

A NEW ERA IN MEDIA

立足誠信情義相隨

ANNUAL REPORT

07



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Group Structure

SIN CHEW MEDIA CORPORATION BERHAD



星洲日報
SIN CHEW DAILY

光明
日報

sinc Chew-i
星洲日報.com

亞洲眼
Eye Asia Focus on what Matters

學海
SIN CHOW EDUCATION

星星周刊
SINARAN SIN CHEW

小星星
BINTANG SIN CHEW

Board of Directors

EXECUTIVE CHAIRMAN

Tan Sri Datuk Diong Hiew King @ Tiong Hiew King

MANAGING DIRECTOR

Dato' Liew Kam Chean @ Liew Chen Chuan

DEPUTY MANAGING DIRECTOR

Siew Nyoke Chow

EXECUTIVE DIRECTORS

Sim Sai Hoon

Ng Chek Yong

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr. Tiong Ik King

INDEPENDENT NON-EXECUTIVE DIRECTORS

Datuk Patinggi Tan Sri Dr. Wong Soon Kai

Wong Lee Yun

Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh

Corporate Information

AUDIT COMMITTEE

Wong Lee Yun* *Chairman*

Datuk Patinggi Tan Sri Dr. Wong Soon Kai*

Sim Sai Hoon

REMUNERATION COMMITTEE

Datuk Patinggi Tan Sri Dr. Wong Soon Kai* *Chairman*

Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh*

Dato' Liew Kam Chean @ Liew Chen Chuan

NOMINATION COMMITTEE

Dr. Tiong Ik King *Chairman*

Datuk Patinggi Tan Sri Dr. Wong Soon Kai*

Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh*

EXECUTIVE COMMITTEE

Dato' Liew Kam Chean @ Liew Chen Chuan *Chairman*

Siew Nyoke Chow

Sim Sai Hoon

COMPANY SECRETARIES

Tong Siew Kheng

Woo Ying Pun

AUDITORS

Ernst & Young

Room 300-303, Wisma Bukit Mata Kuching,

93100 Kuching, Sarawak

REGISTERED ADDRESS

No. 19, Jalan Semangat,

46200 Petaling Jaya, Selangor

Tel: 03-7965 8888

Fax: 03-7965 8689

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.

Level 26, Menara Multi-Purpose,

Capital Square

No. 8, Jalan Munshi Abdullah

50100 Kuala Lumpur

Tel: 03-2721 2222

Fax: 03-2721 2530

PRINCIPAL BANKERS

RHB Bank Berhad

HSBC Bank Malaysia Berhad

Malayan Banking Berhad

Standard Chartered Bank Malaysia Berhad

Public Bank Berhad

OCBC Bank (Malaysia) Berhad

SOLICITORS

C.H. Yeoh & Yiew

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad

INTERNET HOMEPAGE

www.sinchew-i.com

* Independent Non-Executive Director

Board Of Directors



Profile of Board of Directors



Tan Sri Datuk Tiong Hiew King

EXECUTIVE CHAIRMAN

Malaysian, aged 72, is the Executive Chairman of Sin Chew Media Corporation Berhad ("SCMC"). He has been on the Board of SCMC since 1 March 1988.

He is a businessman and entrepreneur with extensive experience in newspaper publishing both in Malaysia and overseas. Through his interests in various public and private companies, his scope of experience expands to other industries including information technology, timber and plantation.

He is currently the Executive Chairman of Rimbunan Sawit Berhad and Rimbunan Hijau Group of Companies. He is also a Chairman of the Board of Trustees of Yayasan Sin Chew and holds directorship in several private limited companies.

His brother, Dr. Tiong Ik King is also a member of the Board of SCMC.

丹斯里拿督張曉卿

執行主席

馬公民，現年72歲，星洲媒體集團執行主席。1988年3月1日起任星洲媒體集團董事。

他是商人兼企業家，擁有豐富的新聞出版業經驗，而且不侷限於本地，也包括了海外的新聞出版業；通過他在其他公共和私人公司的投資，他的專業領域也擴展至資訊工藝、木材和園坵業，涵蓋領域頗廣。

他是常青油棕有限公司和常青集團公司的執行主席、星洲日報基金會董事會的信託人，以及多家私人公司的董事。

其幼弟張翼卿醫生，也是星洲媒體集團的董事會成員。



Dato' Liew Chen Chuan

MANAGING DIRECTOR

Malaysian, aged 69, was appointed as the Executive Director of SCMC on 1 April 1991, and was re-designated as Managing Director effective from 1 September 2004. He serves as the Chairman of the Executive Committee, and is also a member of the Remuneration Committee.

He joined Sin Poh (Star News) Amalgamated Malaysia Sdn Bhd (former publisher of Sin Chew Daily) in 1961 as a reporter, and was made Editor-In-Chief in 1981.

He is currently the member of Advisory Council of the Malaysian National News Agency (BERNAMA) and the Adviser to the World Chinese Media Research Centre of Beijing University.

He sits on the Board of Yayasan Sin Chew as a trustee and holds directorships in several private limited companies.

拿督劉鑑銓

董事經理

馬公民，現年69歲，自1991年4月1日起任星洲媒體集團執行董事。他於2004年9月1日升任董事經理，同時，他也是集團的執行委員會主席兼薪酬委員會成員。

他於1961年加入報社，任職記者，於1981年升任為總編輯。

他是馬新社諮詢理事會理事，以及北京世界中文媒體研究中心的顧問。

他是星洲日報基金會信託人，以及數家私人公司的董事。



Datuk Patinggi Tan Sri Dr. Wong Soon Kai

INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian, aged 80, was appointed to the Board of SCMC on 1 September 2004. He serves as the Chairman of the Remuneration Committee, and is a member of the Audit Committee and Nomination Committee.

He graduated with M.B.B.S from the University Malaya, Singapore and worked as a Specialist Medical Practitioner for over 20 years and is a member of the FRCS of England and Edinburgh.

He has held several significant State Ministerial positions in Sarawak, and was appointed Deputy Chief Minister of Sarawak from 1994 to 1996. He has been the Science Advisor for the Sarawak Government since 1997.

He is the Chairman of Subur Tiasa Holdings Berhad, and holds directorship in several private limited companies.

拿督巴丁宜丹斯里黃順開醫生

獨立非執行董事

馬公民，現年80歲，2004年9月1日受委加入星洲媒體集團董事會，他是薪酬委員會主席，同時也是審計委員會和任命委員會成員。

他畢業於當年在新加坡的馬來亞大學醫學院。他擁有超過20年的專科醫療經驗，是英國和愛丁堡FRCS的會員。

他曾擔任多個砂拉越州主要的部長職位，1994至1996年曾受委為砂州副首席部長。他自1997年起擔任砂州政府的科學顧問。

他目前是常豐控股有限公司主席，並任數家私人公司的董事。

Profile of Board of Directors



Siew Nyoke Chow

DEPUTY MANAGING DIRECTOR

Malaysian, aged 51, was appointed as an Executive Director of SCMC on 30 September 1999. She was re-designated as Deputy Managing Director on 3 March 2007. She is a member of Executive Committee and the Group Editor-In-Chief of SCMC.

She obtained her High School certificate from Tunku Abdul Rahman College in 1977, and subsequently a certificate of intensive course of journalism in Manila in 1983.

She started her career as a reporter with Sin Poh (Star News) Amalgamated Malaysia Sdn Bhd in 1978. She was appointed Head of Culture & Education Dept in 1992, and subsequently Deputy Chief Editor in 1995. She is currently the Adviser to the World Chinese Culture Research Centre of Fu Dan University, Shanghai and the Special Researcher to the World Chinese Media Research Centre of Beijing University.

She sits on the Board of Yayasan Sin Chew as a Trustee, and holds directorship in several private limited companies.

蕭依釗

副董事經理

馬公民，現年51歲，自1999年9月30日起任星洲媒體集團執行董事。2007年3月3日升任副董事經理。她也是星洲媒體集團總編輯兼執行委員會成員。

她於1977年在拉曼學院考獲高級劍橋文憑；1983年在馬尼拉完成新聞專業課程。

1978年加入報社。1992年升為文教部主任；1995年升任副總編輯。目前，她除了擔任上海復旦大學世界華人研究中心的顧問外，同時也是北京大學世界華人媒體研究中心特約研究員。

她是星洲日報基金會信託人，以及數家私人公司的董事。



Sim Sai Hoon

EXECUTIVE DIRECTOR

Malaysian, aged 48, was appointed as a Director of SCMC on 1 September 2004, and was re-designated as Executive Director on 1 November 2004. She is a member of the Executive Committee and the Audit Committee.

She graduated with a Bachelor of Science (Honours) in Chemistry and Management from University of London and a Post-Graduate Diploma in Chinese from Ealing College, London.

She has significant experience in the setting up of joint venture companies with foreign partners in the manufacturing and utility businesses. She is also a member of the National Association of Women Entrepreneurs, Malaysia and was a member of the National Advisory Council on the Integration of Women in Development.

She sits on the Board of Yayasan Sin Chew as a Trustee and holds directorship in several private limited companies.

沈賽芬

執行董事

馬公民，現年48歲，於2004年9月1日受委為星洲媒體集團董事，並於同年11月1日任執行董事，她同時也是執行委員會成員兼審計委員會成員。

她是倫敦大學理學士，主修化學和管理。其後在倫敦艾林(Ealing)學院修讀中文憑班。

她在製造業和公用事業方面，擁有豐富的經驗。她是馬來西亞婦女企業家協會成員、婦女發展全國諮詢理事會成員。

她是星洲日報基金會信託人，並在數家私人公司擔任董事。



Ng Chek Yong

EXECUTIVE DIRECTOR

Malaysian, aged 51, was appointed as a Director of SCMC on 20 July 2006. He is the Chief Executive Officer of Mulu Press Sdn Bhd, a wholly owned subsidiary company of SCMC and the Regional Editor of East Malaysia for Sin Chew Daily.

He begun his career as a reporter/feature writer with See Hua Daily News in 1979. In 1988, he joined TO-DAY News Sabah as the Chief Reporter. He then took up the position of a reporter in Sin Chew Media Corporation Berhad.

From 1980 to 1988, he was the Secretary-General / Chairman of Sarawak Constellation Poetical Society. And from 1990 to 1991, he was the President of Federation of Sarawak Journalists Association as well as the President of Kuching Division Journalists Association.

He is also a director of several private limited companies.

黃澤榮

執行董事

馬公民，現年51歲，於2006年7月20日被委為星洲媒體集團董事。他是星洲媒體集團獨資子公司—姆祿報業私人有限公司首席執行員兼星洲日報東馬區主編。

他在高中畢業後，加入當地一家華文報當記者兼專題作者(1979年至1988年)；爾後，1988年加入沙巴《今日新聞》擔任採訪主任，並於同年轉當《星洲日報》記者。

1980年至1988年間，他擔任砂拉越詩藝協會的秘書；1990年至1991年，他出任砂拉越新聞從業員聯合會會長兼古晉分會會長。

他同時也是數家私人公司的董事。

Profile of Board of Directors



Dr. Tiong Ik King

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian, aged 57, joined the Board of SCMC on 1 March 1988. He serves as the Chairman of the Nomination Committee.

He graduated with M.B.B.S from the National University of Singapore in 1975 and attained M.R.C.P. from Royal College of Physicians, United Kingdom in 1977.

He joined the Rimbanan Hijau group of companies in 1982, overseeing its operations which include newspaper publishing in Malaysia and overseas, information technology, timber harvesting, timber processing, tree plantation and oil palm plantation.

He is a Director in Jaya Tiasa Holdings Berhad and EON Capital Berhad.

His brother, Tan Sri Datuk Tiong Hiew King is also a member of the Board of SCMC.

張翼卿醫生

非獨立非執行董事

馬公民，現年57歲，自1988年3月1日起任星洲媒體集團董事。現為任命委員會主席。

他於1975年畢業於新加坡大學醫學院，並在1977年考獲英國皇家醫學院的M.R.C.P學位。

他於1982年加入常青集團公司，掌管國內外的新聞出版業、資訊工藝、林業、木材加工、造林業及油棕園坵業務。

他同時也是常成控股有限公司以及國貿資本有限公司董事。其兄長丹斯里拿督張曉卿，也是星洲媒體集團的董事會成員。



Wong Lee Yun

INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian, aged 54, was appointed to the Board on 1 September 2004. She serves as the Chairman of the Audit Committee.

She is a Certified Public Accountant by profession.

She has extensive experience in investment banking in addition to working at big corporations on strategy and finance. She was a Corporate Finance Manager at Permata Chartered Merchant Bank and Vice President at Chase Manhattan Bank. She was the Chief Executive of Jaya Tiasa Holdings Berhad from 1997 to 2000.

She is currently the Director of Jaya Tiasa Holdings Berhad and holds directorship in several private limited companies.

黃麗雲

獨立非執行董事

馬公民，現年54歲，於2004年9月1日任獨立非執行董事。她是審計委員會主席。

她是專業公共會計師。

她在投資銀行界有豐富經驗，並曾在大型企業機構負責融資及策略規劃工作。她曾在伯瑪達證券銀行擔任企業融資經理，也曾任大通銀行副總裁。她於1997年至2000年間，擔任常成控股有限公司首席執行員。

她目前是常成控股有限公司董事，也是數家私人公司的董事。



Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh

INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian, aged 65, was appointed to the Board on 1 September 2004. He is a member of the Remuneration Committee and Nomination Committee.

He graduated from the Chartered Institute of Business Administration, Ireland.

He was the Political Secretary to the Chief Minister of Sarawak from 1967 to 1970, a member of Council Negeri Sarawak from 1970 to 1974, the Political Secretary to the Deputy Prime Minister and Prime Minister from 1974 to 1981, and Senator from 1981 to 1987. He was conferred the title of Temenggong for Kapit Division by the State Government of Sarawak in 2003 in recognition of his contribution to the community.

He sits on the Board of Subur Tiasa Holdings Berhad and several private limited companies.

天猛公拿督肯勒甘雅安納天猛公柯

獨立非執行董事

馬公民，現年65歲，於2004年9月1日任獨立非執行董事。他也是薪酬委員會成員兼任命委員會成員。

他畢業於愛爾蘭商業管理學院。

他於1967年至1970年間出任砂拉越首席部長政治秘書；1970年至1974年，獲選為砂州議員；1974年至1981年，任副首相和首相政治秘書；1981年至1987年，被委為上議員。

為了表揚他對伊班族的貢獻，砂拉越政府於2003年委任他為加帛省天猛公，即伊班族的最高領袖。他同時擔任常豐控股有限公司和數家私人公司董事。

Notes: **Conflict of interest** - Save for Tan Sri Datuk Diong Hiew King @ Tiong Hiew King and Dr. Tiong Ik King, who are related parties in some related party transactions with the Group, the details of which are set out in the circular dated 29 August 2007 and page 27 to 30 of the Annual Report, none of the other Directors has any conflict of interest with the Company.

Conviction of Offences - None of the Directors has been convicted of any offence within the past 10 years other than traffic offences.

Family Relationship - Save as disclosed, none of the other Directors has any family relationship with any Director and/or major shareholders of the Company.

Record of Attendance of Directors for Board Meetings during the financial year ended 2007 - Please refer to page 20.

注釋： **利益衝突**：除了丹斯里拿督張曉卿和張翼卿醫生有一些相關交易和本集團有關之外，其他董事和公司都沒有利益衝突。上述交易的詳情可參閱常年報告書(第27至30頁)及相關通知書(2007年8月29日)

犯法定罪：在過去十年內，除了交通違規外，沒有任何的董事有犯法被定罪的情況。

家族關係：除了已經宣佈者以外，沒有其他的董事有任何家族關係，或與公司主要股東有關係。

董事會議出席率 - 請參閱第20頁。

Chairman's Statement

“The Company is aware of the rapid changes in the media industry spearheaded by information technology. Thus, the Company has resolved to reinvent and reequip itself to meet the evolving needs of its readers, advertisers, investors and other relevant stakeholders.”

Tan Sri Datuk Tiong Hiew King



Chairman's Statement

On behalf of the Board of Directors of Sin Chew Media Corporation Berhad ("SCMC"), I am pleased to present to you this Annual Report and together with the Financial Statements for the Group for financial year ended 31 March 2007.

This year marks a significant event in the history of Sin Chew Media Corporation Berhad where the Company had announced its plans to go global together with two other esteemed media companies. On 29 January 2007, the Company first announced its intention to form a merger with Ming Pao Enterprise Corporation Limited ("Ming Pao") and both companies had extended an invitation to Nanyang Press Holdings Berhad ("Nanyang") to join the merger. And the invitation was accepted by Nanyang. The deal was sealed by all three companies on 23 April 2007.

The Merger Agreement is the first step taken by the Group to embark on its journey in this "New Era in Media" where the Group together with Nanyang and Ming Pao hopes to achieve the following purposes:

- From local to global;
- From print to multimedia;



The Company is aware of the rapid changes in the media industry spearheaded by information technology. Thus, the Company has resolved to reinvent and reequip itself to meet the evolving needs of its readers, advertisers, investors and other relevant stakeholders.

In the past, newspapers and magazines were started solely to serve the needs of the local community at places where they were printed and distributed. However, today the rapid development in information technology has made globalization possible and thus changing the manner in which Chinese literate readers receive information from all over the world. The Company must look beyond the traditional framework and geographical boundaries to come up with new plans to meet the new demands .

In short, the Company must build tomorrow's business today. The merger will create a strengthened entity with a rich pool of resources that will allow the enlarged entity to expand its investment into multimedia in both local and global market.



