

# FINANCIAL STATEMENTS

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## DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2005.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company and is also principally engaged in publishing, printing and distribution of the newspaper "Sin Chew Daily", printing of newspapers for other publishers and distribution of magazines.

The principal activities of the subsidiary companies are set out in Note 12 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

### RESULTS

	GROUP RM	COMPANY RM
Profit attributable to shareholders of the Company	59,770,707	57,271,060

There were no other material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the effects arising from the acquisition of a subsidiary company, Guang-Ming Ribao Sdn. Bhd., resulting in a profit after tax of RM616,166 to the Group.

### DIVIDENDS

At the forthcoming Annual General Meeting, a first and final tax exempt dividend of 8.5 sen per share on 302,000,000 ordinary shares, amounting to RM25,670,000, in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of revenue reserve in the financial year ending 31 March 2006.

## DIRECTORS' REPORT (Cont'd)

### DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Datuk Diong Hiew King @ Tiong Hiew King	
Datuk Leong Sonny @ Leong Khee Seong	(appointed on 1.9.2004)
Dato' Liew Kam Chean @ Liew Chen Chuan	
Datuk Patinggi Tan Sri Dr. Wong Soon Kai	(appointed on 1.9.2004)
Dr. Tiong Ik King	
Gan Chin Kew @ Gan Chin Hor	
Siew Nyoke Chow	
Sim Sai Hoon	(appointed on 1.9.2004)
Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh	(appointed on 1.9.2004)
Wong Lee Yun	(appointed on 1.9.2004)
Tiong Thai King	(resigned on 1.9.2004)
Tiong Chiong Ong	(resigned on 1.9.2004)
Tiong Kiong King	(resigned on 1.9.2004)
Tiong Choon	(resigned on 1.9.2004)
Ng Chek Yong	(resigned on 1.9.2004)

### DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 6 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Notes 6 and 30 to the financial statements.

## DIRECTORS' REPORT (Cont'd)

### DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares of the Company and its related corporation during the financial year were as follows:

	Number of Ordinary Shares of _____							
	RM1.00 each		RM0.50 each	Movements during the year				
	At			Bonus	Rights	Offer for	Acquired/	At
	1.4.2004	Cancellation*	Reissue*	Issue	Issue	Sale	(Disposed)	31.3.2005
THE COMPANY								
Direct interest in shares:								
Tan Sri Datuk Diong Hiew King @								
Tiong Hiew King	1,288,000	(1,288,000)	2,576,000	26,017,600	10,688,000	(13,889,000)	-	25,392,600
Dr. Tiong Ik King	144,000	(144,000)	288,000	2,908,800	1,152,000	(1,552,800)	-	2,796,000
Dato' Liew Kam Chean @ Liew Chen Chuan	-	-	-	-	-	-	1,000,000	1,000,000
Siew Nyoke Chow	-	-	-	-	-	-	700,000	700,000
Gan Chin Kew @ Gan Chin Hor	-	-	-	-	-	-	700,000	700,000

\* Cancellation/Reissue pursuant to Share Split.

## DIRECTORS' REPORT (Cont'd)

### ISSUE OF SHARES

During the financial year, the Company sub-divided the par value of its ordinary shares of RM1.00 each into ordinary shares of RM0.50 each ("Share Split") and increased its issued and paid-up ordinary share capital from RM10,000,000 to RM151,000,000 by way of:

- (a) Cancellation of 10,000,000 ordinary shares of RM1.00 each and issue of 20,000,000 ordinary shares of RM0.50 each pursuant to the Share Split;
- (b) Bonus Issue of 202,000,000 new ordinary shares of RM0.50 each ("Bonus Issue") on the basis of 10.10 new ordinary shares for every ordinary shares held after the Share Split by way of capitalisation of its revenue reserve; and
- (c) Rights Issue of 80,000,000 new ordinary shares on the basis of approximately 0.36 new ordinary share for every existing ordinary share held after the Bonus Issue at an issue price of RM0.535 per new ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

### OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of an allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
  - (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

## DIRECTORS' REPORT (Cont'd)

### OTHER STATUTORY INFORMATION (Cont'd)

- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report there does not exist:
  - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year other than as disclosed in Note 32 to the financial statements.
- (f) In the opinion of the directors:
  - (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

### OTHER SIGNIFICANT EVENTS

- (a) On 3 September 2004, the Company completed the acquisition of 4,000,000 ordinary shares of RM1.00 each or 100% of the issued and paid-up share capital of Guang-Ming Ribao Sdn. Bhd. for a total cash consideration of RM4,000,000.
- (b) On 18 October 2004, the Company's entire issued and paid up capital of 302,000,000 ordinary shares of RM0.50 each was admitted to the Official List of Bursa Malaysia Securities Berhad and the shares are now listed and quoted on the Main Board of Bursa Malaysia Securities Berhad under the Trading/Services sector on the same date.

## DIRECTORS' REPORT (Cont'd)

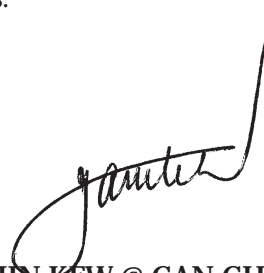
### AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors.



DATO' LIEW KAM CHEAN



GAN CHIN KEW @ GAN CHIN HOR

21 July 2005

## STATEMENT BY DIRECTORS

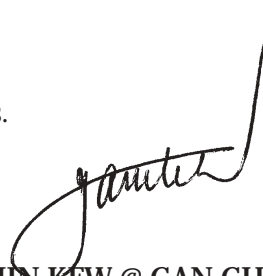
Pursuant to Section 169(15) of the Companies Act, 1965

We, **Dato' Liew Kam Chean** and **Gan Chin Kew @ Gan Chin Hor**, being two of the directors of **Sin Chew Media Corporation Berhad**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 49 to 96 are drawn up in accordance with applicable MASB Approved Accounting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2005 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors.



DATO' LIEW KAM CHEAN



GAN CHIN KEW @ GAN CHIN HOR

21 July 2005

## STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, **Loh Wai Ping**, being the Officer primarily responsible for the financial management of **Sin Chew Media Corporation Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 49 to 96 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the relevant legislation governing statutory declarations in Malaysia.

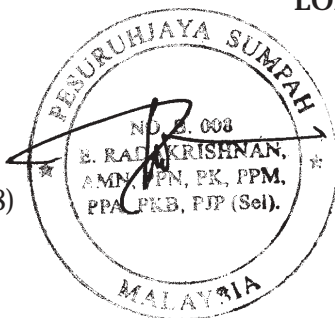
Subscribed and solemnly declared by  
the abovenamed **Loh Wai Ping**  
at Petaling Jaya on 21 July 2005.



LOH WAI PING

Before me,

**E. RADAKRISHNAN** (No. B008)  
*Commissioner for Oaths*





## REPORT OF THE AUDITORS

To the Members of **Sin Chew Media Corporation Berhad** (Incorporated in Malaysia)

We have audited the financial statements set out on pages 49 to 96. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of:-
  - (i) the financial position of the Group and of the Company as at 31 March 2005 and of the results and the cash flows of the Group and of the Company for the year then ended; and
  - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements.
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

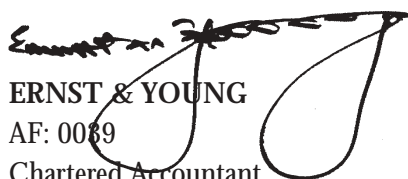
We have considered the financial statements and the auditors' reports thereon of the subsidiary companies of which we have not acted as auditors, as indicated in Note 12 to the financial statements, being financial statements that have been included in the consolidated financial statements.

## REPORT OF THE AUDITORS (Cont'd)


To the Members of Sin Chew Media Corporation Berhad (Incorporated in Malaysia)

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The Auditors' Reports on the financial statements of the subsidiary companies were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.



ERNST & YOUNG  
AF: 0089  
Chartered Accountant



YONG VOON KAR  
1769/04/06 (J/PH)  
Partner

Kuching, Malaysia  
21 July 2005

# INCOME STATEMENTS

For the Year Ended 31 March 2005

	Note	GROUP		COMPANY	
		2005 RM	2004 RM	2005 RM	2004 RM
Revenue	3	409,528,770	317,055,774	359,444,665	315,349,330
Cost of sales		(296,116,569)	(225,663,142)	(261,773,843)	(224,525,272)
Gross profit		113,412,201	91,392,632	97,670,822	90,824,058
Other operating income		11,535,655	2,543,145	9,432,045	2,524,546
Selling and distribution expenses		(20,321,289)	(12,803,948)	(12,415,138)	(12,458,881)
Administrative expenses		(12,884,307)	(9,729,850)	(9,897,570)	(9,420,480)
Other operating expenses		(18,668,808)	(15,278,526)	(15,196,315)	(15,133,667)
Profit from operations	4	73,073,452	56,123,453	69,593,844	56,335,576
Finance costs	7	(3,024,714)	(2,616,699)	(3,014,830)	(2,610,683)
Profit before taxation		70,048,738	53,506,754	66,579,014	53,724,893
Taxation	8	(10,278,031)	(8,947,656)	(9,307,954)	(8,920,352)
Profit after taxation		59,770,707	44,559,098	57,271,060	44,804,541
Minority interests		–	142,225	–	–
Profit attributable to shareholders of the Company		59,770,707	44,701,323	57,271,060	44,804,541
Earnings per share (sen)	9				
- Basic		21	19		
- Diluted		*	*		
Net dividends per ordinary share in respect of the year (sen)	10	–	300	–	300

\* The Group has no potential ordinary shares in issue for the year under review, therefore diluted earnings per share has not been presented.

The accompanying notes form an integral part of the financial statements.

# BALANCE SHEETS

As at 31 March 2005

		GROUP		COMPANY	
	Note	2005	2004	2005	2004
		RM	RM	RM	RM
<b>Non-current assets</b>					
Property, plant and equipment	11	176,227,825	121,150,944	173,108,451	120,446,714
Investments in subsidiary companies	12	–	–	8,325,400	4,325,400
Other investments	13	976,752	976,752	976,752	976,752
Intangible asset	14	271,960	362,680	271,960	362,680
Goodwill on consolidation	15	45,317,968	2,966,033	–	–
Deferred tax assets	16	16,371,116	944,163	–	–
<b>Current assets</b>					
Inventories	17	117,454,618	49,169,157	114,973,819	49,169,157
Trade receivables	18	80,198,325	92,667,110	67,765,222	87,453,546
Other receivables	19	5,690,755	15,725,112	4,912,543	15,165,546
Amount due from subsidiary companies	20	–	–	70,391,018	7,979,334
Fixed deposits	21	41,810	–	–	–
Short term deposits	22	19,500,000	9,200,000	19,500,000	9,200,000
Cash and bank balances		22,331,510	10,671,746	17,689,709	9,620,607
		245,217,018	177,433,125	295,232,311	178,588,190
<b>Current liabilities</b>					
Provisions for liabilities	23	1,200,000	2,200,000	1,200,000	2,200,000
Borrowings	24	91,351,644	48,062,528	91,303,804	48,062,528
Trade payables	26	24,351,099	19,722,903	23,457,160	19,678,227
Other payables	27	22,414,402	20,377,276	16,045,473	17,915,807
Amount due to subsidiary companies	20	–	–	2,496,394	2,406,253
Taxation		–	2,900,000	–	2,900,000
		139,317,145	93,262,707	134,502,831	93,162,815
<b>Net current assets</b>		<b>105,899,873</b>	<b>84,170,418</b>	<b>160,729,480</b>	<b>85,425,375</b>
		<b>345,065,494</b>	<b>210,570,990</b>	<b>343,412,043</b>	<b>211,536,921</b>

