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 THIRD QUARTER ENDED
31 December 2020

Unaudited Financial Highlights

	(Unaudited) Three months ended 31 December			(Unaudited) Nine months ended 31 December		
	2020 US$'000	2019 US$'000	% Change	**2020 US$'000**	2019 US$'000	% Change
Turnover	**31,463**	56,230	-44.0%	**86,054**	200,760	-57.1%
Profit/(loss) before income tax	**1,384**	4,819	-71.3%	**(3,971)**	10,820	-136.7%
EBITDA	**3,241**	6,582	-50.8%	**1,560**	16,235	-90.4%

(25 February 2021) - **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 third quarter ended 31 December 2020.

The Group's turnover for the quarter ended 31 December 2020 amounted to US$31,463,000, a decrease of 44.0% or US$24,767,000 from US$56,230,000 in the corresponding quarter last year, as the COVID-19 pandemic continued to weigh on the Group's operations, especially its travel business. The decrease in turnover led to a corresponding drop in the Group's profit before income tax, which fell by 71.3% or US$3,435,000 to US$1,384,000 from US$4,819,000 in the prior year quarter.

EBITDA for the quarter fell 50.8% to US$3,241,000, compared with US$6,582,000 in the third quarter of 2019/2020.

There was no significant currency impact on the Group's financial results for the quarter under review.

(a) Publishing and Printing

For the current quarter, the turnover of the publishing and printing segment declined by 25.5% to US$31,432,000 from US$42,199,000 in the same quarter last year, with all of the Group's market segments reporting lower revenues. This resulted in a decrease in the segment's profit before income tax which fell by 54.7% to US$2,174,000 from US$4,803,000 a year earlier.

In Malaysia, the implementation of movement control orders to curb the spread of the coronavirus has impacted most businesses and weakened retail spending. The country's GDP dropped by 2.7% year-on-year in the third quarter of 2020, a milder contraction compared to the 17.1% in the second quarter.

The turnover of the Group's Malaysia and other Southeast Asian segment fell by 29.2% to US$19,878,000 when compared to the same quarter in the previous year. The decline in turnover resulted in a 65.8% drop in this segment's profit before income tax from last year's US$5,144,000 to US$1,758,000.

As most people stayed at home during the pandemic, the operations in Malaysia has focused on using its digital platforms to drive revenue with virtual fairs, seminars and events; leveraging its cross-platform marketing initiatives including video production and broadcasting; as well as offering customised digital advertising and advertorial packages to its customers. Meantime, the Group has continued its efforts in cost rationalisation and optimisation to compensate for the declining revenue. Stringent pagination and print order controls contributed to satisfactory production and raw materials cost savings while headcount controls helped reduce fixed operating expenses.

The economy of Hong Kong has also been greatly impacted by the lingering coronavirus pandemic as the restrictive measures dampened social and economic activities, with the retail and tourism industries particularly hard hit. For the quarter under review, the turnover of the Hong Kong and Taiwan segment fell by 15.5% to US$9,662,000 from US$11,431,000 recorded in the prior year quarter. Despite the decline in revenue, this segment posted a profit before income tax of US$356,000 for the current quarter as opposed to a segment loss of US$462,000 a year ago. The Group's continued cost controls and the wage subsidies received under the Hong Kong government's Employment Support Scheme contributed to the improvement in this segment's results.

The performance of the North America segment remained subdued amid the weak economic conditions caused by the pandemic. The turnover for this segment decreased by 29.2% year-on-year to US$1,892,000 which resulted in a 50.4% drop in its profit before income tax to US$60,000 from US$121,000 in the corresponding quarter of the previous year. This segment continued to benefit from the Canadian government's grant and wage subsidies which helped mitigate the impact of revenue drop.

(b) Travel and travel related services

The tourism industry remained at a standstill amid worldwide travel restrictions. As such, the Group's travel segment reported a turnover of US$31,000 only for the current quarter as compared to US$14,031,000 a year earlier. This resulted in the segment reporting a loss of US$645,000, as opposed to a segment profit before income tax of US$172,000 recorded in the same quarter last year.

Nine months of FY 2020/2021

For the nine months ended 31 December 2020, the Group's turnover fell by 57.1% to US$86,054,000 when compared to the corresponding period last year. This was attributed to decreases in turnover of 32.6% and 99.9% from the Group's publishing and printing segment and the travel segment respectively.

The Group recorded a loss before income tax of US$3,971,000 for the current period as opposed to a profit before income tax of US$10,820,000 achieved in the same period last year.

EBITDA for the nine-month period was US$1,560,000, 90.4% below last year's US$16,235,000.

During the nine months ended 31 December 2020, both the RM and the C$ weakened against the US dollar which resulted in a negative currency impact of approximately US$491,000 on the Group's turnover and a positive currency impact of approximately US$188,000 on the Group's loss before income tax.

Basic loss per share for the nine months ended 31 December 2020 was US0.21 cents, compared with a basic earnings per share of US0.52 cents for the corresponding period in 2019. As at 31 December 2020, the Group's cash and cash equivalents and short-term bank deposits totaled US$83,087,000 an increase of 12.5% since 31 March 2020. Net assets per share attributable to owners of the Company was US9.96 cents. The net gearing ratio was nil.

Outlook

Commenting on the outlook of the remaining quarter, **Media Chinese's Group Chief Executive Officer, Mr. Francis TIONG said**, "With the recent resurgence of the coronavirus in many parts of the world, the Group expects the remaining quarter of the financial year 2020/2021 to be immensely challenging in all its markets. The impact of a traditionally slow season for the Group's publishing business in the fourth quarter is likely to make the operating environment more difficult. On the other hand, as countries around the world have started to embark on vaccination programs to curb the COVID-19 pandemic, the Group sees this as a positive light for the tour and travel industry which has been paralysed since the virus outbreak, though improvement is expected to start in the second half of 2021."

"The Group has and will continue to take all necessary precautionary measures to ensure its employees' safety and to minimise the risk of operation disruption. Meantime, it will continue to focus on monetising its digital assets to expand its revenue base while at the same time maintain its tight cost control strategy." 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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