主席報告

我以愉悅的心情，代表星洲媒體集團董事會呈獻本集團截至2007年3月31日財政年的集團財務報告。

今年是星洲媒體集團歷史上重要的年份，本公司已經宣布聯同另兩家備受崇敬的媒體公司走向國際的計劃。2007年1月29日，公司首次宣布有意與明報企業有限公司（明報）合併。兩家公司也邀請南洋報業控股有限公司（南洋）參與合併，有關邀請獲得南洋的接受，三家公司於2007年4月23日簽署了協議。

合併協議是本集團邁向“媒體新紀元”的第一步，本集團聯同南洋以及明報希望達致以下目標：

- 從本土邁向國際
- 從平面邁向多媒體

公司意識到由資訊工藝所激發的媒體工業急速改變，因此，公司決心自我創新與自我裝備去應對讀者、廣告客戶、投資者以及其他相關利益人的需求轉變。

過去，印刷及發行報紙和雜誌只是為了滿足本地社群的需求。然而，今天的資訊工藝已朝向全球化快速發展，中文讀者的習慣也已改變，需要吸收全世界的資訊。公司必須超越傳統的操作方式以及地域藩籬，以期推出新的計劃迎合新需求。

簡而言之，公司的明天必須建基於今天。合併將開創一個具備豐富資源的堅強實體，讓擴大後的實體得以擴展其投資至本土及全球多媒體市場。



*“On behalf of the Board of Directors,
I record wholehearted thanks to
all our advertisers, readers, vendors
and investors for their continuous
support.”*



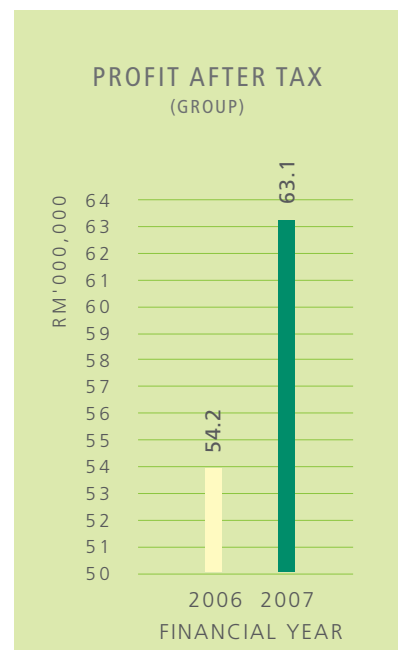
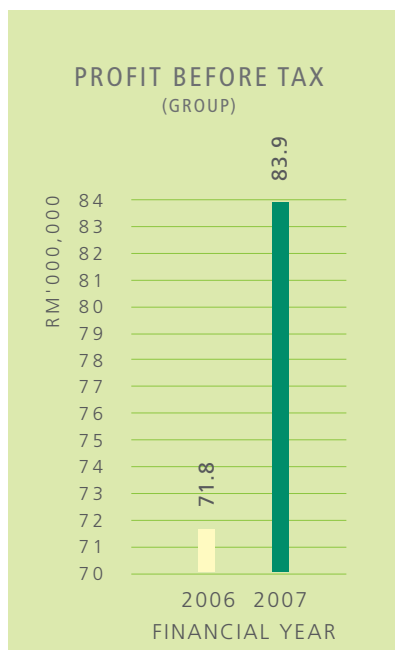
Financial Review

- Revenue**

The Group's revenue increased marginally by 1.7% to RM479.8 million. This was largely due to the softening of the adex market in the earlier part of the financial year and the drop in the total adex achieved by the newspapers in 2006.

- Pre-tax profit**

The Group achieved a pre-tax profit of RM83.9 million which is an increase of 16.9 % compared to previous year. This led to an increase in the pre-tax profit margin from 15.2% last year to 17.5 % this year. The hike in the Group's pre-tax profit is mainly attributed to the improvement in revenue coupled with management's continuous efforts to cost down and to continue perfecting its operating procedures in order to achieve cost efficiency and increased productivity.



- **Total net expenses**

The total net expenses for the Group had reduced by RM3.9 million for financial year ended 31 March 2007 as compared to last financial year. Out of this total, newsprint costs remains the major cost contributor of the total net expenses despite a reduction of 2.8% in total tonnage consumption. Finance cost for the Group had reduced by RM1.6 million due to reduction in total borrowings to finance newsprint inventory. In addition, the cost for upkeep of plant and machineries had reduced by RM 1.7 million due to also less purchase of parts. Other net expenses have remained fairly consistent throughout the year.

- **Earnings per share**

With its intensive cost review measures, the Group had achieved a profit after taxation of RM63.1 million which is an increase of 16.4% compared to previous year. Credit is attributed to the effective efforts by the management and staff.

As at 31st March 2007, the Group's net assets grew to RM357.1 million resulting in the net earnings per share (EPS) and net assets per share (NA) for the financial year to be 20.9 sen and RM1.2 respectively.

- **Dividend**

Based on the marked improved results, the Board of Directors recommended a first and final dividend of 10.0 sen per share which comprise of tax exempt dividend of 5.0 sen per ordinary share and 5.0 sen gross per ordinary share less income tax. The gross dividend declared this year is 47.9% of the Group's Profit After Tax and the highest dividend declared since its listing.

Corporate Governance

Good corporate governance and transparency is a priority of the Group as the Board believes in carrying out its responsibilities with professionalism and integrity. The Company's Audit Committee meets regularly to monitor compliance with all internal control measures, and ensures that its external auditors are able to carry out their duties without any interference from the management. Details of the disclosures on corporate governance and internal controls can be found in this Annual Report.

Corporate Social Responsibility

One of the core beliefs of the Company is that a corporation apart from enhancing shareholders value, should also contribute towards building a caring society and protecting the environment. This year the Company had played an exemplary role by rushing to the aid of the Johore flood victims at the earliest time possible with food and other essential items. The Company also organized an anti-crime campaign to create awareness on how to prevent crime among the public as well as helping the community to communicate with the police force. On a lighter vein, the Company had organized carnivals in several towns throughout Malaysia. These carnivals have helped the Company to interact and build goodwill with the local communities. These events and many other functions organized by the Group, help to create a multiplier effect in building a better Malaysian society.

Outlook

Malaysian economy grew by 5.9% in year 2006 and is expected to reach 6% in 2007. According to Nielsen Media Research, the total advertising expenditure for the Malaysian media grew 4.4% in 2006 to RM 4.761 billion. However, the total newspaper adex had fallen by 3 % in year 2006 to 58% compared to year 2005. The media industry forecast a 2% growth in 2007*. The print media continues to face challenges from the high newsprint prices and intense competition from other media. Notwithstanding this, the Group strives to maintain the growth momentum we have achieved thus far.

Acknowledgement

On behalf of the Board of Directors, I record wholehearted thanks to all our advertisers, readers, vendors and investors for their continuous support. I would also like to extend my appreciation to both the management and staff for their dedication and efforts in steering the Group towards achieving its goals. Lastly, I hope that all the Group's stakeholders will support the Group in achieving its goals in this "New Era in Media".

* Source: Malaysian Communications and Multimedia Commission Industry Performance Report 2006

去年的檢討

財務檢討

● 營業額

本集團的營業額稍微增加了1.7%，達4億7千980萬令吉，主要原因是財政年首季的廣告市場趨軟，以及2006年報章的總廣告額下跌所致。

● 稅前盈利

本集團的稅前盈利達到8千390萬令吉，比去年提高了16.9%。這促使稅前利潤率從去年的15.2%提高至今年的17.5%。本集團的稅前盈利得以提高主要得歸功於營業額的增加，加上管理層持續地採取擰節措施及完善的運作程序，以期達致成本效益及提高生產力。

● 總淨開支

與上一財政年度比較，本集團2007年3月31日財政年度的總淨開支減少了390萬令吉。由於新聞存量減少，相應影響總貸款額收縮，本集團的財務成本減少了160萬令吉；但儘管總噸數耗量減少了2.8%，新聞紙成本卻仍佔據了總淨開支的最大部分。此外，維修廠房及機械的成本也減少了17萬令吉，這是因為減少了零件購買。其他的淨開支，變動不大。

● 每股淨利

通過精細成本復核程序，本集團達致6千310萬令吉的稅後盈利，與上一財政年度比較，提高了16.4。這得歸功於管理層和雇員之間相互的配合與努力。

本集團截至2007年3月31日的淨資產成長至3億5千710萬令吉，達至每股淨利20.9仙以及每股淨產1令吉20仙。

● 股息

基於顯著的增長，董事會建議派發每股10仙毛股息，其中5仙為免扣稅以及5仙為需扣稅。本年度宣布的毛股息是本集團稅後盈利的47.9%，是上市以來最高的股息。

公司管理方針

良好的公司管理方針和透明度是本集團的優先事項，董事局秉持的是專業化和廉正處事的態度。公司稽查委員會定期開會監督一切內部管理措施都獲得遵守，並確保外部稽查人員能夠在不受管理層干預下履行任務。公司管理方針和內部控制刊載於本年度的報告裡。

公司社會責任

公司的其中一項首要信念是，除了要提高股東價值，也應該為塑造愛心社會與提倡環保作出貢獻。今年公司積極參與救濟柔佛州大水災的災民，在第一時間內提供災民食物及其他基本物品。公司也推動全民拼治安運動，提高公眾防止罪案的意識以及幫助社群與警方加強溝通。軟性活動方面，公司在全馬多個城鎮舉辦嘉年華會，讓公司得以與當地社區互動並加緊聯繫。公司所舉辦的這些項目和其他活動，都為建立一個更美好的馬來西亞社會帶來了增值效應。

展望

2006年馬來西亞經濟增長了5.9%，預計在2007年達致6%。根據尼爾森媒體調查，報章、電視台和電台2006年的廣告總開銷成長了2.6%，達至47億3千700萬令吉。然而，2006年的報章廣告總營業額比2005年的61%下跌了3%。媒體工業預測2007年會有2%的成長。*印刷媒體繼續面對新聞紙高價格以及其他媒體的競爭等挑戰。儘管如此，本集團將繼續奮鬥以保持我們目前所達致的成長動力。

致謝

我至誠代表董事會感謝我們全體廣告客戶、讀者以及代理不懈的支持。我也要向管理層以及雇員在推動本集團達致目標時所展現的奉獻精神和努力致謝。最後，我希望本集團所有的股東能繼續支持本集團達致“媒體新紀元”的目標。

*資料來源：2006年馬來西亞通訊與多媒體委員會工業表現報告

Operations Review

Production And Technical

The production team had excelled this year and have put the Group's name on the world map by winning two major prints awards in the "IFRA ASIA BEST IN PRINT AWARD" for year 2006. In the category for circulation above 200,000 copies, Sin Chew Daily bagged the Silver medal whereas in the category for circulation below 200,000 copies, Guang Ming Daily won the Gold medal. The awards have proven that all efforts contributed by the production team in retraining themselves to meet new standards have paid off and now the Group is the first Chinese newspaper group in Malaysia to comply with ISO 12647:3 printing standards for coldset web offset printing.

As a measure to increase efficiency in the Group's production process, the Company has moved to a "Computer to Film" (CTF) workflow whereby pages are now autopaired automatically and news & digital advertisements are merged realtime, thus reducing pre press (Lithographic) manpower by over 60%. This CTF system would also increase productivity and enhance print quality and will serve as the cornerstone for the future and inevitable Computer To Plate (CTP) workflow.

In addition to ensure consistency in the quality of the output of all the printing plants in the Group, the production team have formed a Quality Assurance & Control (QA/QC) team that will provide periodic technical audits at all the plants to review the production process and the quality of its print products. This quality control mechanism have helped improve the print quality of the plants in the Company.

The Group also recognizes the need to update its production team on the latest know-how and technology in the printing process and the raw materials used. Hence the Group organizes workshop sessions with its suppliers to educate its production team on the latest information relating to the technical know-how and materials used in the print industry.

Advertising And Circulation

Faced with the challenging economic environment and competition from other media, the Advertising and Business Development Department is aware that it has to be innovative in the manner it sells advertisements space. Hence this year they have concentrated on sales via integrated market communication projects to help advertisers reach out to its customers. For instance, the Company together with a telecommunications company have organized series of events throughout the country. These events were well received by the local community where it was held.

The Advertising and Business Development Department also organised interactive events with advertisers such as "Guang Ming Chicken Rice Trophy Challenge" that will help advertisers to promote their brands via live events. In addition the Company had also entered into smart partnerships with government agencies to help create awareness among the public on certain issues and these partnerships have also helped increase revenue.

Further, our Executive Director, Ms Rita Sim who also has responsibilities for Advertising Sales and Business Development was invited to deliver a paper at a conference held in Jakarta, Indonesia (17-20 May 2007) organized by the Audit Bureau of Circulation. Participants to the conference were mainly from Malaysian and international advertising agencies, media specialists, media planners and major advertisers. Her presentation, titled "Using Print Media to connect Local, Regional and Global Chinese Readers" was well received and further enhanced the Group's image and ambition to take on growth opportunities in the global Chinese language media platform



The Group's online portal is one of the leading Chinese language portals in South East Asia. This year it has increased its advertisement revenue by introducing new advertisement formats such as AdBlog, AdTrend, AdQuote and AdWrap. Further new sites such as "ladyzone", "kooky", "classified" and "soccerfanz" have been introduced to attract new users and advertisers.

Based on the Audit Bureau of Circulation Malaysia report for the period as at 31 December 2006 against the period as at 31 December 2005, the circulation of Sin Chew Daily has grown by 2.3%. This increase is through the commendable efforts of the Group's Circulation Department and the efforts of the Group's Editorial team in monitoring the demands of readers. Meanwhile this year Guang Ming Daily had achieved the status of being the number one paper in terms of readership in the northern region based on reports by Nielsen Media.

Editorial

The Editorial Department of both Sin Chew Daily and Guang Ming Daily is continuously looking into ways of improving the quality and content of our publications and meeting the changing needs of our readers. This year they played an active role in a series of events organized by the Company by attending the same in order to interact with the readers of our publications. This interaction with the readers is important as a tool to obtain feedback from our readers.

This year the Editorial Department of Sin Chew Daily have reviewed the style and manner of reporting in our publications and they have revamped the same by adopting a more precise and effective style of reporting. Further the manner in which colours are used in our publications have also been revamped to give a fresher and updated look. Sin Chew Daily has also enhanced its health sections by giving allowing its readers the benefit of medical advice from medical practitioners.

Human Resources And Administration Development

On 1 December 2006, the Group's Human Resource department have gone live with its mySAP human capital management system. With the implementation of this system, the Group have managed to computerize most of its manual functions and standardized its human resource processes throughout the Group.

The Company believes in continuously upgrading and enhancing the skill sets of its employees, hence training sessions such as information technology, financial, marketing and journalism courses are organized throughout the year to achieve the same.

Meanwhile the Group had also implemented the mySAP material management system in December 2006 and this together with a customized software to manage its newsprint inventory have led to easier monitoring and retrieval of its inventory levels.

Information Technology

The Group recognizes the benefit of investing in information technology as a tool to achieve operational efficiency and to advance the key strategies and objectives of the Group's businesses.

Thus, in this year the Group have invested in the implementation of the mySAP system for its finance, material management, procurement and human resource departments. This enterprise resource planning tool will assist management in monitoring the financial results and manpower requirements of the Group effectively. The Group had also implemented an IT Service Management process which is a process oriented helpdesk in line with I.T.I.L standards for ICT best practices in service management and delivery.

營運檢討



生產與技術

生產部門今年表現特出，榮獲“2006年亞洲媒體大獎”的兩項大獎，使本集團得以揚名國際。在20萬份以上發行量組別，星洲日報榮獲銀獎；而在20萬份以下發行量組別，光明日報榮獲金獎。獎項證明了生產部門通過再訓練以應付新標準的努力得到了報償，以及本集團是馬來西亞第一家達致ISO 12647：3冷固型卷筒紙柯式印刷認證的中文報章。

作為提高本集團生產程序效率的措施，公司改用“電腦至出片”工作流程，即現已能自動拼版，而新聞版面與數位廣告可以即時併合，因此減少了印前製作60%的人力。“電腦至出片”系統亦能夠提高生產力並且加強印刷品質，同時作為未來且必然的“電腦至鉛版”工作流程的踏腳石。

為了確保本集團所有印刷廠的印刷品質一致，生產部門成立了品質保證與控制團隊，為所有印刷廠提供定期技術性檢查，以便檢討生產程序以及印刷成品的品質。此品質管理措施能幫助提高公司印刷廠的印刷品質。

本集團也意識到有必要去提升其生產部門最新的印刷程序以及原料應用的技術和工藝。因此，本集團與供應商舉辦工作坊提供生產部門有關印刷工業最新的技術和原料應用知識。

廣告與發行

面對著經濟環境挑戰以及其他媒體的競爭，廣告及業務發展部意識到在售賣廣告版位時必須更具創意，因此今年專注於通過綜合市場溝通計劃的銷售形式協助廣告客戶與顧客接觸。例如：與電訊公司舉辦了一系列全國性活動。這活動在各舉辦地均獲得當地居民的良好反應。

廣告及業務發展部也與廣告客戶舉辦互動活動，如：“光明日報雞飯王挑戰賽”，協助廣告客戶通過活動推廣品牌。此外，公司與政府部門的關係也達至“精明伙伴”的階段，協助提高民眾對特定議題的醒覺，而這類的合作關係也協助提高了盈利。

再者，負責廣告及業務發展的公司執行董事沈賽芬，受邀到發行量稽核組織在印尼雅加達舉行的研討會上提呈論文（2007年5月17至20日）。研討會參與者主要是來自馬來西亞和國際的廣告公司、媒體專家、媒體企劃人員和主要廣告客戶。她的論文主題為“應用印刷媒體聯繫本土、區及全球的中文讀者”，深獲好評，加強了公司的形象並致力承擔全球中文媒體平台發展機會的志業。

本集團的互聯網站是東南亞首屈一指的中文網站。今年，它推介了新的廣告模式，如：AdBlog、AdTrend、AdQuote和ADWrap；同時也推介了新的內容如：“佳人說”、“馬拉酷奇”、“分類”以及“波王”吸引新用戶和廣告客戶。

根據馬來西亞發行稽查局的統計，《星洲日報》截至2006年12月31日的發行量比截至2005年12月31日的發行量增長了2.3%。這是本集團發行部及編採部為滿足讀者需求的努力所帶來的成績。此外，根據尼爾森媒體調查報告，《光明日報》今年榮登北部區域讀者人數第一的位置。

編務

《星洲日報》、《光明日報》編採部持續加強出版品質與內容，以迎合讀者改變中的需求。今年編輯人員在公司舉辦的一系列活動中扮演積極角色，出席活動並與讀者互動。與讀者互動是獲取讀者回應的重要管道。

今年《星洲日報》編採部調整了報道風格與形式，改採用更為精準且效率高的報道方式。此外，《星洲日報》也改善了色彩的配搭和運用，使版面更清新和更具現代感。《星洲日報》同時也加強了健康資訊版，讓讀者能夠從醫藥專家提供的專業醫藥諮詢中獲益更多。

人力資源與行政發展

2006年12月1日，本集團人力資源部啟用了mySAP人力資源管理系統。隨著系統的實行，大部份人工作業已電腦化，整個集團的人力資源流程得以統一。

公司認為有必要不斷提升及加強其雇員的技能，因此全年都有舉辦如資訊工藝、財務、行銷以及新聞訓練課程。

此外，本集團亦於2006年12月實施mySAP物流管理系統，並以同一套既定軟件系統一同管理新聞紙庫存記錄，更容易監督及追溯庫存數量。

資訊工藝

本集團確認投資資訊工藝能帶來許多好處，是達致高效運作，以及推動本集團業務主要策略和目標的有效工具。

因此，今年本集團投資採用mySAP的財務、物流管理、採購以及人力資源系統。此企業資源策劃工具將協助管理層更有效地監督本集團的財務狀況和人力需求。本集團也實施了資訊工藝服務管理程序，這是一項以電腦流程為目的並與I.T.I.L服務管理及傳遞資訊工藝良好實踐標準同軸的支援組。



Recognition

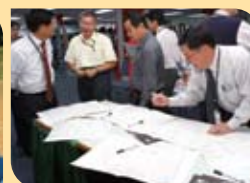
The Group has always taken pride in the maintaining the quality and standard of its publications. This achievement has been recognized by many leading institutions hence earning the following awards and accolades for the Group.