## BALANCE SHEETS (Cont'd)

As at 31 March 2005

		GROUP		COMPANY	
	Note	2005 RM	2004 RM	2005 RM	2004 RM
Financed by:					
Share capital	28	151,000,000	10,000,000	151,000,000	10,000,000
Share premium		467,497	–	467,497	–
Revenue reserve	29	139,185,944	180,415,237	137,654,028	181,382,968
Shareholders' equity		290,653,441	190,415,237	289,121,525	191,382,968
Long-term and deferred liabilities					
Borrowings	24	44,273,053	14,623,953	44,151,518	14,623,953
Deferred tax liabilities	16	10,139,000	5,531,800	10,139,000	5,530,000
		54,412,053	20,155,753	54,290,518	20,153,953
		345,065,494	210,570,990	343,412,043	211,536,921

*The accompanying notes form an integral part of the financial statements.*

# STATEMENTS OF CHANGES IN EQUITY

For the Year Ended 31 March 2005

	Note	Share capital RM	Share premium RM	<i>Distributable</i> Revenue reserve RM	Total RM
<b>GROUP</b>					
<b>At 1 April 2003</b>		7,200,000	–	165,713,914	172,913,914
Issuance of shares:					
Issued for cash		2,800,000	–	–	2,800,000
Profit for the year		–	–	44,701,323	44,701,323
Dividends paid	10	–	–	(30,000,000)	(30,000,000)
<b>At 31 March 2004</b>		10,000,000	–	180,415,237	190,415,237
Cancellation of shares pursuant to Share Split		(10,000,000)	–	–	(10,000,000)
Issuance of shares:					
Pursuant to Share Split		10,000,000	–	–	10,000,000
Bonus Issue		101,000,000	–	(101,000,000)	–
Pursuant to Rights Issue		40,000,000	2,800,000	–	42,800,000
Listing expenses		–	(2,332,503)	–	(2,332,503)
Profit for the year		–	–	59,770,707	59,770,707
<b>At 31 March 2005</b>		<b>151,000,000</b>	<b>467,497</b>	<b>139,185,944</b>	<b>290,653,441</b>

## STATEMENTS OF CHANGES IN EQUITY (Cont'd)

For the Year Ended 31 March 2005

	Note	Share capital RM	Share premium RM	<i>Distributable</i> Revenue reserve RM	Total RM
<b>COMPANY</b>					
At 1 April 2003		7,200,000	–	166,578,427	173,778,427
Issuance of shares:					
Issued for cash		2,800,000	–	–	2,800,000
Profit for the year		–	–	44,804,541	44,804,541
Dividends paid	10	–	–	(30,000,000)	(30,000,000)
At 31 March 2004		10,000,000	–	181,382,968	191,382,968
Cancellation of shares pursuant to Share Split		(10,000,000)	–	–	(10,000,000)
Issuance of shares:					
Pursuant to Share Split		10,000,000	–	–	10,000,000
Bonus Issue		101,000,000	–	(101,000,000)	–
Pursuant to Rights Issue		40,000,000	2,800,000	–	42,800,000
Listing expenses		–	(2,332,503)	–	(2,332,503)
Profit for the year		–	–	57,271,060	57,271,060
At 31 March 2005		151,000,000	467,497	137,654,028	289,121,525

*The accompanying notes form an integral part of the financial statements.*

# CASH FLOW STATEMENTS

For the Year Ended 31 March 2005

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
<b>Cash flows from operating activities</b>				
Profit before taxation	<b>70,048,738</b>	53,506,754	<b>66,579,014</b>	53,724,893
Adjustments for:				
Allowance for doubtful debts	<b>5,498,743</b>	2,545,397	<b>4,065,768</b>	2,355,386
Allowance for doubtful debts no longer required	<b>(9,531,615)</b>	–	<b>(7,361,310)</b>	–
Amortisation of intangible assets	<b>90,720</b>	90,720	<b>90,720</b>	90,720
Bad debts written off	<b>4,587,006</b>	220,942	<b>2,341,795</b>	215,912
Depreciation	<b>8,785,757</b>	7,603,587	<b>8,303,729</b>	7,570,802
Dividend income	<b>(17,062)</b>	(14,076)	<b>(17,062)</b>	(14,076)
Gain on disposal of other investments	–	(96)	–	(96)
Gain on disposal of property, plant and equipment	<b>(28,000)</b>	(163,902)	<b>(28,000)</b>	(163,902)
Interest expenses	<b>3,024,714</b>	2,616,699	<b>3,014,830</b>	2,610,683
Interest income	<b>(543,179)</b>	(407,704)	<b>(541,668)</b>	(407,704)
Provision for liabilities no longer required	<b>(1,000,000)</b>	–	<b>(1,000,000)</b>	–
Operating profit before working capital changes	<b>80,915,822</b>	65,998,321	<b>75,447,816</b>	65,982,618
Changes in working capital:				
Inventories	<b>(66,839,504)</b>	1,839,997	<b>(65,804,662)</b>	1,839,997
Receivables	<b>30,435,343</b>	10,544,164	<b>31,171,849</b>	17,065,656
Payables	<b>(63,318,246)</b>	2,438,269	<b>1,908,599</b>	4,292,462
Subsidiary companies	–	–	<b>(62,321,543)</b>	(8,113,562)
Cash (used in)/generated from operations	<b>(18,806,585)</b>	80,820,751	<b>(19,597,941)</b>	81,067,171
Interest paid	<b>(3,024,714)</b>	(2,616,699)	<b>(3,014,830)</b>	(2,610,683)
Interest received	<b>543,179</b>	407,704	<b>541,668</b>	407,704
Taxes paid	<b>(8,348,983)</b>	(9,358,798)	<b>(7,870,952)</b>	(9,328,202)
Net cash (used in)/generated from operating activities	<b>(29,637,103)</b>	69,252,958	<b>(29,942,055)</b>	69,535,990



## CASH FLOW STATEMENTS (Cont'd)

For the Year Ended 31 March 2005

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(60,499,491)	(12,300,345)	(60,135,467)	(12,273,073)
Proceeds from disposal of property, plant and equipment	28,001	229,366	28,001	229,366
Acquisition of remaining equity interest in an existing subsidiary company	–	(1,416,400)	–	(1,416,400)
Net cash (outflow)/inflow from acquisition of a new subsidiary company (Note 12)	(275,515)	792,968	(4,000,000)	(400,500)
Proceeds from disposal of other investments	–	10,114	–	10,114
Net dividends received	12,285	14,076	12,285	14,076
Net cash used in investing activities	(60,734,720)	(12,670,221)	(64,095,181)	(13,836,417)
<b>Cash flows from financing activities</b>				
Repayment of lease payables	(265,612)	(15,483,939)	(232,671)	(15,483,939)
Increase in bankers' acceptances	42,174,493	17,946,705	42,174,493	17,946,705
Increase in fixed deposits pledged	(41,810)	–	–	–
Drawdown of revolving credit	–	25,000,000	–	25,000,000
Drawdown of term loans	45,701,460	–	45,701,460	–
Repayment of revolving credit	–	(35,000,000)	–	(35,000,000)
Repayment of term loans	(7,497,667)	(4,664,667)	(7,497,667)	(4,664,667)
Payment of listing expenses	(2,332,503)	–	(2,332,503)	–
Proceeds from issuance of shares	42,800,000	2,800,000	42,800,000	2,800,000
Dividends paid	–	(30,000,000)	–	(30,000,000)
Net cash generated from/(used in) financing activities	120,538,361	(39,401,901)	120,613,112	(39,401,901)
Net increase in cash and cash equivalents	30,166,538	17,180,836	26,575,876	16,297,672
Cash and cash equivalents at beginning of year	11,664,972	(5,515,864)	10,613,833	(5,683,839)
Cash and cash equivalents at end of year	41,831,510	11,664,972	37,189,709	10,613,833

## CASH FLOW STATEMENTS (Cont'd)

For the Year Ended 31 March 2005

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
<b>(a) Analysis of cash and cash equivalents:</b>				
Short term deposits	19,500,000	9,200,000	19,500,000	9,200,000
Cash and bank balances	22,331,510	10,671,746	17,689,709	9,620,607
Bank overdrafts, unsecured (Note 24)	–	(8,206,774)	–	(8,206,774)
	<b>41,831,510</b>	<b>11,664,972</b>	<b>37,189,709</b>	<b>10,613,833</b>
<b>(b) Analysis of acquisition of property, plant and equipment:</b>				
By cash	60,499,491	12,300,345	60,135,467	12,273,073
By leases	970,000	15,330,000	830,000	15,330,000
	<b>61,469,491</b>	<b>27,630,345</b>	<b>60,965,467</b>	<b>27,603,073</b>

*The accompanying notes form an integral part of the financial statements.*

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2005

## 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan.

The Company is an investment holding company and is also principally engaged in publishing, printing and distribution of newspaper "Sin Chew Daily", printing of newspapers for other publishers and distribution of magazines. The principal activities of the subsidiary companies are set out in Note 12. There has been no significant change in the nature of these activities during the financial year.

The financial statements of the Group and the Company are expressed in Ringgit Malaysia (RM).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 21 July 2005.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The financial statements of the Group and of the Company are prepared under the historical cost convention and comply with provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia.

During the financial year ended 31 March 2005, the Group and the Company adopted the following MASB Standard for the first time:

MASB Standard 8      Related Party Disclosures

The adoption of MASB Standard 8 has not given rise to any adjustments to the opening balances of revenue reserve of the prior and current year or to changes in comparatives.

### (b) Basis of consolidation

#### *Subsidiary companies*

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (b) Basis of consolidation (Cont'd)

#### *Subsidiary companies* (Cont'd)

Subsidiary companies are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed off during the financial year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of the subsidiary companies are measured at their fair values at the date of acquisition. The difference between the cost of an acquisition and the fair value of the Group's share of net assets of the acquired subsidiary company at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation.

Intra-group transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences.

Minority interests in the consolidated balance sheet consist of the minorities' share of the fair value of the identifiable assets and liabilities of the acquiree as at acquisition date and the minorities' share of movements in the acquiree's equity since then.

### (c) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary company at the date of acquisition.

Goodwill is stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(k). Goodwill is not amortised but write-offs are made where, in the opinion of the Directors, impairment has occurred.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (d) Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

##### *(i) Circulation revenue*

Circulation revenue comprises sales of newspapers and magazines and is recognised when the newspapers and magazines are despatched to customers for a consideration.

##### *(ii) Advertising revenue*

Advertising revenue is recognised when services are rendered and invoiced upon confirmation of the advertisement by the customers.

##### *(iii) Printing revenue*

Printing revenue is recognised when services are rendered.

#### (e) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (e) Income tax (Cont'd)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

### (f) Employee benefits

#### (i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

#### (ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

### (g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (if any). The policy for the recognition and measurement of impairment losses is in accordance with Note 2(k).

Leasehold land is amortised over the period of the lease. Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over their estimated useful life at the following annual rates:

Land	-	over remaining term of the lease
Buildings	-	2% and 5%
Furniture, fittings and equipment	-	7½% and 10%
Computer equipment	-	20%
Plant and machinery	-	7% to 10%
Motor vehicles	-	20%

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (g) Property, plant and equipment (Cont'd)

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

#### (h) Investments in subsidiary companies

The Company's investments in subsidiary companies are stated at cost less impairment losses (if any). The policy for the recognition and measurement of impairment losses is in accordance with Note 2(k).

Income arising on these investments is included in the income statement when the shareholders' right to receive the payment is established.

On the disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statement.

#### (i) Intangible asset

This represents the cost of acquisition of the name of the newspaper, "Sin Chew Daily" and the publishing permit of the magazine "Business World". It is capitalised and amortised through the income statement over twenty and ten years respectively on a straight line basis.

#### (j) Inventories

Inventories are stated at the lower of cost (determined on the first-in, first-out basis) and net realisable value.

Inventories are determined on a weighted average basis. Cost of finished goods and work-in-progress includes direct materials, direct labour, other direct costs and appropriate production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (k) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset. Reversal of impairment losses recognised in prior periods is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

### (l) Financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

#### (i) *Other non-current investments*

Non-current investments other than investments in subsidiary companies are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(k).

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

#### (ii) *Receivables*

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

#### (iii) *Payables*

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (l) Financial instruments (Cont'd)

##### *(iv) Interest-bearing borrowings*

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are recognised in the income statement as an expense in the period in which they are incurred.

