last year's US$18,176,000.

During the nine months ended 31 December 2019, both the Malaysian Ringgit and the Canadian Dollar weakened against the US dollar, which resulted in negative currency impacts on the Group's turnover and profit before income tax of approximately US$2,170,000 and US$146,000 respectively.

Basic earnings per share for the nine months ended 31 December 2019 was US0.52 cents, compared with US0.46 cents for the corresponding quarter in 2018. As at 31 December 2019, the Group's cash and cash equivalents and short-term bank deposits totaled US$83,085,000, an increase of 10.6% since 31 March 2019. Net assets per share attributable to owners of the Company was US10.20 cents. The net gearing ratio was nil.

Outlook

Commenting on the outlook of the remaining quarter, **Media Chinese's Group Chief Executive Officer, Mr. Francis TIONG said**, "The Group expects the business conditions for the remaining quarter of the financial year 2019/2020 to remain weak. The recent emergence of the COVID-19 outbreak worldwide is expected to further dampen consumption and tourism demand in the markets the Group operates in, especially Hong Kong which economy has already been hard hit by months of social unrest since June 2019. Moreover, the fourth quarter is normally a low season for both the advertising and travel businesses. These factors are expected to have negative impacts on the Group's turnover for the coming quarter."

"Despite the increasing challenging business environment, the Group will continue its efforts in enhancing its core businesses, especially its digital business, and will offer more integrated advertising solutions across the Group's print and digital platforms for the advertisers to reach their target audiences. For the travel segment, the Group will continue to look for new destinations or bespoke tour packages that can stimulate people's desire to travel once the COVID-19 is contained. In terms of costs, the Group expects to have some savings from its production costs with the softening of the newsprint price. Meanwhile, the Group will continue to streamline its operations to achieve higher efficiency and cost effectiveness." 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 mainboard of The Stock Exchange of Hong Kong Limited (Stock Code: 685) and Bursa Malaysia Securities Berhad (Stock Code: 5090). Media Chinese's product portfolio comprises newspapers, magazines and books in Southeast Asia, Greater China and North America. The Group has also expanded its business into the digital media.

Media Chinese is the major shareholder of One Media Group Limited (listed on the mainboard of The Stock Exchange of Hong Kong Limited, Stock Code: 426).

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