- **Asia Media Awards 2007**
 - Best in Print (Weekday circulation 80,000 - 200,000 copies), Gold Award - **Guang Ming Daily**
- **Asia Media Awards 2007**
 - Best in Print (Weekday circulation over 200,000 copies), Silver Award - **Sin Chew Daily**
- **Anugerah Media Kementerian Kebudayaan, Kesenian Dan Warisan**
 - Anugerah Media Terbaik (Mandarin)
- **Domestic Trade and Consumer Affairs Reports Award 2006** - Best Journalist
- **The 4th Sony Malaysia Media Achievement Award (SOMA)**
 - Chinese Category (First Prize & Second Prize)
- **Dato' Seri Lim Gait Tong Press Awards (Penang Press Club)**
 - Dato' Seri Lim Gait Tong Reportage Award - Outstanding Prize
 - Dato' Seri H'ng Bok San Social News - Outstanding Prize
 - Dato' Kang Ching Seng Commentary - Outstanding Prize
- **Kenyalang Shell Press Awards 2006**
 - Special Report (Mandarin) - (Silver Prize & Bronze Prize)
 - News (Mandarin) - (Gold Prize, Silver Prize & Bronze Prize)
 - Sports (Mandarin) - (Gold Prize & Silver Prize)
- **Penang Media Awards 2006**
 - News (Recommended Prize)
 - Features (Outstanding Prize & Recommended Prize)
 - Media Photo (Recommended Prize)
- **Datuk Wong Kee Tat Press Awards 2005**
 - Datuk Seri Joseph Chong Chek Ah Distinguished Media Service Award
 - Datuk Wong Kee Tat News Editing (Excellent Prize)
 - Datuk Wong Kee Tat News Editing (Outstanding Prize)
 - Datuk Yap Yong Seong Reportage Award (Outstanding Prize)
 - Tan Sri Teong Teck Leng Commentary (Excellent Prize)
 - Tan Sri Teong Teck Leng Commentary (Outstanding Prize)
 - Datuk P.C Koh Economic (Outstanding Prize)
- **Johor Media Awards 2006**
 - News (Outstanding Prize)
 - Gabungan Pertubuhan - Pertubuhan Negeri Johor Best News Award
 - Persekutuan Tiong-Hua Johor Bahru Best Features Award
 - Mok Tai Dwan Best Commentary Award
 - Tan Tiang Soong Best Photography Award
- **Anugerah Media Kementerian Kesihatan 2007**
 - Anugerah Kewartawanan kesihatan Terbaik (Mandarin)
 - Anugerah Jurufoto Terbaik (Mandarin) First Prize
 - Anugerah Jurufoto Terbaik (Mandarin) Consolidation Prize





Reaching Out



STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

The Board of Directors is committed to ensuring the highest standards of corporate governance is observed by the Company when conducting the business and affairs of the Company. This commitment will not only ensure the continuous and sustainable growth of the Company but also serve to safeguard and enhance shareholders' investment and protect the interest of other stakeholders. Hence the Board will continue to support the adoption of principles and best practices established by the Malaysian Code on Corporate Governance ("the Code").

With reference to the Code, the Board is pleased to present the following statement which outlines the manner in which the Company has applied the principles and best practices of the Code.

THE BOARD OF DIRECTORS

a. The Board

The Board's primary role is to provide leadership for the Group, to approve the Group's strategic objectives and to ensure that the necessary financial and other resources are made available to enable those objectives to be met.

The Board's specific responsibilities amongst others include approval of strategic direction of the Group, approval of the Group's quarterly results and annual financial statements, approval of major acquisitions and disposals, approval of major capital expenditure, related party transaction, dividend policy and changes to membership of the Board.

The Board has also delegated specific responsibilities to four sub-committees namely Audit Committee, Nomination Committee, Remuneration Committee and the Executive Committee.

b. Board Balance

The Board comprises of 5 executive directors and 4 non-executive directors, 3 of whom are independent non-executive directors. The Board composition complies with the Listing Requirements of Bursa Malaysia, which requires a minimum of 2 or 1/3 of the Board to be independent directors.

The Board comprising the right mix of skill and experience is an effective and independent Board. A brief background on the Board can be found on page 4 to 6.

The Executive Directors are primarily responsible for the day to day management and supervision of the Group's business and operations in addition to implementing the broad policies approved by the Board whilst the Independent Non-Executive Directors provide a strong independent element on the Board to provide assurance that there is sufficient check and balance.

There were six Board meetings held during the financial year ended 31 March 2007. Details of attendance of the directors are as follows:-

	Total Meeting Attended	Percentage of Attendance
Tan Sri Datuk Diong Hiew King @ Tiong Hiew King	5/6	83.33%
Dato' Liew Kam Chean @ Liew Chen Chuan	6/6	100%
Datuk Patinggi Tan Sri Dr. Wong Soon Kai	6/6	100%
Siew Nyoke Chow	6/6	100%
Sim Sai Hoon	6/6	100%
Ng Chek Yong	4/4	100%
Dr. Tiong Ik King	5/6	83.33%
Wong Lee Yun	4/6	66.67%
Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh	6/6	100%

STATEMENT ON CORPORATE GOVERNANCE *(cont'd)*

c. Supply of Information

All Board members are supplied with information in a timely manner. Board reports together with an agenda are circulated prior to the Board meetings to enable the directors to obtain further information and explanation, where necessary, before the meetings.

The reports provide amongst others, periodic financial and corporate information, significant operational, financial and corporate issues, internal control reports, update on the performance of the Company and of the Group and management proposals that require the Board's attention and/or approval.

Detailed periodic briefings on industry outlook, market trends, company performance, market share, market reaction, products and services and forward previews are also conducted to ensure that the Board is well informed of the latest market and industry trend and development.

Directors are also regularly updated on any new regulations, guidelines or directives issued by Bursa Malaysia, Securities Commission and other relevant regulatory authorities.

All directors have access to the advice and services of the Company Secretaries, financial and legal officers, and where necessary, take independent professional advice.

d. Appointments to the Board

The Nomination Committee is responsible for identifying and recommending to the Board suitable nominees for appointment to the Board. In making these recommendations, the Nomination Committee will review the required mix of skills, experience and other core competencies the director should bring to the Board. Any new nomination received is put to the full Board for assessment and endorsement.

e. Re-election

An election of directors takes place annually. The Company's Articles of Association provide that at least one third of the remaining directors be subject to re-election by rotation at each Annual General Meeting provided always that all directors shall retire from office once in every three years but shall be eligible for re-election.

A director who is of or over the age of 70 years must retire at the conclusion of next AGM unless he is or she is re-appointed as a Director by way of resolution in accordance with Section 129 of the Companies Act, 1965. Presently, there are 2 directors of the Company, Tan Sri Datuk Tiong Hiew King and Datuk Patinggi Tan Sri Dr. Wong Soon Kai who are subject to such retirement and re-appointment.

Directors Remuneration

a. Level and Make-up of Remuneration

The objective of the Company is to attract and retain Directors of caliber needed to manage and lead the Group successfully. The Remuneration Committee is responsible for determining the remuneration of the Executive and Non-Executive Directors. The Executive Director's remuneration is linked to performance, service seniority, experience and scope of responsibility and is periodically benchmarked to industry practices. For Non-Executive Directors, the level of remuneration reflects the level of responsibilities undertaken by them. The Committee makes the required recommendation to the Board as the Committee is not authorized to implement its recommendation on behalf of the Board.

STATEMENT ON CORPORATE GOVERNANCE *(cont'd)*

b. Procedure

The fees of the directors, including the Non-Executive Directors that are based on the recommendation of the Remuneration Committee are approved by the Board for subsequent approval by the shareholders of the Company at its Annual General Meeting.

C. Disclosure

The aggregate remuneration of Directors for the financial year ended 31 March 2007 is as follows:

	Fees (RM)	Salaries & Other Emoluments (RM)	Total (RM)
Executive Directors	-	2,679,215	2,679,215
Non-Executive Directors	165,000	52,500	217,500

The number of Directors whose total remuneration falls into the following bands is as follows:

Range of Remuneration	Executive	Non-Executive
RM950,001 – RM1,000,000	1	-
RM900,001 – RM950,000	-	-
RM850,001 – RM900,000	-	-
RM800,001 – RM850,000	-	-
RM750,001 – RM800,000	-	-
RM700,001 – RM750,000	-	-
RM650,001 – RM700,000	-	-
RM600,001 – RM650,000	1	-
RM550,001 – RM600,000	1	-
RM500,001 – RM550,000	1	-
RM450,001 – RM500,000	-	-
RM400,001 – RM450,000	-	-
RM350,001 – RM400,000	-	-
RM300,001 – RM350,000	-	-
RM250,001 – RM300,000	-	-
RM200,001 – RM250,000	-	-
RM150,001 – RM200,000	-	-
RM100,001 – RM150,000	-	-
RM50,001 – RM100,000	-	1
RM1 – RM50,000	1	4
Nil	-	-

STATEMENT ON CORPORATE GOVERNANCE *(cont'd)*

DIRECTOR'S TRAINING

The directors are encouraged to attend programmes and seminars as they consider necessary or deem fit to help them keep abreast with the developments in the media industry and to enable them to contribute effectively from the outset of their performance.

All directors have attended and successfully completed the Mandatory Accreditation Programme (MAP) prescribed by Bursa Malaysia Securities Berhad. Apart from attending various conferences and seminars organized by external organizers, the Directors also benefited from technical briefings by in-house professionals.

Throughout the year, the Directors also received updates and briefings from time to time, particularly on the following matters:-

- Market and industry trends
- Regulatory and legal developments
- Latest technology updates and developments
- Information on significant changes in business risks

SHAREHOLDERS

a. Communications between the Company and Investors

The Company recognizes the importance of establishing a direct line of communication with shareholders and investors through timely dissemination of information on the Group's performance and major development via appropriate communication channels such as announcements made through Bursa Malaysia, circulars, press conferences, press releases, Annual Report as well as through its AGM. Through such communication channels, the Company hopes to provide an update of its products and services, strategy and financial performance to its shareholders and investors.

The Company also conducts separate media and analysts briefing with the intention to keep the investing public and shareholders updated on the development of the business of the Company as well as any strategic developments within the Group.

b. Annual General Meeting ("AGM")

The Board encourages its shareholders to attend and participate in the AGM. The AGM is the principal forum for dialogue with all shareholders which also offers the Company an opportunity to explain the business and financial performance and operations of the Company.

Shareholders are encouraged and given sufficient opportunity to enquire about the Group's activities and prospects as well as to communicate their expectations and concerns at this forum. The Directors and key management of the Company as well as external auditors are available to communicate and provide clarification to shareholders' questions during the AGM.

STATEMENT ON CORPORATE GOVERNANCE *(cont'd)*

ACCOUNTABILITY AND AUDIT

a. Financial Reporting

The Group's financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. The Group has a detailed and comprehensive system for reporting financial results to the Board which includes providing achieved results with a comparison against budget. In addition the Group has an internal audit team that reviews the systems and procedures in core departments and reports regularly to the Audit Committee who reports to the Board.

b. Statement Of Directors' Responsibility In Relation To The Financial Statements

The Directors are required by the Companies Act, 1965, to ensure that the financial statements for each financial year are drawn up in accordance with the applicable Financial Reporting Standards in Malaysia and these statements give a true and fair view of the financial state of affairs of the Group as at the end of the financial year and of their income statement and cash flows for the period then ended.

In preparing the financial statements, the Directors have selected and applied consistent and appropriate accounting policies and made reasonable and prudent judgments and estimates.

The Directors also have overall responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

c. Internal Control

The Board of Directors is responsible for maintaining an effective system of internal control and risk management, which provides reasonable assessments of effective and efficient operations as to safeguard shareholders' investment and the Group's assets.

The Group has effected several systems of internal controls covering financial controls, operational and compliance controls and risk management. These systems will continue to be reviewed, added on or updated to provide for changes in the operating environment. Information on the Group's internal control system during the year is presented in the Statement on Internal Control set out on pages 31 and 32 of this Annual Report.

d. Relationship With Auditors

The Group through the Audit Committee maintains a transparent and appropriate relationship with the Company's auditors. The auditors have from time to time highlighted to the Audit Committee and Board of Directors on matters that require the Board's attention.

The Audit Committee meets the external auditors to discuss their audit plan and scope of audit before the commencement of audit and subsequently to discuss audit findings and the financial statements upon the completion of audit.

The role of Audit Committee in relation to both the internal and external auditors is described in the Audit Committee Report set out on Pages 33 to 36 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE *(cont'd)*

Compliance Statement

The Board is satisfied that in 2007 the Company has complied with the best practices of the Malaysian Code on Corporate Governance save for the re-appointment of a Senior Independent Non-Executive Director.

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Listing Requirements of Bursa Malaysia Securities Berhad, the following is disclosed for shareholders' information:-

Utilisation of proceeds

Pursuant to the Company's rights issue of 80,000,000 ordinary shares of RM0.50 each at RM0.535 per share on 10 September 2004, the status of utilization of proceeds received as at 31 March 2005 was as follows:-

	RM '000
Total Proceeds	42,800
Amount utilized for repaying trade creditors	40,000
Listing expenses	2,333
Balance	467

The Company has yet to utilise the above proceeds for the financial year ended 31 March 2007.

Share Buy-Back

The Company did not undertake any share buy-back exercise.

Exercise of options, warrants or convertible securities

The Company did not issue any options or warrants or convertible redeemable debt securities during the financial year.

American Depositary Receipt (ADR) or Global Depositary Receipt (GDR Programme)

The Company has not sponsored any American Depositary Receipt or Global Depositary Receipt Programme during the financial year.

Imposition of sanctions/penalties

There were no sanctions or penalties imposed by the relevant regulatory bodies on the Company or its subsidiaries, directors or management during the financial year.

Non-Audit Fees

The amount of non-audit fees incurred during the financial year ended 31 March 2007 for services rendered to the company and its subsidiaries was RM7,500.00.

STATEMENT ON CORPORATE GOVERNANCE *(cont'd)*

Variation in Results

The audited results of the Company/Group for the financial year ended 31 March 2007 did not vary by 10% or more from the unaudited results announced to Bursa Malaysia Securities Berhad on 23 May 2007.

Profit Guarantee

The Company did not issue any profit guarantee during the financial year ended 31 March 2007.

Material Contracts Involving Directors and Major Shareholders

Save as disclosed below, there were no other material contracts outside the ordinary course of business, entered into by the Company or its subsidiaries involving directors and major shareholders during the financial year ended 31 March 2007 except for Tan Sri Datuk Diong Hiew King @ Tiong Hiew King who is a Director and major shareholder of SCMC and Ming Pao Enterprise Corporation Limited ("MingPao") while he is also a major shareholder of Nanyang Press Holdings Berhad ("Nanyang") and Dr. Tiong Ik King, who is a Director and shareholder of SCMC and a director and major shareholder of MingPao. Dr Tiong Ik King is brother of Tan Sri Datuk Tiong Hiew King:-

- (i) A Heads Of Agreement ('HOA') dated 29 January 2007 between MingPao and SCMC in relation to the following proposals ('Proposals') :-
 - (a) proposed scheme of arrangement under Section 176 of the Companies Act, 1965("Act") whereby all shareholders of the Company will exchange all their ordinary shares of RM0.50 each in the Company ("SinChew shares") at a consideration of RM4.00 per share for new ordinary shares of HKD0.10 each in MingPao ("MingPao shares") to be issued and credited as fully paid-up at an issue price of HKD2.70 (or RM1.19) per share which represents a basis of about 3.36 new MingPao shares for every one (1) existing SinChew share ("Proposed Share Exchange of SinChew");
 - (b) proposed scheme of arrangement under Section 176 of the Act whereby all shareholders of Nanyang will exchange all their ordinary shares of RM1.00 each in Nanyang ("Nanyang shares") at a consideration of RM4.20 per share for new MingPao shares to be issued and credited as fully paid-up at an issue price of HKD2.70 (or RM1.19) per share which represents a basis of about 3.53 new MingPao shares for every one (1) existing Nanyang share ("Proposed Share Exchange of Nanyang");
 - (c) proposed placement of either new or existing MingPao shares for purposes of complying with public shareholding spread or equity conditions which may be imposed by the relevant authorities in Malaysia or Hong Kong; and
 - (d) proposed transfer of listing status of the Company to MingPao on the main board of Bursa Malaysia Securities Berhad ("Bursa Securities").
- (ii) A Deed of Accession dated 19 April 2007 between MingPao, SCMC and Nanyang whereby Nanyang acceded to the HOA (referred to in paragraph 3.1(i)) and undertook to be bound by all provisions of the HOA.
- (iii) A conditional Merger Agreement dated 23 April 2007 between MingPao, SCMC and Nanyang in relation to the Proposals.
- (iv) A Letter of Extension dated 22 June 2007 between MingPao, SCMC and Nanyang in relation to the Merger Agreement dated 23 April 2007.

