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## VII. HISTORY AND BUSINESS OVERVIEW

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### 1. History and Background

SCMC Group has two main newspaper publications namely Sin Chew Daily and Guang Ming Daily.

#### 1.1 Sin Chew Daily (formerly known as Sin Chew Jit Poh)

Sin Chew Daily was founded by the Aw brothers in Singapore on 15 January 1929, with the objectives of providing information to the public, serving as a tool to reflect their views, as well as upholding their rights.

In order to provide up-to-date news to readers, correspondents were deployed during the early years to major cities like Shanghai and Xiamen.

In the departure from the then popular observance of Sundays as non-publication days among the local press, Sin Chew Daily rolled out its first Sunday edition in an unprecedented move in 1932.

In 1937, the Sino-Japanese war broke out and Sin Chew Daily came out with a single-sheet supplement daily to keep its readers informed of the latest war updates. This brought about a surge in the newspaper's circulation.

In December 1941, the Japanese Imperial Army advanced into the country; both Malaya and Singapore subsequently fell into their hands early the following year. Sin Chew Daily was forced to cease publication on 15 February 1942.

Soon after the Japanese surrender on 25 August 1945, Sin Chew Daily resumed its publication on 8 September 1945, albeit on a much slimmer basis – most of the equipment and files had been annihilated or lost. With the unrelenting effort of the contemporaries in the accumulation of human as well as material resources, the establishment of communication network that infiltrated into every work and corner of the country and the commissioning of overseas professional writers to analyse international issues, Sin Chew Daily managed to come out a notch above its peers.

From 1955 to 1957, in a wave of mounting nationalism, Sin Chew Daily evolved into a forum of the people and fought alongside with them for the nation's independence.

The Petaling Jaya plant was opened on 6 July 1966 and took over the printing of newspaper for Malaysian circulation. The newspaper was then still edited in its Singapore headquarters, faxed through modern equipment to the Petaling Jaya plant.

In 1982, the Government passed a new ruling disallowing foreigners' control over the local press. Sin Chew Daily's controlling interest was consequently transferred from the Aw family to Datuk Lim Kheng Kim.

In 1983, Sin Chew Daily Singapore ceased operation when it merged with Nanyang Siang Pau to form Lianhe Zhaobao and Lianhe Wanbao, leaving the Malaysian operation to solely discharge its duty to continuously serve the community.

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**VII. HISTORY AND BUSINESS OVERVIEW (Cont'd)**

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In mid 80s, the local Chinese press had to wade through troubled waters. On one hand, the fierce competition forced Sin Chew Daily into financial difficulty, on the other hand, the racial tension that was prevalent at that time further inflicted agony upon local Chinese newspapers. Sin Chew Daily was among the three newspapers ordered to cease publication in the Operasi Lalang on 28 October 1987. The cessation stirred much local reaction and entrepreneur Datuk Diong Hiew King @ Tiong Hiew King (now Tan Sri) came out with the money to revive Sin Chew Daily which resumed its publication on 8 April the following year.

Sin Chew Daily managed to stay afloat and ride the tide of changes. As a mouthpiece of the people dedicated to upholding righteousness, Sin Chew Daily earned the commendations of its readers and became the largest selling Chinese newspaper in the country, according to ABC and Nielsen Media Research.

Taking a big technological step forward, Sin Chew Daily's national as well as regional editions went into full colour printing, starting with the National Edition, followed by Metro, Perak, Penang (now Northern), Johor, East Coast, Negeri Sembilan and Malacca editions.

On 31 July 1997, the Kuching plant started operation followed by the Johor Bahru plant later that year. The evening edition for Johor Bahru first rolled out of the plant on 2 January 1999.

In recent years, Sin Chew Daily has invited renowned scholars around the world to pen in depth analysis on regional developments and this has to a certain extent, contributed to the promotion of academic exchange between Malaysia and the rest of the world. The international literary award initiated by Sin Chew Daily has also gained popularity.

The success story of Sin Chew Daily over the past decade says much about the role of the press in general, in helping the nation to achieve the national goal of industrialisation and the modernisation of our society. In the course of it, newspapers serve as a catalyst in motivating the processes of economic growth, political maturing and social liberalisation through building consensus and bridging gaps in our pluralistic society.

As one of the major newspapers in the country, Sin Chew Daily's tremendous drive is manifested mainly in three areas, namely on the conceptual, operational and global fronts.

On the conceptual front, Sin Chew Daily as the leading Chinese-language newspaper strives to establish common grounds among the different communities with respect to opinions over issues of public interests. The paper addresses current issues with national interest, social security and the welfare of the people as the primary concern. While it takes an impartial and unbiased stand in accurately reporting the social events and objectively reflecting public views, the paper also tries as far as possible to direct the common people in gaining a better perspective toward righteousness. In summary, the paper is fully aware of the uniqueness and sensitivity of our multi-ethnic society and its growth and development is constantly attuned to the tempo of the national development.

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## VII. HISTORY AND BUSINESS OVERVIEW (*Cont'd*)

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On the operational front, the paper had scored a number of remarkable achievements in its production. In its effort to expand the scope and upgrade the speed of its service, the paper made the important move to computerise through stages, the news reporting and editing process in March 1990. By July 1996, the paper succeeded in setting a complete computerised production process from reporting up to film production for printing and to make its regional edition a multi-color print. It is also the first paper to start the Metropolitan Edition, the Perak Edition, the Penang Edition and the Johor Edition. In order to serve the children and the young people better, SCMC, the publisher of Sin Chew Daily, also produces weekly magazines namely Bintang Sinchew, Sinaran Sinchew and Cahaya Sinchew.

In its effort to decentralize operation and to further extend the stop-press time, the Company has also built printing plants in Johor Bahru, Penang and Kuching and Sibu to better serve the local communities. Sin Chew Daily is also one of the first local newspapers to go on the Internet through its internet portal Sinchew-i, which is operated by SCI.

In its effort to promote cultural and educational advancement among the people, the paper organises, co-organises or co-sponsor many activities, talks, seminars, exhibitions and contests in the related fields.

In the literary field, the paper organizes a biennial conference with invitations extending to reputable writers all over the world. During this conference, the invited guests were able to present their latest literary works and to meet their contemporaries on the other side of the globe.

### 1.2 **Guang Ming Daily**

Guang Ming Daily was first published by a group of journalist on 18 December 1987 to the Chinese community in the northern region.

Subsequently, there were changes of ownership in Guang Ming Daily for the first five years. It was first acquired by Kemayan group of companies and later by Rimbunan Hijau group of companies in November 1992. Since then, Guang Ming Daily has become the sister paper of Sin Chew Daily.

Under the management of Rimbunan Hijau group of companies, Guang Ming Daily underwent a revamp in its editorial contents, which was well received by the public. The newspaper circulation grew rapidly and Guang Ming Daily became an established Chinese newspaper in the northern region.

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**VII. HISTORY AND BUSINESS OVERVIEW (Cont'd)**

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Guang Ming Daily went national in 1994 when a separate edition began its printing in Kuala Lumpur.

It offers extensive news coverage and features a wide range of information. On a community level, it inaugurated the Guang Ming Hero Award, organises various cultural and charitable performances. It has also launched a variety of schemes to reward its readers, for instance, the group personal accident insurance. It is hoped that these efforts will contribute to the creation of a culturally vibrant, family-oriented, and health-conscious nation.

In keeping with the objective of providing the latest in information, Guang Ming Daily is continually exploring innovative concepts, directions and strategies. It has taken advantage of the latest technology to computerise its production and launched a internet edition of its newspaper.

Despite undergoing many changes, Guang Ming Daily continues to discharge its social obligations to provide accurate, timely and relevant information.

**2. Business Overview**

SCMC Group publications have grown to become one of the most strategic and comprehensive media vehicle to reach the Chinese literate in Malaysia today. It publishes two Chinese dailies namely, Sin Chew Daily and Guang Ming Daily. Based on Nielsen Media Research's newsletter dated 18 August 2004, Sin Chew Daily is the largest Chinese newspaper in Malaysia with a daily readership of approximately 1,113,000 while Guang Ming Daily is the third most widely read Chinese newspaper with a readership of approximately 424,000.

