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】**

FIRST QUARTER FINANCIAL RESULTS
FOR THE PERIOD ENDED 30 JUNE 2014

Unaudited Financial Highlights

	For the three months ended 30 June 2014 US$'000	For the three months ended 30 June 2013 US$'000	**Change %**
Turnover	**115,465**	126,302	**-8.6%**
Profit before income tax	**12,495**	18,877	**-33.8%**
EBITDA	**16,694**	23,529	**-29.0%**

(28 August 2014) - **Media Chinese International Limited** ("**Media Chinese**" which 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 2014.

For the quarter ended 30 June 2014, the Group's turnover amounted to US$115,465,000, 8.6% or US$10,837,000 less than the US$126,302,000 in the same quarter last year. The decline in revenue was primarily due to lower contribution from the publishing and printing segment.

Profit before income tax fell 33.8% or US$6,382,000 to US$12,495,000 from US$18,877,000 in the first quarter of last year. The decline largely reflected lower revenues, partially offset by the decreases in operating expenses and finance costs.

EBITDA for the quarter was US$16,694,000, reflecting a 29.0% or US$6,835,000 decrease when compared with US$23,529,000 in the year-ago quarter.

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The publishing and printing segment reported a profit before income tax of US$13,019,000, down 32.9% or US$6,390,000 against the same quarter last year, primarily due to a 10.8% decrease in revenue.

The Malaysian segment's profit before income tax fell 33.4% to US$12,030,000 while its revenue declined 12.4% to US$66,698,000 from US$76,127,000 a year earlier. During the quarter, the segment's advertising sales were affected by the soft sentiment that has weighed down the local advertising market since the government's announcement of the implementation of the Goods and Services Tax and the subsidy rationalisation programme in the second half of last year. The MH 370 incident further negatively impacted the advertising market in April and May as many events and promotions were held back or cancelled by the advertisers. Adding to this, higher advertising revenue was reported in the corresponding quarter last year driven mainly by one-off political advertisements.

Although Hong Kong's property market has started to show some signs of increasing activity, the growth was offset by weak retail sales, especially for luxury and branded labels. Turnover from the Hong Kong and Mainland China segment decreased marginally by 3.0% to US$16,979,000 while the segment profit before income tax fell 4.8% to US$929,000.

The publishing and printing segment in North America was adversely impacted by the slow economy and severe weather conditions in the region during the quarter and reported a 12.5% drop in revenue. Consequently, profit before income tax reduced to US$60,000 from US$379,000 in the prior-year quarter.

Tour revenue for the current quarter amounted to US$25,791,000, which was at about the same level as in the corresponding quarter of last year. The tour operation in Hong Kong reported a decline in revenue amid tough competition in the local market, but this was all offset by improved performance from the tour operations in North America. However, due to the increase in operating costs, the tour segment's profit before income tax fell by 33.5% to US$1,269,000.

The weakening of both Malaysian Ringgit and Canadian dollar against US dollar during the quarter brought negative currency impact on the Group's revenue and profit before income tax of approximately US$4,065,000 and US$656,000 respectively.

Basic earnings per share for the first quarter ended 30 June 2014 was US0.49 cents, compared with US0.79 cents in the corresponding quarter last year. Net assets per share attributable to owners of the Company was US12.90 cents. As at 30 June 2014, the Group's cash and cash equivalents amounted to US$124,842,000, an increase of 21.4% since 31 March 2014, resulting in the net gearing ratio being reduced from 21.9% to 11.7%.

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Commenting on the outlook for the remaining quarters, **Media Chinese's Group Chief Executive Officer, Mr Francis TIONG** said, "We expect the remaining quarters to be challenging as the advertising environment in the Group's key markets remain soft in the light of economic uncertainties and decline in consumer confidence."

He added, "Nevertheless, the recent fall in newsprint price will provide some buffer to the weak market conditions."

"Given the difficult trading environment, we will remain focused on driving revenue growth through aggressive sales initiatives and product enhancement; while at the same time continue reinforcing operational efficiencies in all business units." 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 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 3 free newspapers, as well as about 30 magazines. The Group has also expanded its business into digital media. Media Chinese is the proprietor of Life Magazines, the largest Chinese language magazine publisher in Malaysia, and is the major shareholder of One Media Group Limited (listed on The Stock Exchange of Hong Kong Limited, Stock Code: 426).

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

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