Revaluation Policy

The Company's revaluation policy on landed properties is disclosed in Note 2.2(c) to the Financial Statements.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

Recurrent Related Party Transactions of a Revenue Nature

Related Parties	Contracting Parties	Nature of Transaction	Transacted Value for the financial year ended 31 March 2007 RM '000	Nature of Relationship
Malaysian Newsprint Industries Sdn Bhd ('MNI')	Sin Chew Media Corporation Berhad ("SCMC")	Purchase of newsprint by SCMC	95,705	<p>Tiong Toh Siong Holdings Sdn Bhd ('TTSH') is a major shareholder of SCMC and the 2 following companies who each are major shareholders of MNI:</p> <p>(a) R. H. Development Corporation Sdn Bhd ("RHDC"); and</p> <p>(b) Rimbunan Hijau Estate Sdn Bhd ("RHE").</p> <p>Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ('TSTHK') is both a major shareholder and director in each of SCMC, RHDC, TTSH and Teck Sing Lik Enterprise Sdn Bhd ('TSL') and a major shareholder of RHE.</p> <p>Dr. Tiong Ik King is both a shareholder and director of SCMC and is both a major shareholder and director of TTSH and RHDC.</p> <p>TSL is a major shareholder of SCMC, TTSH and RHDC.</p>
Rimbunan Hijau Estate Sdn Bhd ('RHE')	SCMC	SCMC's tenancy for land and building on the land known as PN 3694, Lot 50 Seksyen 13, Bandar Petaling Jaya, Daerah Petaling Jaya, hire of plant, machinery, vehicles and chattels excluding stock of newsprint and provision of labour (security guards).	3,240	<p>TTSH is a major shareholder of both SCMC and RHE.</p> <p>TSTHK is both a major shareholder and director in each of SCMC, TTSH and TSL and a major shareholder of RHE.</p> <p>Dr. Tiong Ik King is both a shareholder and director of SCMC and is both a major shareholder and director of TTSH.</p> <p>TSL is a major shareholder of SCMC and TTSH.</p>
Pacific Hijau Sdn Bhd ('PHSB')	SCMC	SCMC's tenancy of various properties from PHSB as landlord.	296	<p>TSTHK is both a major shareholder and director in each of SCMC and PHSB.</p> <p>Dr. Tiong Ik King is a director of SCMC and a shareholder of both SCMC and PHSB.</p>
Pacific Hijau Sdn Bhd	Guang-Ming Ribao Sdn Bhd ('GMRB')	GMRB's tenancy of various properties from PHSB as landlord.	24	As above

STATEMENT ON CORPORATE GOVERNANCE *(cont'd)*

Related Parties	Contracting Parties	Nature of Transaction	Transacted Value for the financial year ended 31 March 2007 RM '000	Nature of Relationship
Tiong Toh Siong & Sons Sendirian Berhad	Mulu Press Sdn Bhd ("MPSB")	MPSB's tenancy of various properties from Tiong Toh Siong And Sons Sendirian Berhad as landlord.	20	<p>TTSH is a major shareholder of SCMC (the holding company of MPSB) and is the holding company of Tiong Toh Siong & Sons Sendirian Berhad.</p> <p>TSL is a major shareholder of both SCMC and TTSH.</p> <p>TSTHK is both a major shareholder and director in each of SCMC, TTSH and TSL. He is also a director of Tiong Toh Siong & Sons Sendirian Berhad.</p> <p>Dr. Tiong Ik King is a director and shareholder of SCMC and is both a major shareholder and director of TTSH.</p>
Yazhou Zhoukan Limited ("YZL")	SCMC	SCMC is the representative of YZL in Malaysia to handle all subscription of magazine, Yazhou Zhoukan published by YZL and to provide customer service, call center support, promotion support, administrative support, warehousing and office space for YZL.	66	<p>TSTHK is both a director and major shareholder of SCMC and is a major shareholder of YZL.</p> <p>Dr. Tiong Ik King is both a Director and shareholder of SCMC and is a major shareholder of YZL</p>
Yazhou Zhoukan Limited ("YZL")	GMRSB	GMRSB is the distributor of the magazine, Yazhou Zhoukan in Malaysia, which is published by YZL.	97	As above
Rimbunan Hijau Holdings Sdn Bhd ("RHH")	MPSB	MPSB's tenancy of various properties from RHH as landlord.	12	<p>TSL is a major shareholder in each of SCMC, TTSH and RHH.</p> <p>TTSH is a major shareholder of SCMC.</p> <p>TSTHK is both a director and major shareholder in each of SCMC, TSL, TTSH and RHH.</p> <p>Dr. Tiong Ik King is a director and shareholder of SCMC and a director and major shareholder of TTSH. He is also the major shareholder of RHH.</p>

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

Related Parties	Contracting Parties	Nature of Transaction	Transacted Value for the financial year ended 31 March 2007 RM '000	Nature of Relationship
Evershine Agency Sdn Bhd ("EA")	MPSB	MPSB purchases motor vehicle insurance from EA.	4	<p>Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS") is a shareholder of SCMC and is a major shareholder of EA.</p> <p>Tiong Toh Siong Enterprises Sdn Bhd ("TTSE") is a major shareholder of RHS and a shareholder of SCMC.</p> <p>Pertumbuhan Abadi Asia Sdn. Bhd. ("PAA") is a major shareholder of RHS and a shareholder of SCMC.</p> <p>TSL is a major shareholder in each of TTSE, RHS and SCMC.</p> <p>TSTHK is both a director and major shareholder in each of SCMC, TSL, RHS, PAA and TTSE. He is a major shareholder of EA.</p> <p>Dr. Tiong Ik King is a director and shareholder of SCMC and is a major shareholder of EA and TTSE.</p>
EON Bank Berhad	SCMC	Advertising contracts between SCMC and EON Bank Berhad	245	<p>EON Capital Berhad is the holding company of EON Bank Berhad.</p> <p>TTSH is a major shareholder of SCMC and EON Capital Berhad.</p> <p>RHDC is the major shareholder of EON Capital Berhad.</p> <p>TSTHK is both a major shareholder and director in each of SCMC, RHDC and TTSH.</p> <p>Dr. Tiong Ik King is both a shareholder and director of SCMC and is both a major shareholder and director of EON Capital Berhad, TTSH and RHDC.</p>

STATEMENT ON CORPORATE GOVERNANCE *(cont'd)*

Related Parties	Contracting Parties	Nature of Transaction	Transacted Value for the financial year ended 31 March 2007 RM '000	Nature of Relationship
R.H. Tours & Travel Agency Sdn Bhd ('RHTT')	SCMC	SCMC purchases air tickets from RHTT	26	<p>RHS is a shareholder of SCMC and a major shareholder of RHTT.</p> <p>TTSE is a major shareholder of RHS and a shareholder of SCMC.</p> <p>PAA is a major shareholder of RHS and a shareholder of SCMC.</p> <p>TTSH is a major shareholder of both SCMC and RHTT.</p> <p>TSTHK is both a major shareholder and director in each of SCMC, RHTT, TTSH, TSL, RHS PAA and TTSE.</p> <p>Dr. Tiong Ik King is both a shareholder and director of SCMC. He is a major shareholder of TTSE and a shareholder of RHTT.</p> <p>TSL is a major shareholder of SCMC, TTSH and shareholder of RHTT.</p>
Air Asia Berhad	SCMC	Advertising contracts between SCMC and Air Asia Berhad	1,045	Dato' Leong Khee Seong was a Director of SCMC and had resigned on 31-03-2007. He is both a director and shareholder of Air Asia Berhad.
Air Asia Berhad	GMRSB	Advertising contracts between SCMC and Air Asia Berhad	77	Dato' Leong Khee Seong was a Director of SCMC and had resigned on 31-03-2007. He is both a director and shareholder of Air Asia Berhad.

STATEMENT ON INTERNAL CONTROL

Introduction

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. Paragraph 15.27(b) of Bursa Malaysia Listing Requirements requires the Board to include a statement in annual report on the state of internal control as a group. The Bursa Malaysia's statement on Internal Control: Guidance for Directors of Public Listed Companies ('Guidance') provides guidance for compliance with these requirements.

Internal control is broadly defined as a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations.
- Safeguarding of assets.
- Reliability and integrity of financial and operational information.
- Compliance with applicable laws, regulations and contracts.

Set out below is the Board's Statement on Internal Control, which has been prepared in accordance with the Guidance.

Responsibility

The Board of Directors acknowledges the importance of sound controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's system of internal controls and risk management, and for reviewing the adequacy and integrity of the system. However, such a system is designed to manage the risks within an acceptable risk profile, rather than eliminate the risk of failure to achieve the business objectives of the Group. Accordingly, the system can only provide reasonable but not absolute assurance against material misstatement or loss.

Whilst the Board maintains ultimate responsibility over risks and control issues, it has delegated the implementation of such system to the executive management. The Group has in place an on-going process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives. This process is regularly reviewed by the Board.

Internal Audit

The Group has an Internal Audit function, which provides the Board with the assurance it requires regarding the adequacy and integrity of the system of internal control. Internal Audit independently reviews the internal controls in the key activities of the Group's business and reports to the Audit Committee on a quarterly basis. An annual internal audit plan is presented to the Audit Committee for approval. It provides continuous improvement to the controls and risk management procedures.

The Internal Audit findings are discussed at management level and actions are agreed in response to the Internal Audit's recommendations. The status of implementation of the agreed actions is followed up by the Internal Audit to ensure that satisfactory control is maintained.

The Audit Committee reviews all internal audit findings and management responses and the effectiveness of the risk management process. Significant risk issues, if any, are referred to the Board for consideration. The minutes of the Audit Committee meetings are reviewed by the Board.

STATEMENT ON INTERNAL CONTROL *(cont'd)*

Other Key Elements of Internal Control

Apart from the above, the other key elements of the Group's internal control systems are described below:

- Clearly defined lines of authority in the organization structure and delegation of responsibilities, including authorization levels for all aspects of the business.
- Clearly documented internal policies and procedures set out in a series of Standard Operating Manuals.
- A detailed budgeting process where operating units prepare budgets for the coming year.
- Monthly reporting of actual results against budget, with major variances being followed up and management action taken, where necessary.
- Regular and comprehensive information provided to management, covering financial performance and key performance indicators.
- Significant issues are discussed at Area Managers Meeting, Coordination Meeting and Executive Committee (Exco) Meeting to ensure effective management and supervision of the Group's core areas of business operations.
- Regular visits to operating units by members of the Board and Senior Management.

Others

There are no material joint ventures nor are there any associated companies that have not been dealt with as a part of the Group.

External Auditor

In the course of their statutory audit, the Company's external auditors will highlight any material internal control weaknesses which had come to their attention in carrying out their normal audit which is designed primarily to enable them to express their opinion on the financial statements. Such material internal control weaknesses noted during their audit, and recommendations, if any, by the external auditors are reported to the Audit Committee.

Board's Conclusion

The Board is pleased to disclose that the state of the Group's Internal Control System is sufficiently in line with the Malaysian Code on Corporate Governance and the guidelines issued by Bursa Malaysia Securities Berhad and that there is no material control failure or weakness that requires disclosure in the Group's annual report for the financial year under review.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to issue the following Audit Committee Report and its activities for the year ended 31 March 2007.

The Audit Committee comprises two independent non-executive directors and one executive director.

COMPOSITION

Chairman : Wong Lee Yun
(Independent Non- Executive Director)
(in place of Dato' Leong Khee Seong who resigned on 31-03-2007)

Members : Datuk Patinggi Tan Sri Dr. Wong Soon Kai
(Independent Non-Executive Director)

Sim Sai Hoon
(Executive Director)

The Audit Committee was established on 20 September 2004. The terms of reference are as follows:-

TERMS OF REFERENCE

1. Composition of Audit Committee

The Audit Committee ("the Committee") shall be appointed by the Board of Directors ("the Board") from amongst the Directors and shall consist of not less than three members, a majority of whom shall be Independent Non-Executive Directors.

The Board shall, within three (3) months of a vacancy occurring in the Audit Committee which result in the number of members reduced to below three (3), appoint such number of new members as may be required to make up the minimum number of three (3) members.

The members of the Committee shall elect a chairman from among their members who shall be an Independent Non-Executive Director. An alternate Director must not be appointed as a member of the Committee.

2. Membership

At least one member of the Committee:-

- Must be a member of the Malaysian Institute of Accountants; or
- If not a member of the Malaysian Institute of Accountants, that member must have at least 3 years' working experience and; must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or must be a member of one of the associations of the accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
- Must have a degree/masters/doctorate in accounting or finance and at least 3 years' post qualification in accounting or finance; or
- Must have at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation;

AUDIT COMMITTEE REPORT *(cont'd)*

3. Authority

The Committee is authorised by the Board to investigate any activity of the Company and its subsidiaries within its terms of reference or otherwise directed by the Board. It shall have:-

- i. The authority to investigate any matter within its terms of reference;
- ii. The resources which are required to perform its duties;
- iii. Full and unrestricted access to any information pertaining to the Company;
- iv. Direct communication channels with the external auditors and internal auditors;
- v. The right to obtain independent professional or other advice;
- vi. The rights to convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

The Committee is also authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary and reasonable for the performance of its duties.

4. Meetings and Minutes

The Committee shall meet at least four (4) times a year and hold such additional meetings as the Chairman shall decide in order to fulfill its duties.

In addition to the Committee members, the meetings will normally be attended by the representatives of relevant departments in the Company and by the external auditors as and when required.

The Committee may invite any person to be in attendance to assist it in its deliberations.

A quorum shall consist of a majority of Independent Non-Executive Directors and shall not be less than two.

The decision of the Audit Committee shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote, provided that where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question in issue, the Chairman shall not have a casting vote.

The Committee shall be reporting to the full Board from time to time its recommendation for consideration and implementation and the actual decision shall be the responsibility of the Board of Directors after considering the recommendation of the Committee.

The Company Secretary shall act as Secretary of the Committee and shall be responsible for drawing up the agenda with the concurrence of the Chairman and circulating it, supported by explanatory documentation to Committee members prior to each meeting.

The Secretary shall also be responsible for recording the proceedings of the Audit Committee and the minutes of meetings are to be tabled at Board meetings.

5. Duties

The duties of the Committee shall include the following:

- (a) To consider the appointment of the External Auditor, the audit fee and any questions of resignation or dismissal;
- (b) To discuss with the External Auditor before the audit commences, the nature and scope of the audit, and ensure coordination where more than one audit firm is involved;

AUDIT COMMITTEE REPORT *(cont'd)*

- (c) To review the quarterly and year-end financial statements of the Company, focusing particularly on:-
- any changes in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption;
 - compliance with accounting standards and other legal requirements;
- (d) To discuss problems and reservations arising from the interim and final audits, and any matter the External Auditor may wish to discuss (in the absence of management where necessary).
- (e) To review the External Auditor's management letter and management's response.
- (f) To consider any related party transactions that may arise within the Company or Group.
- (g) To consider the major findings of internal investigations and management's response.
- (h) To do the following where an internal audit function exists:
- Review the adequacy of the scope, functions and resources of the internal audit function, and the necessary authority to carry out its work;
 - Review the internal audit programme and results of the internal audit programme and the results of the internal audit process and where necessary ensure that appropriate actions taken on the recommendations of the internal audit function;
 - Review any appraisal or assessment of the performance of members of the internal audit functions;
 - Approve any appointment or termination of senior staff members of the internal audit function;
 - Inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
 - To consider other topics as defined by the Board.

In connection with the Standards of Internal Control and Financial Reporting, to:

- Review the principal risks identified and to assess how they have been identified, evaluated and managed and to design, operate and monitor the system of internal control in managing the risks.
- Hold specific discussions with Senior Management to discuss the overall adequacy of the internal control system.
- Meet with the internal and external auditors concerning any comments they may have with respect to improving the internal control system.
- Consider the nature and disposition of the relevant comments appearing in the reports prepared by the internal auditor and Management letters by the external auditors.

MEETINGS AND ATTENDANCE

Eight (8) Audit Committee meetings were held during the financial year ended 31 March 2007. Attendance of the Committee members were as follows:-

No.	Name	Total Meetings	Percentage of Attendance
1.	Wong Lee Yun	8/8	100%
2.	Sim Sai Hoon	8/8	100%
3.	Datuk Patinggi Tan Sri Dr. Wong Soon Kai (Appointed as member of Audit Committee on 31.03.2007)	N/A	N/A
4.	Dato' Leong Khee Seong*	8/8	100%

* Dato' Leong vacated his office as Director on 31 March 2007.

The total number of meetings is exclusive of the special operational meetings held between the Audit Committee and the senior management by invitation.

The head of finance and internal audit divisions, other senior management personnel as well as the representatives of the external auditors were also invited to attend the meetings.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES

During the financial year under review, the Committee carried out the following activities:-

Financial Results

- review of the quarterly and year-end financial results prior to submission to the Board for consideration and approval;
- review of the annual financial statements in accordance with the applicable Financial Reporting Standards in Malaysia and other legal and regulatory requirements;
- review of the annual budget. Results are then monitored on quarterly basis against budget and key performance indicators, with major variances and important operational issues being followed-up and management action taken, where necessary.

Internal Audit

- review of internal audit's resource requirements;
- review of internal audit's plan and programmes;
- review of internal audit reports, recommendations and management's response;
- review of improvement measures taken by management to rectify and enhance the internal control system;

External Audit

- review of external audit scope and audit plan based on the external auditors' presentation of audit strategy and plan;
- review of external audited reports for the Company and the Group ;
- review of the proposed audit fees for the external auditors for the financial year ended 31 March 2007;
- consideration of reappointment of the external auditors for recommendation to the shareholders for their approval;

Others

- review of related party transactions of the Company and/or its subsidiaries and disclose procedures prior to submission to the Board for consideration and approval to ensure compliance with the relevant regulatory requirements; and
- review of the Audit Committee Report and Statement of Internal Control for inclusion in the financial year 2007 Annual Report.

INTERNAL AUDIT FUNCTION

The Internal Audit Unit reports functionally and independently to the committee and is independent of management and of the activities it reviews. Its role encompasses the examination and evaluation of the adequacy and effectiveness of the Group's system of internal controls and to provide reasonable assurances to the committee that established policies and procedures are adhered to and such system continues to operate effectively and satisfactorily.

A summary of activities out by the Internal Audit Unit during the financial year ended 31 March 2007 were as follow:-

- Planned group annual audit for approval by the Audit Committee;
- Audited various functional activities and areas as per approved audit plan, provided feedback and made the necessary recommendations to the Committee and management;
- Attended Committee meetings to present, discuss as well as take instructions on matters that fall under the internal audit function;
- Observed annual stock-take of finished goods, raw materials and consumables to ensure that it had been conducted in accordance with acceptable approved procedures;
- Attended relevant courses, seminars and conferences to keep abreast with the current developments to improve professional skills in internal auditing.

Details of the internal audit function are set in the Statement on Internal Control on pages 31 to 32.

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 2007.

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 as follows:

- Publishing, printing and distribution of newspaper "Guang Ming Daily" and distributions of magazines and other publications
- Newspaper circulation and distribution agent and providing editorial and advertising services
- Publishing and distribution of magazines
- Providing contents to web and mobile users, web hosting and designing, web advertising, and web audio and video broadcasting

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

Results

	Group RM	Company RM
Profit after tax attributable to equity holders of the Company	63,091,329	56,068,750

There were no other material transfers to or from reserves or provisions during the financial year other than as disclosed in the statement 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:

- (a) the effects arising from the changes in accounting policies due to the adoption of the new and revised FRSs which has resulted in a decrease in the Group's and the Company's profit for the year by RM 250,000 as disclosed in Note 2.3(d)(ii) to the financial statements; and
- (b) the effects arising from changes in estimates where the residual values of certain plant and machineries were revised resulting in an increase in the Group's and the Company's profit for the year by RM 3,090,120 respectively as disclosed in Note 2.4 to the financial statements.

Dividends

The amount of dividends paid by the Company since 31 March 2006 were as follows:

RM

In respect of the financial year ended 31 March 2006 as reported in the directors' report of that year:

First and final tax exempt dividend of 8.5 sen per share on 302,000,000 ordinary shares of RM0.50 each, was paid on 15 November 2006

25,670,000

At the forthcoming Annual General Meeting, a first and final dividend of 10.0 sen per share on 302,000,000 ordinary shares, amounting to RM30,200,000, in respect of the current financial year will be proposed for shareholders' approval, which consist of tax exempt dividend of 5.0 sen per ordinary share and 5.0 sen gross per ordinary share less income tax. 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 2008.

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
Dato' Liew Kam Chean @ Liew Chen Chuan
Datuk Patinggi Tan Sri Dr. Wong Soon Kai
Dr. Tiong Ik King
Siew Nyoke Chow
Sim Sai Hoon
Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh
Wong Lee Yun
Ng Chek Yong
Dato' Leong Sonny @ Leong Khee Seong (resigned on 31 March 2007)

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 or the fixed salary of full-time employee of the Company as shown in Note 8 to the financial statements) 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 8 and 33(b) to the financial statements.

Directors' Report *(cont'd)*

Directors' interest

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 corporations during the financial year were as follows:

	Ordinary shares of RM0.50 each			
	As at 1.4.2006	Bought	Sold	As at 31.3.2007
The Company				
<i>Direct interest in shares:</i>				
Tan Sri Datuk Diong Hiew King @ Tiong Hiew King	25,392,600	-	-	25,392,600
Dr. Tiong Ik King	2,796,000	-	-	2,796,000
Dato' Liew Kam Chean @ Liew Chen Chuan	810,000	-	(500,000)	310,000
Siew Nyoke Chow	720,000	30,000	-	750,000
Ng Chek Yong	20,000	-	-	20,000

Indirect interest in shares:

Tan Sri Datuk Diong Hiew King @ Tiong Hiew King	123,192,300	565,500	(1,864,000)	121,893,800
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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 value 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.
- (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.

