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 FIRST QUARTER ENDED
30 June 2020

Unaudited Financial Highlights

	(Unaudited) Three months ended 30 June		
	2020 US$'000	2019 US$'000	% Change
Turnover	**24,220**	71,632	-66.2%
(Loss)/Profit before income tax	**(5,949)**	3,244	-283.4%
(EBITDA Loss)/EBITDA	**(4,135)**	5,087	-181.3%

(28 August 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 first quarter ended 30 June 2020.

The Group's turnover for the quarter under review fell 66.2% to US$24,220,000 from US$71,632,000 in the same quarter last year. This significant drop was primarily due to the negative impact of COVID-19 on the Group's publishing and printing segment and the travel segment which saw their revenue fall by 42.3% and 99.8% respectively. The revenue decline resulted in the Group reporting a loss before income tax of US$5,949,000 for the current quarter as compared to a profit before income tax of US$3,244,000 a year earlier.

EBITDA loss for the quarter was US$4,135,000, compared to an EBITDA of US$5,087,000 in the corresponding quarter last year.

During the current quarter, both the Malaysian Ringgit ("RM") and the Canadian dollar ("C$") weakened against the US dollar, resulting in a negative currency impact of about US$630,000 on the Group's turnover and a positive currency impact of about US$159,000 on the Group's loss before income tax.

(a) Publishing and Printing

The turnover for the publishing and printing segment dropped to US$24,171,000 from US$41,926,000 in the corresponding quarter last year. The 42.3% decline was mainly due to the COVID-19 pandemic's adverse impact on the world economies and businesses, which led to a decline in the Group's advertising revenue from all its markets. This segment reported a loss before income tax of US$5,433,000, compared to a profit before income tax of US$1,334,000 in the previous year.

In the wake of the COVID-19 pandemic, most countries in Southeast Asia have imposed lockdown and other restrictions to curb the spreading of the coronavirus. In Malaysia, a Movement Control Order ("MCO") was imposed from mid-March to early June 2020 during which period workplaces had to close down except for essential services. The MCO had crippled the retail sector and negatively affected the advertising spending in Malaysia. The control on movements had also affected the delivery of newspapers and magazines and therefore impacted the segment's circulation revenue.

The slowdown in the economy of this region resulted in the Group's Malaysia and other Southeast Asian segment reporting a 47.6% decline in turnover to US$14,276,000 from US$27,246,000 a year earlier. The decline led to a loss before income tax of US$3,636,000 for the quarter, as opposed to a profit before income tax of US$2,491,000 a year ago.

Hong Kong's economy shrank by 9% year-on-year during the current quarter, as the pandemic continued to have a major adverse impact on the local economic activities. In tandem with this contraction, the turnover of the Group's Hong Kong and Taiwan segment declined by 26.7% year-on-year to US$8,605,000 and the segment's loss before income tax widened to US$1,921,000 from US$1,148,000 a year ago.

During the quarter, the Group's North America segment saw its turnover decline by 56.2% year-on-year to US$1,290,000 from US$2,943,000 as the region's economic environment remained challenging amid the pandemic. Despite the decline in revenue, the segment managed to achieve a profit before income tax of US$124,000 as opposed to a loss before income tax of US$9,000 in the same quarter last year, mainly attributed to cost savings and the Canadian government's relief measures which helped lower the segment's operating costs.

(b) Travel and travel related services

The COVID-19 pandemic and subsequent lockdown measures have brought the tourism industry to a standstill, causing significant revenue loss for the Group's travel segment. The turnover for the Group's travel segment plunged by nearly 100% to US$49,000 from US$29,706,000 in the prior year quarter. The segment reported a loss before income tax of US$374,000 for the quarter, as against a profit before income tax of US$2,098,000 a year ago, with the impact of the sharp decline in revenue cushioned by aggressive cost cutting measures and government relief subsidies.

Basic loss per share for the first quarter ended 30 June 2020 was US0.34 cents, compared with basic earnings per share of US0.13 cents for the corresponding quarter in 2019. As at 30 June 2020, the Group's cash and cash equivalents and short-term bank deposits totaled US$74,685,000, an increase of 1.1% since 31 March 2020. Net assets per share attributable to owners of the Company was US9.24 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 year 2020 to date has been a disastrous and very challenging one for most businesses across the globe. With COVID-19 still lingering on and many countries suffering second or third waves of infection with no vaccine in sight, businesses and consumer demands remain weak globally. Hence, the Group expects tough business environment ahead especially for its travel segment as the borders of most countries remain closed."

"The Group will continue its efforts to minimise the adverse impact arising from the pandemic on its earnings with aggressive cost containment measures and look for ways to adapt its operations and marketing efforts to the changing business environment. As standard operating procedures and social distancing have become a part of life, the Group will continue to launch more webinars and virtual events, as well as 'hybrid events' which leverage on both its print and digital platforms to drive revenue. Furthermore, to meet the growing demand for digital learning resources as most schools have moved to online classes during the pandemic, the Group's publishing arm has stepped up its efforts and services in order to expand its share in this growing market." 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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