Sin Chew Daily is a favourite among the Chinese-literate community, displaying a responsible and caring attitude in its journalistic mission to inform, educate and entertain its readers. Sin Chew Daily caters for all Malaysians as the newspaper highlights public issues which interest the general public. Sin Chew Daily is also a cultural vanguard, promoting literary achievements through its awards incentives. Meanwhile Guang Ming Daily which offers, among others, a rich collection of national news, entertainment news, features, food and community news, caters for a younger Chinese community.

SCMC also publishes a number of magazines such as Bintang Sinchew, Sinaran Sinchew and Cahaya Sinchew which are all educational publications catering to the needs of secondary and primary school students as well as those keen on learning the Chinese language. The contents of these weekly magazines have been designed along the lines of our local education system by SCMC's education specialists. Sinaran Sinchew and Bintang Sinchew have been endorsed by the Ministry of Education as excellent student publications.

SCMC also organises the popular 'Hua Zong' literary award, an international acclaimed event offering the highest monetary rewards, prestige and status in the literary world in Malaysia. The biennial event has been highly regarded by distinguished writers all over the world, including writers from the US, China, Taiwan, Hong Kong and Singapore. 'Hua Zong' has won a reputation as being an important award in the world of literature.

The business operations of SCMC Group are divided into four (4) main departments namely Editorial, Advertisement and Promotions, Production and Circulation.

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## VII. HISTORY AND BUSINESS OVERVIEW (Cont'd)

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An overview of the Group's business operations carried out under each of the above mentioned departments is set out below:

### 2.1 Editorial

The Editorial Department is an integral part of SCMC's operations as it is responsible for the generation and presentation of daily news for Sin Chew Daily and Guang Ming Daily as well as magazines such as Bintang Sinchew, Sinaran Sinchew and Cahaya Sinchew.

The Editorial Department consists of editors, sub-editors, editorial artists, journalists, photographers and support staff. The Group Editor-in-Chief and the various section editors, together with the journalists and photographers operate from the main office in Petaling Jaya, Penang, Johor Bahru, Sibul and Kuching. SCMC Group has 722 editorial staff as at 31 August 2004 and has offices in all major towns throughout the country.

The Editorial Department uses up to date technology multimedia with reporters using notebook computers and digital cameras as the essential tools in reporting. The usage of notebooks and computers to compose and file stories and digital cameras to take pictures are currently being used by the Group's reporters throughout the country.

SCMC Group has taken steps to maintain and improve the quality of the editorial staff which includes the recruitment of fresh graduates from both local and overseas universities.

Emphasis is placed by SCMC Group on the improvement of journalism knowledge, writing skills and external relations. The Group has taken concrete efforts to improve the quality of its journalists by improving their knowledge in the field of social, politics and economy so that the articles produced in the newspaper are within the standards and image of Sin Chew Daily and Guang Ming Daily.

It is the policy of SCMC Group to send journalists for overseas training and also in local institutions of higher learning. The journalists are also encouraged to further their studies for career advancement and also to improve their knowledge. In addition, SCMC Group continuously organises in-house and on the job training.

SCMC Group's journalists are sent to participate in various fellowship programmes such as the "Jefferson Fellowship Program" held at the East-West Centre in the United States of America and the Nihon Shinbun Kyokai-Confederation of Asean Journalists Fellowship Program in Japan. Some of the Company's journalists were also sent for study tours and to attend journalist's exchange programmes in countries such as the US, France, Germany, China, Japan and Korea.

Reporters of the Group have also been assigned to cover the visits of our leading government officials to various parts of the world.

Sin Chew Daily is also one of the founder members of "Asian News Network" which was formed in 1999. Sin Chew Daily is the only Chinese language newspaper representing Malaysia.

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**VII. HISTORY AND BUSINESS OVERVIEW (Cont'd)**

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**2.1.1 Achievements****(a) Awards**

SCMC Group's journalists have won a number of local and foreign journalism awards which includes the following:

- (i) Malaysian Press Institute Award – from 1991 to 1993 and 1995 to 2002;
- (ii) Datuk Wong Kee Tat Press Awards by the Editors Association (Chinese Medium), Malaysia – from 1985 to 2003;
- (iii) Shell Press Awards – from 1992 to 1993, 1997/1998, and from 1999 to 2003;
- (iv) ICI-CCM Environmental Reports Award – 1992, 1994, 1997, 1998, from 2000 to 2002;
- (v) Digi Journalist Award – 2002/2003 ;
- (vi) Sony Malaysia Media Achievement Award 2002/2003;
- (vii) Hadiah Kewartawanan Malaysia – Kewartawanan Berita/Rencana (Bahasa Cina) 1992, 1995, 1996, 1998, 1999 2001; and
- (viii) Domestic Trade and Consumer Affairs Reports Award – from 1992 to 1998, and from 2000 to 2001.

**(b) Forums and Seminars**

SCMC Group's leading writers and columnists are often invited to speak at various cultural and educational forums and seminars. They are also often interviewed by the press media to give their views on domestic and international issues of interest. SCMC Group's journalists have been invited by the government of over 50 countries to write various topics about the respective country.

SCMC Group also organises forums and seminars for the public on various topics covering major areas of concern affecting the Malaysia public.

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## VII. HISTORY AND BUSINESS OVERVIEW (Cont'd)

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### (c) Interviews

Sin Chew Daily and Guang Ming Daily obtain news coverage from interviews. Sin Chew Daily holds the distinction of being the first Chinese newspaper to interview our honourable fourth Prime Minister, Tun Dr. Mahathir Mohammad in 1981. Sin Chew Daily was also given exclusive interviews with the present Prime Minister and Deputy Prime Minister of Malaysia as well as ministers, deputy ministers and prominent individuals such as Mr. Chin Peng, the former Secretary General of the Communist Party of Malaya.

#### 2.1.2 Sources of news and articles

A substantial part of the news are obtained and compiled by the Group's editorial team and through its network of offices in Malaysia. SCMC Group's reporters will go almost anywhere at anytime to report on the latest events in Malaysia to provide the readers with timely, accurate and complete news. Pictures from branches across the country are transmitted online back to the headquarters. Other sources of news include Malaysia's official news agency, Berita Nasional Malaysia (BERNAMA). Other reports and most feature articles are generated by SCMC's journalists. The Group also engages free-lance columnists and writers to contribute to the newspapers on a regular basis.

SCMC also subscribes to foreign wire services like Reuters Associated Press, Agency Firance-Press (better known as AFP), China News Agency and Bloomberg for on-line news. The Group also exchange news with established overseas newspaper in various countries which include China, Taiwan, Singapore, Hong Kong, Cambodia and Indonesia.

The layouts and aesthetics of each page are performed by experienced sub-editors. The editing and page making are computerised which enables sub-editors to be more creative in the designs. SCMC Group also employs proof readers on top of its editors and sub-editors to minimise errors in the news.

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**VII. HISTORY AND BUSINESS OVERVIEW (Cont'd)**

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**2.2 Advertisement and Promotions**

The Advertisement and Promotion Department plays a significant role in SCMC's operations as the promotional activities undertaken are to maintain, enhance and further strengthen the corporate image and brand positioning of SCMC. The objective of the promotional activities is to maintain the existing readers' interest in Sin Chew Daily and Guang Ming Daily and to maintain SCMC's position as the market leader.

Revenue contribution by this department represents a significant part of the Group's turnover. Over the last five (5) financial years, revenue from advertising accounted for between 51% to 61% of the Group's operating revenue.

SCMC's revenue from advertising activities comprises display advertisements, greetings and classified advertisements.

A large proportion of advertisement placements that SCMC receives for its newspapers are through the dealings of the Group advertising staff with advertising agencies. The advertising agencies, which account for a significant portion of the Company's advertising revenue over the recent years, include established international and local firms. Other clients place their advertisement with the company directly and SCMC provides creative services where required such as designing, presenting and producing the artwork.

SCMC Group has also been positioning itself by producing niche supplements to its newspaper. Advertisements in these supplements attract specific clients dealing in various products highlighted in these supplements.

**2.3 Production**

SCMC Group has five printing plants for the printing of Sin Chew Daily and Guang Ming Daily. The printing plants, in total, print on average 500,000 copies of newspapers a day. The Group's printing plants are located in Petaling Jaya, Johor Bahru, Penang, Kuching and Sibu, which strategically covers the main market centers, to serve the local community. The Petaling Jaya printing plants is equipped with full production facilities of highly automated printing machines. The printing plant in Petaling Jaya covers the central, northern and eastern region of Peninsular Malaysia while the Johor Bahru office and printing plant covers the printing and distribution network of the southern region and the Penang office and printing plant covers the northern region. The Kuching and Sibu office and printing plants cover the printing and distribution network of the East Malaysian region.

