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 2021

Unaudited Financial Highlights

	(Unaudited) Three months ended 31 December			(Unaudited) Nine months ended 31 December		
	2021 US$'000	2020 US$'000	% Change	**2021 US$'000**	2020 US$'000	% Change
Turnover	**33,778**	31,463	7.4%	**92,546**	86,054	7.5%
Profit/(loss) before income tax	**2,351**	1,384	69.9%	**2,198**	(3,971)	155.4%
EBITDA	**3,864**	3,241	19.2%	**6,878**	1,560	340.9%

(25 February 2022) - **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 2021.

For the quarter ended 31 December 2021, the Group's turnover increased by 7.4% to US$33,778,000 from US$31,463,000 in the prior year quarter. The growth was contributed by both the Group's publishing and printing segment and the travel segment which reported increases in turnover of 6.4% and 980.6% respectively. Driven by the revenue growth, the Group's profit before income tax increased by 69.9% to US$2,351,000 from US$1,384,000 a year ago.

Compared to the corresponding quarter of the previous year, EBITDA for the quarter improved by 19.2% to US$3,864,000.

During the current quarter, the Malaysian Ringgit ("RM") weakened against the US dollar while the Canadian dollar ("C$") strengthened against the US dollar, resulting in net negative currency impacts of approximately US$357,000 and US$75,000 on the Group's turnover and profit before income tax respectively.

(a) Publishing and Printing

With the gradual resumption of economic activities in most of its markets, the turnover of the Group's publishing and printing segment for the quarter under review improved by 6.4% to US$33,443,000 from US$31,432,000 a year earlier. This segment's profit before income tax increased by 37.8% to US$2,995,000 when compared to the same quarter last year.

As nearly 95% of the adult population in Malaysia has been fully vaccinated against COVID-19 by early November 2021, the Malaysian government has relaxed its movement controls and restrictions. Inter-state travels have been allowed albeit with conditions. Retail activities have also started to rebound as certain businesses were allowed to resume for customers who have been vaccinated. During the quarter under review, the Group recorded a turnover of US$20,837,000 for its Malaysia and other Southeast Asian markets, reflecting an increase of 4.8% when compared to the same quarter in the previous year.

Amid the challenging environment brought about by the pandemic, the segment continued to stay resilient with its efficient cost rationalisation and control measures which helped reap savings in manpower costs while mitigating the escalating newsprint cost.

The improvement in the segment's turnover resulted in a 75.4% increase in its profit before income tax to US$3,084,000 when compared to US$1,758,000 in the prior year quarter.

The Hong Kong economy recovered further and grew by 4.8% year-on-year in the fourth quarter of 2021 and for 2021 as a whole, GDP increased by 6.4% in real terms over 2020. For the quarter under review, the turnover of the Hong Kong and Taiwan segment rose 11.4% to US$10,766,000 from US$9,662,000 recorded in the same quarter last year. Despite the revenue growth, the segment's profit before income tax declined to US$51,000 from US$356,000 a year ago. This was mainly due to higher newsprint costs and the discontinuation of Hong Kong government's wage subsidies.

The surge of the Omicron variant since November 2021 brought disruption to the North America economy and adversely impacted the performance of the Group's publishing and printing business in that region. The turnover for this segment decreased by 2.7% to US$1,840,000 which resulted in the segment reporting a loss before income tax of US$140,000 as opposed to a profit before income tax of US$60,000 in the corresponding quarter last year. Besides the decline in revenue, the loss was also caused by the decrease in wage subsidies received from the Canadian government.

(b) Travel and travel related services

As the world is adjusting to live with the coronavirus and that some countries have started to open up their borders, there is a glimmer of hope that international travel may resume. However, people remain cautious as new variants of the coronavirus emerged in late 2021. As such, the travel segment's business remains muted. For the quarter in review, the Group's travel segment reported a turnover of US$335,000 as compared to US$31,000 in the previous year. This resulted in a reduction of the travel segment's loss to US$511,000 as compared to US$645,000 recorded in the same quarter last year.

Nine months of FY2021/2022

For the nine months ended 31 December 2021, the Group's turnover grew by 7.5% to US$92,546,000 when compared to the corresponding period last year. This improvement was a result of increases in turnover of 6.6% and 785.9% in the Group's publishing and printing segment and travel segment respectively.

The Group recorded a profit before income tax of US$2,198,000 for the nine-month period as opposed to a loss before income tax of US$3,971,000 recorded in the same period last year, mainly attributed to revenue growth and cost savings.

The Group's EBITDA for the period was US$6,878,000 which was 340.9% above last year's US$1,560,000.

During the period ended 31 December 2021, both the RM and the C$ strengthened against the US dollar, resulting in positive currency impact of approximately US$777,000 on the Group's turnover and negative currency impact of approximately US$136,000 on the Group's profit before income tax.

Basic earnings per share for the nine months ended 31 December 2021 was US0.07 cents, compared with a basic loss per share of US0.21 cents for the corresponding period in 2020. As at 31 December 2021, the Group's cash and cash equivalents and short-term bank deposits totaled US$94,407,000, a decrease of 0.03% since 31 March 2021. Net assets per share attributable to owners of the Company was US9.76 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**, "As more countries start to open up their borders, the emergence of Omicron, a new variant of the coronavirus which is highly infectious, has dampened this re-start. Nevertheless, with many countries increasing their speed of vaccination and the administration of booster shots as well as the comparatively lower rates of hospitalisation and deaths from Omicron, the threat of full lockdowns could be avoided.

The Group expects the operating environment for the last quarter of the financial year 2021/2022 to remain challenging, as the new Omicron wave spreads quickly across countries and causes disruption to everyday life and business activities. Hong Kong has re-imposed another round of strict social distancing measures in order to contain the escalating number of COVID cases. Furthermore, the Group expects newsprint prices to remain at a high level in the coming quarters which will have a negative impact on the Group's publishing business.

In line with the trend for most businesses to have the flexibility to move to virtual from physical platforms, the Group will continue to reinforce its efforts in expanding its digital business to drive revenue and roll out products which will have the flexibility of being on a print, digital or physical platform or a combination of any." Mr. TIONG concluded.

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<u>About Media Chinese International Limited (Stock Code: 685 HK)</u>

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).

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

For further enquiries, please contact:

Media Chinese International Limited

<u>Malaysia</u>

Ms. TONG Siew Kheng   Tel: (603) 7965-8885
                                        Fax: (603) 7965-8689

<u>Hong Kong</u>

Corporate Communications Department

Ms. Justina FAN   Tel: (852) 2595-3355
                              Fax: (852) 2898-2691
                              E-mail: corpcom@mediachinese.com