
Sin Chew Media Corporation Berhad (98702-v)

**Unaudited Condensed Consolidated Income Statements
For the period ended 31 March 2007**

| | 3 months ended | | Financial period ended | |
|---|----------------|-------------------------|------------------------|-------------------------|
| | 31.03.2007 | 31.03.2006 (Audited) | 31.03.2007 | 31.03.2006 (Audited) |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 119,732 | 114,416 | 479,783 | 471,541 |
| Operating Expenses | (102,514) | (103,949) | (407,447) | (409,424) |
| Other Operating Income | 4,102 | 6,796 | 14,235 | 13,727 |
| Profit from Operations | 21,320 | 17,263 | 86,571 | 75,844 |
| Finance Cost | (602) | (1,035) | (2,626) | (4,252) |
| Profit before taxation | 20,718 | 16,228 | 83,945 | 71,592 |
| Taxation | (5,560) | (4,379) | (22,654) | (17,624) |
| Profit for the period | 15,158 | 11,849 | 61,291 | 53,968 |
| Attributable to: | | | | |
| Equity holders of the Parent | 15,158 | 11,849 | 61,291 | 53,968 |
| Minority Interest | - | - | - | - |
| | 15,157 | 11,849 | 61,291 | 53,968 |
| Earnings per share attributable to equity holders of the parent: | | | | |
| Basic earnings per ordinary share (sen) | 5.02 | 3.92 | 20.30 | 17.87 |
| Diluted earnings per ordinary share (sen) | * | * | * | * |

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

The unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2006 and the accompanying explanatory notes attached to the interim financial statements.

Sin Chew Media Corporation Berhad (98702-V)

Unaudited Condensed Consolidated Balance Sheets

As at 31 March 2007

| | 31 March 2007 | 31 March 2006 (Audited) |
|--|-----------------------|----------------------------|
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 148,142 | 179,077 |
| Investment Property | 5,000 | - |
| Other investments | - | 977 |
| Intangible assets | 3,220 | 181 |
| Prepaid Lease payments | 29,545 | - |
| Goodwill on consolidation | 45,318 | 45,318 |
| Deferred tax assets | 12,371 | 14,479 |
| | <u>243,596</u> | <u>240,032</u> |
| Current assets | | |
| Inventories | 42,498 | 103,742 |
| Trade receivables | 77,702 | 76,809 |
| Other receivables, deposits and prepayment | 4,698 | 4,833 |
| Short term deposits | 72,042 | 12,500 |
| Cash and bank balances | 36,821 | 19,712 |
| | <u>233,761</u> | <u>217,596</u> |
| TOTAL ASSETS | <u><u>477,357</u></u> | <u><u>457,628</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the parent | | |
| Share capital | 151,000 | 151,000 |
| Share Premium | 467 | 467 |
| Reserves | 203,855 | 167,484 |
| Total equity | <u>355,322</u> | <u>318,951</u> |
| Non-current liabilities | | |
| Long-term Borrowings | 15,670 | 25,072 |
| Deferred tax liabilities | 16,461 | 12,701 |
| | <u>32,131</u> | <u>37,773</u> |
| Current liabilities | | |
| Provision for liabilities | 1,200 | 1,200 |
| Short-term Borrowings | 39,280 | 64,435 |
| Trade payables | 20,089 | 13,943 |
| Other payables and accruals | 23,085 | 19,995 |
| Taxation | 6,250 | 1,331 |
| | <u>89,904</u> | <u>100,904</u> |
| Total Liabilities | <u>122,035</u> | <u>138,677</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>477,357</u></u> | <u><u>457,628</u></u> |
| Net assets per share attributable to Ordinary equity Holders of the parent (RM) | 1.18 | 1.06 |

The unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2006 and the accompanying explanatory notes attached to the interim financial statements

Sin Chew Media Corporation Berhad (98702-V)

