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 2021

**Unaudited Financial Highlights**

| | (Unaudited) Three months ended 30 June | | |
|---|---|---|---|
| | **2021 US$'000** | 2020 US$'000 | % Change |
| Turnover | **28,693** | 24,220 | 18.5% |
| Loss before income tax | **(1,915)** | (5,949) | 67.8% |
| EBITDA Loss | **(299)** | (4,135) | 92.8% |

(27 August 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 first quarter ended 30 June 2021.

For the quarter in review, the Group's turnover improved by 18.5% to US$28,693,000 from US$24,220,000 in the same quarter last year. This improvement was attributed to the increase in turnover for both its publishing and printing segment and travel segment, which grew by 18.5% and 24.5% year-on-year respectively. Driven by the improvement in turnover, the Group's overall performance improved by 67.8% as it narrowed its loss before income tax to US$1,915,000 for the quarter under review from a loss of US$5,949,000 recorded a year ago.

EBITDA loss for the quarter reduced to US$299,000 from US$4,135,000 in the corresponding quarter last year.

During the current quarter, both the Malaysian Ringgit ("RM") and the Canadian dollar ("C$") strengthened against the US dollar, resulting in a positive currency impact of approximately US$1,002,000 on the Group's turnover and a negative currency impact of approximately US$46,000 on the Group's loss before income tax.

**(a) Publishing and Printing**

The Group's publishing and printing segment recorded a turnover of US$28,632,000 for the quarter under review, an increase of 18.5% over the same quarter in 2020, with improvement in all its markets. The segment succeeded in reducing its loss before income tax to US$1,272,000 from US$5,433,000 recorded in the same quarter last year.

The turnover for its Malaysian market improved by 19.6% to US$17,075,000 as compared to a lower base of US$14,276,000 in the previous year when the Movement Control Order was first implemented in March 2020. The improvement for this market segment was due to the relaxation of movement restrictions in Malaysia with the introduction of the Conditional Movement Control Order (CMCO) in early March 2021 which continued until early May 2021. During the CMCO, business activities were allowed with continued observation of the stringent standard operating procedures. The gradual return of economic activities in Malaysia was partly stimulated by improved consumer sentiments with the commencement of National COVID-19 Immunisation Programme at the end of February 2021. This helped narrow the segment's loss before income tax to US$93,000 from US$3,636,000 in the same quarter last year. During the quarter, the operations in Malaysia achieved some cost savings mainly from its manpower cost due primarily to natural attrition and newsprint cost savings in tandem with the lower consumption volume and price.

Hong Kong's GDP for the second quarter of 2021 increased by 7.6% over a year earlier, following an increase of 8.0% in the first quarter. This was reflective of the improving COVID-19 situation and rising vaccination rate in Hong Kong which led to the city's relaxation of social distancing rules and gradual return to normality. As a result of the improved market conditions, the turnover of the Group's Hong Kong and Taiwan segment increased by 12.2% to US$9,658,000 when compared with the same quarter of the previous year. This growth in revenue reduced the segment's loss before income tax to US$841,000 from US$1,921,000 a year ago, reflecting an improvement of 56.2%.

The Group's North America segment saw improvement in its turnover which increased by 47.2% to US$1,899,000 from US$1,290,000 in the prior year quarter. Despite the revenue increase, it recorded a loss before income tax of US$338,000 as opposed to a profit before income tax of US$124,000 a year ago. This was mainly due to the decrease in the subsidies received from the Canadian government.

The Group's digital business has been experiencing continual growth, as advertisers spend more money on web-based campaigns while readers shift to digital platforms for media consumption and shopping. This trend has been fostered by the new normal emerged from the COVID-19 pandemic. The Group has been leveraging its resources in enhancing its digital content and developing more cross platform advertising solutions for its audience and advertisers.

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

The Group's travel segment continued to suffer from the impact of COVID-19 as a result of international border closures and quarantine restrictions. As such, the Group's travel segment recorded a minimal turnover of US$61,000 for the current quarter, a marginal improvement from the US$49,000 recorded a year ago. However, the segment's loss before income tax widened to US$489,000 from US$374,000 recorded in the same quarter last year, mainly due to less government subsidies received.

Basic loss per share for the first quarter ended 30 June 2021 was US0.11 cents, compared with US0.34 cents for the corresponding quarter in 2020. As at 30 June 2021, the Group's cash and cash equivalents and short-term bank deposits totaled US$90,285,000, a decrease of 4.4% since 31 March 2021. Net assets per share attributable to owners of the Company was US9.66 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 2021 started on an encouraging note with improvement in the COVID-19 situation in Malaysia and Hong Kong where businesses were allowed to operate albeit with social distancing conditions. The emergence of the new Delta variant ended this brief respite in Malaysia as the virus spread quickly across the country, resulting in a total lockdown being imposed in Malaysia on 1 June 2021 and this critical situation continues as at to date.

With the world still plagued by the pandemic, the Group expects the remaining quarters of the financial year 2021/2022 to remain uncertain and challenging. Not until most of the population in the markets the Group operates in is fully vaccinated will there be a recovery of the economy and re-opening of borders.

Furthermore, newsprint price is poised to rise significantly in the second half of 2021 which will put further pressure on the Group's operating margins. The Group will continue its efforts to minimise the impact on its earnings with strict cost containment measures and look at ways to adapt its operations and marketing efforts to meet the new normal." 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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