##### *(v) Equity instruments*

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

#### (m) Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are classified as operating leases.

##### *(i) Finance leases*

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2(g).

##### *(ii) Operating leases*

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (n) Provisions for liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

### (o) Foreign currencies

#### *Foreign currency transactions*

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined. All exchange rate differences are taken to the income statement.

The principal exchange rates used for each respective unit of foreign currency ruling at the balance sheet date are as follows:

	2005 RM	2004 RM
1 Euro Dollar	4.91	4.67
1 Singapore Dollar	2.30	2.28
1 US Dollar	3.80	3.80

### (p) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

### 3. REVENUE

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Advertising, circulation and printing revenue	408,786,810	316,759,700	359,444,665	315,349,330
Others	741,960	296,074	–	–
	409,528,770	317,055,774	359,444,665	315,349,330

### 4. PROFIT FROM OPERATIONS

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Profit from operations is stated after charging/(crediting):				
Allowance for doubtful debts	5,498,743	2,545,397	4,065,768	2,355,386
Allowance for doubtful debts no longer required	(9,531,615)	–	(7,361,310)	–
Amortisation of intangible asset	90,720	90,720	90,720	90,720
Auditors' remuneration:				
- statutory audits				
- current year	80,800	37,600	62,500	32,000
- under provision in prior year	3,000	–	3,000	–
- other services	15,667	–	7,500	–
Bad debts written off	4,587,006	220,942	2,341,795	215,912
Depreciation (Note 11)	8,785,757	7,603,587	8,303,729	7,570,802
Gain on disposal of other investments	–	(96)	–	(96)

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 4. PROFIT FROM OPERATIONS (Cont'd)

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Gain on disposal of property, plant and equipment	(28,000)	(163,902)	(28,000)	(163,902)
Gross dividend income	(17,062)	(14,076)	(17,062)	(14,076)
Interest income	(543,179)	(407,704)	(541,668)	(407,704)
Loss on foreign exchange - realised	56,748	45,288	56,672	45,279
Non-executive directors' remuneration (Note 6)	96,250	18,000	96,250	18,000
Rental income	(521,707)	(1,542,316)	(684,787)	(1,555,906)
Rental of land, building and equipment	6,407,509	5,152,150	6,060,984	5,127,991

## 5. STAFF COSTS

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Salaries	37,497,574	28,581,938	29,516,283	27,871,290
Social security costs	553,050	420,729	422,847	411,522
Pension costs				
- defined contribution plan	6,635,447	5,118,198	5,350,776	4,979,089
Other staff related costs	18,337,692	19,349,833	15,573,044	19,096,081
	63,023,763	53,470,698	50,862,950	52,357,982

	GROUP		COMPANY	
	2005	2004	2005	2004
Number of employees as at 31 March	1,963	1,465	1,136	1,111

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 6. DIRECTORS' REMUNERATION

The remuneration paid to Executive and Non-Executive Directors of the Company and of a subsidiary company are disclosed as follows:

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
<b>Directors of the Company</b>				
<b>Executive:</b>				
Salaries and other emoluments	1,113,410	762,213	1,113,410	762,213
Bonus	137,493	261,079	137,493	261,079
Pension costs - defined contribution plan	174,798	145,858	174,798	145,858
Social security costs	410	410	410	410
	1,426,111	1,169,560	1,426,111	1,169,560
<b>Non-Executive:</b>				
Fees	96,250	18,000	96,250	18,000
	1,522,361	1,187,560	1,522,361	1,187,560
<b>Director of a subsidiary company:</b>				
<b>Executive:</b>				
Salaries and other emoluments	141,750	2,724	—	—
Bonus	21,000	—	—	—
Pension costs - defined contribution plan	23,310	—	—	—
Social security costs	410	—	—	—
	186,470	2,724	—	—
Total	1,708,831	1,190,284	1,522,361	1,187,560

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 6. DIRECTORS' REMUNERATION (Cont'd)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed as follows:

	2005		2004	
	Executive	Non-Executive	Executive	Non-Executive
<b>Bands of remuneration</b>				
RM400,001 - RM450,000	1	—	—	—
RM350,001 - RM400,000	1	—	2	—
RM300,001 - RM350,000	1	—	—	—
RM250,001 - RM300,000	—	—	1	—
RM200,001 - RM250,000	—	—	—	—
RM150,001 - RM200,000	—	—	—	—
RM100,001 - RM150,000	2	—	1	—
RM50,001 - RM100,000	—	—	—	—
RM1 - RM50,000	—	5	—	3
Nil	—	—	—	3

## 7. FINANCE COSTS

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Bankers' acceptances interest	1,504,526	462,969	1,504,526	462,969
Lease interest	95,378	543,846	85,494	543,846
Overdraft interest	5	6,947	5	931
Term loan interest	1,424,805	1,283,893	1,424,805	1,283,893
Revolving credit interest	—	319,044	—	319,044
	<b>3,024,714</b>	<b>2,616,699</b>	<b>3,014,830</b>	<b>2,610,683</b>

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

### 8. TAXATION

#### a. Tax expense for the year

Tax expense for the year is summarised as follows:

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Income tax:				
Based on results for the year	5,398,090	7,902,000	4,978,000	7,900,000
Over provision in prior years	(270,480)	(158,871)	(279,046)	(159,648)
	5,127,610	7,743,129	4,698,954	7,740,352
Deferred tax (Note 16):				
Relating to origination and reversal of temporary differences	4,959,421	1,204,527	4,408,000	1,180,000
Under provision in prior year	191,000	–	201,000	–
	5,150,421	1,204,527	4,609,000	1,180,000
Tax expense for the year	10,278,031	8,947,656	9,307,954	8,920,352

#### b. Tax reconciliation

Income tax is calculated at the Malaysian statutory tax rate of 28% (2004: 28%) of the estimated assessable profit for the year.

With effect from year of assessment 2004, the corporate tax rates for companies in Malaysia with paid up capital of RM2.5 million and below at the beginning of the basis period for the year of assessment are as follows:

	2005	2004
	%	%
Chargeable income		
First RM500,000 (2004: RM500,000)	20	20

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 8. TAXATION (Cont'd)

### b. Tax reconciliation (Cont'd)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Profit before taxation	<b>70,048,738</b>	53,506,754	<b>66,579,014</b>	53,724,893
Taxation at Malaysian statutory tax rate of 28% (2004: 28%)	<b>19,613,646</b>	14,981,891	<b>18,642,124</b>	15,042,970
Effect of lower tax rate	<b>(44,831)</b>	(235)	–	–
Income not subject to tax	–	(2,119,047)	–	(2,119,047)
Expenses not deductible for tax purposes	<b>539,860</b>	556,033	<b>497,291</b>	554,156
Utilisation of current year's reinvestment allowance	<b>(9,753,415)</b>	(4,398,079)	<b>(9,753,415)</b>	(4,398,079)
Utilisation of previously unrecognised tax losses	<b>(11,883)</b>	–	–	–
Deferred tax assets not recognised	<b>14,134</b>	85,964	–	–
Under provision of deferred tax in prior year	<b>191,000</b>	–	<b>201,000</b>	–
Over provision of income tax in prior years	<b>(270,480)</b>	(158,871)	<b>(279,046)</b>	(159,648)
Tax expense for the year	<b>10,278,031</b>	8,947,656	<b>9,307,954</b>	8,920,352

### c. Tax losses

Tax losses are analysed as follows:

Tax savings recognised during the year arising from:

Utilisation of current year tax losses	–	–	–	–
Utilisation of tax losses brought forward from previous years	<b>506,362</b>	89,382	–	–
Unutilised tax losses carried forward	<b>56,198,903</b>	2,061,224	–	–



# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 9. EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the financial year adjusted for the Share Split, Bonus Issue of 202,000,000 ordinary shares of RM0.50 each and the bonus element arising from the Rights Issue as if the Share Split, Bonus Issue and bonus element had occurred at the beginning of the previous financial year:

	GROUP	
	2005	2004
Net profit for the year (RM)	59,770,707	44,701,323
Weighted average number of ordinary shares in issue	279,737,948	235,244,798
Basic earnings per share (sen)	21	19

### (b) Diluted

The Group has no potential ordinary shares in issue for the year under review, therefore diluted earnings per share has not been presented.

## 10. DIVIDENDS PER SHARE

	Amount		Net dividends per share	
	2005	2004	2005	2004
	RM	RM	Sen	Sen
Interim dividend of 55.56% less 28% taxation on 10,000,000 ordinary shares of RM1.00 each, paid on 13 January 2004	–	4,000,000	–	40
Interim tax exempt dividend of 260% on 10,000,000 ordinary shares of RM1.00 each, paid on 13 January 2004	–	26,000,000	–	260
	–	30,000,000	–	300

At the forthcoming Annual General Meeting, a first and final tax exempt dividend of 8.5 sen per share on 302,000,000 ordinary shares, amounting to RM25,670,000, in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of revenue reserve in the financial year ending 31 March 2006.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 11. PROPERTY, PLANT AND EQUIPMENT

GROUP	Land and buildings RM	Furniture, fittings and equipment RM	Computer equipment RM	Plant and machinery RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
<b>Cost</b>							
At 1.4.2004	57,374,495	5,249,646	16,848,031	92,639,215	3,059,535	22,408,653	197,579,575
Acquisition of a subsidiary company (Note 12)	1,526,481	1,823,278	2,774,345	611,091	404,461	-	7,139,656
Additions	4,085,481	631,078	1,812,634	3,289,543	1,117,321	50,533,434	61,469,491
Disposals	-	-	-	-	(115,818)	-	(115,818)
Write-offs	-	(3,520)	(41,160)	-	-	-	(44,680)
Reclassification	32,090,200	-	-	20,740,922	-	(52,831,122)	-
<b>At 31.3.2005</b>	<b>95,076,657</b>	<b>7,700,482</b>	<b>21,393,850</b>	<b>117,280,771</b>	<b>4,465,499</b>	<b>20,110,965</b>	<b>266,028,224</b>
<b>Accumulated depreciation</b>							
Charge for 2004 (Note 4)	1,782,667	332,035	1,004,758	4,161,030	323,097	-	7,603,587
<b>At 1.4.2004</b>	<b>7,777,428</b>	<b>3,082,435</b>	<b>14,818,101</b>	<b>48,834,448</b>	<b>1,916,219</b>	<b>-</b>	<b>76,428,631</b>
Acquisition of a subsidiary company (Note 12)	206,481	1,337,390	2,345,563	561,719	295,355	-	4,746,508
Charge for the year (Note 4)	1,894,852	476,232	996,981	4,904,707	512,985	-	8,785,757
Disposals	-	-	-	-	(115,817)	-	(115,817)
Write-offs	-	(3,520)	(41,160)	-	-	-	(44,680)
Reclassification	-	-	(475,231)	475,231	-	-	-
<b>At 31.3.2005</b>	<b>9,878,761</b>	<b>4,892,537</b>	<b>17,644,254</b>	<b>54,776,105</b>	<b>2,608,742</b>	<b>-</b>	<b>89,800,399</b>
<b>Net book value</b>							
At 31.3.2005	<b>85,197,896</b>	<b>2,807,945</b>	<b>3,749,596</b>	<b>62,504,666</b>	<b>1,856,757</b>	<b>20,110,965</b>	<b>176,227,825</b>
At 31.3.2004	49,597,067	2,167,211	2,029,930	43,804,767	1,143,316	22,408,653	121,150,944

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 11. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