Other statutory information (*cont'd.*)

- (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.

Subsequent event

Details of subsequent event are disclosed in Note 36 to the financial statements.

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 dated 17 July 2007.



Dato' Liew Kam Chean



Sim Sai Hoon

Statement by Directors

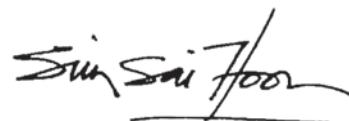
Pursuant to Section 169(15) of the Companies Act, 1965

We, **Dato' Liew Kam Chean** and **Sim Sai Hoon**, 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 44 to 94 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards 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 2007 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 dated 17 July 2007.



Dato' Liew Kam Chean



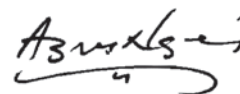
Sim Sai Hoon

Statutory Declaration

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

I, **Ngieng Leh Ming**, 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 44 to 94 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 Statutory Declarations Act, 1960.

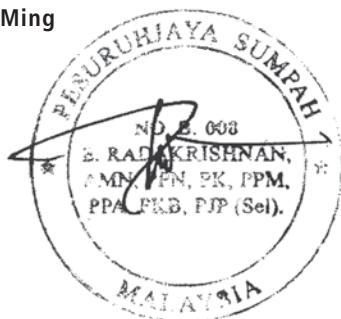
Subscribed and solemnly declared by
the abovenamed **Ngieng Leh Ming**
at Petaling Jaya
on 17 July 2007



Ngieng Leh Ming

Before me,

E. RADAKRISHNAN (No. B008)
Commissioner for Oaths



No. 76, Jalan SS 2/60
47300 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia

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 44 to 94. 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 Financial Reporting 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 2007 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 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: 0039
Chartered Accountant



YONG VOON KAR
1769/04/08 (J/PH)
Partner

Kuching, Malaysia.

Date: 17 July 2007

Income Statements

for the year ended 31 March 2007

	Note	Group		Company	
		2007 RM	2006 RM (restated)	2007 RM	2006 RM (restated)
Revenue	3	479,753,088	471,541,414	400,240,866	395,026,767
Cost of sales		(338,283,777)	(344,315,088)	(284,750,918)	(290,080,247)
Gross profit		141,469,311	127,226,326	115,489,948	104,946,520
Other income	4	16,516,209	13,726,673	14,699,078	10,889,940
Selling and distribution expenses		(26,614,014)	(23,424,805)	(17,628,651)	(14,685,012)
Administrative expenses		(21,295,191)	(20,375,963)	(17,138,465)	(16,907,658)
Other expenses		(23,481,227)	(21,058,530)	(19,661,475)	(16,265,200)
Operating profit		86,595,088	76,093,701	75,760,435	67,978,590
Finance costs	5	(2,626,524)	(4,252,042)	(2,613,858)	(4,239,940)
Profit before tax	6	83,968,564	71,841,659	73,146,577	63,738,650
Income tax expense	9	(20,877,235)	(17,623,162)	(17,077,827)	(15,128,925)
Profit for the year attributable to equity holders of the Company		63,091,329	54,218,497	56,068,750	48,609,725
Earnings per share attributable to equity holders of the Company (sen):	10				
- Basic		21	18		
- Diluted		*	*		

*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 2007

		Group		Company	
	Note	2007 RM	2006 RM (restated)	2007 RM	2006 RM (restated)
ASSETS					
Non-current assets					
Property, plant and equipment	12	148,141,839	146,913,682	146,583,308	145,068,333
Investment property	13	5,000,000	5,000,000	5,000,000	5,000,000
Prepaid land lease payments	14	29,545,489	27,913,619	29,545,489	27,913,619
Intangible assets	15	48,537,705	45,499,208	3,219,737	181,240
Investments in subsidiary companies	16	-	-	8,325,400	8,325,400
Other investments	17	-	976,752	-	976,752
Deferred tax assets	18	11,438,898	14,479,084	-	-
		242,663,931	240,782,345	192,673,934	187,465,344
Current assets					
Inventories	19	42,498,053	103,742,218	42,333,494	103,561,187
Trade receivables	20	77,730,207	76,809,621	66,248,452	64,916,365
Other receivables	21	5,485,821	4,832,760	4,577,401	3,995,458
Amount due from subsidiary companies	22	-	-	50,683,634	58,995,578
Cash and bank balances	23	108,956,905	32,212,346	102,890,693	28,756,977
		234,670,986	217,596,945	266,733,674	260,225,565
TOTAL ASSETS					
		477,334,917	458,379,290	459,407,608	447,690,909
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	29	151,000,000	151,000,000	151,000,000	151,000,000
Share premium	29	467,497	467,497	467,497	467,497
Retained earnings	30	205,655,770	168,234,441	191,492,503	161,093,753
Total equity		357,123,267	319,701,938	342,960,000	312,561,250

Balance Sheets

as at 31 March 2007 (cont'd)

	Note	Group		Company	
		2007 RM	2006 RM (restated)	2007 RM	2006 RM (restated)
Non-current liabilities					
Borrowings	25	15,666,418	25,072,347	15,593,510	24,952,986
Deferred tax liabilities	18	14,012,000	12,701,000	14,000,000	12,701,000
		29,678,418	37,773,347	29,593,510	37,653,986
Current liabilities Provisions					
Borrowings	25	39,283,708	64,435,031	39,237,254	64,374,581
Trade payables	27	19,928,953	13,432,012	18,395,959	12,446,516
Other payables	28	24,068,750	20,505,852	19,189,106	15,605,453
Amount due to subsidiary companies	22	-	-	2,922,893	2,551,853
Current tax payable		6,051,821	1,331,110	5,908,886	1,297,270
		90,533,232	100,904,005	86,854,098	97,475,673
Total liabilities		120,211,650	138,677,352	116,447,608	135,129,659
TOTAL EQUITY AND LIABILITIES		477,334,917	458,379,290	459,407,608	447,690,909

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

Statements of Changes in Equity

for the year ended 31 March 2007

	Note	Share capital RM	Share premium RM	Distributable Revenue reserve RM	Total RM
Group					
At 1 April 2005					
As previously stated		151,000,000	467,497	139,185,944	290,653,441
Effect of adopting FRS 140	2.3(e)	-	-	500,000	500,000
At 1 April 2005 (restated)		151,000,000	467,497	139,685,944	291,153,441
Profit for the year, representing total recognised income and expense for the year		-	-	54,218,497	54,218,497
Dividend paid	11	-	-	(25,670,000)	(25,670,000)
At 31 March 2006 (restated)		151,000,000	467,497	168,234,441	319,701,938
At 1 April 2006					
As previously stated		151,000,000	467,497	167,484,441	318,951,938
Effect of adopting FRS 140	2.3(e)	-	-	750,000	750,000
At 1 April 2006 (restated)		151,000,000	467,497	168,234,441	319,701,938
Profit for the year, representing total recognised income and expense for the year		-	-	63,091,329	63,091,329
Dividend paid	11	-	-	(25,670,000)	(25,670,000)
At 31 March 2007		151,000,000	467,497	205,655,770	357,123,267

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

Statements of Changes in Equity

for the year ended 31 March 2007 (cont'd)

Company	Note	Share capital RM	Share premium RM	Distributable Revenue reserve RM	Total RM
At 1 April 2005					
As previously stated		151,000,000	467,497	137,654,028	289,121,525
Effect of adopting FRS 140	2.3(e)	-	-	500,000	500,000
At 1 April 2006 (restated)		151,000,000	467,497	138,154,028	289,621,525
Profit for the year, representing total recognised income and expense for the year		-	-	48,609,725	48,609,725
Dividend paid	11	-	-	(25,670,000)	(25,670,000)
At 31 March 2006 (restated)		151,000,000	467,497	161,093,753	312,561,250
At 1 April 2006					
As previously stated		151,000,000	467,497	160,343,753	311,811,250
Effect of adopting FRS 140	2.3(e)	-	-	750,000	750,000
At 1 April 2006 (restated)		151,000,000	467,497	161,093,753	312,561,250
Profit for the year, representing total recognised income and expense for the year		-	-	56,068,750	56,068,750
Dividend paid	11	-	-	(25,670,000)	(25,670,000)
At 31 March 2007		151,000,000	467,497	191,492,503	342,960,000

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

Cash Flow Statements

for the year ended 31 March 2007

	Note	Group 2007 RM	2006 RM	Company 2007 RM	2006 RM
Cash flows from operating activities					
Profit before tax		83,968,564	71,841,659	73,146,577	63,738,650
Adjustments for:					
Allowance for doubtful debts	6	5,091,192	7,020,178	3,540,067	5,349,185
Allowance for doubtful debts no longer required	6	(6,402,972)	(6,886,455)	(5,035,419)	(4,444,159)
Amortisation of intangible assets	6	368,503	90,720	368,503	90,720
Amortisation of prepaid land lease payment	6	566,230	577,935	566,230	577,935
Bad debts written off	6	3,043,671	2,960,669	2,133,116	1,530,298
Depreciation	6	10,911,095	12,904,321	10,445,650	12,263,305
Dividend income	6	-	(9,750)	-	(9,750)
Gain on disposal of property, plant and equipment	6	(57,642)	(98,959)	(14,442)	(139,972)
Interest expenses	5	2,626,524	4,252,041	2,613,858	4,239,940
Interest income	6	(1,746,111)	(534,514)	(1,685,521)	(475,300)
Loss on disposal of other investment	6	52,383	-	52,383	-
Property, plant and equipment written off		317,005	-	3	-
Operating profit before working capital changes		98,738,442	92,117,845	86,131,005	82,720,852
Changes in working capital:					
Inventories		61,244,165	13,712,400	61,227,693	11,412,632
Receivables		(3,268,451)	866,022	(2,551,794)	1,053,844
Payables		10,060,116	(12,827,637)	9,533,097	(11,450,664)
Subsidiary companies		-	-	8,682,983	11,450,899
Cash generated from operations		166,774,272	93,868,630	163,022,984	95,187,563
Interest paid		(2,626,524)	(4,252,041)	(2,613,858)	(4,239,940)
Interest received		1,746,111	86,645	1,685,521	38,851
Taxes paid		(11,842,701)	(11,549,004)	(11,167,211)	(10,990,150)
Net cash generated from operating activities		154,051,158	78,154,230	150,927,436	79,996,324

Cash Flow Statements

for the year ended 31 March 2007 (cont'd)

	Note	Group		Company	
		2007 RM	2006 RM	2007 RM	2006 RM
Cash flows from investing activities					
Acquisition of property, plant and equipment	12	(12,319,027)	(17,428,201)	(11,819,686)	(16,815,197)
Decrease in fixed deposits pledged		-	41,810	-	-
Interest received		-	447,869	-	436,449
Prepayment of land lease		(2,198,100)	(1,800)	(2,198,100)	(1,800)
Proceeds from disposal of property, plant and equipment		332,412	1,457,228	285,500	192,228
Proceeds from disposal of other investment		924,369	-	924,369	-
Acquisition of intangible asset		(3,247,000)	-	(3,247,000)	-
Net dividends received		-	7,020	-	7,020
Net cash used in investing activities		(16,507,346)	(15,476,074)	(16,054,917)	(16,181,300)
Cash flows from financing activities					
Repayment of lease payables		(769,253)	(423,455)	(708,803)	(373,891)
Decrease in bankers' acceptances		(10,180,000)	(37,841,198)	(10,180,000)	(37,841,198)
Drawdown of revolving credit		-	23,000,000	-	23,000,000
Repayment of revolving credit		(5,000,000)	(18,000,000)	(5,000,000)	(18,000,000)
Repayment of term loans		(19,180,000)	(13,362,667)	(19,180,000)	(13,362,667)
Dividends paid		(25,670,000)	(25,670,000)	(25,670,000)	(25,670,000)
Net cash used in financing activities		(60,799,253)	(72,297,320)	(60,738,803)	(72,247,756)
Net increase/(decrease) in cash and cash equivalents		76,744,559	(9,619,164)	74,133,716	(8,432,732)
Cash and cash equivalents at beginning of year		32,212,346	41,831,510	28,756,977	37,189,709
Cash and cash equivalents at end of year	23	108,956,905	32,212,346	102,890,693	28,756,977

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

Notes to the Financial Statements -

31 March 2007

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of Bursa Malaysia Securities. 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 as follows:

- Publishing, printing and distribution of newspaper "Guang Ming Daily"
- Newspaper circulation and distribution agent and providing editorial services and contract labour
- Publishing and distribution of magazines
- Providing contents to web and mobile users, web hosting and designing, web advertising, and web audio and video broadcasting

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 17 July 2007.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSS which are mandatory for financial periods beginning on or after 1 January 2006 as described fully in Note 2.3.

The financial statements of the Group and of the Company have also been prepared on a historical basis, except for investment properties that have been measured at their fair values.

The financial statements are presented in Ringgit Malaysia (RM).

Notes to the Financial Statements -

31 March 2007 (*cont'd*)

2.2 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) *Subsidiaries*

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

2.2 Summary of significant accounting policies (*cont'd.*)

(b) Intangible assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

Cost of the name, "Sin Chew Daily"

Cost of acquisition of the name of the newspaper, "Sin Chew Daily", considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over twenty years.

Costs of computer software

Costs of computer software, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over five years.

Notes to the Financial Statements -

31 March 2007 (*cont'd*)

2.2 Summary of significant accounting policies (*cont'd.*)

(c) Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress are also not depreciated as these assets are not available for use. 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 the estimated useful life, at the following annual rates:

Buildings	- 2% and 5%
Furniture, fittings and equipment	- 7½% and 10%
Computer equipment	- 20%
Plant and machinery	- 5% to 10%
Motor vehicles	- 20%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(d) Investment property

An investment property is property which are held either to earn rental income and/or for capital appreciation rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value. Fair value is arrived with reference to valuation, which is based on market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

2.2 Summary of significant accounting policies (*cont'd.*)

(d) Investment property (*cont'd.*)

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year in which it arises.

(e) Impairment of non-financial assets

The carrying amounts of assets, other than investment property, goodwill, inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognized in the income statement in the year in which it arises.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(f) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the weighted average basis. The cost of inventories comprises all cost of purchases and other costs incurred in bringing the inventories to their present location.

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 -

31 March 2007 (*cont'd*)

2.2 Summary of significant accounting policies (*cont'd.*)

(g) 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 assets, 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) 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.

(ii) Other non-current investments

Non-current investments other than investments in subsidiaries and investment property are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

(iii) 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.

(iv) Payables

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

(v) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(vi) Equity instruments

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

2.2 Summary of significant accounting policies (*cont'd.*)

(h) Leases

(i) *Classification*

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions:

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (Note 2.2(d)); and
- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(ii) *Finance lease – the Group as a lessee*

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. Any initial direct costs are also added to the carrying amount of such assets.

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 profit or loss 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 in accordance with that for depreciable property, plant and equipment as described in Note 2.2(c).

(i) *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Financial Statements -

31 March 2007 (*cont'd*)

2.2 Summary of significant accounting policies (*cont'd.*)

(j) 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.

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 as income or an expense and included in the profit or loss for the period, 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 the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(k) Provisions

Provisions 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, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(l) 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. 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

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

2.2 Summary of significant accounting policies (*cont'd.*)

(m) Foreign currencies

(i) *Functional and presentation currency*

The individual financial statements of the each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) *Foreign Currency Transactions*

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

(n) Revenue recognition

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

(i) *Circulation revenue*

Circulation revenue comprises sale 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.

(iv) *Rental income*

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

(v) *Interest income*

Interest income is recognised on an accrual basis using the effective interest method.

(vi) *Dividend income*

Dividend income is recognised when the Group's right to receive payment is established.

Notes to the Financial Statements -

31 March 2007 (*cont'd*)

2.3 Changes in accounting policies and effects arising from adoption of new and revised FRSs

On 1 April 2006, the Group and the Company adopted the following FRSs mandatory for financial periods beginning on or after 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

In addition, the Group has early adopted the following new and revised FRSs for the financial period beginning 1 April 2006:

FRS 117	Leases
FRS 124	Related Party Disclosures

The Group has not early adopted the following FRSs which have effective dates as follows:

	Effective for financial periods beginning on or after
FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 126	Accounting and Reporting by Retirement Benefit Plans
FRS 129	Financial Reporting in Hyperinflationary Economies
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
FRS 139	Financial Instruments: Recognition and Measurement
	Effective date deferred

2.3 Changes in accounting policies and effects arising from adoption of new and revised FRSs (cont'd)

At the date of authorisation of these financial statements, the following FRS, amendments to FRS and Interpretations were in issue but not yet effective:

FRS 6	:	Exploration for and Evaluation of Mineral Resources
FRS 107	:	Cash Flow Statements
FRS 111	:	Construction Contracts
FRS 112	:	Income Taxes
FRS 118	:	Revenue
FRS 119	:	Employee Benefits
FRS 120	:	Accounting for Government Grants and Disclosure of Government Assistance
FRS 126	:	Accounting and Reporting by Retirement Benefit Plans
FRS 129	:	Financial Reporting in Hyperinflationary Economies
FRS 134	:	Interim Financial Reporting
FRS 137	:	Provisions, Contingent Liabilities and Contingent Assets
FRS 139	:	Financial Instruments: Recognition and Measurement
Amendment to FRS 119 ₂₀₀₄	:	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures (superseded by FRS 119 after 1 July 2007)
Amendment to FRS 121	:	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
IC Interpretation 1	:	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	:	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	:	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	:	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	:	Applying the Restatement Approach under FRS 129 ₂₀₀₄ Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	:	Scope of FRS 2.

The adoption of FRS 6, 107, 111, 112, 118, 119, 120, 126, 129, 134 and 137, the above Amendments and Interpretations will have no impact on the financial statements of the Group in the period of initial application.

Notes to the Financial Statements -

31 March 2007 (*cont'd*)

2.3 Changes in accounting policies and effects arising from adoption of new and revised FRSs (*cont'd*)

The adoption of the above new and revised FRSs does not result in significant changes in accounting policies of the Group, except for the following:

(a) FRS 117: Leases

Leasehold land held for own use

Prior to 1 April 2006, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 April 2006, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and as disclosed in Note 2.3(e), certain comparatives have been restated. The effects on the consolidated balance sheet as at 31 March 2007 are set out in Note 2.3(d)(i). There were no effects on the consolidated income statement for the year ended 31 March 2007 and the Company's financial statements.

(b) FRS 138: Intangible assets

Other intangible assets

Prior to 1 April 2006, all intangible assets were considered to have a finite useful life and were stated at cost less accumulated amortisation and impairment losses. Upon the adoption of FRS 138, the useful lives of intangible assets are now assessed at the individual asset level as having either a finite or indefinite life. Cost of acquisition of the name of the newspaper, "Sin Chew Daily" is considered to have finite useful lives and therefore, continue to be stated at cost less accumulated amortisation and impairment losses.

