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 2019

Unaudited Financial Highlights

	(Unaudited) Three months ended 30 June		
	2019 US$'000	2018 US$'000	% Change
Turnover	**71,632**	82,032	-12.7%
Profit before income tax	**3,244**	4,888	-33.6%
EBITDA	**5,087**	6,958	-26.9%

(28 August 2019) - **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 2019.

The Group's turnover fell by 12.7% to US$71,632,000 from US$82,032,000 in the same quarter last year. This was attributed to the decline in revenue from both the publishing and printing segment and the travel segment of 18.2% and 3.5% respectively. Consequently, the Group recorded a lower profit before income tax of US$3,244,000 compared to US$4,888,000 a year ago.

Compared to the corresponding quarter of the previous year, EBITDA for the quarter fell 26.9% to US$5,087,000.

During the current quarter, both the Malaysian Ringgit ("RM") and the Canadian dollar ("C$") weakened against the US dollar, resulting in negative currency impacts of approximately US$1,627,000 on the Group's turnover and US$127,000 on the Group's profit before income tax.

(a) Publishing and Printing

For the current quarter, turnover for the publishing and printing segment decreased by 18.2% to US$41,926,000 from US$51,259,000 for the same period last year. This decline was seen in all the Group's core markets. In line with the lower revenue, the publishing and printing segment's profit before income tax decreased from US$3,389,000 in the previous year to US$1,334,000.

For its Malaysia and other Southeast Asian markets, the Group's turnover fell 22.1% to US$27,246,000 from US$34,985,000 a year ago, resulting in a decrease of 52.3% in this segment's profit before income tax to US$2,491,000 from US$5,226,000 in the prior year quarter. Malaysia's advertising market remained weak as reflected by the adex figures which showed a drop of 15.9% in Malaysia's total advertising spending for the current quarter if compared to the same period last year. Malaysia has also been impacted by the general slowdown in the world economy. The softening of the advertising market has adversely affected the Group's print revenue and its digital revenue also grew at a slower pace when compared to the corresponding quarter last year. Nevertheless, the Group will continue to strive for strengthening its business, including conducting more revenue-generating events and projects as well as expanding its digital business. It will also continue its cost containment efforts which have been fruitful as reflected by the savings in most of the Group's operating costs.

Hong Kong's economy remained weak in the current quarter amid the ongoing US-China trade dispute and the recent wave of protests in Hong Kong. According to the Census and Statistics Department's reports, Hong Kong's retail sales dropped for the fifth consecutive months in June with a year-on-year decline of 6.7% and for the first six months of 2019, retail sales fell by 2.6% compared to the same period of last year. Turnover of the Hong Kong and Taiwan segment fell 7.3% or US$918,000 in the quarter under review to US$11,737,000 from US$12,655,000 in the same quarter of the previous year. Recruitment advertisements and revenue from government projects continued to be revenue drivers for this segment for the quarter under review; whereas revenue from the finance and property sectors remained soft. Through operational efficiency and cost reduction, the segment managed to mitigate the impact of revenue decline. It reported a segment loss before income tax of US$1,148,000 as compared to a loss of US$979,000 in the prior year quarter.

The performance of the North America segment remained subdued due to weak economic conditions, particularly for the property sector. Nevertheless, this market is seeing growth in its digital business and the Group is working on enhancing its digital capabilities and expanding its digital service offerings, while at the same time continuing its cost control measures. This segment saw an 18.7% drop in turnover to US$2,943,000 from last year's US$3,619,000. However, the segment's loss before income tax narrowed to US$9,000 from US$858,000 a year ago.

(b) Travel and travel related services

Compared to the same quarter in 2018/2019, turnover for the travel segment was down by 3.5% or US$1,067,000 to US$29,706,000. Impacted by the decline in turnover, the segment's profit before income tax fell by 13.8% to US$2,098,000 from US$2,435,000 in the same quarter last year. The intense competition in the travel industry has adversely affected this segment's performance. In order to stay competitive and profitable, the Group is focusing on providing niche products and services such as customised luxury tours and wide range of incentive tours for groups of all sizes.

Basic earnings per share for the first quarter ended 30 June 2019 was US0.13 cents, compared with US0.18 cents for the corresponding quarter in 2018. As at 30 June 2019, the Group's cash and cash equivalents and short-term bank deposits totaled US$79,459,000, an increase of 5.7% since 31 March 2019. Net assets per share attributable to owners of the Company was US9.87 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 Group expects the market conditions to be challenging and uncertain for the remaining quarters of the financial year 2019/2020. This is premised upon the continuing trade war between the United States and China, the softening of the economy in South East Asia and Canada as well as the political unrest in Hong Kong."

"The Group will continue its efforts to minimize the impact of these adverse market conditions on its earnings. Dedicated business teams have been set up to develop new revenue models to address the changing business environment, while at the same time the Group will continue to optimise its operational 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 in Southeast Asia, Greater China and North America comprises 5 daily newspapers in 11 editions and 2 free newspapers, as well as more than 15 magazines. The Group has also expanded its business into 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).

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

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