COMPANY	Land and buildings RM	Furniture, fittings and equipment RM	Computer equipment RM	Plant and machinery RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
<b>Cost</b>							
At 1.4.2004	57,374,495	4,419,921	16,225,051	92,639,215	2,992,635	22,408,653	196,059,970
Additions	4,085,481	529,798	1,574,170	3,289,543	953,041	50,533,434	60,965,467
Disposals	-	-	-	-	(115,818)	-	(115,818)
Write-offs	-	-	(41,160)	-	-	-	(41,160)
Reclassification	32,090,200	-	-	20,740,922	-	(52,831,122)	-
<b>At 31.3.2005</b>	<b>93,550,176</b>	<b>4,949,719</b>	<b>17,758,061</b>	<b>116,669,680</b>	<b>3,829,858</b>	<b>20,110,965</b>	<b>256,868,459</b>
<b>Accumulated depreciation</b>							
Charge for 2004 (Note 4)	1,782,667	322,384	982,739	4,161,030	321,982	-	7,570,802
<b>At 1.4.2004</b>	<b>7,777,428</b>	<b>2,678,924</b>	<b>14,446,377</b>	<b>48,834,448</b>	<b>1,876,079</b>	<b>-</b>	<b>75,613,256</b>
Charge for the year (Note 4)	1,887,320	328,241	768,872	4,896,904	422,392	-	8,303,729
Disposals	-	-	-	-	(115,817)	-	(115,817)
Write-offs	-	-	(41,160)	-	-	-	(41,160)
Reclassification	-	-	(475,231)	475,231	-	-	-
<b>At 31.3.2005</b>	<b>9,664,748</b>	<b>3,007,165</b>	<b>14,698,858</b>	<b>54,206,583</b>	<b>2,182,654</b>	<b>-</b>	<b>83,760,008</b>
<b>Net book value</b>							
At 31.3.2005	83,885,428	1,942,554	3,059,203	62,463,097	1,647,204	20,110,965	173,108,451
<b>At 31.3.2004</b>	<b>49,597,067</b>	<b>1,740,997</b>	<b>1,778,674</b>	<b>43,804,767</b>	<b>1,116,556</b>	<b>22,408,653</b>	<b>120,446,714</b>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 11. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

- (a) Included in property, plant and equipment of the Group and of the Company are the following net book values of assets acquired on instalment payment arrangement:

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Motor vehicles	1,674,709	475,911	1,478,537	475,911
Equipments	–	447,697	–	447,697
	1,674,709	923,608	1,478,537	923,608

- (b) The transfer of titles to certain leasehold land with a net book value of RM19,411,075 (2004: RM21,090,412) is pending extraction from the relevant registry.
- (c) Certain property, plant and equipment of the Company with the following net book values are pledged as security for term loans obtained as referred to in Note 24.

	COMPANY	
	2005 RM	2004 RM
Leasehold land	19,411,075	19,761,405
Buildings	3,993,244	4,242,822
Plant and machineries	62,507,271	–
	85,911,590	24,004,227

- (d) Analysis of land and buildings:

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
At cost:				
Short leasehold land	6,355,138	8,038,407	6,355,138	8,038,407
Long leasehold land	29,697,862	27,876,222	29,697,862	27,876,222
Freehold land	3,008,066	–	3,008,066	–
Buildings	54,489,110	21,459,866	54,489,110	21,459,866
Freehold land and buildings*	1,526,481	–	–	–
	95,076,657	57,374,495	93,550,176	57,374,495

\* It is impracticable to disclose freehold land and buildings separately due to unavailability of information.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 12. INVESTMENTS IN SUBSIDIARY COMPANIES

	COMPANY	
	2005 RM	2004 RM
<b>At cost:</b>		
<i>Unquoted shares in Malaysia:</i>		
At 1 April	4,325,400	2,409,000
Reclassification from other investments (Note 13)	–	99,500
Acquisition of remaining equity interest in Sinchew-i Sdn. Bhd.	–	1,416,400
Acquisition of a new subsidiary company:		
Mulu Press Sdn. Bhd.	–	400,500
Guang-Ming Ribao Sdn Bhd	4,000,000	–
At 31 March	8,325,400	4,325,400

The details of the subsidiary companies are as follows:

Subsidiary companies	Principal activities	Country of incorporation	Equity interest held	
			2005 %	2004 %
Media Communications Sdn. Bhd.	Publishing and distribution of magazines	Malaysia	100	100
Sinchew-i Sdn. Bhd.	Providing contents to web and mobile users, web hosting and designing, web advertising, and web audio video broadcasting	Malaysia	100	100
Mulu Press Sdn. Bhd.	Newspaper circulation and distribution agent and providing editorial services and contract labour	Malaysia	100	100
Guang-Ming Ribao Sdn. Bhd.	Publishing, printing and distribution of newspaper “Guang Ming Daily”	Malaysia	100	–

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 12. INVESTMENTS IN SUBSIDIARY COMPANIES (Cont'd)

All subsidiary companies are audited by Ernst & Young except for Mulu Press Sdn. Bhd. and Guang-Ming Ribao Sdn. Bhd. which are audited by chartered accountants Philip Tong & Co. and Poh & Co. respectively.

### *Acquisition of a new subsidiary company:*

On 2 March 2004, the Company acquired 400,500 shares or 80.1% of the issued and paid-up share capital of Mulu Press Sdn. Bhd. not already owned by the Company for a total cash consideration of RM400,500.

On 3 September 2004, the Company acquired 4,000,000 ordinary shares of RM1.00 each or 100% of the issued and paid-up share capital of Guang-Ming Ribao Sdn. Bhd. for a total cash consideration of RM4,000,000.

The acquisition had the following effects on the Group's financial results for the year:

	2005 RM	2004 RM
Revenue	36,213,936	2,323,540
Profit from operations	885,517	94,342
Net profit for the year	616,166	62,535

The acquisition had the following effect on the financial position of the Group as at the end of the year:

	2005 RM	2004 RM
Property, plant and equipment	2,366,222	671,325
Deferred tax asset	15,703,766	944,163
Inventories	2,480,799	–
Trade and other receivables	7,288,626	5,540,569
Fixed deposits	41,810	–
Cash and bank balances	2,574,533	925,511
Trade and other payables	(4,769,100)	(2,426,222)
Lease payable	(49,478)	–
Group's share of net assets	25,637,178	5,655,346

As at the date of acquisition of Guang-Ming Ribao Sdn. Bhd., Trade and Other Payables included an amount of RM42,823,129 due to related companies which was settled during the year.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 12. INVESTMENTS IN SUBSIDIARY COMPANIES (Cont'd)

The fair values of the assets acquired and liabilities assumed from the acquisition of the subsidiary company were as follows:

	3 September 2004 RM	2 March 2004 RM
Net assets acquired:		
Property, plant and equipment (Note 11)	2,393,148	656,974
Deferred tax asset (Note 16)	15,970,174	969,190
Inventories	1,445,957	–
Trade and other receivables	8,194,669	5,496,020
Cash and bank balances	3,724,485	1,193,468
Trade and other payables	(52,829,776)	(4,292,891)
Lease payable	(62,316)	–
Provision for taxation	(582)	–
Amount due to holding company	(17,187,694)	(6,346,569)
Fair value of total net assets	(38,351,935)	(2,323,808)
Less: Minority interest	–	–
Group's share of net assets	(38,351,935)	(2,323,808)
Goodwill on acquisition (Note 15)	42,351,935	2,823,808
Reclassification from other investments (Note 13)	–	(99,500)
Total consideration	4,000,000	400,500
Purchase consideration satisfied by:		
Cash	4,000,000	400,500
Net cash (outflow)/inflow arising on acquisition:		
Cash consideration	(4,000,000)	(400,500)
Cash and cash equivalents of subsidiary company acquired	3,724,485	1,193,468
	(275,515)	792,968

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 13. OTHER INVESTMENTS

	GROUP AND COMPANY	
	2005	2004
	RM	RM
<b>At cost:</b>		
<i>Unquoted shares in Malaysia:</i>		
At 1 April	–	99,500
Reclassification to investments in subsidiary companies (Note 12)	–	(99,500)
At 31 March	–	–
<i>Quoted shares in Malaysia:</i>		
At 1 April	976,752	986,770
Disposal during the year	–	(10,018)
At 31 March	976,752	976,752
Total other investments	976,752	976,752
Market value of quoted shares as at 31 March	950,625	975,000

The directors are of the opinion that there is no indication of impairment of its investment in quoted shares in view of the subsequent increase in market value of those shares.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

### 14. INTANGIBLE ASSET

	GROUP AND COMPANY	
	2005	2004
	RM	RM
<b>Goodwill</b>		
Cost		
At 31 March	1,814,000	1,814,000
Amortisation		
At 1 April	1,451,320	1,360,600
Amortisation during the year	90,720	90,720
At 31 March	(1,542,040)	(1,451,320)
Net book amount at 31 March	271,960	362,680

### 15. GOODWILL ON CONSOLIDATION

	GROUP	
	2005	2004
	RM	RM
At 1 April	2,966,033	–
Acquisition of remaining equity interest in Sinchew-i Sdn. Bhd.	–	142,225
Acquisition of a new subsidiary company (Note 12):		
Mulu Press Sdn. Bhd.	–	2,823,808
Guang-Ming Ribao Sdn. Bhd.	42,351,935	–
At 31 March	45,317,968	2,966,033

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 16. DEFERRED TAX (ASSETS)/LIABILITIES

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
At 1 April	4,587,637	4,352,300	5,530,000	4,350,000
Acquisition of subsidiary company (Note 12)	(15,970,174)	(969,190)	–	–
Recognised in the income statement (Note 8)	5,150,421	1,204,527	4,609,000	1,180,000
At 31 March	(6,232,116)	4,587,637	10,139,000	5,530,000

Presented after appropriate  
offsetting as follows:

Deferred tax assets	(16,371,116)	(944,163)	–	–
Deferred tax liabilities	10,139,000	5,531,800	10,139,000	5,530,000
	(6,232,116)	4,587,637	10,139,000	5,530,000

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

### Deferred tax (assets)/liabilities:

GROUP	At 1 April RM	Acquisition of subsidiary company RM	Recognised in the income statement RM	At 31 March RM
Accelerated capital allowances	6,288,095	170,379	4,330,896	10,789,370
Allowance for doubtful debts	(786,413)	–	32,046	(754,367)
Provision for ex-gratia	(51,000)	–	9,000	(42,000)
Provision for liabilities	(616,000)	–	280,000	(336,000)
Unutilised tax losses	(247,045)	(16,140,553)	498,479	(15,889,119)
Total	4,587,637	(15,970,174)	5,150,421	(6,232,116)

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

### 16. DEFERRED TAX (ASSETS)/LIABILITIES (Cont'd)

Deferred tax (assets)/liabilities: (Cont'd)

COMPANY	At 1 April RM	Acquisition of subsidiary company RM	Recognised in the income statement RM	At 31 March RM
Accelerated capital allowances	6,197,000	–	4,320,000	10,517,000
Provision for ex-gratia	(51,000)	–	9,000	(42,000)
Provision for liabilities	(616,000)	–	280,000	(336,000)
Total	5,530,000	–	4,609,000	10,139,000

Deferred tax assets have not been recognised in respect of the following items:

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Unused tax losses	105,660	135,189	–	–
Unabsorbed capital allowances	9,197	615	–	–
	114,857	135,804	–	–

The unused tax losses and unabsorbed capital allowances are available indefinitely for offset against future taxable profits of a subsidiary company.

### 17. INVENTORIES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
At cost:				
Raw materials	117,416,229	49,134,110	114,935,430	49,134,110
Consumables	38,389	35,047	38,389	35,047
	117,454,618	49,169,157	114,973,819	49,169,157

There are no inventories stated at net realisable value.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 18. TRADE RECEIVABLES

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Trade receivables	94,259,382	106,673,111	75,570,643	98,554,509
Allowance for doubtful debts	(14,061,057)	(14,006,001)	(7,805,421)	(11,100,963)
	80,198,325	92,667,110	67,765,222	87,453,546

The Group's normal credit term ranges from 30 to 90 days. Other credit terms are assessed and approved on a case by case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

## 19. OTHER RECEIVABLES

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Other receivables	2,314,462	2,459,510	1,827,615	2,044,922
Allowance for doubtful debts	(91,107)	(91,107)	(91,107)	(91,107)
	2,223,355	2,368,403	1,736,508	1,953,815
Amount due from a corporate shareholder	–	7,569,014	–	7,569,014
Amount due from a director-related company	–	45,547	–	45,547
Deposits	1,899,324	1,735,218	1,756,704	1,639,249
Prepayments	1,213,135	3,977,557	1,142,556	3,957,921
Tax recoverable	354,941	29,373	276,775	–
	5,690,755	15,725,112	4,912,543	15,165,546

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or group of debtors.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

### 20. AMOUNTS DUE FROM/(TO) SUBSIDIARY COMPANIES

The amounts due from/(to) subsidiary companies are unsecured, interest-free and under no fixed term of repayment.