**Unaudited Condensed Consolidated Statements of Changes in Equity
For the period ended 31 March 2007**

| | - Attributable to equity holders of the Parent - | | | Minority Interest | | |
|--|--|---------------------------------|-------------------------------|-------------------|--------|----------------|
| | Share Capital | Non-distributable Share Premium | Distributable Revenue Reserve | Total | | Total Equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 April 2006 (Audited) | 151,000 | 467 | 167,484 | 318,951 | - | 318,951 |
| Effect of adopting FRS 140 | | | 750 | 750 | | 750 |
| | 151,000 | 467 | 168,234 | 319,701 | | 319,701 |
| Profit for the period | - | - | 61,291 | 61,291 | - | 61,291 |
| Dividend paid | - | - | (25,670) | (25,670) | - | (25,670) |
| Balance as at 31 March 2007 | 151,000 | 467 | 203,855 | 355,322 | - | 355,322 |
| Balance as at 1 April 2005 | 151,000 | 467 | 139,186 | 290,653 | - | 290,653 |
| Profit for the period | - | - | 53,968 | 53,968 | - | 53,968 |
| Dividend paid | - | - | (25,670) | (25,670) | - | (25,670) |
| Balance as at 31 March 2006 (Audited) | 151,000 | 467 | 167,484 | 318,951 | - | 318,951 |

The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2006 and the accompanying explanatory notes attached to the interim financial statements.

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**Unaudited Condensed Consolidated Cash Flow Statements
For the period ended 31 March 2007**

| | 31 Mar 2007 | 31 Mar 2006 (Audited) |
|---|-----------------|--------------------------|
| | RM'000 | RM'000 |
| Profit before taxation | 83,945 | 71,592 |
| Adjustments for:- | | |
| Non cash items | 12,956 | 16,917 |
| Non operating items | 1,411 | 3,608 |
| Operating profit before changes in working capital | 98,312 | 92,117 |
| Changes in working capital | | |
| Net changes in current assets | 58,876 | 14,578 |
| Net changes in current liabilities | 9,550 | (12,827) |
| Cash generated from operations | 166,738 | 93,868 |
| Tax paid | (11,684) | (11,549) |
| Interest paid | (2,626) | (4,252) |
| Interest received | 1,526 | 86 |
| Net cash generated from operating activities | 153,954 | 78,153 |
| Investing activities | | |
| - Equity investments | 924 | 7 |
| - Other investments | (17,433) | (15,483) |
| Net cash used in investing activities | (16,509) | (15,476) |
| Financing activities | | |
| - Net decrease in borrowings | (35,124) | (46,627) |
| - Dividend Paid | (25,670) | (25,670) |
| - Issue of shares | - | - |
| Net cash used in financing activities | (60,794) | (72,297) |
| Net increase/(decrease) in cash and cash equivalents | 76,651 | (9,620) |
| Cash and cash equivalents at beginning of the period | 32,212 | 41,832 |
| Cash and cash equivalents at end of the period | 108,863 | 32,212 |

The unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2006 and the accompanying explanatory notes attached to the interim financial statements.

Sin Chew Media Corporation Berhad (98702-V)

Notes to the interim financial report

A1. Basis of Preparation and Changes in Accounting Policies

Except for investment property that is stated at fair value, the interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with FRS 134 – “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing requirements.

The interim financial report should be read in conjunction with the Group’s audited financial statements for the year ended 31 March 2006.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 March 2006, except for the adoption of all new and revised Financial Reporting Standards (hereinafter referred to as “FRS”) that are applicable to its operations and effective for financial periods beginning on 1 April 2006.

The principal impacts of changes in accounting policies resulting from the adoption of the applicable new or revised FRS are as follows:-

(1) FRS 3 - Business Combinations, FRS 136 – Impairment of assets and FRS 138 – Intangible Assets

Goodwill acquired in a business combination is now carried at cost less any accumulated impairment losses and is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Under FRS 136 “Impairment of Assets”, periodic impairment reviews are required should there be any indications of impairment of goodwill.

In addition, the useful lives of other intangible assets are now assessed at the individual asset level as having either a finite or indefinite life. Prior to 1 April 2006, intangible assets were considered to have a finite useful life and were stated at cost less accumulated amortization and impairment losses.

Prior to the adoption of FRS 138, software costs were included in property, plant and equipment. Upon the adoption of FRS 138 “intangible assets”, intangible assets will continue to be amortized over its useful life and the amortization method of this intangible asset will be assessed annually. Intangible assets include software and goodwill. Intangible assets with finite useful lives continue to be stated at cost less accumulated amortization and impairment losses.

(2) FRS 101 - Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest and other disclosures. In the condensed balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the net profit or loss for the period. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognized income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period’s presentation of the Group’s financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current periods’ presentation.

A1. Basis of Preparation and Changes in Accounting Policies (continue)

(3) FRS116 – Property, Plant and Equipment

In accordance with FRS 116, the asset's residual values, useful lives and depreciation methods will be assessed at each financial year end and adjusted if necessary. If the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, the asset's depreciation charge is zero and until its residual value subsequently decreases to an amount below the asset's carrying amount.

