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. 200702000044)
(Hong Kong Stock Code: 685)
(Malaysia Stock Code: 5090)

**To: Business Editor** **【For Immediate Release】**

## FINANCIAL RESULTS
## FOR THE FOURTH QUARTER ENDED
## 31 March 2020

**Unaudited Financial Highlights**

| | Three months ended 31 March | | | Year ended 31 March | | |
|---|---|---|---|---|---|---|
| | **2020 US$'000** | 2019 US$'000 | % Change | **2020 US$'000** | 2019 US$'000 | % Change |
| **Turnover** | **38,457** | 54,292 | -29.2% | **239,217** | 285,560 | -16.2% |
| **(Loss)/profit before income tax** | **(1,537)** | (18,777) | 91.8% | **9,283** | (6,537) | 242.0% |
| **EBITDA** | **351** | (13,581) | 102.6% | **16,586** | 4,595 | 261.0% |

(24 June 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 fourth quarter ended 31 March 2020.

The Group's turnover for the quarter under review fell by 29.2% to US$38,457,000 from US$54,292,000 in the previous corresponding quarter. The Group's performance during the current quarter was adversely affected by the COVID-19 outbreak, with its publishing and printing segment and the travel segment reporting sharp declines in turnover of 25.9% and 46.0% respectively when compared to the same quarter last year.

As a result of the abrupt downturn in business triggered by the pandemic, the Group reported a loss before income tax of US$1,537,000 for the quarter ended 31 March 2020, compared to a loss before income tax of US$18,777,000 in the prior year quarter. Last year's loss was mainly caused by the provisions for impairment of goodwill and certain plant and machinery totaling US$17,977,000. Excluding the impairment provisions, current quarter's loss was higher mainly due to the sharp decline in revenue since the COVID-19 outbreak.

The Group's EBITDA for the quarter under review was US$351,000, compared to an EBITDA loss of US$13,581,000 a year earlier.

During the current quarter, both the Malaysian Ringgit ("RM") and the Canadian dollar ("C$") weakened against the US Dollar, resulted in negative currency impact of approximately US$418,000 on the Group's turnover and positive currency impact of approximately US$17,000 on the Group's loss before income tax.

**(a) Publishing and Printing**

For the quarter under review, the publishing and printing segment reported a turnover of US$33,765,000, reflecting a decline of 25.9% when compared to the US$45,597,000 recorded in the same quarter previous year.

Turnover of the Group's Malaysia and other Southeast Asia segment fell 22.9% year-on-year to US$23,521,000 from US$30,508,000. Despite the revenue decline, the segment reported a profit before income tax of US$2,783,000 for the current quarter, as against a loss before income tax of US$16,254,000 in the year-ago quarter. Excluding the above-mentioned impairment provisions of US$17,977,000, the current quarter's profit before income tax would have been 61.5% higher than last year's. This was mainly attributed to the substantial cost savings which more than offset the impact of lower revenues.

The quarter under review is a traditionally slow quarter for the Group's publishing business, and the COVID-19 outbreak put further pressure on the already weak consumer sentiment. To contain the spread of the pandemic, the Malaysian government has implemented a Movement Control Order ("MCO") on 18 March 2020 which led to a significant drop in the country's economic activities. Resulting from this, the segment saw sharp declines in its revenue since the MCO was imposed.

Hong Kong's economy has been adversely impacted by months of social unrest that crippled the local retailing and tourism businesses, and the situation was exacerbated by the COVID-19 outbreak in January 2020. These have negative impacts on this segment's performance. For the quarter under review, the turnover of the Hong Kong and Taiwan segment fell by 35.1% to US$7,662,000 from US$11,805,000 in the prior year quarter. The segment's loss before income tax for the current quarter widened to US$3,214,000 from US$818,000 a year ago.

The Group's business in North America recorded a turnover of US$2,582,000 for the current quarter, which was 21.4% below the US$3,284,000 recorded in the same quarter last year. Despite the decline in turnover, the segment reported a profit before income tax of US$197,000, a turnaround from a loss before income tax of US$14,000 in the corresponding quarter last year. The improvement was mainly attributed to cost savings and the receipt of a grant from the local government.