Sin Chew Daily became one of the first national newspapers to be printed in Kuching via fibre optics transmission technology, enabling readers in Sarawak to get the same news as published in Peninsular Malaysia. The printing factories in Kuching and Sibu have also brought new employment opportunities and professional standards of journalism to Sarawak.

With SCMC Group's newspaper being printed in Peninsular Malaysia and in East Malaysia, the newspaper is playing its part in forging national integration as promoted by the Government.

All production plants are presently operating near to full capacity. SCMC Group is currently upgrading its plant in Petaling Jaya to increase its production capacity. The printing processes at these plants are very much automated.

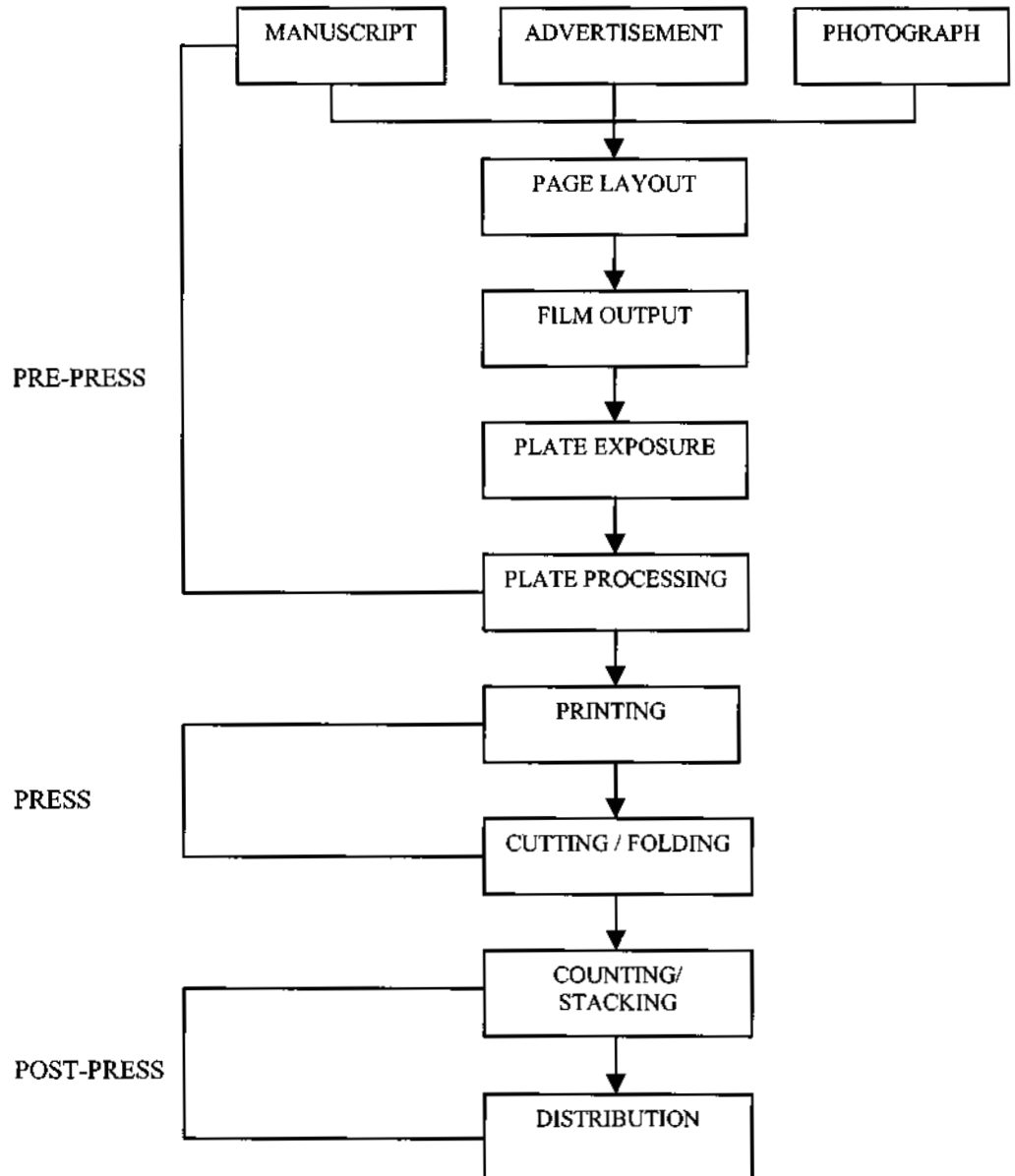


**VII. HISTORY AND BUSINESS OVERVIEW (Cont'd)**

The main material for printing is newsprint that makes up approximately 40% of the total operating costs of the Group of the financial year ended 31 March 2004. Other materials include printing inks and printing plates.

The operations are divided into three main stages i.e. pre-press, printing and post-press. The individual operations involved for each of these stages are illustrated in the chart below:

**FLOW CHART FOR PRODUCTION**



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## VII. HISTORY AND BUSINESS OVERVIEW (Cont'd)

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### **Pre-Press Operations**

The first step is the production of the contents of the publication. The contents can be produced either in-house or by independent writers and/or artists or from various news agencies. This involves the production of a manuscript, photographs and advertisements which goes into the publication. These elements will be composed into the final page layout after discussion between the advertising department and the editorial department.

The next step is the production of the film or transparency for Plate Making. The completed page layout be converted to a form which can be used for the production of the printing plates. These are composed into individual pages before being separated into four colour separated film which are based on the four main process colours, namely cyan, magenta, yellow and black. Specific or unique colours may also be added depending on the requirements of the clients. For a black and white page, only a single film is produced. The films will then be exposed onto aluminium printing plates to be used for printing.

The production of printing plates involves the transfer of the film directly into the plate and then chemically treating the plate so that the image areas become ink absorbing.

### **Printing**

This involves the transfer of the image of the four colour plates onto the paper. This involves the use of a printing machine and is the most capital intensive part of the process.

### **Post-Press Operations**

After the paper has been printed, it has to be cut and folded in the right order to form the final form of the publication. The cutting and folding are done simultaneously on the same machine. The folded copies will then be transported by a conveyor to be counted and stacked by machines. The finished bundles will also be strapped and wrapped before being loaded onto lorries for distribution.

## **2.4 Methods of Distribution**

The principal market of the Group's products is in Malaysia. The newspapers are printed at the Group's printing plants in Petaling Jaya, Johor Bahru, Penang, Kuching and Sib. Deliveries are made by lorries to all locations in Peninsular Malaysia, Sarawak and by air for Sabah.

The distribution of newspapers and magazines is managed by the Group's Circulation Department. The distribution network involves between 2,500 to 3,000 vendors and approximately 480 agents, and between 3,000 to 4,000 intermediaries. Supplies to corporate clients such as airlines, hotels, schools, chain store outlets and bookshops are also handled by SMC Group's Circulation Department.

## VII. HISTORY AND BUSINESS OVERVIEW (Cont'd)

### 2.5 Major Suppliers

SCMC Group sources all its main raw materials from both local and overseas suppliers. Throughout the years of operations, the Group has established a strong rapport with its suppliers and has not experienced any difficulties in obtaining its raw materials.

Set out below is a list of top 10 suppliers and suppliers who contributed more than 10% of the purchases based on the financial year ended 31 March 2004.

Supplier	Materials supplied	Length of relationship Years	Amount transacted for the financial year ended 31 March 2004 RM 000
MNI	Newsprint	5	84,427
PT Aspex Kumbang	Newsprint	9	13,705
Stora Enso	Newsprint	10	7,748
Cellmark (F.E.) Pte Ltd	Newsprint	16	4,854
Otra Pulp & Paper Pte Ltd	Newsprint	16	4,034
Sanmic Chiyoda Corp	Newsprint	5	3,744
Pan Asia Paper	Newsprint	5	3,489
Overseas Colouring Sdn Bhd	Newsink	16	2,580
Toyo Ink Sdn Bhd	Newsink	16	2,288
Toyochem Graphics Sdn Bhd	Newsink	16	2,053

SCMC Group is not dependent on any single supplier for the supply of raw materials to ensure reliability and cost competitiveness.