Upon adoption of this standard, the Group and the company have reviewed and re-estimated the useful lives and residual values of each significant part of all item of property, plant and equipment in accordance with the requirements of FRS 116.

After taking into the effect of changes in the useful life and residual values, the Group recorded a reduction in depreciation charges of RM3 million for the financial year ended 31 March 2007.

(4) FRS 140 – Investment Property

The adoption of FRS 140 has resulted in a change in accounting policy for investment properties.

Before adoption of FRS 140, all investment properties were included in property, plant and equipment and were not classified separately. The Group has adopted the fair value model of FRS 140.

In accordance with the transitional provisions of FRS 140, this change in accounting policy is applied prospectively and the comparatives as at 31 March 2006 are not restated.

Further, FRS 140 Para 80b states that if the entity has not previously disclosed publicly the fair value information of the property, it shall not restate comparative information.

Instead, the changes have been accounted for by restating the opening balance of the retained earnings as at 1 April 2006.

In addition to the above, the Group has taken the option of early adoption of the following new/revised FRSs for the financial year ended 31 March 2007:

FRS 117 – Leases

FRS 124 – Related Party Disclosures

(5) FRS 117 - Leases

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 building. Leasehold land held for own use is now classified as operating lease. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

Para 67 of FRS 117 states that retrospective application of this standard is encouraged but not required, therefore, comparatives have not been restated.

The adoption of the other FRSs does not have significant financial impact on the group.

The Group has not elected to early adopt the following Standard:

FRS 139: Financial Instruments : Recognition and Measurement) effective date yet to be determined by MASB)

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Notes to the interim financial report

A2. Audit Report of the Group's Preceding Annual Financial Statements

The audit report of the Group's most recent annual audited financial statements for the year ended 31 March 2006 was not qualified.

A3. Seasonal or cyclical factors

The business operations of the Group may be affected by major festive seasons or major events which may increase or decrease the advertising expenditure.

A4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period under review.

A5. Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

A6. Dividend paid

A first and final tax exempt dividend of 8.5 sen per share in respect of financial year ended 31 March 2006 was paid on 15 November 2006.

A7. Issuance and repayment of debt and equity securities

There were no issuance, cancellations, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

A8. Segment Reporting

No segmental reporting has been prepared as the Group's activities are predominantly in the publication, printing and distribution of newspaper and magazines within Malaysia.

A9. Property, plant and equipment

There was no valuation for property, plant and equipment of the Group in the quarter under review. The valuations of property, plant and equipment of the Group have been brought forward without amendment from the financial statements for the year ended 31 March 2006.

A10. Events subsequent to the balance sheet date

There were no material events subsequent to the end of the financial period under review that have not been reflected in the quarterly financial statements.

A11. Changes in composition of the Group

There were no changes in the composition of the Group during the current financial period ended 31 March 2007.

A12. Changes in contingent liabilities

There are no changes in the contingent liabilities or assets of the Group since the last annual balance sheet date to the date of this announcement.

A13. Capital commitments

There is no authorized capital expenditure contracted but not provided for in the financial statements

RM'000

NIL

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Additional information required by Bursa Malaysia Securities Berhad's Listing Requirements

B1. Review of performance

| | Current Year Quarter 31.03.2007 RM'000 | Preceding Year Corresponding Quarter (Audited) 31.03.2006 RM'000 |
|-------------------------------------|---|--|
| Revenue | 119,732 | 114,416 |
| Consolidated Profit before taxation | 20,718 | 16,228 |
| Consolidated Profit after taxation | 15,158 | 11,849 |

The higher profit before tax for the current quarter was mainly due to higher revenue and the action that the management has taken to reduce cost and improve efficiency.

| | Current Year To Date 31.03.2007 RM'000 | Preceding Year Corresponding Period (Audited) 31.03.2006 RM'000 |
|-------------------------------------|---|---|
| Revenue | 479,783 | 471,541 |
| Consolidated Profit before taxation | 83,945 | 71,592 |
| Consolidated Profit after taxation | 61,291 | 53,968 |

B2. Variation of results against preceding quarter

| | Current Quarter 31.03.2007 RM'000 | Preceding Quarter 31.12.2006 RM'000 |
|------------------------------------|---|---|
| Revenue | 119,732 | 120,319 |
| Consolidated Profit after taxation | 15,158 | 15,788 |

The profit after taxation for the quarter is lower as compared to the immediate preceding quarter due to marginally lower revenue.