Prior to 1 April 2006, cost of computer software was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 138 has resulted in a change in the accounting policy relating to the classification of the cost of computer software. Cost of computer software is classified as intangible assets.

The Group has applied the change in accounting policy in respect of the cost of computer software in accordance with the transitional provisions of FRS 138. At 1 April 2006, the cost the accumulated amortization of cost of computer software under property, plant and equipment is reclassified to the cost and accumulated amortisation under intangible assets as allowed by the transitional provisions. The reclassification of the costs of computer software has been accounted for prospectively and as disclosed in Note 2.3(e). The effects on the consolidated balance sheet as at 31 March 2007 are set out in Note 2.3(d)(i). There were no effects on the consolidated income statement for the year ended 31 March 2007 and the Company's financial statements.

2.3 Changes in accounting policies and effects arising from adoption of new and revised FRSs (cont'd)

(c) FRS 140: Investment property

Prior to 1 April 2006, land and building held for rental was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 140 has resulted in a change in the accounting policy relating to the classification of land and building held for rental. Land and building held for rental is classified as investment property.

The Group has applied the change in accounting policy in respect of land and building held for rental in accordance with the transitional provisions of FRS 140. At 1 April 2006, the unamortised amount of land and building is retained as the surrogate carrying amount of investment property as allowed by the transitional provisions.

The reclassification of land and building as investment property has been accounted for prospectively and as disclosed in Note 2.3(e). The effects on the consolidated balance sheet as at 31 March 2007 are set out in Note 2.3(d)(i). There were no effects on the consolidated income statement for the year ended 31 March 2007 and the Company's financial statements.

(d) Summary of effects of adopting new and revised FRSs on the current year's financial statements

The following tables provide estimates of the extent to which each of the line items in the balance sheets and income statements for the year ended 31 March 2007 is higher or lower than it would have been had the previous policies been applied in the current year.

(i) Effects on balance sheets as at 31 March 2007

Description of change	Increase/(decrease)			Total RM
	FRS 117 Note 2.3(a) RM	FRS 138 Note 2.3(b) RM	FRS 140 Note 2.3(c) RM	
Group and Company				
Property, plant and equipment	(29,545,489)	(3,129,217)	(4,000,000)	(36,924,706)
Investment property	-	-	5,000,000	5,000,000
Prepaid land lease payment	29,545,489	-	-	29,545,489
Intangible assets	-	3,129,217	-	3,129,217
Retained earnings	-	-	1,000,000	1,000,000

Notes to the Financial Statements -

31 March 2007 (cont'd)

2.3 Changes in accounting policies and effects arising from adoption of new and revised FRSs (cont'd)

(d) Summary of effects of adopting new and revised FRSs on the current year's financial statements (cont'd.)

(ii) Effect on income statements for the period ended 31 March 2007

Description of change	Increase/(decrease)
	FRS 140 Note 2.3 (c) RM
Group	
Other expenses	(250,000)
Profit for the year	250,000
Company	
Other expenses	(250,000)
Profit for the year	250,000

(e) Restatement of comparatives

The following comparative amounts have been restated as a result of adopting the new and revise FRSs:

Description of change	Previously stated	Increase/ (decrease)		Restated
		FRS 117 Note 2.3(a) RM	FRS 140 Note 2.3(c) RM	RM
At 1 April 2005				
Group				
Retained earnings	139,185,944	-	500,000	139,685,944
Company				
Retained earnings	137,654,028	-	500,000	138,154,028

2.3 Changes in accounting policies and effects arising from adoption of new and revised FRSs (cont'd)

(e) Restatement of comparatives (cont'd)

Description of change	Previously stated	Increase/ (decrease)		Restated
		FRS 117 Note 2.3(a)	FRS 140 Note 2.3(c)	
	RM	RM	RM	RM
At 31 March 2006				
Group				
Property, plant and equipment	179,077,301	(27,913,619)	(4,250,000)	146,913,682
Prepaid land lease payment	-	27,913,619	-	27,913,619
Retained earnings	167,484,441	-	750,000	168,234,441
Investment properties	-	-	5,000,000	5,000,000
Company				
Property, plant and equipment	177,231,952	(27,913,619)	(4,250,000)	145,068,333
Prepaid land lease payment	-	27,913,619	-	27,913,619
Retained earnings	160,343,753	-	750,000	161,093,753
Investment properties	-	-	5,000,000	5,000,000
For the year ended 31 March 2006				
Group				
Other expenses	25,092,457		(250,000)	24,842,457
Profit for the year	53,968,497		250,000	54,218,497
Company				
Other expenses	19,255,332		(250,000)	19,005,332
Profit for the year	48,359,725		250,000	48,609,725

2.4 Changes in estimates

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. The Group revised the estimated useful lives of certain plant and machineries from 13.33 years to 20 years and depreciation rate was revised from 7.5% to 5% with effect from 1 April 2006. The revisions were accounted for prospectively as a change in accounting estimates and as a result, the depreciation charges of the Group and the Company for the current financial year have been reduced by RM3,090,120.

Notes to the Financial Statements -

31 March 2007 (cont'd)

2.5 Significant accounting estimates and judgements

(a) Critical judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(ii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3. Revenue

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Advertising, circulation and printing revenue	476,759,208	470,371,402	400,240,866	395,026,767
Others	2,993,880	1,170,012	-	-
	<u>479,753,088</u>	<u>471,541,414</u>	<u>400,240,866</u>	<u>395,026,767</u>

4. Other income

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Allowance for doubtful debts no longer required	6,402,972	6,886,455	5,035,419	4,444,159
Bad debts recovered	93,542	110,711	58,315	106,644
Gain on disposal of property, plant and equipment	57,642	98,959	14,442	139,972
Gain on foreign exchange realised	22,182	-	22,182	-
Interest income				
- Fixed deposit	1,526,626	437,568	1,526,627	436,449
- Newspaper debtors' interest income	219,485	86,645	158,894	38,851
- Late payment interest received	-	10,301	-	-
Rental income	484,624	464,899	920,104	774,871
Sundry income	7,709,136	5,631,135	6,963,095	4,948,994
	<u>16,516,209</u>	<u>13,726,673</u>	<u>14,699,078</u>	<u>10,889,940</u>

5. Finance costs

Bankers' acceptances interest	870,155	1,772,754	870,155	1,772,754
Lease interest	89,714	87,514	77,048	75,412
Term loan interest	1,654,162	2,208,806	1,654,162	2,208,806
Revolving credit interest	12,493	182,968	12,493	182,968
	<u>2,626,524</u>	<u>4,252,042</u>	<u>2,613,858</u>	<u>4,239,940</u>

6. Profit before tax

The following amounts have been included in arriving at profit before tax:

Allowance for doubtful debts	5,091,092	7,020,178	3,540,067	5,349,185
Allowance for doubtful debts no longer required	(6,402,972)	(6,886,455)	(5,035,419)	(4,444,159)
Amortisation of intangible asset	368,503	90,720	368,503	90,720
Amortisation of prepaid land lease payment	566,230	577,935	566,230	577,935
Auditors' remuneration:				
- statutory audits				
- current year	91,000	90,000	60,000	60,000
- special audit	60,000	-	40,000	-
- under provision in prior year	-	960	-	-

Notes to the Financial Statements -

31 March 2007 (cont'd)

6. Profit before tax (cont'd)

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
- other services				
- current year	16,500	23,500	7,500	14,500
- over provision in prior year	-	(5,000)	-	(5,000)
Bad debts written off	3,043,671	2,960,669	2,133,116	1,530,298
Depreciation (Note 12)	10,911,095	12,904,321	10,445,650	12,263,305
Gain on disposal of property, plant and equipment	(57,642)	(98,959)	(14,442)	(139,972)
Gross dividend income	-	(9,750)	-	(9,750)
Interest income	(1,746,111)	(534,514)	(1,685,521)	(475,300)
(Gain)/Loss on foreign exchange				
- realised	(22,182)	48,347	(22,182)	48,347
Loss on disposal of other investment	52,383	-	52,383	-
Non-executive directors' remuneration (Note 8)	165,000	164,650	165,000	164,650
Rental income	(484,624)	(464,899)	(920,104)	(774,871)
Rental of land, building and equipment	6,393,542	7,855,521	6,281,284	7,541,390

7. Employee benefits expense

Salaries	46,339,061	45,030,750	36,899,608	36,338,767
Social security contributions	790,931	764,333	607,526	590,220
Contribution to defined contribution plan	8,278,362	7,927,591	6,575,800	6,432,373
Other benefits	27,440,705	28,774,287	21,107,536	22,599,995
	<u>82,849,059</u>	<u>82,496,961</u>	<u>65,190,470</u>	<u>65,961,355</u>

8. 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	
	2007	2006	2007	2006
	RM	RM	RM	RM
Executive directors' remuneration:				
Salaries and other emoluments	2,218,825	2,293,587	1,936,335	2,014,103
Bonus	463,250	409,857	395,500	347,817
Pension costs – defined contribution plan	318,699	315,252	266,810	265,657
Social security costs	1,860	1,806	620	602
Benefits-in-kind	95,350	120,250	79,950	102,650
	3,097,984	3,140,752	2,679,215	2,730,829
Non-executive directors' remuneration:				
Fees	165,000	164,650	165,000	164,650
Allowances	24,500	22,000	24,500	22,000
Benefit-in-kinds	28,000	-	28,000	-
	217,500	186,650	217,500	186,650
Total	3,327,222	3,334,502	2,906,440	2,924,579

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

	Group		Company	
	Number of directors	Number of directors	Number of directors	Number of directors
	2007	2006	2007	2006
Executive directors:				
RM1 – RM50,000	-	-	1	-
RM150,001 – RM200,000	1	1	-	-
RM200,001 – RM250,000	-	1	-	-
RM250,001 – RM300,000	1	-	-	-
RM400,001 – RM450,000	-	1	-	1
RM500,001 – RM550,000	1	2	1	2
RM550,001 – RM600,000	1	1	1	1
RM600,001 – RM650,000	1	-	1	-
RM650,001 – RM700,000	-	1	-	1
RM900,001 – RM950,000	1	-	1	-

Notes to the Financial Statements -

31 March 2007 (cont'd)

8. 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 below: (cont'd.)

	Group Number of directors		Company Number of directors	
	2007	2006	2007	2006
Non-executive directors:				
RM1 - RM50,000	4	5	4	5
RM75,001 - RM80,000	1	-	1	-

9. Income tax expense

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Current income tax:				
Malaysia income tax	17,560,165	12,768,246	16,811,616	12,200,000
Real Property Gains Tax	-	34,000	-	-
(Over)/under provision in prior year	(1,034,116)	366,884	(1,032,789)	366,925
	<u>16,526,049</u>	<u>13,169,130</u>	<u>15,778,827</u>	<u>12,566,925</u>
Deferred tax (Note 18):				
Relating to origination and reversal of temporary differences	4,463,116	4,572,032	2,212,720	2,656,000
Relating to change in tax rates	4,084	-	(958,720)	-
(Over)/under provision in prior years	(116,014)	(118,000)	45,000	(94,000)
	<u>4,351,186</u>	<u>4,454,032</u>	<u>1,299,000</u>	<u>2,562,000</u>
Total income tax expense	<u>20,877,235</u>	<u>17,623,162</u>	<u>17,077,827</u>	<u>15,128,925</u>

Domestic current income tax is calculated at the statutory tax rate of 27% (2006: 28%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 26% from the current year's rate of 27%, effective year of assessment 2008. The computation of deferred tax as at 31 March 2007 has reflected these changes.

9. Income tax expense (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	
	2007 RM	2006 RM	2007 RM	2006 RM
Profit before taxation	83,968,564	71,841,659	73,146,577	63,738,650
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	22,671,512	20,115,664	19,749,576	17,846,822
Effect of changes in tax rates on opening balance of deferred tax	(57,411)	-	(992,385)	-
Effect of lower tax rate	(35,068)	(40,412)	-	-
Effect of income subject to Real Property Gains Tax	-	34,000	-	-
Effect of recognising property, plant and equipment of a subsidiary company at fair value	-	246,663	-	-
Expenses not deductible for tax purposes	764,413	1,563,195	703,894	1,521,010
Utilisation of current year's reinvestment allowance	(1,395,469)	(4,511,832)	(1,395,469)	(4,511,832)
Utilisation of previously unrecognised tax losses	-	(28,000)	-	-
Deferred tax recognised at different tax rate	27,898	-	-	-
Deferred tax assets not recognised	51,490	-	-	-
Deferred tax assets recognised	-	(5,000)	-	-
(Over)/under provision of deferred tax in prior years	(116,014)	(118,000)	45,000	(94,000)
Under/(over)provision of income tax in prior years	(1,034,116)	366,884	(1,032,789)	366,925
Income tax expense for the year	20,877,235	17,623,162	17,077,827	15,128,925

Tax savings recognised during the financial year arising from:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Utilisation of tax losses brought forward from previous years	2,318,055	1,995,000	-	-
Unutilised tax losses carried forward	41,733,746	49,739,710	-	-

Notes to the Financial Statements -

31 March 2007 (cont'd)

10. Earnings per share

(a) Basic

Basic earnings per share amount is calculated by dividing the profit for the period/year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year:

	2007	2006
Profit for the year attributable to equity holders of the Company (RM)	63,091,329	54,218,497
Weighted average number of ordinary shares in issue	302,000,000	302,000,000
Basic earnings per share (sen)	21	18

(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.

11. Dividends

	Dividends in respect of year			Dividends recognised in year	
	2007 RM('000)	2006 RM('000)	2005 RM('000)	2007 RM('000)	2006 RM('000)
First and final tax exempt dividend of 8.5 sen per share on 302,000,000, ordinary shares of RM0.50 each was paid on 15 November 2005	-	-	25,670	-	25,670
First and final tax exempt dividend of 8.5 sen per share on 302,000,000, ordinary shares of RM0.50 each was paid on 15 November 2006	-	25,670	-	25,670	-

	Dividends in respect of year		Dividends recognised in year	
	2007 RM('000)	2006 RM('000)	2007 RM('000)	2006 RM('000)
Proposed for approval at AGM (not recognised as at 31 March 2007):				
First and final dividend of RM0.10 per share on 302,000,000 ordinary shares which consist of tax exempt dividend of RM0.05 sen per ordinary share and RM0.05 sen gross per ordinary share less income tax	30,200	-	-	-

At the forthcoming Annual General Meeting, a first and final dividend of 10.0 sen per share on 302,000,000 ordinary shares, amounting to RM30,200,000, in respect of the current financial year will be proposed for shareholders' approval, which consist of tax exempt dividend of 5.0 sen per ordinary share and 5.0 sen gross per ordinary share less income tax. 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 2008.

12. Property, plant and equipment

	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
Group							
At 31 March 2007							
Cost							
At 1.4.2006	58,529,726	9,225,289	24,384,458	141,407,733	4,983,407	7,214,077	245,744,690
Additions	253,329	490,843	1,814,543	3,620,121	863,892	5,848,299	12,891,027
Disposals	-	(3,409)	(6,186)	(24,000)	(806,092)	-	(839,687)
Reclassification	5,453,685	-	796,900	5,976,813	-	(12,227,398)	-
Reclassification to intangible assets	-	-	(200,000)	-	-	-	(200,000)
Written off	-	(1,721,182)	(2,095,092)	(544,870)	-	-	(4,361,144)
At 31.3.2007	64,236,740	7,991,541	24,694,623	150,435,797	5,041,207	834,978	253,234,886
Accumulated depreciation							
At 1.4.2006	9,356,944	5,513,206	18,995,155	62,070,359	2,895,344	-	98,831,008
Charge for the year (Note 6)	2,776,329	550,155	1,688,646	5,120,321	775,644	-	10,911,095
Disposals	-	(909)	(2,474)	(24,000)	(537,534)	-	(564,917)
Reclassification to intangible assets	-	-	(40,000)	-	-	-	(40,000)
Written off	-	(1,436,741)	(2,063,219)	(544,179)	-	-	(4,044,139)
At 31.3.2007	12,133,273	4,625,711	18,578,108	66,622,501	3,133,454	-	105,093,047
Net carrying amount							
	52,103,467	3,365,830	6,116,515	83,813,296	1,907,753	834,978	148,141,839

Notes to the Financial Statements -

31 March 2007 (cont'd)

12. Property, plant and equipment (cont'd.)

	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
Group (cont'd)							
At 31 March 2006							
Cost							
At 1.4.2005	59,023,657	7,700,482	21,393,850	117,280,771	4,465,499	20,110,965	229,975,224
Additions	619,738	1,527,007	3,195,576	1,622,032	947,994	10,025,854	17,938,201
Disposals	(1,526,481)	(2,200)	(204,968)	(5,000)	(430,086)	-	(2,168,735)
Reclassification	412,812	-	-	22,509,930	-	(22,922,742)	-
At 31.3.2006	58,529,726	9,225,289	24,384,458	141,407,733	4,983,407	7,214,077	245,744,690
Accumulated depreciation							
At 1.4.2005	6,815,515	4,892,537	17,644,254	54,776,105	2,608,742	-	86,737,153
Charge for the year (Note 6)	2,761,897	620,738	1,555,071	7,294,575	672,040	-	12,904,321
Disposals	(220,468)	(69)	(204,170)	(321)	(385,438)	-	(810,466)
At 31.3.2006	9,356,944	5,513,206	18,995,155	62,070,359	2,895,344	-	98,831,008
Net carrying amount							
	49,172,782	3,712,083	5,389,303	79,337,374	2,088,063	7,214,077	146,913,682

12. Property, plant and equipment (cont'd.)

	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
Company							
At 31 March 2007							
Cost							
At 1.4.2006	58,529,726	6,320,497	20,556,064	140,663,342	4,249,920	7,214,077	237,533,626
Additions	253,329	353,137	1,497,445	3,614,861	824,615	5,848,299	12,391,686
Disposals	-	(3,409)	-	-	(658,723)	-	(662,132)
Reclassification	5,453,685	-	796,900	5,976,813	-	(12,227,398)	-
Reclassified to intangible asset	-	-	(200,000)	-	-	-	(200,000)
Written off	-	-	-	(96,200)	-	-	(96,200)
At 31.3.2007	64,236,740	6,670,225	22,650,409	150,158,816	4,415,812	834,978	248,966,980
Accumulated depreciation							
At 1.4.2006	9,356,944	3,427,618	15,722,508	61,486,968	2,471,255	-	92,465,293
Charge for the year (Note 6)	2,776,329	425,561	1,471,079	5,101,208	671,473	-	10,445,650
Disposals	-	(909)	-	-	(390,165)	-	(391,074)
Reclassified to intangible asset	-	-	(40,000)	-	-	-	(40,000)
Written off	-	-	-	(96,197)	-	-	(96,197)
At 31.3.2007	12,133,273	3,852,270	17,153,587	66,491,979	2,752,563	-	102,383,672
Net carrying amount							
	52,103,467	2,817,955	5,496,822	83,666,837	1,663,249	834,978	146,583,308

Notes to the Financial Statements -

31 March 2007 (cont'd)

12. Property, plant and equipment (cont'd.)

	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
Company (cont'd)							
At 31 March 2006							
Cost							
At 1.4.2005	57,497,176	4,949,719	17,758,061	116,669,680	3,829,858	20,110,965	220,815,459
Additions	619,738	1,372,978	3,002,971	1,488,732	754,924	10,025,854	17,265,197
Disposals	-	(2,200)	(204,968)	(5,000)	(334,862)	-	(547,030)
Reclassification	412,812	-	-	22,509,930	-	(22,922,742)	-
At 31.3.2006	58,529,726	6,320,497	20,556,064	140,663,342	4,249,920	7,214,077	237,533,626
Accumulated depreciation							
At 1.4.2005	6,601,502	3,007,165	14,698,858	54,206,583	2,182,654	-	80,696,762
Charge for the year (Note 6)	2,755,442	420,522	1,227,820	7,280,706	578,815	-	12,263,305
Disposals	-	(69)	(204,170)	(321)	(290,214)	-	(494,774)
At 31.3.2006	9,356,944	3,427,618	15,722,508	61,486,968	2,471,255	-	92,465,293
Net carrying amount							
	49,172,782	2,892,879	4,833,556	79,176,374	1,778,665	7,214,077	145,068,333

- (a) During the financial year, the Group and the Company acquired property, plant and equipment at an aggregate cost of RM12,891,027 (2006: RM17,938,201) and RM12,391,686 (2006: RM17,265,197) respectively of which RM572,000 (2006: RM510,000) and RM572,000 (2006: RM450,000) respectively were acquired by means of hire purchase and finance lease arrangements. Net carrying amounts of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Motor vehicles	1,582,616	1,894,678	1,473,062	1,705,280

Details of the terms and conditions of the hire purchase and finance lease arrangements are disclosed in Note 26.