**(b) Travel and travel related services**

The turnover for the Group's travel segment for the quarter under review was US$4,692,000, a decrease of 46.0% from US$8,695,000 reported in the same quarter last year. The travel sector was one of the hardest hit industries due to the COVID-19 pandemic as many countries imposed lockdowns and travel bans in an attempt to contain the spread of the virus. The segment reported a loss before income tax of US$1,082,000 for the quarter under review, which was at about the same level as that of the prior year quarter.

**FY 2019/2020**

For the year ended 31 March 2020, the Group recorded a turnover of US$239,217,000 as compared to US$285,560,000 in the previous year. The 16.2% year-on-year decline in turnover was due in part to the sharp downturn in business since the COVID-19 outbreak in January. The turnover for publishing and printing segment fell 16.9% to US$161,256,000 from US$193,957,000 recorded last year. Meanwhile, the turnover for the travel segment dropped 14.9% to US$77,961,000 from US$91,603,000 a year ago.

The Group recorded a profit before income tax of US$9,283,000 as opposed to last year's loss before income tax of US$6,537,000. This was mainly due to the provisions for impairment of goodwill and certain plant and machinery totaling US$17,977,000 made in last year. Excluding which, current year's profit before income tax would have been 18.0% below last year's. This was mainly due to the sharp decline in revenue since the COVID-19 outbreak in January.

The Group's EBITDA for the year was US$16,586,000, an increase of 261.0% when compared with last year's US$4,595,000.

During the year under review, both the RM and the C$ weakened against the US Dollar, resulted in negative currency impacts of approximately US$2,588,000 and US$129,000 on the Group's turnover and profit before income tax respectively.

Basic earnings per share for the year ended 31 March 2020 was US0.42 cents, compared with a basic loss per share of US0.67 cents in the last year. As at 31 March 2020, the Group's cash and cash equivalents and short-term bank deposits amounted to US$73,882,000, a decrease of 1.7% since 31 March 2019. Net assets per share attributable to owners of the Company was US9.61 cents. The Group's net gearing ratio was nil.

The Board has declared a second interim dividend for the year ended 31 March 2020 of US0.10 cents (2018/2019: US0.10 cents) per ordinary share payable on 30 July 2020.

**Outlook**

Commenting on the outlook of the coming financial year, **Media Chinese's Group Chief Executive Officer, Mr. Francis TIONG said**, "With the world brought down to its knees by the COVID-19 pandemic and many countries imposing lockdown or movement control restrictions, the global economy is facing and will continue to experience contraction until the pandemic comes under control and the confinement measures gradually uplifted. Despite the COVID-19 stimulus packages introduced by governments around the world including Malaysia and Hong Kong, consumer demand remains weak whilst businesses globally struggle to stay afloat. With this backdrop, the Group expects the coming financial year to be extremely challenging."

"With most parts of the world experiencing lockdown in various degrees to curb the spread of COVID-19, digital platforms have become the tool for many to work from home, to communicate with each other or for governments to dispense information to their citizens. The Group hopes to adapt to this "new normal" in order to grow its market share and revenue from the digital platforms. For the travel segment, which is one of the hardest hit businesses, the Group expects the year ahead to be challenging as travel will be greatly reduced due to the pandemic until a cure or a vaccine is found. Efforts have been taken to streamline the tour operations and ensure that the operations will have the resources necessary to get through the pandemic and restart operations once international travel resumes.

Meanwhile, the Group will continue to exercise prudent cost controls across all business units and intensify its efforts to further strengthen operational efficiency and effectiveness. Furthermore, the Group will work continuously adapting its operations in all regions to meet the crippling effects brought about by this pandemic." Mr. TIONG concluded.

– End –

**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).

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

For further enquiries, please contact:

**Media Chinese International Limited**
Malaysia
Ms. TONG Siew Kheng Tel: (603) 7965-8885
Fax: (603) 7965-8689
Hong Kong
Corporate Communications Department
Ms. Justina FAN Tel: (852) 2595-3355
Fax: (852) 2515-0294
E-mail: corpcom@mediachinese.com