### 2.6 Major Customers

As the Group is mainly involved in the publishing and distribution of newspapers and the provision of advertising services, the customers are very wide ranging and there is no significant concentration on any one particular customer.

## VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS

### 1. Director, Key Management and Employees

#### 1.1 Board of Directors

1.1.1 Based on the Register of Directors' Shareholdings as at the date hereof, the direct and indirect interests of the Directors in the shares of the Company, before and after the Offer for Sale, are as follows:

Names	Before Offer for Sale				After Offer for Sale			
	Direct		Indirect		Direct		Indirect	
	No. of SCMC Shares	%	No. of SCMC Shares	%	No. of SCMC Shares	%	No. of SCMC Shares	%
TSTHK	39,281,600	13.01	167,428,800 <sup>(i)</sup>	55.44	25,392,600	8.41	125,433,800 <sup>(ii)</sup>	41.53
Datuk Leong Sonny @ Leong Khee Seong	-	-	-	-	-	-	-	-
Dr. Tiong Ik King	4,348,800	1.44	-	-	2,796,000	0.93	-	-
Datuk Patinggi Tan Sri Dr. Wong Soon Kai	-	-	-	-	-	-	-	-
Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh	-	-	13,590,000 <sup>(ii)</sup>	4.50	-	-	11,990,000 <sup>(ii)</sup>	3.97
Dato' Liew Kam Chean @ Liew Chen Chuan	-	-	-	-	-	-	-	-
Gan Chin Kew @ Gan Chin Hor	-	-	-	-	-	-	-	-
Siew Nyoke Chow	-	-	-	-	-	-	-	-
Wong Lee Yun	-	-	-	-	-	-	-	-
Sim Sai Hoon	-	-	-	-	-	-	-	-

**Notes:**

(i) Deemed interested by virtue of his interests in R.H. Forestry Sdn Bhd, TSL, TTSH, Rimbunan Hijau (Sarawak) Sdn Bhd and Rimbunan Hijau Southeast Asia Sdn Bhd pursuant to Section 6A of the Act.

(ii) Deemed interested by virtue of his interest in Persada Jaya Sdn Bhd pursuant to Section 6A of the Act.

### VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

1.1.2 The profiles of the Directors of SCMC are as follows:

- (i) **TSTHK**, a Malaysian aged 69, is the Non-Independent Non-Executive Chairman of the Group. He is a businessman with vast and extensive experience in various business sectors including newspaper publishing in Malaysia and overseas, information technology, timber harvesting, timber processing, tree plantation and oil palm plantation. Over the years, TSTHK has started and built up the Rimbunan Hijau group of companies, a large diversified conglomerate providing employment opportunities to thousands of Malaysians in various businesses throughout the world. Currently, TSTHK is the Executive Chairman and Managing Director of Rimbunan Hijau group of companies.

For the past two (2) years preceding the date of this Prospectus, he has substantial shareholdings (pursuant to Section 6A of the Act) in the following public corporations other than SCMC:

Name of company	Substantial Shareholdings as at 31 August 2004			
	<-----Direct----->		<-----Indirect----->	
	No. of ordinary shares held	%	No. of ordinary shares held	%
EON Capital Berhad	-	-	118,640,080 <sup>(i)</sup>	17.11
Jaya Tiasa Holdings Berhad	2,682,212	1.04	62,814,578 <sup>(ii)</sup>	24.36
Subur Tiasa Holdings Berhad	1,056,305	0.57	88,294,557 <sup>(iii)</sup>	47.24
Tri-M Technologies (S) Limited	-	-	51,972,486 <sup>(iv)</sup>	75.77
Ming Pao Enterprise Corporations Limited	150,000	0.04	252,487,700 <sup>(v)</sup>	63.86

**Notes:**

- (i) Deemed interested by virtue of his interests in R.H. Development Corporation Sdn Bhd and TTSH pursuant to Section 6A of the Act.
- (ii) Deemed interested by virtue of his interests in TTSH, Marabong Lumber Sdn Bhd and Tiong Toh Siong And Sons Sendirian Berhad pursuant to Section 6A of the Act.
- (iii) Deemed interested by virtue of his interests in Twintop Sdn Bhd, TSL, TTSH and Tiong Toh Siong And Sons Sendirian Berhad pursuant to Section 6A of the Act.
- (iv) Deemed interested by virtue of his interests in Surreyville Pte Ltd pursuant to Section 6A of the Act.
- (v) Deemed interested by virtue of his interests in Conch Company Limited pursuant to Section 6A of the Act.

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**VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**


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For the past two (2) years preceding the date of this Prospectus, he has directorships in the following public corporations other than SCMC:

Name of company	Position	←----- Directorship ----->	
		Date of appointment	Date of resignation
Ming Pao Enterprise Corporations Limited	Director	20.10.1995	-
Yayasan Sin Chew	Trustee	17.05.2001	-

- (ii) **Datuk Leong Sonny @ Leong Khee Seong**, a Malaysian aged 65, is an Independent Non-Executive Deputy Chairman of SCMC. He graduated with a degree in Chemical Engineering in 1964 from University of New South Wales, Australia. He was the Minister of Primary Industries from 1978 to 1986 and a member of Parliament from 1974 to 1990. Prior to his political career, he has been a substantial shareholder of his family private limited companies involved in general trading. Between 1986 and 1990, he was the Chairman of the General Agreement on Tariffs and Trade's ("GATT") Negotiating Committee on Tropical Products and was the Chairman of the Group of 14 on ASEAN Economic Co-operation and Integration.

For the past two (2) years preceding the date of this Prospectus, he has not had nor does he currently have any substantial shareholding and/or hold any directorship in any public corporation other than his directorship in SCMC.

- (iii) **Dr. Tiong Ik King**, MRCP (UK), MBBS (Singapore), a Malaysian aged 54, is a Non-Independent Non-Executive Director of SCMC. He graduated from the National University of Singapore with a degree in M.B.B.S. and subsequently obtained his M.R.C.P. in United Kingdom from the Royal College of Physicians in 1977. He joined the Rimbunan Hijau Group of companies in 1982 where he oversees the operations which include newspaper publishing in Malaysia and overseas, information technology, timber harvesting, timber processing, tree plantation and oil palm plantation. He is the Managing Director of Habacus Pte Ltd from 1982 to 1991 and Habacus Trading Co. Pte Ltd since 1991. He was appointed to the Board of SCMC in 1988 and has been with the Group since. He also sits on the Board of EON Capital Bhd and Jaya Tiasa Holdings Bhd and several private limited companies.

**VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

For the past two (2) years preceding the date of this Prospectus, he has substantial shareholdings (pursuant to Section 6A of the Act) in the following public corporations other than SCMC:

Name of company	Substantial Shareholdings as at 31 August 2004			
	←-----Direct----->		←-----Indirect----->	
	No. of ordinary shares held	%	No. of ordinary shares held	%
Tri-M Technologies (S) Limited	-	-	51,972,486 <sup>(i)</sup>	75.77
Ming Pao Enterprise Corporations Limited	-	-	252,487,700 <sup>(ii)</sup>	63.86

*Notes:*

- (i) Deemed interested by virtue of his interests in Surreyville Pte Ltd pursuant to Section 6A of the Act.
- (ii) Deemed interested by virtue of his interests in Conch Company Limited pursuant to Section 6A of the Act.

For the past two (2) years preceding the date of this Prospectus, he has directorships in the following public corporations other than SCMC:

Name of company	Position	←----- Directorship ----->	
		Date of appointment	Date of resignation
EON Capital Berhad	Director	17.12.2002	-
Jaya Tiasa Holdings Berhad	Director	27.03.1995	-
Tri-M Technologies (S) Limited	Director	07.03.1997	-
Ming Pao Enterprise Corporations Limited	Director	20.10.1995	-

**VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

- (iv) **Datuk Patinggi Tan Sri Dr. Wong Soon Kai**, a Malaysian aged 77, is an Independent Non-Executive Director of SCMC. He graduated with an M.B.B.S from the University Malaya, Singapore and worked as a Specialist Medical Practitioner for over 20 years. In addition, he has also held several State Ministerial positions in Sarawak and was the Deputy Chief Minister of Sarawak between 1994 and 1996. He is currently the Science Advisor for Sarawak Government, a position held since 1997 and he is also the Independent Non-Executive Chairman of Subur Tiasa Holdings Berhad and has interests and directorships in several other private companies.

