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 SECOND QUARTER ENDED
30 September 2020

Unaudited Financial Highlights

	(Unaudited) Three months ended 30 September			(Unaudited) Six months ended 30 September		
	2020 US$'000	2019 US$'000	% Change	**2020 US$'000**	2019 US$'000	% Change
Turnover	**30,371**	72,898	-58.3%	**54,591**	144,530	-62.2%
Profit/(loss) before income tax	**594**	2,757	-78.5%	**(5,355)**	6,001	-189.2%
EBITDA/(EBITDA loss)	**2,454**	4,566	-46.3%	**(1,681)**	9,653	-117.4%

(25 November 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 second quarter ended 30 September 2020.

For the quarter ended 30 September 2020, the Group's turnover decreased by 58.3% to US$30,371,000 compared to the corresponding quarter of 2019. The decline was attributable to decreases of 99.9% and 30.0% in turnover from the travel segment and the printing and publishing segment respectively. Despite the significant decline in revenue, the Group recorded a profit before income tax of US$594,000 for the current quarter, mainly attributed to substantial cost savings across the Group and financial support received from the governments in countries where the Group operates.

EBITDA for the quarter was US$2,454,000, a 46.3% decrease from the EBITDA of US$4,566,000 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 approximately US$160,000 on the Group's turnover and a positive currency impact of approximately US$5,000 on the Group's profit before income tax.

(a) Publishing and Printing

The turnover of the publishing and printing segment decreased by US$13,014,000 or 30.0% from US$43,366,000 in the same quarter last year to US$30,352,000. Nevertheless, the segment's profit before income tax increased by US$434,000 or 57.8% year-on-year from US$751,000 to US$1,185,000.

The Malaysia and other Southeast Asian countries segment turnover fell by 31.5% year-on-year from US$27,433,000 to US$18,803,000 for the quarter under review. The segment reported a profit before income tax of US$17,000 in spite of the significant decline in revenue, mainly attributed to strict cost control management in all its operating units. Malaysia's lockdown restrictions were eased in early June 2020 when it was replaced by the Recovery Movement Control Order which allowed many business sectors to resume operations in compliance with strict standard operating procedures. However, economic activities remained at a much lower level during the quarter under review when compared to the pre-COVID period, as market sentiment was dampened by global economic uncertainties and the country's increased unemployment rate.

Hong Kong experienced a third wave of COVID-19 in July which prompted the government to further tighten the social distancing measures, thereby slowed down the city's economic recovery. The turnover of the Hong Kong and Taiwan segment decreased by 26.2% to US$9,859,000 compared to US$13,368,000 in the corresponding quarter of the previous year. Despite the decline in revenue, this segment recorded a profit before income tax of US$936,000 for the quarter under review, as opposed to a loss before income tax of US$451,000 a year ago. In addition to the Group's tight cost-cutting measures, the improvement in this segment's result was also due to the wage subsidies received under the Hong Kong government's Employment Support Scheme which aimed at assisting businesses battered by the coronavirus pandemic.

The performance of the North America segment remained subdued due to the slowdown of economic activities in the region amid the pandemic. The segment's turnover for the current quarter fell 34.1% year-on-year to US$1,690,000 from US$2,565,000. The segment registered a profit before income tax of US$232,000 for the current quarter as against a loss before income tax of US$827,000 a year ago in spite of the decline in revenue. This was mainly attributed to cost savings and funds received from the Canadian government's subsidies and relief programs.

(b) Travel and travel related services

The coronavirus has paralysed the tour and travel industry with border closures and travel restrictions being implemented by many countries. The Group's travel segment has experienced significant decline in revenue since February this year. The segment's turnover for the current quarter amounted to US$19,000 only, down 99.9% from US$29,532,000 in the previous year's quarter. The sharp decline in revenue resulted in the travel segment reporting a loss before income tax of US$429,000, as opposed to a profit before income tax of US$2,209,000 in the same quarter last year.

First half of FY 2020/2021

For the six months ended 30 September 2020, the Group's turnover decreased by US$89,939,000 or 62.2% to US$54,591,000 from US$144,530,000 in the same period last year. Turnover of the publishing and printing and the travel segment fell by 36.1% and 99.9% respectively.

Resulting from the decline in revenue, the Group recorded a loss before income tax of US$5,355,000 for the period under review, compared to a profit before income tax of US$6,001,000 for the corresponding period in 2019.

The Group reported an EBITDA loss of US$1,681,000 for the first six months of 2020/2021, as opposed to an EBITDA of US$9,653,000 in the prior year period.

During the six months ended 30 September 2020, both the RM and the C$ weakened against the US dollar which resulted in a negative currency impact of approximately US$790,000 on the Group's turnover and a positive currency impact of approximately US$164,000 on the Group's loss before income tax.

Basic loss per share for the six months ended 30 September 2020 was US0.29 cents, compared with a basic earnings per share of US0.32 cents for the corresponding period in 2019. As at 30 September 2020, the Group's cash and cash equivalents and short-term bank deposits totaled US$76,328,000, an increase of 3.3% since 31 March 2020. Net assets per share attributable to owners of the Company was US9.58 cents. The net gearing ratio was nil.

The Board of Directors does not recommend any distribution of dividend for the six months ended 30 September 2020 (2019/2020: US0.16 cents per ordinary share).

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 for the months ahead to be extremely challenging and difficult. It is imperative for countries to open their borders in order to drive global trade and spur spending by consumers and allow economic activities to resume gradually. However, with the current resurgence of the coronavirus infections in many countries, the Group does not expect much improvement in the economy of the countries which it operates in for the remainder of the current financial year. "

"COVID-19 has an unprecedented adverse impact on the travel industry which will only start to recover when an effective vaccine is widely available and customers' confidence in air travel is restored. The setting up of "air travel bubbles" between countries will help revive cross-border passenger flow and the Group will keep abreast of this market development for any business opportunities. Meantime, it will strive to keep its travel business afloat through this tough period by drastically cutting down all its expenditures.

The lockdowns and social distancing measures have led to an increase in online consumption and hence digital business opportunities. The Group will continue to focus on expanding its multimedia services through its web and mobile platforms. At the same time, the Group will monitor its financial position closely and ensure strict cost controls remain in place and be monitored closely to ensure that the Group has sufficient resources to ride through this pandemic." 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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