### 21. FIXED DEPOSITS

	GROUP	
	2005	2004
	RM	RM
Licensed bank	41,810	–

The fixed deposit is pledged to a licensed bank for bank guarantee facility granted to a subsidiary company.

The effective interest rate of the fixed deposit during the financial year is 3.7% and the maturity of the deposit as at 31 March 2005 is 365 days.

### 22. SHORT TERM DEPOSITS

The weighted average interest rates during the financial year ranges from 2.50% to 2.55% (2004: 2.55% to 2.60%) and the maturities of deposits as at 31 March 2005 is 3 days (2004: 1 to 3 days).

### 23. PROVISIONS FOR LIABILITIES

	GROUP AND COMPANY	
	2005	2004
	RM	RM
At 1 April	2,200,000	–
Allowance during the year	–	2,200,000
Over provision in prior year	(1,000,000)	–
At 31 March	1,200,000	2,200,000

The provisions for liabilities is in respect of estimated probable loss arising from libel suits which involved claims against the Company.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 24. BORROWINGS

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
<b>Short term borrowings</b>				
Secured:				
Term loan	12,180,000	3,000,000	12,180,000	3,000,000
Lease payables (Note 25)	367,780	226,382	319,940	226,382
	12,547,780	3,226,382	12,499,940	3,226,382
Unsecured:				
Bank overdrafts	–	8,206,774	–	8,206,774
Term loans	1,182,666	1,182,667	1,182,666	1,182,667
Bankers' acceptances	77,621,198	35,446,705	77,621,198	35,446,705
	78,803,864	44,836,146	78,803,864	44,836,146
	91,351,644	48,062,528	91,303,804	48,062,528
<b>Long term borrowings</b>				
Secured:				
Term loans	43,206,460	13,000,000	43,206,460	13,000,000
Lease payables (Note 25)	1,066,593	441,287	945,058	441,287
	44,273,053	13,441,287	44,151,518	13,441,287
Unsecured:				
Term loans	–	1,182,666	–	1,182,666
	44,273,053	14,623,953	44,151,518	14,623,953
<b>Total borrowings</b>				
Bank overdrafts	–	8,206,774	–	8,206,774
Bankers' acceptances	77,621,198	35,446,705	77,621,198	35,446,705
Term loans	56,569,126	18,365,333	56,569,126	18,365,333
Lease payables (Note 25)	1,434,373	667,669	1,264,998	667,669
	135,624,697	62,686,481	135,455,322	62,686,481

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 24. BORROWINGS (Cont'd)

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Maturity of borrowings (excluding hire purchase)				
Within one year	<b>90,983,864</b>	47,836,146	<b>90,983,864</b>	47,836,146
More than 1 year and less than 2 years	<b>19,180,000</b>	4,182,666	<b>19,180,000</b>	4,182,666
More than 2 years and less than 5 years	<b>24,026,460</b>	10,000,000	<b>24,026,460</b>	10,000,000
	<b>134,190,324</b>	62,018,812	<b>134,190,324</b>	62,018,812

The weighted average effective interest rates at the balance sheet date for borrowings, excluding hire purchase, were as follows:

	GROUP AND COMPANY	
	2005	2004
Bank overdrafts	**	3.14%
Bankers' acceptances	<b>2.70%</b>	4.07%
Term loan	<b>5.08%</b>	6.94%

The secured terms loans of the Group are secured by a first legal charge over certain property, plant and equipment of the Company as disclosed in Note 11(c) to the financial statements.

\*\* Negligible

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 25. LEASE PAYABLES

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
<b>Minimum lease payments:</b>				
Not later than 1 year	<b>441,448</b>	265,361	<b>382,072</b>	265,361
Later than 1 year and not later than 2 years	<b>432,072</b>	194,308	<b>372,696</b>	194,308
Later than 2 years and not later than 5 years	<b>729,083</b>	325,997	<b>651,553</b>	325,997
	<b>1,602,603</b>	785,666	<b>1,406,321</b>	785,666
Future finance charges on finance leases	<b>(168,230)</b>	(117,997)	<b>(141,323)</b>	(117,997)
Present value of finance lease liabilities	<b>1,434,373</b>	667,669	<b>1,264,998</b>	667,669
<b>Present value of finance liabilities</b>				
Not later than 1 year	<b>367,780</b>	226,382	<b>319,940</b>	226,382
Later than 1 year and not later than 2 years	<b>380,165</b>	164,728	<b>330,460</b>	164,728
Later than 2 years and not later than 5 years	<b>686,428</b>	276,559	<b>614,598</b>	276,559
	<b>1,434,373</b>	667,669	<b>1,264,998</b>	667,669
<b>Analysed as:</b>				
Due within 12 months (Note 24)	<b>367,780</b>	226,382	<b>319,940</b>	226,382
Due after 12 months (Note 24)	<b>1,066,593</b>	441,287	<b>945,058</b>	441,287
	<b>1,434,373</b>	667,669	<b>1,264,998</b>	667,669

The lease liabilities bore interest at the balance sheet date at rates between 4.6% to 7.9% (2004: 5.6% to 7.9%) per annum.

## 26. TRADE PAYABLES

The normal credit term granted to the Group ranges from 30 to 90 days.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

### 27. OTHER PAYABLES

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Other payables	4,808,710	7,978,253	2,579,908	6,530,262
Deposits received	2,093,212	2,133,496	1,633,295	1,969,662
Accruals	15,512,480	10,265,527	11,832,270	9,415,883
	<b>22,414,402</b>	<b>20,377,276</b>	<b>16,045,473</b>	<b>17,915,807</b>

### 28. SHARE CAPITAL

	GROUP AND COMPANY	
	2005	2004
	RM	RM
<b>Authorised:</b>		
500,000,000 (2004: 250,000,000) ordinary shares of RM0.50 (2004: RM1.00) each		
At 1 April	250,000,000	10,000,000
Creation of 240,000,000 ordinary shares of RM1.00 each	–	240,000,000
Cancellation of 250,000,000 ordinary shares of RM1.00 each pursuant to Share Split	(250,000,000)	–
Creation of 500,000,000 ordinary shares of RM0.50 each pursuant to Share Split	250,000,000	–
At 31 March	250,000,000	250,000,000

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 28. SHARE CAPITAL (Cont'd)

	GROUP AND COMPANY	
	2005	2004
	RM	RM
<b>Issued and fully paid:</b>		
302,000,000 (2004: 10,000,000) ordinary shares of RM0.50 (2004: RM1.00) each		
At 1 April	10,000,000	7,200,000
Issue of 2,800,000 ordinary shares of RM1.00 each	–	2,800,000
Cancellation of 10,000,000 ordinary shares of RM1.00 each pursuant to Share Split	(10,000,000)	–
Issue of 20,000,000 ordinary shares of RM0.50 each pursuant to Share Split	10,000,000	–
Issue of 202,000,000 ordinary shares of RM0.50 each pursuant to Bonus Issue	101,000,000	–
Issue of 80,000,000 ordinary shares of RM0.50 each pursuant to Rights Issue	40,000,000	–
At 31 March	151,000,000	10,000,000

During the financial year, the Company sub-divided the par value of its ordinary shares of RM1.00 each into ordinary shares of RM0.50 each ("Share Split") and increased its issued and paid-up ordinary share capital from RM10,000,000 to RM151,000,000 by way of:

- Cancellation of 10,000,000 ordinary shares of RM1.00 each and issue of 20,000,000 ordinary shares of RM0.50 each pursuant to the Share Split;
- Bonus Issue of 202,000,000 new ordinary shares of RM0.50 each ("Bonus Issue") on the basis of 10.10 new ordinary shares for every ordinary shares held after the Share Split by way of capitalisation of its revenue reserve; and
- Rights Issue of 80,000,000 new ordinary shares on the basis of approximately 0.36 new ordinary share for every existing ordinary share held after the Bonus Issue at an issue price of RM0.535 per new ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

### 29. REVENUE RESERVE

As at 31 March 2005, the Company has tax exempt credits available for distribution of approximately RM52,219,000 (2004: RM17,385,000).

As at 31 March 2005, the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividends out of its entire revenue reserve.

### 30. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group and the Company are as follows:

(a) *Transactions with a director and companies in which certain directors and persons connected to them have a substantial financial interest:*

	GROUP	
	2005	2004
	RM	RM
Consultancy fees paid to Wong Lee Yun, director of the Company	49,000	—
Fees received from Yazhou Zhoukan Limited for services rendered	(68,282)	(66,231)
Purchases of magazines from Yazhou Zhoukan Limited	69,940	—
Purchases of newsprint from Malaysian Newsprint Industries Sdn. Bhd.	135,769,620	84,427,000
Rental expenses paid to Pacific Hijau Sdn. Bhd.	356,240	338,040
Rental expenses paid to Rimbunan Hijau Estate Sdn. Bhd.	3,600,000	3,600,000
Rental expenses paid to Tiong Toh Siong and Sons Sdn. Bhd.	20,400	20,400
Transactions with Guang-Ming Ribao Sdn. Bhd. prior to acquisition:		
- Magazine purchases	1,369	—
- Magazine sales	(12,692)	—
- Management fees	(1,500)	(3,600)
- Newspaper purchases	815	2,324
- Printing expense	325,019	701,346
- Printing revenue	(576,080)	(1,356,820)
- Rental income	(95,750)	(229,800)
- Web-site content	(7,500)	(18,000)

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 30. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

(b) Transactions with subsidiary companies:

	COMPANY	
	2005	2004
	RM	RM
Advertisement revenue	(1,344)	(1,008)
Magazine purchased	19,936	14,182
Management fees	(7,500)	(3,750)
Newspaper sales	(15,814,971)	(1,332,586)
Printing expense	513,037	–
Printing revenue	(788,320)	–
Rental income	(373,108)	(35,322)
Service charges paid	93,732	6,734
Web-site content	13,200	13,200

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

## 31. CAPITAL COMMITMENTS

	GROUP AND COMPANY	
	2005	2004
	RM	RM
Capital expenditure not provided for in the financial statements:		
Authorised and contracted for	6,482,000	36,523,822

## 32. CONTINGENT LIABILITIES

There are several claims against the Group. The Group is presently defending these claims. The outcome and compensation of these claims, if any, are currently indeterminable except for claims against the Company which totalled RM1,200,000 (2004: RM2,200,000) which have been recognised in the financial statements for this financial year under review as disclosed in Note 23.

Subsequent to year end, there are new libel claims against the Group of which the outcome and compensation of these claims, if any, are currently indeterminable.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

### 33. FINANCIAL INSTRUMENTS

#### (a) Financial risk management objectives policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Group operates within defined guidelines and the Group's policy is not to engage in speculative transactions.

#### (b) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing debts, as the Group had no substantial long-term interest-bearing assets as at 31 March 2005. The investments in financial assets are mainly short term in nature and have been mostly placed in fixed deposits and they are not held for speculative purposes.

The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

#### (c) Foreign exchange risk

The Group is predominantly exposed to Euro Dollar, Singapore Dollar and United States Dollar. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

During the year, the Group has not entered into any hedging transactions.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 33. FINANCIAL INSTRUMENTS (Cont'd)

### (c) Foreign exchange risk (Cont'd)

The net unhedged financial liabilities of the Group that are not denominated in the functional currency of Ringgit Malaysia are as follows:

Functional currency	United States Dollar Equivalent RM
<hr/>	
<b>At 31 March 2005</b>	
<b>GROUP</b>	
<i>Other payables</i>	
Ringgit Malaysia	<b>2,760,981</b>
<hr/>	
<b>COMPANY</b>	
<i>Other payables</i>	
Ringgit Malaysia	<b>2,731,101</b>
<hr/>	
<b>At 31 March 2004</b>	
<b>GROUP</b>	
<i>Other payables</i>	
Ringgit Malaysia	<b>1,857,862</b>
<hr/>	
<b>COMPANY</b>	
<i>Other payables</i>	
Ringgit Malaysia	<b>1,849,496</b>
<hr/>	

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 33. FINANCIAL INSTRUMENTS (Cont'd)

### (d) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with short term funding so as to achieve overall cost effectiveness.

