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 FOURTH QUARTER ENDED
31 March 2023

Unaudited Financial Highlights

	(Unaudited) Three months ended 31 March			**Year ended 31 March**		
	2023 US$'000	2022 US$'000	% Change	**2023 US$'000**	2022 US$'000	% Change
Turnover	**31,371**	29,841	5.1%	**132,655**	122,387	8.4%
(Loss)/profit before income tax	**(1,830)**	(199)	-819.6%	**1,707**	1,999	-14.6%
(EBITDA Loss)/EBITDA	**(565)**	1,406	-140.2%	**7,102**	8,284	-14.3%

(29 May 2023) - **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 fourth quarter ended 31 March 2023.

The Group's turnover for the 4th quarter of 2022/2023 grew by 5.1% to US$31,371,000 from US$29,841,000 in the same quarter last year. The growth was contributed by the Group's travel business which continued to pick up momentum amid global travel recovery and recorded a twelve-fold increase in turnover to US$2,869,000 from US$233,000 in the year-ago quarter. On the other hand, turnover of the Group's publishing and printing segment fell by 3.7% to US$28,502,000 from US$29,608,000 a year ago. Though economy in the Group's core markets has started to normalise, the market improvement was muted by rising costs and weakening consumer demand.

Despite the growth in turnover, the Group recorded a loss before income tax of US$1,830,000 for the quarter under review, widened from a loss of US$199,000 in the same quarter last year. This was mainly due to less government subsidies for the current quarter as well as the increase in provision for long service payment of about US$1,160,000 for the Group's employees in Hong Kong in accordance with the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022.

The Group's EBITDA loss for the quarter under review was US$565,000, as opposed to an EBITDA of US$1,406,000 reported a year earlier.

During the current quarter, both the RM and the Canadian Dollar ("CAD") weakened against the US$, resulted in negative currency impact of approximately US$964,000 on the Group's turnover and positive currency impact of approximately US$6,000 on the Group's loss before income tax.

(a) Publishing and Printing

For the quarter under review, the turnover of the publishing and printing segment fell by 3.7% to US$28,502,000 from the US$29,608,000 recorded a year ago. The decline was mainly attributed to lower revenue contribution from the Group's Malaysia operation, partly cushioned by increased revenue from all other publishing and printing segments.

Despite the improvement in the Malaysian economy, turnover from the Group's Malaysia operation fell by 8.2% to US$17,442,000 in the current quarter when compared to the US$19,007,000 in the same quarter last year. This was attributed to the decline in the operation's advertising revenue which was mainly due to base-year effect as the advertising market recovered strongly in the prior year quarter following the country's lifting of all movement restrictions in October 2021. Hong Kong's economy resumed normal activities following the government's relaxation of rules on COVID control and entry quarantine requirements. The Group's Hong Kong and Taiwan segment saw a 4.2% growth in its turnover to reach US$9,037,000 from US$8,673,000 a year ago. Meanwhile, the Group's North America segment also reported an increase in turnover of 4.9% to US$2,023,000 when compared to the US$1,928,000 in the corresponding quarter last year, mainly attributed to the growth in its circulation revenue.

The publishing and printing segment recorded a loss before income tax of US$1,387,000 for the current quarter, as opposed to a profit before income tax of US$363,000 in the same quarter last year. All segments recorded weaker performance compared to a year ago.

The Group's Malaysia operation registered a 44.5% decrease in its profit before income tax to US$976,000 from US$1,759,000 in the year-ago quarter. This was mainly attributed to the decrease in turnover and the increase in newsprint and labour costs.

Despite the improvement in turnover, the Group's Hong Kong and Taiwan operations' loss before income tax widened to US$1,903,000 from US$1,496,000 in the same quarter last year. This was mainly due to the increase in provision for long service payment of about US$1,129,000. The North America operations reported a loss before income tax of US$460,000 as opposed to last year's profit before income tax of US$100,000 despite the growth in revenue, mainly due to the lack of government subsidies in the current quarter.