- (b) The net carrying amounts of property, plant and equipment are pledged as security for borrowings (Note 25) are as follows:

	Group and Company	
	2007	2006
	RM	RM
Buildings	-	3,743,667
Plant and machineries	59,895,260	61,456,716
	59,895,260	84,255,191

13. Investment property

	Group and Company	
	2007	2006
	RM	RM
At 1 April/31 March	5,000,000	5,000,000

Investment property comprises of land and building leased to third party.

14. Prepaid land lease payments

	Group and Company	
	2007	2006
	RM	RM
At 1 April	27,913,619	28,489,754
Additions	2,198,100	1,800
Amortisation for the year (Note 6)	(566,230)	(577,935)
At 31 March	29,545,489	27,913,619
Analysed as:		
Short term leasehold lands	7,323,910	5,271,218
Long term leasehold lands	22,221,579	22,642,401
At 31 March	29,545,489	27,913,619

Leasehold land with an aggregate carrying value of nil (2006: RM19,054,808) are pledged as securities for borrowings (Note 25).

15. Intangible assets

	Goodwill	Software costs	"Sin Chew Daily" name	Total
	RM	RM	RM	RM
Group				
Cost				
At 1 April 2006	45,317,968	-	1,814,000	47,131,968
Effects of adopting FRS 138	-	200,000	-	200,000
Additions	-	3,247,000	-	3,247,000
At 31 March 2007	45,317,968	3,447,000	1,814,000	50,578,968

Notes to the Financial Statements -

31 March 2007 (cont'd)

15. Intangible assets (cont'd.)

	Goodwill RM	Software costs RM	"Sin Chew Daily" name RM	Total RM
Accumulated amortisation and impairment				
At 1 April 2006	-	-	1,632,760	1,632,760
Effects of adopting FRS 138	-	40,000	-	40,000
Amortisation (Note 6)	-	277,783	90,720	368,503
At 31 March 2007	-	317,783	1,723,480	2,041,263
Net carrying amount				
At 31 March 2006	45,317,968	-	181,240	45,499,208
At 31 March 2007	45,317,968	3,129,217	90,520	48,537,705
Company				
Cost				
At 1 April 2006	-	-	1,814,000	1,814,000
Effects of adopting FRS 138	-	200,000	-	200,000
Additions	-	3,247,000	-	3,247,000
At 31 March 2007	-	3,447,000	1,814,000	5,261,000
Accumulated amortisation and impairment				
At 1 April 2006	-	-	1,632,760	1,632,760
Effects of adopting FRS 138	-	40,000	-	40,000
Amortisation (Note 6)	-	277,783	90,720	368,503
At 31 March 2007	-	317,783	1,723,480	2,041,263
Net carrying amount				
At 31 March 2006	-	-	181,240	181,240
At 31 March 2007	-	3,129,217	90,520	3,219,737

16. Investments in subsidiary companies

	Company	
	2007 RM	2006 RM
Unquoted shares at cost	8,325,400	8,325,400

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Proportion of ownership interest	
			2007 %	2006 %
Guang-Ming Ribao Sdn. Bhd.	Publishing, printing and distribution of newspaper "Guang Ming Daily" and distributions of magazines and other publications	Malaysia	100	100
Mulu Press Sdn. Bhd.	Newspaper circulation and distribution agent and providing editorial and advertising services	Malaysia	100	100
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

All subsidiary companies are audited by Ernst & Young.

Notes to the Financial Statements -

31 March 2007 (cont'd)

17. Other investments

	Group and Company	
	2007 RM	2006 RM
Quoted shares in Malaysia at cost	-	976,752
Market value of quoted shares	-	970,125

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.

18. Deferred tax (assets)/liabilities

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
At 1 April	(1,778,084)	(6,232,116)	12,701,000	10,139,000
Recognised in the income statement (Note 9)	4,351,186	4,454,032	1,299,000	2,562,000
At 31 March	2,573,102	(1,778,084)	14,000,000	12,701,000
Presented after appropriate offsetting as follows:				
Deferred tax assets	(11,438,898)	(14,479,084)	-	-
Deferred tax liabilities	14,012,000	12,701,000	14,000,000	12,701,000
	2,573,102	(1,778,084)	14,000,000	12,701,000

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

Deferred tax liabilities of the Group:

	Accelerated Capital allowance RM
At 1 April 2006	13,325,326
Recognised in income statement	1,525,944
At 31 March 2007	14,851,270
At 1 April 2005	10,789,370
Recognised in income statement	2,535,956
At 31 March 2006	13,325,326

18. Deferred tax (assets)/liabilities (cont'd)

Deferred tax assets of the Group:

	Provision for ex-gratia RM	Provision for liabilities RM	Allowance for doubtful debts RM	Unutilised tax losses RM	Total RM
At 1 April 2006	(66,000)	(336,000)	(774,291)	(13,927,119)	(15,103,410)
Recognised in income statement	(7,794)	(256,283)	13,800	3,075,519	2,825,242
At 31 March 2007	(73,794)	(592,283)	(760,491)	(10,851,600)	(12,278,168)
At 1 April 2005	(42,000)	(336,000)	(754,367)	(15,889,119)	(17,021,486)
Recognised in income Statement	(24,000)	-	(19,924)	1,962,000	1,918,076
At 31 March 2006	(66,000)	(336,000)	(774,291)	(13,927,119)	(15,103,410)

Deferred tax liabilities of the Company:

	Accelerated capital allowance RM
At 1 April 2006	13,103,000
Recognised in income statement	1,563,077
At 31 March 2007	14,666,077
At 1 April 2005	10,517,000
Recognised in income statement	2,586,000
At 31 March 2006	13,103,000

Notes to the Financial Statements -

31 March 2007 (cont'd)

18. Deferred tax (assets)/liabilities (cont'd)

Deferred tax assets of the Company:

	Provision for ex-gratia	Provision for liabilities	Total RM
At 1 April 2006	(66,000)	(336,000)	(402,000)
Recognised in income statement	(7,794)	(256,283)	(264,077)
At 31 March 2007	(73,794)	(592,283)	(666,077)
At 1 April 2005	(42,000)	(336,000)	(378,000)
Recognised in income statement	(24,000)	-	(24,000)
At 31 March 2006	(66,000)	(336,000)	(402,000)

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

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Unused tax losses	195,285	-	-	-
Unabsorbed capital allowance	6,581	-	-	-
	201,866	-	-	-

19. Inventories

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
At cost:				
Raw materials	42,498,053	103,727,878	42,333,494	103,546,847
Consumables	-	14,340	-	14,340
	42,498,053	103,742,218	42,333,494	103,561,187

There are no inventories stated at net realisable value.

20. Trade receivables

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Trade receivables	90,704,315	91,095,508	73,554,655	73,717,919
Allowance for doubtful debts	(12,974,108)	(14,285,887)	(7,306,203)	(8,801,554)
	77,730,207	76,809,621	66,248,452	64,916,365

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.

21. Other receivables

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Other receivables	1,748,580	827,193	1,129,892	264,645
Deposits	1,795,264	2,030,305	1,685,315	1,911,755
Prepayments	1,835,959	1,906,607	1,762,194	1,819,058
Tax recoverable	106,018	68,655	-	-
	5,485,821	4,832,760	4,577,401	3,995,458

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

22. Amounts due from/(to) subsidiary companies

The amounts due from/(to) subsidiary companies are non-interest bearing, repayable on demand and unsecured.

23. Cash and cash equivalents

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Cash on hand and at banks	36,914,905	19,712,346	30,848,693	16,256,977
Short term deposits with licensed banks	72,042,000	12,500,000	72,042,000	12,500,000
Cash and bank balances	108,956,905	32,212,346	102,890,693	28,756,977

Other information on financial risk of cash and cash equivalents are disclosed in Note 34.

Notes to the Financial Statements -

31 March 2007 (cont'd)

24. Provisions

	Group and Company	
	2007 RM	2006 RM
Libel suits	1,200,000	1,200,000

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

25. Borrowings

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Short term borrowings				
Secured:				
Term loans	9,180,000	19,180,000	9,180,000	19,180,000
Hire purchase and finance lease liabilities (Note 26)	503,708	475,031	457,254	414,581
	9,683,708	19,655,031	9,637,254	19,594,581
Unsecured:				
Bankers' acceptances	29,600,000	39,780,000	29,600,000	39,780,000
Revolving credit	-	5,000,000	-	5,000,000
	29,600,000	44,780,000	29,600,000	44,780,000
	39,283,708	64,435,031	39,237,254	64,374,581
Long term borrowings				
Secured:				
Term loans	14,846,460	24,026,460	14,846,460	24,026,460
Hire purchase and finance lease liabilities (Note 26)	819,958	1,045,887	747,050	926,526
	15,666,418	25,072,347	15,593,510	24,952,986
Total borrowings				
Bankers' acceptances	29,600,000	39,780,000	29,600,000	39,780,000
Revolving credit	-	5,000,000	-	5,000,000
Term loans	24,026,460	43,206,460	24,026,460	43,206,460
Hire purchase and finance lease liabilities (Note 26)	1,323,666	1,520,918	1,204,304	1,341,107
	54,950,126	89,507,378	54,830,764	89,327,567

The secured term loans of the Group are secured by a first legal charge over certain property, plant and equipment of the Company as disclosed in Note 12(b) to the financial statements.

Other information on financial risks of borrowings are disclosed in Note 34.

26. Hire purchase and finance lease liabilities

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Future minimum lease payments:				
Not later than 1 year	558,316	546,924	505,211	473,808
Later than 1 year and not later than 2 years	449,022	463,852	402,534	410,747
Later than 2 years and not later than 5 years	411,748	655,058	381,140	577,962
Total future minimum lease payment	1,419,086	1,665,834	1,288,885	1,462,517
Less: Future finance charges	(95,420)	(144,916)	(84,581)	(121,410)
Present value of finance lease liabilities (Note 25)	1,323,666	1,520,918	1,204,304	1,341,107
Analysis of present value of finance liabilities				
Not later than 1 year	503,708	475,031	457,254	414,581
Later than 1 year and not later than 2 years	419,355	421,112	375,814	374,658
Later than 2 years and not later than 5 years	400,603	624,775	371,236	551,868
	1,323,666	1,520,918	1,204,304	1,341,107
Less: Amount due within 12 months (Note 25)	(503,708)	(475,031)	(457,254)	(414,581)
Amount due after 12 months (Note 25)	819,958	1,045,887	747,050	926,526

The Group has hire purchase contracts for various items of property, plant and equipment (see Note 12(a)). There are no restrictions placed upon the Group by entering into these leases and no arrangements have been entered into for contingent rental payments.

Other information on financial risks of hire purchase and finance lease liabilities are disclosed in Note 34.

27. Trade payables

Trade payables are non-interest bearing and the normal credit term granted to the Group ranges from one month to 3 months.

Notes to the Financial Statements -

31 March 2007 (cont'd)

28. Other payables

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Other payables	6,966,669	5,184,352	5,148,215	3,136,509
Deposits received	2,282,096	2,038,474	1,615,268	1,480,221
Accruals	14,819,985	13,283,026	12,425,623	10,988,723
	<u>24,068,750</u>	<u>20,505,852</u>	<u>19,189,106</u>	<u>15,605,453</u>

29. Share capital and share premium

	Number of Ordinary Shares of RM0.50 Each Share capital (Issued and fully paid)	Share capital (Issued and fully paid) RM	Amount Share premium RM	Total share capital and share premium RM
At 1 April 2006 and 31 March 2007	302,000,000	151,000,000	467,497	151,467,497

	Number of Ordinary Shares of RM0.50 Each 2007	2006	Amount 2007 RM	2006 RM
Authorised share capital				
At 1 April and 31 March	<u>500,000,000</u>	<u>500,000,000</u>	<u>250,000,000</u>	<u>250,000,000</u>

30. Retained earnings

As at 31 March 2007, the Company has tax exempt profits available for distribution of approximately RM23,088,000 (2006: RM42,839,000), subject to the agreement of the Inland Revenue Board.

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 retained earnings as at 31 March 2007.

31. Capital commitments

	Group and Company	
	2007 RM	2006 RM
Capital expenditure not provided for in the financial statements:		
Authorised and contracted for:		
Property, plant and equipment	<u>-</u>	<u>6,069,000</u>

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 (2006: RM1,200,000) which have been recognised in the financial statements for this financial year under review as disclosed in Note 24.

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.

33. Related party disclosures

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

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

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Advertisement sales	(1,366,808)	(330,578)	(1,289,790)	(330,578)
Consultancy fees paid	71,868	78,518	71,868	78,518
Rendering of services	(65,802)	(66,396)	(65,802)	(66,396)
Motor vehicle insurance premium paid	4,114	1,370	-	-
Purchase of computer equipments	-	613,424	-	613,424
Purchases of magazines	97,082	98,746	-	-
Purchases of newsprint	95,704,562	138,959,559	95,704,562	138,959,559
Rental expenses paid	3,592,440	3,789,992	3,536,040	3,732,492
Purchase of air ticket	25,759	-	25,759	-

Transactions with subsidiary companies:

	Company	
	2007	2006
	RM	RM
Magazine purchased	14,369	17,943
Newspaper sales	(10,368,218)	(9,945,247)
Printing expense	1,115,073	1,077,974
Printing revenue	(999,970)	(999,970)
Rental income	(435,480)	(309,972)
Web-site content	156,000	156,000

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.

Notes to the Financial Statements -

31 March 2007 (*cont'd*)

33. Related party disclosures (*cont'd*)

(b) Compensation to key management personnel of the Group

The remuneration of directors and other members of key management during the year were as follows:

	2007 RM	2006 RM	Group 2007 RM	Company 2006 RM
Fees	706,935	164,650	706,935	164,650
Salaries and other emoluments	1,688,628	2,300,687	1,404,125	2,021,203
Allowance	24,500	22,000	24,500	22,000
Bonus	463,250	409,857	395,500	347,817
Pension costs – defined contribution plan	318,699	315,252	266,810	265,657
Social security costs	1,860	1,806	620	602
Benefits-in-kinds	123,350	120,250	107,950	102,650
	<u>3,327,222</u>	<u>3,334,502</u>	<u>2,906,440</u>	<u>2,924,579</u>

34. Financial instruments

(a) *Financial risk management objectives and 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 risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risks. The Board reviews and agrees policies for managing each of these risks and they are summarized below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(b) *Interest rate risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

34. Financial instruments (cont'd.)

(b) Interest rate risk (cont'd.)

The following tables set out the carrying amounts, the range of effective interest rates (EIR) as at the balance sheet date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Note	EIR Range %	Within 1 Year RM	1 - 2 Years RM	2 - 3 Years RM	3 - 4 Years RM	4 - 5 Years RM	Than 5 Years RM	Total RM
At 31 March 2007									
Group									
Fixed rate									
Banker acceptances		3.97% - 4.01%	29,600,000	-	-	-	-	-	29,600,000
Hire purchase and finance lease liabilities	26	2.35% - 4.94%	503,708	419,355	371,235	29,367	-	-	1,323,665
Short term deposits		3.00% - 3.50%	72,042,000	-	-	-	-	-	72,042,000
Floating rate									
Term loans	25	4.7%	9,180,000	9,180,000	5,666,460	-	-	-	24,026,460
Company									
Fixed rate									
Banker acceptances		3.97% - 4.01%	29,600,000	-	-	-	-	-	29,600,000
Hire purchase and finance lease liabilities	26	2.35% - 4.94%	457,254	375,814	320,984	50,252	-	-	1,204,304
Short term deposits		3.00% - 3.50%	72,042,000	-	-	-	-	-	72,042,000
Floating rate									
Term loans	25	4.7%	9,180,000	9,180,000	5,666,460	-	-	-	24,026,460

Notes to the Financial Statements -

31 March 2007 (cont'd)

34. Financial instruments (cont'd.)

(b) Interest rate risk (cont'd.)

	Note	EIR Range %	Within 1 Year RM	1 - 2 Years RM	2 - 3 Years RM	3 - 4 Years RM	4 - 5 Years RM	Than 5 Years RM	Total RM
At 31 March 2006									
Group									
Fixed rate									
Banker acceptances		3.63% - 3.95%	39,780,000	-	-	-	-	-	39,780,000
Hire purchase and finance lease liabilities	26	2.35% - 3.90%	475,031	421,112	364,382	227,029	33,364	-	1,520,918
Short term deposits		2.50% - 2.80%	12,500,000	-	-	-	-	-	12,500,000
Term loans	25	6.75%	10,000,000	-	-	-	-	-	10,000,000
Floating rate									
Revolving credits		3.80%	5,000,000	-	-	-	-	-	5,000,000
Term loans	25	4.40%	9,180,000	9,180,000	9,180,000	5,666,460	-	-	33,206,460
Company									
Fixed rate									
Banker acceptances		3.63% - 3.95%	39,780,000	-	-	-	-	-	39,780,000
Hire purchase and finance lease liabilities	26	2.35% - 3.90%	414,581	374,658	291,475	227,028	33,364	-	1,341,106
Short term deposits		2.50% - 2.80%	12,500,000	-	-	-	-	-	12,500,000
Term loans	25	6.75%	10,000,000	-	-	-	-	-	10,000,000
Floating rate									
Revolving credits		3.80%	5,000,000	-	-	-	-	-	5,000,000
Term loans	25	4.40%	9,180,000	9,180,000	9,180,000	5,666,460	-	-	33,206,460

34. Financial instruments (cont'd.)

(b) Interest rate risk (cont'd.)