### (e) Credit risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by limiting the Group's associations to business partners with high creditworthiness. Receivables are monitored on an ongoing basis via the Group's management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

### (f) Fair values

The aggregate net fair values of financial assets and financial liabilities which are not carried at fair value on the balance sheets of the Company and of the Group are represented as follows:

		GROUP		COMPANY	
	Note	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
<b>At 31 March 2005</b>					
<b>Financial assets</b>					
Investment in quoted shares	13	976,752	950,625	976,752	950,625
Amount due from subsidiary companies	20	—	—	70,391,018	*
<b>Financial liabilities</b>					
Amount due to subsidiary companies	20	—	—	2,496,394	*
Term loans	24	56,569,126	**	56,569,126	**

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

## 33. FINANCIAL INSTRUMENTS (Cont'd)

### (f) Fair values (Cont'd)

		GROUP		COMPANY	
	Note	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
<b>At 31 March 2004</b>					
<b>Financial assets</b>					
Investment in quoted shares	13	976,752	975,000	976,752	975,000
Amount due from subsidiary companies	20	–	–	7,979,334	*
<b>Financial liabilities</b>					
Amount due to a subsidiary company	20	–	–	2,406,253	*
Term loans	24	18,365,333	**	18,365,333	**

\* It is not practical to estimate the fair values of amounts due to/from subsidiary companies due principally to a lack of fixed repayment term entered by the parties involved. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

\*\* The fair value information pertaining to long-term term loans is not disclosed as it is not practicable due to timeliness or cost to determine the fair value with sufficient reliability. Alternatively, the principal characteristics, namely the terms and conditions of the instruments have been disclosed in Note 24 to the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

### 33. FINANCIAL INSTRUMENTS (Cont'd)

#### (f) Fair values (Cont'd)

The nominal/notional amount and net fair value of financial instruments not recognised in the balance sheets are:

	Note	GROUP		COMPANY	
		Notional	Net fair	Notional	Net fair
		amount	value	amount	value
		RM	RM	RM	RM
<b>As at 31 March 2005</b>					
Capital commitments	31	<b>6,482,000</b>	<b>6,482,000</b>	<b>6,482,000</b>	<b>6,482,000</b>
<b>As at 31 March 2004</b>					
Capital commitments	31	36,523,822	36,523,822	36,523,822	36,523,822

The following method and assumption are used to estimate the fair values of the following classes of financial instruments:

*Cash and cash equivalents, Receivables, Payables, Amount due to/from related companies and Short-term borrowings.*

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

### 34. SEGMENTAL INFORMATION

Segmental information is not presented as the Group is principally engaged in the publication and selling of newspapers and magazines in Malaysia.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 March 2005

### 35. OTHER SIGNIFICANT EVENTS

- (a) On 3 September 2004, the Company completed the acquisition of 4,000,000 ordinary shares of RM1.00 each or 100% of the issued and paid-up share capital of Guang-Ming Ribao Sdn. Bhd. for a total cash consideration of RM4,000,000.
- (b) On 18 October 2004, the Company's entire issued and paid-up capital of 302,000,000 ordinary shares of RM0.50 each was admitted to the Official List of Bursa Malaysia Securities Berhad and the shares are now listed and quoted on the Main Board of Bursa Malaysia Securities Berhad under the Trading/ Services sector on the same date.

### 36. COMPARATIVES

In view of the Share Split, Bonus Issue of 202,000,000 ordinary shares of RM0.50 each and Rights Issue with a bonus element during the year, the comparative figures for Earnings Per Share as disclosed in Note 9 have been adjusted for the Share Split, Bonus Issue and bonus element as if the Share Split, Bonus Issue and bonus element had occurred at the beginning of the previous financial year.

Certain comparative figures have been reclassified to conform with current year presentation.

## ANALYSIS OF SHAREHOLDINGS

As at 1 August 2005

Authorised Share Capital	:	RM250,000,000.00 divided into 500,000,000 ordinary shares of RM0.50 each
Issued and Paid-Up Capital	:	RM151,000,000.00
Class of Shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	One vote per ordinary share

### ANALYSIS BY SIZE OF SHAREHOLDINGS

As at 1 August 2005

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	4	0.06	150	0.00
100 - 1,000	3998	61.40	3,704,250	1.23
1,001 - 10,000	2201	33.80	7,783,900	2.58
10,001 - 100,000	235	3.61	7,113,000	2.36
100,001 to less than 5% of issued shares	68	1.04	82,508,000	27.32
5% and above of issued shares	5	0.08	200,890,700	66.52
Total	6511	100	302,000,000	100

### THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS

As at 1 August 2005

No.	Names	No. of Shares	%
1.	Tiong Toh Siong Holdings Sdn Bhd	94,833,600	31.40
2.	Zaman Pemimpin Sdn Bhd	45,842,000	15.18
3.	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King	25,392,600	8.41
4.	Teck Sing Lik Enterprise Sdn Bhd	19,416,200	6.43
5.	Lembaga Tabung Haji	15,406,300	5.10
6.	Persada Jaya Sdn Bhd	12,096,800	4.01
7.	Lembaga Tabung Angkatan Tentera	9,235,300	3.06
8.	Rimbunan Hijau (Sarawak) Sdn Bhd	4,618,300	1.53
9.	Insan Anggun Sdn Bhd	3,486,000	1.15
10.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tiong Thai King</i>	3,250,700	1.08
11.	Dr. Tiong Ik King	2,796,000	0.93
12.	Malaysia Nominees (Tempatan) Sendirian Berhad <i>Great Eastern Life Assurance (Malaysia) Berhad (Non Par 1)</i>	2,746,000	0.91
13.	AMMB Nominees (Tempatan) Sdn Bhd <i>Amtrustee Berhad for SBB Dana Al-Ihsan (5-2-7)</i>	2,642,800	0.88
14.	Mayban Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tiong Kiong King (868AW3666)</i>	2,487,400	0.82
15.	Amanah Raya Nominees (Tempatan) Sdn Bhd <i>Public Smallcap Fund</i>	2,083,800	0.69

## ANALYSIS OF SHAREHOLDINGS (Cont'd)

As at 1 August 2005

### THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS (Cont'd)

As at 1 August 2005

No.	Names	No. of Shares	%
16.	Rimbunan Hijau Southeast Asia Sdn Bhd	1,941,700	0.64
17.	Asanas Sdn Bhd	1,876,300	0.62
18.	R. H. Forestry Sdn Bhd	1,864,000	0.62
19.	Cartaban Nominees (Asing) Sdn Bhd <i>State Street Australia Fund AJY2 For Lianhe Investments Pte Ltd</i>	1,800,000	0.60
20.	Tiong Chiong Ong	1,798,000	0.60
21.	Malaysia Nominees (Tempatan) Sendirian Berhad <i>Great Eastern Life Assurance (Malaysia) Berhad (Par 1)</i>	1,537,000	0.51
22.	Mayban Nominees (Tempatan) Sdn Bhd <i>Mayban Trustees Berhad for Public Industry Fund (N14011930270)</i>	1,480,000	0.49
23.	Citicorp Nominees (Tempatan) Sdn Bhd <i>Prudential Assurance Malaysia Berhad (Prulink Equity Fund)</i>	1,256,000	0.42
24.	Ke-Zan Nominees (Asing) Sdn Bhd <i>Kim Eng Securities Pte Ltd for Exquisite Holdings Limited</i>	1,244,600	0.41
25.	Malaysia Nominees (Tempatan) Sendirian Berhad <i>Overseas Assurance Corporation (Malaysia) Berhad (MGF)</i>	1,200,000	0.40
26.	Malaysia Nominees (Tempatan) Sendirian Berhad <i>Great Eastern Life Assurance (Malaysia) Berhad (LGF)</i>	1,195,000	0.40
27.	Dato' Liew Kam Chean	1,000,000	0.33
28.	Asia Life (M) Berhad <i>As Beneficial Owner (PF)</i>	1,000,000	0.33
29.	Tiong Chiong Hee	918,000	0.30
30.	Roseate Garland Sdn Bhd	768,000	0.25

## ANALYSIS OF SHAREHOLDINGS (Cont'd)

As at 1 August 2005

### DIRECTORS' DIRECT AND INDIRECT INTEREST IN THE COMPANY

As at 1 August 2005

Name	No. of shares held (Direct Interest)	% of Issued Capital	No. of shares held (Indirect Interest)	% of Issued Capital
Tan Sri Datuk Diong Hiew King @ Tiong Hiew King	25,392,600	8.41	123,192,300 <sup>(1)</sup>	40.79
Dr. Tiong Ik King	2,796,000	0.93	—	—
Dato' Liew Kam Chean @ Liew Chen Chuan	1,000,000	0.33	—	—
Gan Chin Kew @ Gan Chin Hor	700,000	0.23	—	—
Siew Nyoke Chow	700,000	0.23	—	—

### SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

As at 1 August 2005

Name	No. of shares			
	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Tiong Toh Siong Holdings Sdn Bhd	94,833,600	31.40		
Zaman Pemimpin Sdn Bhd	45,842,000	15.18		
Tan Sri Datuk Diong Hiew King @ Tiong Hiew King	25,392,600	8.41	123,192,300 <sup>(1)</sup>	40.79
Teck Sing Lik Enterprise Sdn Bhd	19,416,200	6.43	101,912,100 <sup>(2)</sup>	33.75
Lembaga Tabung Haji	15,406,300	5.10		

Notes :

- (1) Deemed interested by virtue of his interests in R.H. Forestry Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd, Tiong Toh Siong Holdings Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd and Tiong Toh Siong Enterprises Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
- (2) Deemed interested by virtue of its interest in Tiong Toh Siong Holdings Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd and Tiong Toh Siong Enterprises Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

## LIST OF PROPERTIES

Location	Tenure	Size (Sq ft)	Description	Approximate age of buildings	Net book value	Year of acqui- sition
<b>SELANGOR</b>						
No. 76, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan.	Leasehold Expiry: 2063	189,240	Office and printing plant	14 years for office block and the printing plant had just been constructed	55,494,519.72	23/04/01
No. 19, Jalan Sungai Keladi 2, 42000 Port Klang, Selangor Darul Ehsan.	Leasehold Expiry: 2031	2,000	Office	7 years	168,536.44	20/11/02
A4-12-20, Leisure Commerce Square, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan.	Leasehold Expiry: 2091	818	Office	4 years	222,709.50	07/09/99
A4-12-21, Leisure Commerce Square, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan.	Leasehold Expiry: 2091	818	Office	4 years	222,709.50	07/09/99
<b>PENANG</b>						
No. 2771, Mukim 1, Jalan Jelawat, Seberang Jaya Industrial Estate, 13700 Perai.	Leasehold Expiry: 2058	131,136	Office and printing plant	10 years	2,783,654.42	26/03/98
75, Lebuhr Katz, 10300 Penang.	Freehold	9,763	Office	20 years	431,528.66	23/10/87
Lot 1691, Seksyen 12, Bandar Georgetown, Pulau Pinang.	Freehold	15,736	Office	41 years	3,241,450.00	02/01/2004