(b) Travel and travel related services

For the quarter under review, the turnover of the Group's travel segment improved by more than 12 times to US$2,869,000 from US$233,000 reported a year ago. With the increase in global travel and people resuming their holiday trips, the Group saw revenue growth across all its tour operations. Driven by the improvement in turnover, the travel segment's loss before income tax narrowed to US$336,000 from US$391,000 reported in the same quarter last year.

FY 2022/2023

For the year ended 31 March 2023, the Group achieved an 8.4% growth in turnover to US$132,655,000, which was US$10,268,000 higher than the turnover of US$122,387,000 recorded in last year. The growth was mainly due to the improvement in the turnover of the Group's travel segment which grew significantly to US$10,471,000 from US$1,110,000 in the last financial year. Turnover of the Group's publishing and printing segment, however, only grew marginally by 0.7% to US$122,184,000 from last year's US$121,277,000. Despite the growth in turnover, the Group's profit before income tax for the year fell by 14.6% to US$1,707,000 from last year's US$1,999,000, with the revenue increase more than offset by the increase in provision for long service payment and a reduction in government subsidies. The Group's EBITDA for the year was US$7,102,000, 14.3% below last year's US$8,284,000.

For the financial year 2022/2023, both the RM and the CAD weakened against the US$, resulted in negative currency impacts of approximately US$5,485,000 and US$219,000 on the Group's turnover and profit before income tax respectively.

Basic loss per share for the year ended 31 March 2023 was US0.01 cents, compared with a basic earnings per share of US0.02 cents in 2022. As at 31 March 2023, the Group's cash and cash equivalents and short-term bank deposits totaled US$93,573,000, a decrease of 1.8% since 31 March 2022. Net assets per share attributable to owners of the Company was US9.09 cents. The net gearing ratio was nil.

The Board has declared an interim dividend for the year ended 31 March 2023 of US0.15 cents (2021/2022: US0.15 cents) per ordinary share payable on 7 July 2023.

Outlook

Commenting on the outlook of the coming financial year, **Media Chinese's Group Chief Executive Officer, Mr. Francis TIONG said**, "Global economy is expected to slowdown in 2023 as high inflation and interest rates will continue to weigh on the world's economic recovery. The ongoing geo-political conflicts are also expected to continue disrupting global economic activities. The downturn will also continue to impact the digital advertising business, which has slowed down quite a bit in 2022 from a high growth period during the pandemic when internet usage soared.

In this regard, the Group is of the view that the coming financial year will remain challenging for its publishing and printing segment as high inflationary pressure will weigh on consumer and business sentiment, leading to an adverse impact on the markets' advertisement spend. Furthermore, the rising operating costs will put downward pressure on the segment's profitability. However, on a positive note, it is expected that newsprint price, which is currently at a high level, will gradually come down in the short to medium term and this will make a positive contribution to the segment's performance in the coming financial year.

One of the biggest challenges facing the media industry today is the impact of artificial intelligence (AI). While AI offers opportunities for media companies to grow and innovate, it also poses significant challenges that need to be addressed. Moving forward, the Group will continue to develop strategies to adapt to these technological changes in order to leverage the potential of AI while mitigating associated risks.

With the opening of borders by the Mainland China and the relaxation of entry requirements by Hong Kong, the Group is hopeful that its travel operations will continue to recover in the ensuing year. However, the travel segment is still facing some post-pandemic challenges, including limited airline capacity, increased flight and accommodation costs and political instability in some countries. Despite these challenges, the Group is actively exploring opportunities to adapt and innovate to meet travellers' çhanging preferences and expectations. By collaborating with airlines and developing new product offerings, and emphasising the importance of health and safety measures, it is expected that the Group will remain competitive in the tourism market.

Moving forward, the Group will continue to focus on cost optimisation and seek ways to further improve the efficiency of its operations, while at the same time explore opportunities to grow its existing and new markets by leveraging on synergies among its business units. This will allow the Group to navigate through challenging business conditions while remain efficient and effective in its operations." 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 Malaysia, 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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