For the past two (2) years preceding the date of this Prospectus, he has directorship in the following public corporation other than SCMC:

Name of company	Position	<----- Directorship ----->	
		Date of appointment	Date of resignation
Subur Tiasa Holdings Berhad	Non-Executive Chairman	21.06.1997	-

For the past two (2) years preceding the date of this Prospectus, he has not had nor does he currently have any substantial shareholding in any public corporation.

- (v) **Temenggong Datuk Kenneth Kanyan Anak Temenggong Koh**, a Malaysian aged 62, is a Non-Independent Non-Executive Director of SCMC. 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 and a member of Council Negeri Sarawak from 1970 to 1974. From 1974 to 1981, he was the Political Secretary to the Deputy Prime Minister and Prime Minister of Malaysia. He has also served as a Senator from 1981 to 1987. He was conferred the title of Temenggong for Kapit Division by the State Government of Sarawak in recognition of his contribution to the community. He currently sits on the Board of Subur Tiasa Holdings Berhad as a Non-Executive Director and has interests and directorships in several other private limited companies.

For the past two (2) years preceding the date of this Prospectus, he has directorship in the following public corporation other than SCMC:

Name of company	Position	<----- Directorship ----->	
		Date of appointment	Date of resignation
Subur Tiasa Holdings Berhad	Non-Executive Director	21.06.1997	-



### VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

For the past two (2) years preceding the date of this Prospectus, he has substantial shareholdings (pursuant to Section 6A of the Act) in the following public corporations other than SCMC:

Name of company	Substantial Shareholdings as at 31 August 2004			
	-----Direct----- No. of ordinary shares held		-----Indirect----- No. of ordinary shares held	
		%		%
Jaya Tiasa Holdings Berhad <sup>(i)</sup>	-	-	-	-
Subur Tiasa Holdings Berhad <sup>(ii)</sup>	300,000	0.16	-	-

**Notes:**

(i) Was previously a substantial shareholder but ceased to be a substantial shareholder on 12 February 2004.

(ii) Was previously a substantial shareholder but ceased to be a substantial shareholder on 11 March 2004.

- (vi) **Dato' Liew Kam Chean @ Liew Chen Chuan**, a Malaysian aged 66, is the Managing Director of SCMC. He completed his studies in Confucian High School in 1959. Subsequently, he took up journalism and law. He studied American Government Systems in the USA under the sponsorship of the Department of States of the USA. He possesses more than 40 years of experience in journalism, having begun his career as a reporter with Sin Poh (Star News) Amalgamated Malaysia Sdn Bhd in 1961. He became the Chief Reporter in 1975 and was made Editor-in-Chief of SCMC in 1981. He was appointed to the Board of SCMC in 1991. He is a member of the advisory council of the Malaysian National News Agency (BERNAMA) and has served in various capacities in journalistic bodies such as National Union of Journalists, Confederation of ASEAN Journalists, Press Foundation of Asia, Malaysian Press Institute and the Association of Chinese Editors.

For the past two (2) years preceding the date of this Prospectus, he has directorship in the following public corporation other than SCMC:

Name of company	Position	----- Directorship ----->	
		Date of appointment	Date of resignation
Yayasan Sin Chew	Trustee	25.10.2000	-

For the past two (2) years preceding the date of this Prospectus, he has not had nor does he currently have any substantial shareholding in any public corporation.

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**VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**


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- (vii) **Gan Chin Kew @ Gan Chin Hor**, a Malaysian aged 56, is an Executive Director of SCMC. He graduated with Degree in Science from University of New South Wales, Australia and a Master of Business Administration from University of Bath, United Kingdom. Prior to joining SCMC Group, he has held senior positions in various industries including palm oil, pharmaceutical and fiber optics. He has been with the Group since 1984, and was appointed to the Board of SCMC in 1999. Prior to his appointment to the Board of SCMC, he has held several managerial and senior positions in SCMC including Production/Personnel General Manager, Corporate Planning General Manager and Group General Manager. He also sits on the boards of the Malaysian National News Agency (BERNAMA), MNI and several other private limited companies.

For the past two (2) years preceding the date of this Prospectus, he has directorship in the following public corporation other than SCMC:

Name of company	Position	←----- Directorship ----->	
		Date of appointment	Date of resignation
Yayasan Sin Chew	Trustee	25.10.2000	-

For the past two (2) years preceding the date of this Prospectus, he has not had nor does he currently have any substantial shareholding in any public corporation.

- (viii) **Siew Nyoke Chow**, a Malaysian aged 48, is an Executive Director and the Group Editor-in-Chief of SCMC. She was appointed to the Board of SCMC in 1999. She obtained her High School Certificate from Tunku Abdul Rahman College in 1977 and later obtained a certificate of intensive course of journalism in Manila in 1983. She joined Sin Poh (Star News) Amalgamated Malaysia Sdn Bhd as a reporter in 1978 soon after graduating from high school and was subsequently promoted to Head of Culture & Education Department in 1992. In 1995, she was promoted to Deputy Chief Editor and subsequently the Group Editor-in-Chief for SCMC Group.

She has more than 26 years experience as a reporter and an editor. She currently oversees the editorial content and policies of SCMC Group's publications. Siew Nyoke Chow was awarded "The Best Reportage of the Year" by Malaysian Chinese Editors Association for the respective years of 1984, 1986, 1988, 1990 and 1993. She was also awarded "The Best Journalist of the Year" by Malaysia Press Institute in 1990 and 1993. She contributes her writings in local and foreign publications from time to time and actively participates in seminars and forums at the local and international level. In 2003, she was appointed the Adviser, World Chinese Culture Research Centre, Fu Dan University, Shanghai.

## VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

For the past two (2) years preceding the date of this Prospectus, she has directorship in the following public corporation other than SCMC:

Name of company	Position	←----- Directorship ----->	
		Date of appointment	Date of resignation
Yayasan Sin Chew	Trustee	30.07.2001	-

For the past two (2) years preceding the date of this Prospectus, she has not had nor does she currently have any substantial shareholding in any public corporation.

- (ix) **Wong Lee Yun**, a Malaysian aged 51, is an Independent Non-Executive Director of SCMC. She is a Certified Public Accountant by profession. She worked 10 years in investment banking and was 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 beginning 1997 to end of year 2000. Since then she has been a director of several companies involved in various industries, namely, telecommunications, food and beverage and software development.

For the past two (2) years preceding the date of this Prospectus, she has not had nor does she currently have any substantial shareholding and/or hold any directorship in any public corporation other than her directorship in SCMC.

- (x) **Sim Sai Hoon**, a Malaysian aged 45, is an Independent Non-Executive Director of SCMC. She holds a BSC (Honours) in Chemistry and Management from the University of London and a Post-Graduate Diploma in Chinese from Ealing College, London. For the past 20 years, she has been actively involved in developing her family business which includes operations in Hong Kong, Singapore and Malaysia. She has significant business experience in setting up joint venture companies with foreign partners in manufacturing and utility businesses. She was the first woman to sit on the board of British Gas Asia Pacific Holdings Pte Ltd, an international energy and utility company. She writes frequent commentaries in the Malaysian press on Malaysian politics and women's affairs and is a member of the National Association of Women Entrepreneurs, Malaysia, and has also served as a member of the National Advisory Council on the Integration of Women in Development.

For the past two (2) years preceding the date of this Prospectus, she has not had nor does she currently have any substantial shareholding and/or hold any directorship in any public corporation other than her directorship in SCMC.

None of the Executive Directors of SCMC is involved in any full-time executive position in other businesses.

## VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

### 1.2 Key Management

1.2.1 Based on the Register of Members as at the date of this Prospectus, the direct and indirect interests of the key management in the shares of the Company, before and after the Offer for Sale, are as follows:

Names	←-----Before Offer for Sale----->		←-----Indirect----->		←-----After Offer for Sale*----->		←-----Indirect----->	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
	No. of SCMC Shares	%	No. of SCMC Shares	%	No. of SCMC Shares	%	No. of SCMC Shares	%
Dato' Liew Kam Chean @ Liew Chan	-	-	-	-	-	-	-	-
Gan Chin Kew @ Gan Chin Hor	-	-	-	-	-	-	-	-
Siew Nyoke Chow	-	-	-	-	-	-	-	-
Yong Yeow Khoon	-	-	-	-	17,000	**	-	-
Koo Cheng	-	-	-	-	20,000	**	-	-
Ch'ng Li Suang	-	-	-	-	15,000	**	-	-
Ng Chek Yong	-	-	-	-	20,000	**	-	-
Ooi Hooi Chong	-	-	-	-	15,000	**	-	-
Hon Yew Fong	-	-	-	-	17,000	**	-	-
Wong Khang Yen	-	-	-	-	17,000	**	-	-
Lim Kok Keng	-	-	-	-	15,000	**	-	-
Dr. Lim Chong Hooi	-	-	-	-	15,000	**	-	-
Lim Mei Ching	-	-	-	-	15,000	**	-	-
Chiah Len Fong	-	-	-	-	15,000	**	-	-
Keu Tien Siong	-	-	-	-	-	-	-	-
Ngieng Leh Ming	-	-	-	-	15,000	**	-	-

**Notes:**

\* Assuming full subscription of the Offer Shares reserved for them under the preferential share allocation scheme pursuant to the Offer for Sale.

\*\* Negligible.

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**VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

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1.2.2 Details of the key management of SCMC Group are as follows:

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

Please refer to paragraph 1.1.2 (vi) of Section VIII of this Prospectus.

**Gan Chin Kew @ Gan Chin Hor**

Please refer to paragraph 1.1.2 (vii) of Section VIII of this Prospectus.

**Siew Nyoke Chow**

Please refer to paragraph 1.1.2 (viii) of Section VIII of this Prospectus.

**Yong Yeow Khoon**, aged 46, is the Chief Executive Officer of GMRSB since 2001 where he is responsible for the overall operations of GMRSB. He began his career in the newspaper industry in 1977 as a reporter with Kwong Wah Yit Poh and subsequently joined as a reporter with Sin Ping Jit Poh. In 1980 he joined Sin Chew Daily as a reporter and was later promoted to the Regional Chief Reporter. In 1993, he was assigned to GMRSB as the News Editor of Guang Ming Daily and rose to the position of Chief Editor in 1998.

**Koo Cheng**, aged 49, is the Editor-in Chief for Sin Chew Daily. He obtained a Diploma in Management from the Malaysian Institute of Management. Prior to joining Sin Chew Daily, he was a reporter with Berita Awam and Kin Kwok Daily News. He joined SCMC Group in 1978 as a Reporter of Sin Chew Daily. In 1988, he was appointed the Assistant Chief Reporter and later as a Chief Reporter in 1989. He was made the News Editor in 1993 and the Deputy Editor-in-Chief in 1994 and was appointed to his current position in 2000. He is responsible for the overall content of Sin Chew Daily.

**Ch'ng Li Suang**, aged 45, is the Editor-in-Chief for Guang Ming Daily. She obtained a Degree in Bachelor of Economics, University of Malaya in 1981. She has extensive experience in journalism. She was the Chief Editor of a woman's magazine from 1990 to 1997 and the Chief Editor of Citta Bella magazine from 1997 to 2000. In 2000, she joined SCMC Group as the Editor-in-Chief of Guang Ming Daily. She is responsible for the overall editorial policy and stance of Guang Ming Daily on major issues.

**Ng Chek Yong**, aged 48, is the General Manager of MPSB and the Regional Editor of East Malaysia for Sin Chew Daily. Prior to joining SCMC Group as a Reporter in 1988, he joined See Hua Daily News as a reporter/feature Writer from 1979 to 1988 after graduating from High School. In 1988, he joined TO-DAY News Sabah as the Chief Reporter.

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**VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

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**Ooi Hooi Chong**, aged 37, is the Chief Content Officer of Sinchew-i.com and Executive Editor-in-Chief of Guang Ming Daily. He graduated with Diploma in Graphic Design from SAITO College. He joined SCMC Group in 2000 and has over 12 years of working experience. He is responsible for the overall content, design and management of the web portal of Sinchew-i.

**Hon Yew Fong**, aged 64, is the General Manager-Finance of SCMC Group. She obtained a Degree in Bachelor of Commercial Science from Cheng Kung University, Taiwan in 1965. She has been with SCMC Group since 1974 in various positions within the finance and accounting department. She oversees the Accounts, Credit Control and Purchasing Departments of SCMC Group. She has 30 years of working experience in accounting and finance.

**Wong Khang Yen**, aged 37, is the General Manager-Advertisements. He graduated with a Degree in Bachelor of Communications (Honours) from Universiti Sains Malaysia in 1992. He joined SCMC Group in 1992 as Marketing Executive and assumed his current position in 2003. He is currently overseeing the advertising operations of SCMC Group.

**Lim Kok Keng**, aged 53, is the Senior Circulation Manager of SCMC Group. He has served with Sin Chew Daily since graduating from High School in 1969. He has more than 33 years working experience in newspaper circulation and currently oversees all aspects of circulation of the Group's publications.

**Dr. Lim Chong Hooi**, aged 37, is the Senior Production Manager of SCMC Group. He graduated with a Bachelor in Engineering (First Class Honours) in Mechanical Engineering and a Doctorate of Philosophy in Mechanical Engineering from the University of Wales, United Kingdom. Prior to joining SCMC Group he worked in various companies as an engineer. He has also served as a Production Manager in Utusan Melayu (M) Sdn Bhd and as General Manager (Technical) for the Sun Media Corporation Sdn Bhd. He joined SCMC in 1999 in his current capacity and is responsible for overseeing production operations of SCMC Group.

**Lim Mei Ching**, aged 45, is the Senior Manager-Human Resource/Administration of SCMC Group. She graduated with a Certificate in Personnel Management, Malaysian Institute of Personnel Management, Diploma in Industrial Relations, Malaysian Employers Federation and Diploma in Management, Malaysian Institute of Management. She joined SCMC Group since 1988. Her current roles and responsibilities in SCMC Group include overseeing all aspects of the human resource and general administrative functions of SCMC Group.

**Chiah Len Fong**, aged 50, is the Senior Manager-Business Promotion of SCMC Group. She graduated from Tuanku Abdul Rahman College in 1974 and obtained a Diploma in Advertising in 1992. She completed a Diploma in Supervisory Management in 2004. Her roles and responsibilities in SCMC Group include overseeing the image building and promotional activities of SCMC Group.

## VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

**Keu Tien Siang**, aged 30, is the Senior Manager-Information Technology of SCMC Group. He obtained a Bachelor of Electronic/Computer Engineering (Honours) from Universiti Putra Malaysia in 1999. He joined SCMC Group in 2002 and his roles and responsibilities in SCMC Group include overseeing the information technology needs of the Group.

**Ngieng Leh Ming**, aged 41, is the Internal Auditor of SCMC Group. She graduated with a Bachelor of Commerce in Accountancy from the University of Wollongong, New South Wales, Australia. She joined SCMC Group since 1992 and is responsible for auditing aspects of the Group and ensuring that internal controls and corporate policies are in place. She is a Certified Practising Accountant Member of Australian Society of CPAs and a Chartered Accountant Member of Malaysian Institute of Accountants.

None of the key management of SCMC Group is involved in any full-time employment in other businesses.

### 1.3 Declaration

None of the Directors and key management of the Group is or was involved in the following events (whether in or outside Malaysia):

- (a) a petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel; or
- (b) conviction in criminal proceedings or is a named subject of pending criminal proceedings; or
- (c) the subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or government body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

### 1.4 Employees

As at 31 August 2004, SCMC Group has a workforce of approximately 1,819 employees of which all except for a small number, are on permanent basis.

	←-----No. of employees----->		
	Permanent	Contract	Total
Administration	235	7	242
Marketing, advertising & circulation	398	52	450
Editorial	697	25	722
Production	375	12	387
Others	17	1	18
<b>Total</b>	<b>1,722</b>	<b>97</b>	<b>1,819</b>

SCMC Group does not have any foreign employees.

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**VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

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There are 347 employees who are members of the Kesatuan Pekerja-Pekerja Pemandangan Sinar Sdn Bhd as at 31 August 2004. A collective agreement between the Group and the union was signed on 13 April 2002 and is effective till 31 December 2004. No industrial disputes were noted between the Group and the union since its inception. The employees enjoy a cordial relationship with the management.