## LIST OF PROPERTIES (Cont'd)

Location	Tenure	Size (Sq ft)	Description	Approximate age of buildings	Net book value	Year of acqui- sition
<b>JOHOR</b>						
No. 12, Jalan Maju, Taman Maju Jaya, 80400 Johor Bahru, Johor Darul Takzim.	Freehold	2,090	Office	25 years	420,000.00	26/03/98
<b>SARAWAK</b>						
Lot 02123, Section 66, Lorong 3, Jalan Semangat, Pending, Kuching, Sarawak.	Leasehold Expiry: 2047	32,447	Office and printing plant	7 years	6,818,677.61	01/11/96
Lot 1865, Section 19, Seduan Land District, Upper Lanang Road, Sibu, Sarawak.	Leasehold Expiry: 2063	24,703	Office, printing plant and warehouse	4 years	4,681,880.02	14/01/2004
<b>SABAH</b>						
No. 3, Lorong Kilang F, Kolombong, 88450 Kota Kinabalu, Sabah.	Leasehold Expiry: 2920	28,700	Office	6 years	4,500,000.00	02/06/2003
<b>PAHANG</b>						
No. 38, Jalan Haji Abdul Aziz, 25000 Kuantan, Pahang Darul Makmur.	Freehold	1,600	Office	25 years	220,499.08	26/03/98
<b>MALACCA</b>						
109, Taman Melaka Raya, Jalan Merdeka, 75000 Melaka.	Leasehold Expiry: 2075	1,600	Office	25 years	210,000.01	26/03/98

## CORPORATE DIRECTORY

### HEADQUARTERS

Sin Chew Media Corporation Berhad  
19, Jalan Semangat,  
46200 Petaling Jaya, Selangor Darul Ehsan.  
Tel : (03) 7965 8888

Guang-Ming Ribao Sdn Bhd  
*Central Region :*  
19, Jalan Semangat,  
46200 Petaling Jaya, Selangor Darul Ehsan.  
Tel : (03) 7965 8888

*Northern Region (Main) :*  
67, Jalan Macalister, 10400 Pulau Pinang.  
Tel : (04) 222 6688



## CORPORATE DIRECTORY (Cont'd)

### BRANCH OFFICES

#### KUALA LUMPUR

152, Jalan Petaling, 50000 Kuala Lumpur.  
Tel : (03) 2070 4526

#### SELANGOR

##### *Klang*

16, Lorong Gudang Nanas 2,  
41400 Klang, Selangor.  
Tel : (03) 3343 3833

##### *Kajang*

41A, Jalan Mandaling,  
43000 Kajang, Selangor.  
Tel : (03) 8737 8577

##### *Serdang*

1596, Jalan Besar,  
43300 Seri Kembangan, Selangor.  
Tel : (03) 8941 2080

##### *Putrajaya*

P01-U09, Danau Point,  
No. 5, Jalan P16, Presint 16,  
62150 Putrajaya, Selangor.  
Tel : (03) 8888 9417 / 8888 9460

#### NEGERI SEMBILAN

##### *Seremban*

12, Jalan Dr. Krishnan,  
70000 Seremban, Negeri Sembilan.  
Tel : (06) 761 9800 / 761 9822 /  
761 9844 / 761 9866

##### *Bahau*

55-B, Tingkat 1, Jalan Besar,  
72100 Bahau, Negeri Sembilan.  
Tel : (06) 454 2581

##### *Port Dickson*

473 (1st Floor), Jalan Bahru,  
71000 Port Dickson, Negeri Sembilan.  
Tel : (06) 647 7303

##### *Kuala Pilah*

21A, (Atas), Perhentian Bas Baru,  
72000 Kuala Pilah, Negeri Sembilan.  
Tel : (012) 670 3896

##### *Nilai*

4775A, Jalan TS 1/19, Taman Semarak,  
71800 Nilai, Negeri Sembilan.  
Tel : (06) 799 6100

#### MELAKA

##### *Melaka*

109, Melaka Raya, 75000 Melaka.  
Tel : (06) 284 5088 / 284 5091

#### PERAK

##### *Ipoh*

93, Jalan Leong Sin Nam,  
30300 Ipoh, Perak.  
Tel : (05) 255 0995 / 241 1877

##### *Taiping*

77, Jalan Berek, 34000 Taiping, Perak.  
Tel : (05) 808 2530

##### *Manjung*

12(A), Tingkat Atas, Taman Anson,  
32000 Sitiawan, Perak.  
Tel : (05) 691 0622

##### *Kampar*

37A, 1st Floor, Jalan Pejabat Pos,  
31900 Kampar, Perak.  
Tel : (05) 465 1631

##### *Teluk Intan*

3, Tingkat 1, Medan Sri Intan,  
Jalan Sekolah, 36000 Teluk Intan, Perak.  
Tel : (05) 621 4988 / 622 8513

##### *Parit Buntar*

3A, Jalan Keli, Taman Seri Tenggara,  
34200 Parit Buntar, Perak.  
Tel : (05) 716 4877

##### *Kuala Kangsar*

32, Jalan Daeng Selili,  
33000 Kuala Kangsar, Perak.  
Tel : (05) 776 3327

## CORPORATE DIRECTORY (Cont'd)

### BRANCH OFFICES (Cont'd)

#### JOHOR

##### *Johor Bahru*

12, Jalan Maju, Taman Maju Jaya,  
80400 Johor Bahru, Johor.  
Tel : (07) 333 1904

##### *Kluang*

240, Jalan Mersing, Taman Kurnia,  
86000 Kluang, Johor.  
Tel : (07) 772 3864 / 771 3528

##### *Batu Pahat*

No. 8, Jalan Putri,  
83000 Batu Pahat, Johor.  
Tel : (07) 431 7522 / 431 5055

##### *Segamat*

24, 1st Floor, Jalan Ibrahim,  
85000 Segamat, Johor.  
Tel : (07) 931 2175 / 932 1886

##### *Kulai*

46A, Jalan Susur Kulai 4,  
Taman Sri Kulai Baru, 81000 Kulai, Johor.  
Tel : (07) 662 4396

##### *Pontian*

6-1, Jalan Delima 1, Pusat Perdagangan Pontian,  
82000 Pontian, Johor.  
Tel : (07) 688 1766 / 688 3754

##### *Muar*

4567, Jalan Salleh, 84000 Muar, Johor.  
Tel : (06) 951 4888 / 951 2863

##### *Tangkak*

LC 290, 1st Floor, Room 101,  
Jalan Muar, 84900 Tangkak, Johor.  
Tel : (06) 978 1168

#### PULAU PINANG

##### *Penang*

67, Jalan Macalister, 10400 Pulau Pinang  
Tel : (04) 222 6666

##### *Butterworth*

15, Jalan Mewah 1, Off Jalan Sg. Nyior,  
12100 Butterworth, Pulau Pinang.  
Tel : (04) 323 1979

##### *Bukit Mertajam*

7, 1st Floor, Tingkat Ciku 5, Taman Ciku,  
14000 Bukit Mertajam, Pulau Pinang.  
Tel : (04) 539 8223

##### *Seberang Perai Selatan*

1430, Tingkat Atas, MK 12,  
Jalan Besar, 14200 Sg. Bakap,  
Seberang Perai Selatan, Pulau Pinang.  
Tel : (04) 582 1949

#### KEDAH

##### *Alor Setar*

1025, 1st Floor, Jalan Berjaya 3,  
Seberang Jalan Putra,  
05150 Alor Setar, Kedah.  
Tel : (04) 731 8767 / 733 6611

##### *Sungai Petani*

6, Jalan Mawar 2,  
Taman Pekan Baru,  
08000 Sungai Petani, Kedah.  
Tel : (04) 422 2078

##### *Kulim*

38, Tingkat 1, Lorong Suria 1,  
Jalan Bayu, 09000 Kulim, Kedah.  
Tel : (04) 490 6528

#### PERLIS

##### *Kangar*

30, Tingkat 1, Jalan Jubli Perak,  
01000 Kangar, Perlis.  
Tel : (04) 977 3216

#### PAHANG

##### *Kuantan*

38, Jalan Haji Abdul Aziz,  
25000 Kuantan, Pahang.  
Tel : (09) 517 9748 / 517 9711

## CORPORATE DIRECTORY (Cont'd)

### BRANCH OFFICES (Cont'd)

#### *Mentakab*

12, Jalan Bunga Raya,  
28400 Mentakab, Pahang.  
Tel : (09) 277 1518

#### *Raub*

63, Tingkat 1, Jalan Tun Razak,  
27600 Raub, Pahang.  
Tel : (09) 355 6973

#### *Bentong*

47, Jalan Chui Yin,  
28700 Bentong, Pahang.  
Tel : (09) 223 2701

### KELANTAN

#### *Kota Bahru*

5605-E, Tingkat Satu,  
Jalan Wakaf Wek Zainab,  
Taman Bahagia,  
15300 Kota Bahru, Kelantan.  
Tel : (09) 744 5593 / 744 8297

### TERENGGANU

#### *Kuala Terengganu*

59-F, Mezz Floor, Jalan Tok Lam,  
20100 Kuala Terengganu, Terengganu.  
Tel : (09) 622 4419

### SARAWAK

#### *Kuching*

Lot 2123, Section 66,  
Lorong Semangat 3, Jalan Semangat,  
Bintawa Industrial Estate,  
93450 Kuching, Sarawak.  
Tel : (082) 343 818

#### *Kuching Town*

No. 29, Block F, Ground Floor,  
Taman Sri Sarawak Mall, Jalan Padungan,  
93100 Kuching, Sarawak.  
Tel : (082) 413 661

#### *Miri*

Lot 1283, Ground Floor,  
Jalan Melayu,  
Centre Point Commercial Centre,  
98000 Miri.  
Tel : (085) 420 988

#### *Bintulu*

Lot 235-236, Kemena Commercial Centre,  
Jalan Tanjung Batu,  
97000 Bintulu, Sarawak.  
Tel : (086) 316 770

#### *Sri Aman*

89A, 1st Floor, Club Road,  
95000 Sri Aman, Sarawak.  
Tel : (083) 324 081

#### *Sarikei*

No. 1, Jalan Jubli Mutiara,  
96100 Sarikei, Sarawak.  
P.O.Box 387, 96108 Sarikei, Sarawak.  
Tel : (084) 658 515

#### *Sibu*

Lot 1865, Block 19,  
Seduan Land District,  
Upper Lanang Road,  
96000 Sibu, Sarawak.  
Tel : (084) 217 799

#### *Sibu Town*

No. 29, Ground Floor, (Adv)  
Jalan Kampung Nyabor,  
96000 Sibu, Sarawak.  
Tel : (084) 337 798

#### *Kapit*

No. 65, 1st Floor,  
Jalan Tiong Ung Hong,  
P.O. Box 89, 96807 Kapit, Sarawak.  
Tel : (084) 799 499

## CORPORATE DIRECTORY (Cont'd)

### BRANCH OFFICES (Cont'd)

#### *Bintangor*

No. 16, Tingkat 1, Jalan Mahkamah,  
96507 Bintangor, Sarawak.  
Tel : (084) 695 034

#### *Mukah*

P.O. Box 4, No. 50, Jalan Oya,  
96400 Mukah, Sarawak.  
Tel : (084) 872 836 / 873 527

#### *Marudi*

69A, Jalan Kapitan Lim Ching Kiat,  
98050 Marudi, Sarawak.  
Tel : (085) 755 922

#### *Limbang*

1st Floor (Room 3),  
Limbang Chamber of Commerce Building,  
98700 Limbang, Sarawak.  
Tel : (085) 211 749

#### **SABAH**

##### *Kota Kinabalu*

HSE 129, Lot 1097, Sunny Garden,  
1 1/2 Mile Tuaran Road, 88300 Kota Kinabalu.  
Tel : (088) 262 362

#### **BRUNEI**

No. 5, 2nd Floor, Bangunan Q-Lap,  
Simpang 88, Jalan Kiulap BE1518,  
Bandar Seri Begawan, Brunei Darussalam.  
Tel : (0802) 238 722

## NOTICE OF 22ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting of Sin Chew Media Corporation Berhad will be held at Ballroom 1, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 22 September 2005 at 10.00 a.m. for the following purposes :-

