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 2021

Unaudited Financial Highlights

	(Unaudited) Three months ended 30 September			(Unaudited) Six months ended 30 September		
	2021 US$'000	2020 US$'000	% Change	**2021 US$'000**	2020 US$'000	% Change
Turnover	**30,075**	30,371	-1.0%	**58,768**	54,591	7.7%
Profit/(loss) before income tax	**1,762**	594	196.6%	**(153)**	(5,355)	97.1%
EBITDA/(EBITDA loss)	**3,313**	2,454	35.0%	**3,014**	(1,681)	279.3%

(24 November 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 second quarter ended 30 September 2021.

For the quarter in review, the Group's turnover fell marginally by 1.0% to US$30,075,000 from US$30,371,000 in the corresponding quarter of 2020. Despite the decline in revenue, the Group's profit before income tax rose by 196.6% to US$1,762,000 from US$594,000 in the prior year quarter. The improvement in profitability was mainly driven by the savings achieved through the Group's continuing cost reduction efforts which outweighed the impact of decreased revenue and less government subsidies received during the current quarter.

EBITDA for the quarter increased by 35.0% to US$3,313,000 from US$2,454,000 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$132,000 on the Group's turnover and a negative currency impact of approximately US$14,000 on the Group's profit before income tax.

(a) Publishing and Printing

For the quarter in review, the turnover of the publishing and printing segment declined slightly by 2.5% to US$29,594,000 from US$30,352,000 in the same quarter of 2020. Despite the decline in turnover, this segment recorded a 76.5% growth in profit before income tax to US$2,091,000 from US$1,185,000 a year earlier.

The COVID-19 pandemic and movement restrictions still have significant impact on the business of the Group's Malaysia and Southeast Asia segment, causing the segment's revenue to contract by 13.2% or US$2,488,000 to US$16,315,000 in the quarter under review.

With the increase in the coronavirus infections caused by the Delta variant, the Malaysian government had intensified its movement control restrictions in May 2021 which lasted till October 2021 to curb the spread of the virus. Once again many businesses were hit by the movement control imposed as only essential businesses were allowed to operate. This adversely impacted the segment's turnover as the market's advertising spend on newspapers declined due to the slowdown in economic activities.

However, with cost savings on manpower and production, the segment's profit before income tax for the quarter increased to US$496,000 from US$17,000 a year ago.

Meanwhile, as life in Hong Kong has returned to some normalcy and economic activities regained pace, the turnover for the Group's Hong Kong and Taiwan operations increased by 16.1% to US$11,450,000 for the quarter in review. Driven by the growth in revenue, the segment's profit before income tax rose to US$1,758,000, an increase of 87.8% compared to US$936,000 in the prior year quarter.

The performance of the North America segment has also improved with its turnover for the quarter increased by 8.2% year-on-year to US$1,829,000, driven by the gradual improvement in the local economic situation following the easing of social distancing restrictions. However, the segment recorded a loss before income tax of US$163,000 for the quarter under review as opposed to a profit before income tax of US$232,000 in the same quarter last year due mainly to the decrease in government subsidies.

(b) Travel and travel related services

The travel industry remained largely suspended during the current quarter as many countries continued to keep their borders closed while the world battled the highly infectious new variants of the coronavirus. The travel segment's turnover for the current quarter increased to US$481,000 from US$19,000 a year ago, mainly attributed to revenue from domestic tours operated by the segment's operations in North America. This increase in revenue, together with stringent cost control measures, led to an improvement in the travel segment's results as its loss before income tax was narrowed by 66.9% to US$142,000.

First half of FY2021/2022

For the six-month period ended 30 September 2021, the Group recorded a turnover of US$58,768,000, which reflected an increase of 7.7% when compared to the same period last year, with growth in turnover from the publishing and printing and travel segments of 6.8% and 697.1% respectively.

Driven by the revenue increase and cost savings, the Group managed to reduce its loss before income tax for the period in review to US$153,000 from US$5,355,000 for the same period in the previous year.

Accordingly, the Group's EBITDA increased by 279.3% to US$3,014,000 from an EBITDA loss of US$1,681,000 in the corresponding period last year.

During the six months ended 30 September 2021, both the RM and the C$ strengthened against the US dollar which resulted in a positive currency impact of approximately US$1,134,000 on the Group's turnover and a negative currency impact of approximately US$61,000 on the Group's loss before income tax.

Basic loss per share for the six months ended 30 September 2021 was US0.03 cents, compared with US0.29 cents for the corresponding quarter in 2020. As at 30 September 2021, the Group's cash and cash equivalents and short-term bank deposits totaled US$93,316,000, a decrease of 1.2% since 31 March 2021. Net assets per share attributable to owners of the Company was US9.62 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 2021 (2020/2021: nil).

Outlook

Commenting on the outlook of the remaining quarters, **Media Chinese's Group Chief Executive Officer, Mr. Francis TIONG said**, "With the continuation of the highly contagious Delta variant of the coronavirus, many countries have intensified their movement control restrictions, thereby slowing down the pace of economic recovery and normalisation of activities in the Group's markets. Also, as many countries are cautious and still reluctant to open their borders, it is unlikely that the Group's travel business can resume soon. Therefore, the Group expects the prospects for the second half of the financial year 2021/2022 to remain challenging.

Further, the Group has started to experience increases in its costs especially paper costs as newsprint price has started to spike as a result of increasing materials and shipping costs. In addition, government subsidies which helped mitigate the pandemic's impact on the Group's operations in most of its markets had been discontinued. However, the Group will remain vigilant in monitoring its costs whilst intensifying its efforts to roll out more cross platform activities to increase revenue." 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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