**1.5 Management Succession Plan**

The Group places high priority on ensuring that there is continuity in the Group's management team so as to ensure continuity and to maintain its level of competitiveness in the industry. To achieve this, it is the policy of the Group to groom the lower and middle management staff to gradually assume the responsibilities of the senior management and also as part of its employees' career advancement programme. The Group's strategy for management continuity is driven by its top management. The Managing Director, together with the Executive Directors are involved in the process of identifying key competencies/requirements for managers and higher positions. Job and candidate profiles are developed for management position in line with the business goals, strategies and culture of the Group.

A formal induction programme is carried out for all new management staff and the Group's history, business objectives, business policies and plans are communicated to the staff. The key management of the Group is involved in defining the Group's goals and managing the Group's strategic issues. They are encouraged to be familiar with the Group's network of distributors, suppliers and business associates. The Group also provides on-going formal training and general management and technical courses and workshops, which may be conducted in-house or by professionals.

**1.6 Relationships and Associations**

Save as disclosed below, there are no other relationships or associations between the substantial shareholders, promoters and Directors of SCMC and key management personnel of SCMC Group:

- (i) TSTHK and Dr. Tiong Ik King are brothers;
- (ii) TSTHK is a substantial shareholder and a director of TTSH and TSL;
- (iii) Dr. Tiong Ik King is a substantial shareholder and a director of TTSH;
- (iv) TSL is a substantial shareholder of TTSH;
- (v) Keu Tien Siong is the son-in-law of Dato' Liew Kam Chean @ Liew Chen Chuan; and
- (v) Lim Kok Keng and Lim Mei Ching are siblings.



## VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

### 1.7 Remuneration and Benefits of Directors

The number of Directors of SCMC whose total remuneration and benefits for services in all capacities to the Group for the financial year ended 31 March 2004 falling within the respective bands are as follows:

	Number of Directors	
	Executive	Non-Executive
RM1 – RM 50,000	-	3
RM50,000 – RM200,000	2	-
RM200,000 – RM500,000	3	-

The aggregate remuneration and fees paid by SCMC Group, including bonuses and benefits to the Directors of SCMC during the financial year ended 31 March 2004 for services rendered to SCMC Group amounted to RM1,350,990.

The forecast remuneration and fees payable by SCMC Group for the financial year ending 31 March 2005 to the Directors of SCMC for services rendered to SCMC Group amount to approximately RM2.0 million.

### 1.8 Audit Committee

The Audit Committee of the Company, constituted on 1 September 2004, is appointed by the Board of Directors and is responsible for reviewing issues of accounting policies and presentation for external financial reporting, monitoring the work of the internal audit function and ensuring that an objective and professional relationship is maintained with the external auditors. The Audit Committee has full access to both internal and external auditors who in turn have access at all times to the Chairman of the Audit Committee. The Audit Committee also reviews any related party transaction and conflict of interest that may arise within SCMC Group.

The current members of the Audit Committee of the Company are set forth below.

Name	Position	Date of Appointment	Directorship
Datuk Leong Sonny @ Leong Khee Seong	Chairman of Committee	01.09.2004	Independent and Non-Executive
Wong Lee Yun	Member of Committee	01.09.2004	Independent and Non-Executive
Sim Sai Hoon	Member of Committee	01.09.2004	Independent and Non-Executive

### 1.9 Service Agreements

As at 31 August 2004, being the latest practicable date prior to the printing of this Prospectus, save for Wong Lee Yun who has been appointed by SCMC to provide consultancy services to the Company, none of the Directors of the Company or the key management of the Group has any existing or proposed service agreement with the Company or any of its subsidiaries. All employees of the Group have standard employment contracts.

## VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

### 2. Substantial Shareholders and Promoters

#### 2.1 Substantial Shareholders

2.1.1 Based on the Register of Substantial Shareholdings as at 31 August 2004 (being the latest practicable date prior to the printing of this Prospectus), the direct and indirect interests of the substantial shareholders of SCMC in the shares of the Company, before and after the Offer for Sale are as follows:

Names	Before Offer for Sale				After Offer for Sale			
	Direct		Indirect		Direct		Indirect	
	No. of SCMC Shares	%	No. of SCMC Shares	%	No. of SCMC Shares	%	No. of SCMC Shares	%
TSTHK	39,281,600	13.01	167,428,800 <sup>(i)</sup>	55.44	25,392,600	8.41	125,433,800 <sup>(i)</sup>	41.53
TTSH	119,833,600	39.68	-	-	94,833,600	31.40	-	-
TSL	30,200,000	10.00	134,329,600 <sup>(ii)</sup>	44.48	19,416,200	6.43	104,153,600 <sup>(ii)</sup>	34.49
Zaman Pemimpin Sdn Bhd	51,642,000	17.10	-	-	45,842,000	15.18	-	-
Ahli Bin Bagus	-	-	65,232,000 <sup>(iii)</sup>	21.60	-	-	57,832,000 <sup>(iii)</sup>	19.15
Kassim Bin Busamah	-	-	65,232,000 <sup>(iii)</sup>	21.60	-	-	57,832,000 <sup>(iii)</sup>	19.15

**Notes:**

- (i) Deemed interested by virtue of his interests in R.H. Forestry Sdn Bhd, TSL, Rimbunan Hijau Southeast Asia Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd and TTSH pursuant to Section 6A of the Act.
- (ii) Deemed interested by virtue of its interests in TTSH, Rimbunan Hijau Southeast Asia Sdn Bhd and Rimbunan Hijau (Sarawak) Sdn Bhd pursuant to Section 6A of the Act.
- (iii) Deemed interested by virtue of their interests in Zaman Pemimpin Sdn Bhd and Persada Jaya Sdn Bhd pursuant to Section 6A of the Act.

## VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

2.1.2 Details of substantial shareholders of SCMC after the Offer for Sale are as follows:

- (i) **TSTHK** is a shareholder and is deemed a substantial shareholder and promoter of SCMC by virtue of his interest in R.H. Forestry Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, TTSH and TSL. His profile is set out in paragraph 1.1.2 (i) of Section VIII of this Prospectus.
- (ii) **TTSH** is a substantial shareholder and promoter of SCMC. It was incorporated on 10 August 1983 as a private limited company under the Act. Its principal activities are renting of properties and investment holding. Its Board of Directors comprises the following members:
- TSTHK;
  - Y.B. Tiong Thai King;
  - Tiong Kiong King;
  - Dr. Tiong Ik King;
  - Tiong Choon; and
  - Tiong Chiong Ie.

The substantial shareholders of TTSH and their respective shareholdings in TTSH as at 31 August 2004 are as follows:

Substantial shareholders	----- Direct -----		----- Indirect -----	
	No. of ordinary shares held	%	No. of ordinary shares held	%
Priharta Development Sdn Bhd	2,830,000	13.48	-	-
TSTHK	2,143,000	10.20	3,972,000 <sup>(i)</sup>	18.91
TSL	3,257,000	15.51	-	-
Dr. Tiong Ik King	2,830,000	13.48	-	-
Tiong Kiong King	2,830,000	13.48	-	-
Tiong Kiu King	1,570,000	7.47	-	-
Y.B. Tiong Thai King	2,830,000	13.48	200,000 <sup>(ii)</sup>	0.95
Tiong Chiong Ie	-	-	2,830,000 <sup>(iii)</sup>	13.48
Tiong Jin Choo	-	-	2,830,000 <sup>(iii)</sup>	13.48
Tiong Chiong Siong	-	-	2,830,000 <sup>(iii)</sup>	13.48

**Notes:**

- Deemed interested by virtue of his interests in TSL, R.H. Forestry Sdn Bhd and Rejang Healthcare Corporation Sdn Bhd pursuant to Section 6A of the Act.
- Deemed interested by virtue of his interests in Rejang Healthcare Corporation Sdn Bhd pursuant to Section 6A of the Act.
- Deemed interested by virtue of their interests in Priharta Development Sdn Bhd pursuant to Section 6A of the Act.

## VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

For the past two (2) years preceding the date of this Prospectus, TTSH has substantial shareholdings (pursuant to Section 6A of the Act) in the following public corporations other than SCMC:

Name of company	Substantial Shareholdings as at 31 August 2004			
	←-----Direct-----→		←-----Indirect-----→	
	No. of ordinary shares held	%	No. of ordinary shares held	%
Subur Tiasa Holdings Berhad	62,867,405	33.64	23,837,436 <sup>(i)</sup>	12.75
Jaya Tiasa Holdings Berhad	60,678,867	23.53	2,135,711 <sup>(ii)</sup>	0.83

**Notes:**

- (i) Deemed interested by virtue of its interest in Twintop Sdn Bhd and Tiong Toh Siong And Sons Sendirian Berhad pursuant to Section 6A of the Act.
- (ii) Deemed interested by virtue of its interest in Marabong Lumber Sdn Bhd and Tiong Toh Siong And Sons Sendirian Berhad pursuant to Section 6A of the Act.
- (iii) TSL is deemed a substantial shareholder by virtue of its direct shareholdings in SCMC and its interest in TTSH and is a promoter of SCMC. It was incorporated in Malaysia under the Act on 2 May 1980. Its principal activities are investment in corporate securities and cultivation of oil palms. Its Board of Directors comprises the following members:
- (a) TSTHK; and
- (b) Tiong Chiong Ong.

The substantial shareholders of TSL and their respective shareholdings in TSL as at 31 August 2004 are as follows:

Substantial shareholders	←----- Direct -----→		←----- Indirect -----→	
	No. of ordinary shares held	%	No. of ordinary shares held	%
TSTHK	3,360,000	84.00	110,000 <sup>(i)</sup>	2.75

**Note:**

- (i) Deemed interested by virtue of his/her shareholdings in R.H. Forestry Sdn Bhd pursuant to Section 6A of the Act.

### VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (*Cont'd*)

For the past two (2) years preceding the date of this Prospectus, TSL has substantial shareholdings (pursuant to Section 6A of the Act) in the following public corporations other than SCMC:

Name of company	Substantial Shareholdings as at 31 August 2004			
	<-----Direct----->		<-----Indirect----->	
	No. of ordinary shares held	%	No. of ordinary shares held	%
EON Capital Berhad	-	-	118,640,080 <sup>(i)</sup>	17.11
Subur Tiasa Holdings Berhad	1,589,716	0.85	86,704,841 <sup>(ii)</sup>	46.39
Jaya Tiasa Holdings Berhad	-	-	62,814,578 <sup>(iii)</sup>	24.36

**Notes:**

- (i) Deemed interested by virtue of its interest in TTSH and R.H. Development Corporation Sdn Bhd pursuant to Section 6A of the Act.
- (ii) Deemed interested by virtue of its interest in TTSH, Twintop Sdn Bhd and Tiong Toh Siong & Sons Sendirian Berhad pursuant to Section 6A of the Act.
- (iii) Deemed interested by virtue of its interest in TTSH, Marabong Lumber Sdn Bhd and Tiong Toh Siong And Sons Sendirian Berhad pursuant to Section 6A of the Act.
- (iv) **Zaman Pemimpin Sdn Bhd** is a substantial shareholder and promoter of SCMC. It was incorporated in Malaysia under the Act on 15 April 1998. Its principal activity is investment holding. Its Board of Directors comprises the following members:
- (a) Ahli Bin Bagus; and
- (b) Kassim Bin Busamah.

The substantial shareholders of Zaman Pemimpin Sdn Bhd and their respective shareholdings in Zaman Pemimpin Sdn Bhd as at 31 August 2004 are as follows:

Substantial shareholders	<----- Direct ----->		<----- Indirect ----->	
	No. of ordinary shares held	%	No. of ordinary shares held	%
Ahli Bin Bagus	50,000	50.00	-	-
Kassim Bin Busamah	50,000	50.00	-	-

For the past two (2) years preceding the date of this Prospectus, Zaman Pemimpin Sdn Bhd has not had nor does it currently have any substantial shareholding in any public corporations other than in SCMC.

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**VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

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- (v) **Ahli Bin Bagus**, a Malaysian aged 75, is deemed a substantial shareholder in SCMC by virtue of his interest in Zaman Pemimpin Sdn Bhd and Persada Jaya Sdn Bhd. He has been involved in the timber industry and has served the Rimbunan Hijau Group of companies since 1970. He has various interests in other private limited companies and currently serves as a director in several private limited companies.

For the past two (2) years preceding the date of this Prospectus, he has not had nor does he currently have any substantial shareholding and/or hold any directorship in any public corporation other than in SCMC.

- (vi) **Kassim Bin Busamah**, a Malaysian aged 70, is deemed a substantial shareholder in SCMC by virtue of his interest in Zaman Pemimpin Sdn Bhd and Persada Jaya Sdn Bhd. He has been involved in the timber industry and has served the Rimbunan Hijau Group of companies since 1980. He has various interests in other private limited companies and currently serves as a director in several private limited companies.

For the past two (2) years preceding the date of this Prospectus, he has not had nor does he currently have any substantial shareholding and/or hold any directorship in any public corporations other than in SCMC.

**2.2 Promoters**

TSTHK, TTSH and TSL, individually and collectively, are promoters of the Company. The shareholdings and profiles of TSTHK, TTSH and TSL are as set out in paragraph 1.1.2 (i), paragraph 2.1.2 (ii) and paragraph 2.1.2 (iii) of Section VIII of this Prospectus respectively.

**VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**
**2.3 Change in the Shareholdings of Substantial Shareholders and Promoters of SCSM**

The changes in the substantial shareholders/promoters of the Company and their shareholding for the past three (3) years up to 31 August 2004 are as follows:

	Before Offer for Sale		31 March 2004		31 March 2003							
	Direct	Indirect	Direct	Indirect	Direct	Indirect						
	No. of shares	%	No. of shares	%	No. of shares	%						
TSTHK	39,281,600	13.01	167,428,800 <sup>(i)</sup>	55.44	1,288,000	12.88	5,544,000 <sup>(i)</sup>	55.44	288,000	4.00	3,744,000 <sup>(iv)</sup>	52.00
TTSH	119,833,600	39.68	-	-	3,968,000	39.68	-	-	3,168,000	44.00	-	-
TSL	30,200,000	10.00	134,329,600 <sup>(ii)</sup>	44.48	1,000,000	10.00	4,448,000 <sup>(ii)</sup>	44.48	-	-	3,648,000 <sup>(ii)</sup>	50.67
Zaman Pemimpin Sdn Bhd	51,642,000	17.10	-	-	1,710,000	17.10	-	-	1,710,000	23.75	-	-
Ahli Bin Bagus	-	-	65,232,000 <sup>(iii)</sup>	21.60	-	-	2,160,000 <sup>(iii)</sup>	21.60	-	-	2,160,000 <sup>(iii)</sup>	30.00
Kassim Bin Busamah	-	-	65,232,000 <sup>(iii)</sup>	21.60	-	-	2,160,000 <sup>(iii)</sup>	21.60	-	-	2,160,000 <sup>(iii)</sup>	30.00

## VIII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, EMPLOYEES, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

	31 March 2002		31 March 2001	
	Direct	Indirect	Direct	Indirect
	No. of shares	%	No. of shares	%
TSTHK	288,000	4.00	288,000	4.00
				52.00 <sup>(iv)</sup>
TTSH	3,168,000	44.00	3,168,000	44.00
TSL	-	-	-	-
				50.67 <sup>(ii)</sup>
Zaman Pemimpin Sdn Bhd	1,710,000	23.75	1,710,000	23.75
Ahli Bin Bagus	-	-	-	-
				30.00 <sup>(iii)</sup>
Kassim Bin Busamah	-	-	-	-
				30.00 <sup>(iii)</sup>

## Notes:

- (i) Deemed interested by virtue of his interests in R.H. Forestry Sdn Bhd, TSL, Rimbunan Hijau Southeast Asia Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd and TTSH pursuant to Section 6A of the Act.
- (ii) Deemed interested by virtue of its interests in TTSH, Rimbunan Hijau Southeast Asia Sdn Bhd and Rimbunan Hijau (Sarawak) Sdn Bhd pursuant to Section 6A of the Act.
- (iii) Deemed interested by virtue of their interests in Zaman Pemimpin Sdn Bhd and Persada Jaya Sdn Bhd pursuant to Section 6A of the Act.
- (iv) Deemed interested by virtue of his interests in R.H. Forestry Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd and TTSH pursuant to Section 6A of the Act.