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 6 months except for term loans and floating rate loans which are repriced annually. Interest on financial instruments at fixed rates are fixed until the maturity of the instrument. The other financial instruments of the Group and the Company that are not included in the above tables are not subject to interest rate risks.

(c) Foreign currency risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are dominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Euro Dollar, Singapore Dollar and United States Dollar. Foreign exchange exposures in transactional currencies other than functional currencies of the Group are kept to an acceptable level.

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

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 Euro Equivalent RM	Dollar Equivalent RM	Total RM
At 31 March 2007			
Group			
<i>Other payables</i>			
Ringgit Malaysia	37,775	659	38,434
Company			
<i>Other payables</i>			
Ringgit Malaysia	37,775	659	38,434
At 31 March 2006			
Group			
<i>Other payables</i>			
Ringgit Malaysia	-	713,692	713,692
Company			
<i>Other payables</i>			
Ringgit Malaysia	-	713,692	713,692

Notes to the Financial Statements -

31 March 2007 (cont'd)

34. 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 at 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 some 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 assets.

(f) Fair values

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the followings:

		Group		Company	
	Note	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
At 31 March 2007					
Financial assets					
Investment in quoted shares	17	-	-	-	-
Amount due from subsidiary companies	22	-	-	50,683,634	*
Financial liabilities					
Amount due to subsidiary companies	22	-	-	2,922,893	*
Term loans	25	24,026,460	**	24,026,460	**

34. Financial instruments (cont'd.)

(f) Fair values (cont'd.)

	Note	Group Carrying amount RM	Fair value RM	Company Carrying amount RM	Fair value RM
At 31 March 2006					
Financial assets					
Investment in quoted shares	17	976,752	970,125	976,752	970,125
Amount due from subsidiary companies	22	-	-	58,995,578	*
Financial liabilities					
Amount due to a subsidiary company	22	-	-	2,551,853	*
Term loans	25	43,206,460	**	43,206,460	**

* 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 25 to the financial statements.

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

	Note	Group Notional amount RM	Net fair value RM	Company Notional amount RM	Net fair value RM
As at 31 March 2007					
Capital commitments	31	-	-	-	-
As at 31 March 2006					
Capital commitments	31	6,069,000	6,069,000	6,069,000	6,069,000

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.

Notes to the Financial Statements -

31 March 2007 (*cont'd*)

35. Segmental information

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

36. Subsequent event

On 29 January 2007, the Company entered into a Heads of Agreement ("HOA") with Ming Pao Enterprise Corporation Limited ("Ming Pao") in relation to the following proposals (which are collectively referred to as the "Proposals")

Proposed Share Exchange of the Company

The proposed share exchange of the Company involves the proposed scheme of arrangement under Section 176 of the Companies Act, 1965, whereby all the shareholders of the Company exchange all their shares of the Company ("Sin Chew Shares") at a consideration of RM4.00 per share for new shares of Ming Pao ("Ming Pao Shares") to be issued and credited as fully paid-up at an issue price of HKD2.70 (or indicative equivalent value of RM1.19) per share, which represents an indicative basis of approximately 3.36 new Ming Pao Shares for every one existing Sin Chew Share held by the shareholders of the Company on a date to be determined and announced later.

Proposed Placement

The proposed placement involves the placement of such number of Ming Pao Shares for purposes of complying with the public shareholding spread, if required or the equity conditions which may be imposed by the relevant authorities in Malaysia or Hong Kong.

Proposed Transfer of Listing Status

The proposed transfer of listing status involves the transfer of the listing status of the Company on the main board of Bursa Malaysia Securities Berhad to Ming Pao and thereafter the Company and Nanyang Press Holdings Berhad ("Nanyang") will be delisted from the Main Board of Bursa Malaysia Securities Berhad.

On 29 January 2007, both the Company and Ming Pao had sent an irrevocable joint letter of offer to the board of directors of Nanyang, inviting Nanyang to participate in the Proposals.

On 19 April 2007, the board of directors of Nanyang accepted the offer to participate in the Proposals. On the same date, the Company, Nanyang and Ming Pao had also entered into a Deed of Accession for Nanyang to accede to the HOA dated 29 January 2007 such that the provisions applying to both the Company and Ming Pao will also apply to Nanyang.

The Proposals are subject to, amongst others, the Company, Nanyang and Ming Pao negotiating and entering into a merger agreement on or before 30 April 2007 or such later date as the parties mutually agree. The merger agreement among the Company, Nanyang and Ming Pao was signed on 23 April 2007.

Upon completion of the Proposals, the Company will become a wholly-owned subsidiary of Ming Pao and Ming Pao will be primarily listed on the Main Board of both Bursa Malaysia Securities Berhad and the Stock Exchange of Hong Kong Limited.

37. Comparative figures

Certain comparative figures have been reclassified to confirm with current year's presentation.

Analysis of Shareholdings

As at 1 August 2007

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 2007

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	7	0.10	354	0.00
100 -1,000	3,680	53.04	3,393,550	1.12
1,001 – 10,000	2,748	39.61	10,646,396	3.53
10,001 – 100,000	415	5.98	14,054,500	4.65
100,001 to less than 5% of issued shares	84	1.21	88,420,800	29.28
5% and above of issued shares	4	0.06	185,484,400	61.42
Total	6,938	100.00	302,000,000	100.00

Thirty (30) Largest Securities Account Holders As Per Record of Depositors As At 1 August 2007

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.	Persada Jaya Sdn Bhd	12,096,800	4.01
6.	CitiGroup Nominees (Asing) Sdn Bhd <i>Exempt An For American International Assurance Company Limited</i>	6,346,900	2.10
7.	Lembaga Tabung Angkatan Tentera	5,877,700	1.95
8.	Lembaga Tabung Haji	5,755,600	1.91
9.	Rimbunan Hijau (Sarawak) Sdn Bhd	4,618,300	1.53
10.	Insan Anggun Sdn Bhd	3,486,000	1.15
11.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Datuk Tiong Thai King</i>	3,461,500	1.15
12.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt An For Prudential Assurance Malaysia Berhad</i>	2,967,900	0.98
13.	Malaysia Nominees (Tempatan) Sendirian Berhad <i>Great Eastern Life Assurance (Malaysia) Berhad (Non Par 1)</i>	2,800,000	0.93
14.	Mayban Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Dr. Tiong Ik King (39B)</i>	2,796,000	0.93
15.	Mayban Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tiong Kiong King</i>	2,389,400	0.79
16.	Suria Kilat Sdn Bhd	2,282,500	0.76
17.	AM Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (A/C1)</i>	2,093,700	0.69
18.	Rimbunan Hijau Southeast Asia Sdn Bhd	1,941,700	0.64
19.	Asanas Sdn Bhd	1,876,300	0.62
20.	Tiong Chiong Ong	1,593,000	0.53
21.	Malaysia Nominees (Tempatan) Sendirian Berhad <i>Great Eastern Life Assurance (Malaysia) Berhad (Par 1)</i>	1,480,300	0.49

Analysis of Shareholdings

As at 1 August 2007 (cont'd)

Thirty (30) Largest Securities Account Holders As Per Record of Depositors As At 1 August 2007 (cont'd)

No.	Names	No. of shares	%
22.	Wong Siik Ngik	1,092,300	0.36
23.	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tiong Chiong Hee</i>	918,000	0.30
24.	Pertubuhan Keselamatan Sosial	911,400	0.30
25.	AM Nominees (Tempatan) Sdn Bhd <i>Pertubuhan Keselamatan Sosial</i>	898,100	0.30
26.	Roseate Garland Sdn Bhd	768,000	0.25
27.	Low Peng Chong	755,000	0.25
28.	Siew Nyoke Chow	750,000	0.25
29.	Tiong Choon	737,800	0.24
30.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Phoo Tui Lin (KLC/HLG)</i>	653,900	0.22

Directors' Direct And Indirect Interest In The Company As At 1 August 2007

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	121,893,800 ⁽¹⁾	40.36
Dr. Tiong Ik King	2,796,000	0.93	-	-
Dato' Liew Kam Chean @ Liew Chen Chuan	310,000	0.10	-	-
Siew Nyoke Chow	750,000	0.25	-	-
Ng Chek Yong	20,000	0.01	-	-

Substantial Shareholders As Per Register of Substantial Shareholders As at 1 August 2007

Name	Direct interest	% of Issued Capital	No. of shares 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	121,893,800 ⁽¹⁾	40.36
Teck Sing Lik Enterprise Sdn Bhd	19,416,200	6.43	101,912,100 ⁽²⁾	33.75
Salleh Bin Delamid	-	-	45,842,000 ⁽³⁾	15.18
Sharifah Rokayah Binti Wan Othman	-	-	45,842,000 ⁽³⁾	15.18

Notes :

⁽¹⁾ Deemed interested by virtue of his interests in Teck Sing Lik Enterprise Sdn Bhd, Tiong Toh Siong Holdings Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd and Pertumbuhan Abadi Asia 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.

⁽³⁾ Deemed interested by virtue of his/her interest Zaman Pemimpin Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

List Of Properties

As at 31 March 2007

Location	Tenure	Size (Sq ft)	Description	Approximate age of buildings	Net book value	Year of acquisition
SELANGOR						
No. 76, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan.	Leasehold Expiry: 2063	189,240	Office and printing plant.	17 years for office block and 2 years for the printing plant	51,822,755	23/4/01
No. 19, Jalan Sungai Keladi 2, 42000 Port Klang, Selangor Darul Ehsan.	Leasehold Expiry: 2031	2,000	Office	10 years	155,014	20/11/02
A4-12-20, Leisure Commerce Square, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan.	Leasehold Expiry: 2091	818	Office	7 years	193,015	07/09/99
A4-12-21, Leisure Commerce Square, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan.	Leasehold Expiry: 2091	818	Office	7 years	193,015	07/09/99
PENANG						
No. 2771, Mukim 1, Jalan Jelawat, Seberang Jaya Industrial Estate, 13700 Perai	Leasehold Expiry: 2058	131,136	Office and printing plant	13 years	2,515,867	26/3/98
Lot 1691, Seksyen 12 Bandar Georgetown Pulau Pinang	Freehold	15,736	Office	44 years	3,775,876	2/1/2004

List Of Properties

As at 31 March 2007 (*cont'd*)

Location	Tenure	Size (Sq ft)	Description	Approximate age of buildings	Net book value	Year of acquisition
JOHOR						
No. 19, Jalan Angkasa Mas 5, Kawasan Perindustrian Tebrau II, 81100 Johor Bahru, Johor Darul Takzim	Expiry: Leasehold 2053	79,715	Printing Plant and warehouse	9 years	4,032,695	26/3/98
No. 12, Jalan Maju, Taman Maju Jaya, 80400 Johor Bahru, Johor Darul Takzim	Freehold	2,090	Office	28 years	350,000	26/3/98
SARAWAK						
Lot 02123, Section 66, Lorong 3, Jalan Semangat, Pending, Kuching, Sarawak	Leasehold Expiry: 2047	217,172	Office and printing plant	10 years	6,103,406	1/11/96
Lot 1865, Section 19, Seduan Land District, Upper Lanang Road, Sibu, Sarawak	Leasehold Expiry: 2063	92,549	Office, printing plant and warehouse	7 years	4,258,200	14/1/04
Lot 2620 (Part of 804), Block 4, Jalan Cattleya 3, Piasau Industrial Estate, Miri Concession Land District, Sarawak	Leasehold Expiry: 2036	80,363	Office, Printing plant and warehouse	1 year	7,890,363	15/2/05

List Of Properties

As at 31 March 2007 (*cont'd*)

Location	Tenure	Size (Sq ft)	Description	Approximate age of buildings	Net book value	Year of acquisition
SABAH						
No. 3, Lorong Kilang F, Kolombong, 88450 Kota Kinabalu, Sabah	Leasehold Expiry: 2920	60,113	Office	9 years	5,000,000	2/6/2003
PAHANG						
No. 38, Jalan Haji Abdul Aziz, 25000 Kuantan, Pahang Darul Makmur	Freehold	1,600	Office	28 years	183,750	26/3/98
MALACCA						
109, Taman Melaka Raya, Jalan Merdeka, 75000 Melaka	Leasehold Expiry: 2075	1,600	Office	28 years	175,000	26/3/98

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 Georgetown, Pulau Pinang.
Tel : (04) 222 6688

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

Putrajaya

T01-U09, 1st Floor, Danau Point,
No. 5, Jalan P16, Precinct 16,
62150 Putrajaya.
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

Nilai

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

MELAKA

Melaka

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

Corporate Directory (cont'd)

BRANCH OFFICES (cont'd)

PERAK

Ipoh

93, Jalan Leong Sin Nam,
30300 Ipoh, Perak.
Tel : (05) 208 8888

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

31A, 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

Sungai Siput

71 Jalan Besar, Sungai Siput Utara,
31100 Sungai Siput, Perak.
Tel: (05)598 3522

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

58A, Jalan Anggerik 3,
Taman Kulai Utama,
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

Corporate Directory *(cont'd)*

BRANCH OFFICES *(cont'd)*

PULAU PINANG

Penang

67, Jalan Macalister,
10400 Georgetown, 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

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 Mek 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

Corporate Directory *(cont'd)*

BRANCH OFFICES *(cont'd)*

SARAWAK

Kuching (Factory)

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

Kuching (Town Office)

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

Miri

Lot 804, Block 4 MCLD,
Jalan Cattleya 3, Piasau Industrial Estate,
98000 Miri, Sarawak
Tel : (085) 660098

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 (Factory)

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

Sibu (Town Office)

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

Bintangor

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

Mukah

4B, Lorong 1, Jalan Pinang,
96400 Mukah, Sarawak.
Tel : (084) 872 836

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 24th Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Fourth 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 Friday, 21 September 2007 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 2007 together with the Directors' and Auditors' Reports thereon. | Ordinary Resolution 1 |
| 2. To approve the payment of Directors' fees in respect of the financial year ended 31 March 2007. | Ordinary Resolution 2 |
| 3. To declare a First and Final Dividend of 10.0 sen per share as set out below in respect of the financial year ended 31 March 2007 as recommended by the Directors:-
(a) Tax exempt dividend of 5.0 sen per ordinary share; and
(b) 5.0 sen gross per ordinary share less income tax. | Ordinary Resolution 3 |
| 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 | Ordinary Resolution 4 |
| ii. Sim Sai Hoon | Ordinary Resolution 5 |
| 5. 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." | Ordinary Resolution 6 |
| 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: | |
| "THAT pursuant to Section 129(2) of the Companies Act, 1965, 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." | Ordinary Resolution 7 |
| 7. To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | Ordinary Resolution 8 |

Notice Of 24th Annual General Meeting *(cont'd)*

AS SPECIAL BUSINESS

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

8. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS MANDATE")

"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 29 August 2007, subject further to the following:-

Ordinary Resolution 9

- (i) the transactions are necessary for the day to day operations of the Group and 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) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year.

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

- (a) the conclusion of the next AGM of the Company following the 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 Companies Act, 1965 ("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 general meeting,

whichever is earlier.

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 24th Annual General Meeting *(cont'd)*

9. ORDINARY RESOLUTION

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

"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."

Ordinary Resolution 10

10. SPECIAL RESOLUTION

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY ("Proposed Amendments to AA")

"THAT the alterations, modifications or additions to the Articles of Association of the Company as set out in Appendix III of the Circular to Shareholders dated 29 August 2007 be and hereby approved."

Special Resolution 1

11. 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.

2. NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT DATE

NOTICE IS HEREBY GIVEN THAT, a First and Final Dividend of 10.0 sen per share as set out below in respect of the financial year ended 31 March 2007, if approved at the Twenty-Fourth Annual General Meeting, will be payable on 15 November 2007 to Depositors registered in the Record of Depositors at the close of business on 31 October 2007 :-

- (a) Tax exempt dividend of 5.0 sen per ordinary share; and
- (b) 5.0 sen gross per ordinary share less income tax.

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 2007 in respect of ordinary 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

TONG SIEW KHENG

WOO YING PUN

Company Secretaries

Date : 29 August 2007

Notice Of 24th 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 to attend and vote in his/her stead. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. When a member appoints more than one proxy (but not more than two), the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings 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 Ordinary Resolution No. 9, if passed, will empower the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties in the ordinary course of business based on normal 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 to Shareholders dated 29 August 2007 for more information.
 - (b) The proposed Ordinary Resolution No. 10, 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 next conclusion of the Annual General Meeting of the Company.
 - (c) The proposed Special Resolution No. 1 is to amend the Articles of Association of the Company in line with the recent enhancement to the Listing Requirements of the Bursa Malaysia Securities Berhad.

Statement Accompanying Notice Of Annual General Meeting

Dato' Liew Kam Chean @ Liew Chen Chuan, Sim Sai Hoon, Tan Sri Datuk Diong Hiew King @ Tiong Hiew King and Datuk Patinggi Tan Sri Dr Wong Soon Kai are the Directors standing for re-election at the forthcoming Twenty-Fourth Annual General Meeting of the Company and their respective further details are shown in the Annual Report, as follows :

	Further Details	Page no.
(a)	Age, nationality, qualification, and whether the position is an executive or non-executive and whether is an independent director	4 - 6
(b)	The working experience and occupation	4 - 6
(c)	Any other directorships of public companies	4 - 6
(d)	The details of any interest in the Company and its subsidiaries	4 - 6
(e)	The Family relationship with any director and/or major shareholder of the Company	6
(f)	Any conflict of interest that they have with the Company	6
(g)	The list of convictions for offences within the past 10 years other than traffic offences, if any	6

I/We _____ of _____

being a member/members of Sin Chew Media Corporation Berhad hereby appoint Mr/Ms _____ of _____ or failing him, the Chairman of the Meeting as my/our proxy, to vote for me/us on my/our behalf at the Twenty-Fourth 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 Friday, 21 September 2007 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 2007 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 2007.		
3.	To declare a First and Final Dividend of 10.0 sen per share as shown below in respect of the financial year ended 31 March 2007 as recommended by the Directors:- (a) Tax exempt dividend of 5.0 sen per ordinary share; and (b) 5.0 sen gross per ordinary share less income tax.		
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 Sim Sai Hoon as Director who retires pursuant to Article 95 of the Company's Articles of Association.		
6.	To re-elect Tan Sri Datuk Diong Hiew King @ Tiong Hiew King as Director who retires pursuant to Section 129 of the Companies Act, 1965.		
7.	To re-elect Datuk Patinggi Tan Sri Dr. Wong Soon Kai as Director who retires in accordance with Section 129 of the Companies Act, 1965.		
8.	To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
	SPECIAL BUSINESS		
9.	Proposed Renewal of Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature.		
10.	Authority to allot shares pursuant to Section 132D of the Companies Act, 1965.		
11.	Proposed Amendments to AA		

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 _____ 2007

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 to attend and vote in his/her stead. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. When a member appoints more than one proxy (but not more than two), the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings 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.

Stamp

The Company Secretary
SIN CHEW MEDIA CORPORATION BERHAD
(98702-V)
No. 19, Jalan Semangat,
46200 Petaling Jaya, Selangor.