B3. Current year prospect

For the current year, the Group expects to operate against a background of moderating adex growth and intense cost pressure. The Group will strive towards achieving satisfactory results barring any unforeseen circumstances.

B4. Profit forecast

The Group has not provided profit forecast in any public document.

B5. Taxation

Taxation comprises the following: -

| | Individual Quarter | | Cumulative Quarter | |
|-----------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|
| | 31.03.2007 RM'000 | 31.03.2006 Audited RM'000 | 31.03.2007 RM'000 | 31.03.2006 Audited RM'000 |
| <u>In respect of current year</u> | | | | |
| - Malaysian taxation | 4,044 | 3,169 | 16,786 | 13,170 |
| - Deferred taxation | 1,516 | 1,210 | 5,868 | 4,454 |
| | 5,560 | 4,379 | 22,654 | 17,624 |

The effective tax rate for the current financial year is estimated same as statutory tax rate.

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B6. Quoted investments

There is no Investment in quoted securities as at 31 March 2007.

B7. Status of corporate proposal announced

On 29 January 2007, the Company had entered into a Heads of Agreement (“HOA”) with Ming Pao Enterprise Corporation Limited (“MingPao”) in relation to a proposed business combination exercise involving SinChew, MingPao and Nanyang Press Holdings Berhad (“Nanyang”) comprising the following proposals:-

- Proposed scheme of arrangement under section 176 of the Companies Act, 1965 whereby all the shareholders of Sin Chew will exchange all their Ordinary shares of RM0.50 each in Sin Chew (“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;
- Proposed scheme of arrangement under section 176 of the Companies Act, 1965 whereby all the 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;
- 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
- Proposed transfer of listing status of SinChew to MingPao on the Main board of Bursa Malaysia Securities Berhad.

(Collectively referred to as the “Proposals”)

On the same date, both SinChew and MingPao 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 Company, Nanyang and MingPao entered into a Deed of Accession for Nanyang to accede to the HOA such that the provisions applying to both SinChew and MingPao will also apply to Nanyang.

On 23 April 2007, the Company entered into a Merger Agreement with MingPao and Nanyang in relation to the Proposals.

Further to the above, the Company is currently in the process of procuring all the necessary approvals from the relevant authorities and/or parties in relation to the Proposals.

B8. Borrowing and debt securities

The Group borrowings and debt securities as at 31 March 2007 are as follows:

| | As at 31.03.2007 RM'000 | As at 31.03.2006 RM'000 |
|-----------------------|-------------------------------|-------------------------------|
| Unsecured | | |
| Short term borrowings | 29,600 | 44,780 |
| Secured | | |
| Hire purchase | 1,324 | 1,521 |
| Term loans | 24,026 | 43,206 |
| Total | 54,950 | 89,507 |

All borrowings are denominated in Ringgit Malaysia, except for certain short term borrowings in trade loan that are denominated in US Dollar.

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B9. Changes in material litigation

There are several libel suits which involve claims against the Companies in the Group. The outcome and probable compensation of these suits, if any, are currently indeterminable.

B10. Dividend payable

The Board of Directors recommends a first and final dividend of 10.0 sen per ordinary share as shown below in respect of the financial year ended 31 March 2007, which will be tabled for approval by shareholders at the forthcoming Annual General Meeting at a date to be determined later:

- (1) Tax exempt dividend of 5.0 sen per ordinary share; and
- (2) 5.0 sen gross per ordinary share less income tax

B11. Earnings per share

The earnings per share for the financial period has been calculated based on the Group's profit after taxation and divided by the number of ordinary shares during the financial period.

| | Individual Quarter | | Cumulative Quarter | |
|--|--------------------|-------------------------|--------------------|-------------------------|
| | 31.03.2007 | 31.03.2006 (Audited) | 31.03.2007 | 31.03.2006 (Audited) |
| Group's profit after taxation (RM'000) | 15,158 | 11,849 | 61,291 | 53,968 |
| Weighted average number of ordinary shares in issue ('000) | 302,000 | 302,000 | 302,000 | 302,000 |
| Earnings per share (sen) | 5.02 | 3.92 | 20.30 | 17.87 |

The Group has no potential ordinary shares in issue, therefore diluted earnings per share has not been presented.

By Order of the Board

Tong Siew Kheng
Woo Ying Pun
Secretaries

23 May 2007