### AGENDA

#### As Ordinary Business

- |  |                      |
|--|----------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 March 2005 together with the Directors' and Auditors' Reports thereon.  | <b>Resolution 1</b>  |
| 2. To approve the payment of Directors' fees in respect of the financial year ended 31 March 2005.   | <b>Resolution 2</b>  |
| 3. To declare a First and Final Tax Exempt Dividend of 8.5 sen per share in respect of the financial year ended 31 March 2005 as recommended by the Directors.   | <b>Resolution 3</b>  |
| 4. To re-elect the following Directors who retire pursuant to Article 95 of the Company's Articles of Association:   |                      |
| i. Dato' Liew Kam Chean @ Liew Chen Chuan  | <b>Resolution 4</b>  |
| ii. Gan Chin Kew @ Gan Chin Hor  | <b>Resolution 5</b>  |
| 5. To re-elect the following Directors who retire pursuant to Article 98 of the Company's Articles of Association:   |                      |
| i. Datuk Leong Sonny @ Leong Khee Seong  | <b>Resolution 6</b>  |
| ii. Sim Sai Hoon   | <b>Resolution 7</b>  |
| iii. Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh   | <b>Resolution 8</b>  |
| iv. Wong Lee Yun   | <b>Resolution 9</b>  |
| 6. To consider and if thought fit, to pass the following resolution to re-appoint Datuk Patinggi Tan Sri Dr. Wong Soon Kai as a Director of the Company who is retiring pursuant to Section 129 of the Companies Act, 1965 and Article 98 of the Company's Articles of Association:                    |                      |
| "THAT pursuant to Section 129(2) of the Companies Act, 1965 and Article 98 of the Company's Articles of Association, Datuk Patinggi Tan Sri Dr. Wong Soon Kai, be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting." | <b>Resolution 10</b> |
| 7. To consider and if thought fit, to pass the following resolution to re-appoint Tan Sri Datuk Diong Hiew King @ Tiong Hiew King as a Director of the Company who is retiring pursuant to Section 129 of the Companies Act, 1965:   |                      |
| "THAT pursuant to Section 129(2) of the Companies Act, 1965, Tan Sri Datuk Diong Hiew King @ Tiong Hiew King be and is hereby re-appointed as a Director of the Company and to hold office until the next Annual General Meeting."   | <b>Resolution 11</b> |

## NOTICE OF 22ND ANNUAL GENERAL MEETING (Cont'd)

8. To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix the their remuneration.

**Resolution 12**

### AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following Resolutions:

#### 9. SPECIAL RESOLUTION

##### PROPOSED AMENDMENTS TO ARTICLE 3(E) OF THE COMPANY'S ARTICLES OF ASSOCIATION

**Resolution 13**

"That, the existing Article 3(e) of the Articles of Association of the Company which read as follows :

- (e) if the Company is Listed, no Director shall participate in an issue of shares to employees unless shareholders in general meeting have approved of the specific allotment to be made to such Director and unless he holds office in an executive capacity.

be deleted in its entirety and substituting the same which reads as follows :

- (e) No Director shall participate in an issue of shares to employees unless shareholders in general meeting have approved of the specific allotment to be made to such Director."

#### 10. SPECIAL RESOLUTION

##### PROPOSED AMENDMENTS TO ARTICLE 93(F) OF THE COMPANY'S ARTICLES OF ASSOCIATION

**Resolution 14**

"That, the existing Article 93(f) of the Articles of Association of the Company which read as follows :

- (f) is absent from more than 50% (fifty percent) of the total board of Directors meetings held during a financial year; or

be amended and to read as follows:

- (f) is absent from more than 50% (fifty percent) of the total board of Directors meetings held during a financial year unless a waiver is obtained from the Bursa Malaysia Securities Berhad; or"

## NOTICE OF 22ND ANNUAL GENERAL MEETING (Cont'd)

### 11. ORDINARY RESOLUTION

#### PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Resolution 15

THAT approval is hereby given pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with those related parties as specified in the Circular to Shareholders dated 30 August 2005, subject further to the following :-

- (i) the transactions are carried out in the ordinary course of business on normal commercial terms, on arm's length basis and are on terms not more favourable than those generally available to the public and are not detrimental to the minority shareholders of the Company; and
- (ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and that such approval shall, unless revoked or varied by the Company in a general meeting, shall continue in force until the date that the next Annual General Meeting of the Company is held; and based on the following information :-
  - (a) the type of the recurrent transactions made; and
  - (b) the names of the related parties.

THAT the approval given in the paragraph above shall only continue to be in force until:-

- (a) the conclusion of the next AGM of SCMC following the forthcoming AGM at which the Proposed Shareholders' Mandate was passed, at which time the Proposed Shareholders' Mandate will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is earlier.

THAT all such RRPT entered into by SCMC Group from 18 October 2004 until the date of this AGM be and are hereby approved and ratified.

AND THAT the Directors and/ or any of them of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient and necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

## NOTICE OF 22ND ANNUAL GENERAL MEETING (Cont'd)

### 12. ORDINARY RESOLUTION

#### AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

Resolution 16

“THAT pursuant to Section 132D of the Companies Act, 1965 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

13. To transact any other business that may be transacted at an Annual General Meeting of which, due notice shall have been previously given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

### NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT DATE

NOTICE IS HEREBY GIVEN THAT, the First and Final Tax Exempt Dividend of 8.5 sen per share in respect of the financial year ended 31 March 2005, if approved at the Twenty-Second Annual General Meeting, will be payable on 15 November 2005 to Depositors registered in the Record of Depositors at the close of business on 31 October 2005.

A Depositor shall qualify for entitlement only in respect of :-

- a) Shares transferred into the depositor's securities account before 4.00 p.m. on 31 October 2005 in respect of transfers;
- b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

**NURULUYN BINTI ABDUL JABAR**  
**TONG SIEW KHENG**  
*Company Secretaries*

30 August 2005



## NOTICE OF 22ND ANNUAL GENERAL MEETING (Cont'd)

### Notes :

1. *A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies (but not more than two) who may but need not be a member/members of the Company to attend and vote in his/her stead.*
2. *When a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.*
3. *The instrument appointing a Proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised and in the case of a Corporation, either under the Common Seal or under the hand of an officer or attorney duly authorised.*
4. *The instrument appointing a Proxy must be deposited at the Company's Registered Office at No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time fixed for holding the Meeting or adjournment thereof.*
5. *Explanatory Notes On Special Business:*
  - (a) *The proposed Resolution No. 13, will bring the Article 3(e) in line with the amendments of Bursa Malaysia Securities Listing Requirement, for the non-executive Directors to participate in the Employees' Share Option Scheme of the Company.*
  - (b) *The proposed Resolution No. 14, will bring the Article 93(f) of the Company's Articles of Association in line with the amendments of Bursa Malaysia Securities Listing Requirement, to enable a director to be absent from more than 50% (fifty percent) of the total Board of Directors meetings held during a financial year if a waiver is obtained from Bursa Malaysia Securities Berhad.*
  - (c) *The proposed Resolution No. 15, if passed, will ratify the recurrent related party transactions that had been entered into during the period from 18 October 2004 to the date of the Annual General Meeting and will allow the Company and its subsidiaries to enter into recurrent related party transactions with related parties in the ordinary course of business based on commercial terms which are not more favourable to the related parties than those generally available to the public which are necessary for the Group's day-to-day operations. Please refer to the Circular dated 30 August 2005 for more information.*
  - (d) *The proposed Resolution No. 16 if passed, will authorise the Directors to issue and allot shares up to 10% of the issued and paid-up capital of the Company for the time being for such purposes as the Directors would consider to be in the interest of the Company. This is to avoid any delay and cost involved in convening a general meeting to approve such an issue of shares. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.*

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. The Twenty-Second Annual General Meeting of the Company will be held at Ballroom 1, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 22 September 2005 at 10.00 a.m.
2. Directors who are standing for re-election at the 22<sup>nd</sup> Annual General Meeting of the Company.

The Directors retiring pursuant to Article 95 of the Company's Articles of Association are as follows :-

- (a) Dato' Liew Kam Chean @ Liew Chen Chuan
- (b) Gan Chin Kew @ Gan Chin Hor

The Directors retiring pursuant to Article 98 of the Company's Articles of Association are as follows :-

- (a) Datuk Leong Sonny @ Leong Khee Seong
- (b) Sim Sai Hoon
- (c) Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh
- (d) Wong Lee Yun

The Director retiring pursuant to Section 129 of the Companies Act, 1965 and Article 98 of the Company's Articles of Association is Datuk Patinggi Tan Sri Dr. Wong Soon Kai.

The Director retiring pursuant to Section 129 of the Companies Act, 1965 and seeking re-appointment is Tan Sri Datuk Diong Hiew King @ Tiong Hiew King.

The details of the above Directors standing for re-election are set out on pages 8 to 11 of this Annual Report.

Their shareholdings in the Company are set out in the Analysis of Shareholdings which appear on page 99 of this Annual Report.

### 3. Board Meetings Held in the Financial Year Ended 31 March 2005

A total of 4 Board Meetings were held during the financial year ended 31 March 2005. Details of attendance of the Directors are as follows :-

	Total Meetings Attended	Percentage of Attendance
Tan Sri Datuk Diong Hiew King @ Tiong Hiew King	3/4	75%
Datuk Leong Sonny @ Leong Khee Seong	4/4	100%
Dato' Liew Kam Chean @ Liew Chen Chuan	4/4	100%
Datuk Patinggi Tan Sri Dr. Wong Soon Kai	3/4	75%
Dr. Tiong Ik King	4/4	100%
Gan Chin Kew @ Gan Chin Hor	4/4	100%
Siew Nyoke Chow	4/4	100%
Sim Sai Hoon	4/4	100%
Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh	4/4	100%
Wong Lee Yun	4/4	100%

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a member/members of Sin Chew Media Corporation Berhad hereby appoint the Chairman or failing him,  
Mr/Ms \_\_\_\_\_ of \_\_\_\_\_  
as my/our proxy, to vote for me/us on my/our behalf at the Twenty-Second Annual General Meeting of the Company to be held  
at Ballroom 1, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday,  
22 September 2005 at 10.00 a.m. and at any adjournment thereof.

My/\*Our proxy(ies) is/are to vote as indicated below:

No.	Resolutions	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 March 2005 together with the Directors' and Auditors' Reports thereon.		
2.	To approve the payment of Directors' fees in respect of the financial year ended 31 March 2005.		
3.	To declare a First and Final Tax Exempt Dividend of 8.5 sen in respect of the financial year ended 31 March 2005 as recommended by the Directors.		
4.	To re-elect Dato' Liew Kam Chean @ Liew Chen Chuan as Director who retires pursuant to Article 95 of the Company's Articles of Association.		
5.	To re-elect Mr Gan Chin Kew @ Gan Chin Hor as Director who retires pursuant to Article 95 of the Company's Articles of Association.		
6.	To re-elect Datuk Leong Sonny @ Leong Khoo Seong as Director who retires pursuant to Article 98 of the Company's Articles of Association.		
7.	To re-elect Ms Sim Sai Hoon as Director who retires pursuant to Article 98 of the Company's Articles of Association.		
8.	To re-elect Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh as Director who retires pursuant to Article 98 of the Company's Articles of Association.		
9.	To re-elect Ms Wong Lee Yun as Director who retires pursuant to Article 98 of the Company's Articles of Association.		
10.	To re-elect Datuk Patinggi Tan Sri Dr. Wong Soon Kai as Director who retires pursuant to Section 129 of the Companies Act, 1965 and Article 98 of the Company's Articles of Association.		
11.	To re-elect Tan Sri Datuk Diong Hiew King @ Tiong Hiew King as Director who retires in accordance with Section 129 of the Companies Act, 1965.		
12.	To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix the their remuneration.		
	<b>SPECIAL BUSINESS</b>		
13.	Proposed amendment to Article 3(e) of the Company's Articles of Association.		
14.	Proposed amendment to Article 93(f) of the Company's Articles of Association.		
15.	Proposed Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature.		
16.	Authority to allot shares pursuant to Section 132D of the Companies Act, 1965.		

Please indicate with (X) how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2005

\_\_\_\_\_  
Signature/Common Seal of Shareholder(s)  
[\*Delete if not applicable]

**Notes :**

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies (but not more than two) who may but need not be a member/members of the Company to attend and vote in his/her stead.
2. When a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
3. The instrument appointing a Proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised and in the case of a Corporation, either under the Common Seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a Proxy must be deposited at the Company's Registered Office at No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time fixed for holding the Meeting or adjournment thereof.