

## Sin Chew Media Corporation Berhad (98702-v)

### Unaudited Condensed Consolidated Income Statements For the period ended 31 Dec 2007

	3 months ended		Financial period ended	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	134,721	120,319	390,792	360,051
Operating Expenses	(107,450)	(102,916)	(318,329)	(304,932)
Other Operating Income	5,470	4,751	13,513	10,133
Profit from Operations	32,741	22,154	85,976	65,252
Finance Cost	(236)	(547)	(974)	(2,025)
<b>Profit before taxation</b>	32,505	21,607	85,002	63,227
Taxation	(9,270)	(5,819)	(23,929)	(17,094)
<b>Profit for the period</b>	<u>23,235</u>	<u>15,788</u>	<u>61,073</u>	<u>46,133</u>
<b>Attributable to:</b>				
Equity holders of the Parent	23,235	15,788	61,073	46,133
Minority Interest	-	-	-	-
	<u>23,235</u>	<u>15,788</u>	<u>61,073</u>	<u>46,133</u>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic earnings per ordinary share (sen)	7.70	5.23	20.22	15.28
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 2007 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 Dec 2007**

	31 Dec 2007	31 March 2007 (Audited)
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	143,728	148,142
Investment Property	5,000	5,000
Intangible assets	48,099	48,538
Prepaid Lease payments	29,293	29,545
Deferred tax assets	8,747	11,439
	<u>234,867</u>	<u>242,664</u>
<b>Current assets</b>		
Inventories	91,758	42,498
Trade receivables	81,513	77,730
Other receivables, deposits and prepayment	4,660	5,486
Short term deposits	57,044	72,042
Cash and bank balances	22,466	36,915
	<u>257,441</u>	<u>234,671</u>
<b>TOTAL ASSETS</b>	<u>492,308</u>	<u>477,335</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	151,000	151,000
Share Premium	467	467
Reserves	240,606	205,656
<b>Total equity</b>	<u>392,073</u>	<u>357,123</u>
<b>Non-current liabilities</b>		
Long-term Borrowings	8,645	15,666
Deferred tax liabilities	16,914	14,013
	<u>25,559</u>	<u>29,679</u>
<b>Current liabilities</b>		
Provision for liabilities	1,200	1,200
Short-term Borrowings	9,667	39,284
Trade payables	19,956	19,929
Other payables and accruals	34,078	24,068
Taxation	9,775	6,052
	<u>74,676</u>	<u>90,533</u>
<b>Total Liabilities</b>	100,235	120,212
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>492,308</u>	<u>477,335</u>
Net assets per share attributable to Ordinary equity Holders of the parent (RM)	1.30	1.18

*The unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2007 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 Dec 2007**

	- Attributable to equity holders of the Parent -			Minority Interest		Total Equity RM'000
	Share Capital RM'000	Non-distributable Share Premium RM'000	Distributable Revenue Reserve RM'000	Total RM'000	RM'000	
Balance as at 1 April 2007 (Audited)	151,000	467	205,656	357,123	-	357,123
Profit for the period	-	-	61,073	61,073	-	61,073
Dividend paid			(26,123)	(26,123)		(26,123)
<b>Balance as at 31 Dec 2007</b>	<b>151,000</b>	<b>467</b>	<b>240,606</b>	<b>392,073</b>	<b>-</b>	<b>392,073</b>
Balance as at 1 April 2006 (Audited)	151,000	467	167,484	318,951	-	318,951
Profit for the period	-	-	46,133	46,133		46,133
<b>Dividend paid</b>			(25,670)	(25,670)		(25,670)
<b>Balance as at 31 Dec 2006</b>	<b>151,000</b>	<b>467</b>	<b>187,947</b>	<b>339,414</b>	<b>-</b>	<b>339,414</b>

*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 2007 and the accompanying explanatory notes attached to the interim financial statements.*

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

	31 Dec 2007 RM'000	31 Dec 2006 RM'000
<b>Profit before taxation</b>	<b>85,002</b>	<b>63,227</b>
Adjustments for:-		
Non cash items	13,277	12,173
Non operating items	(914)	1,350
<b>Operating profit before changes in working capital</b>	<b>97,365</b>	<b>76,750</b>
<b>Changes in working capital</b>		
Net changes in current assets	(55,128)	55,647
Net changes in current liabilities	11,145	12,752
<b>Cash generated from operations</b>	<b>53,382</b>	<b>145,149</b>
Tax paid	(14,797)	(8,706)
Interest paid	(974)	(2,025)
Interest received	1,892	977
<b>Net cash generated from operating activities</b>	<b>39,503</b>	<b>135,395</b>
<b>Investing activities</b>		
- Equity investments	-	924
- Other investments	(6,024)	(12,102)
<b>Net cash used in investing activities</b>	<b>(6,024)</b>	<b>(11,178)</b>
<b>Financing activities</b>		
- Net decrease in borrowings	(36,801)	(52,369)
- Dividend Paid	(26,123)	(25,670)
- Issue of shares	-	-
<b>Net cash used in financing activities</b>	<b>(62,924)</b>	<b>(78,039)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(29,445)</b>	<b>46,178</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>108,955</b>	<b>32,212</b>
<b>Cash and cash equivalents at end of the period</b>	<b>79,510</b>	<b>78,390</b>

*The unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2007 and the accompanying explanatory notes attached to the interim financial statements.*

**Notes to the interim financial report**

**A1. Basis of Preparation and Changes in Accounting Policies**

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 2007.

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 2007.

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 cost 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.

**(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.

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

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 property, plant and equipment in accordance with the requirements of FRS 116.

**(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.

**(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 amortized on a straight-line basis over the lease term.

The adoption of the other FRS 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)

**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 2007 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**

There was no dividend paid in respect of the quarter under review.

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 was paid on 15 November 2007:

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

**A7. Issuance and repayment of debt and equity securities**

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

**Sin Chew Media Corporation Berhad (98702-V)**

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

**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**

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 2007.

**A10. Events subsequent to the balance sheet date**

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

**A11. Changes in composition of the Group**

There was no change in the composition of the Group during the current financial period ended 31 December 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 are no authorized capital expenditure contracted but not provided for in the financial statements

RM'000

NIL

**Sin Chew Media Corporation Berhad (98702-V)**

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

**B1. Review of performance**

	Current Year Quarter 31.12.2007 RM'000	Preceding Year Corresponding Quarter 31.12.2006 RM'000
Revenue	134,721	120,319
Consolidated Profit before taxation	32,505	21,607
Consolidated Profit after taxation	23,235	15,788

The higher profit before tax for the current quarter and year to date was mainly due to higher revenue partially off-set by higher operating costs.

	Current Year To Date 31.12.2007 RM'000	Preceding Year Corresponding Period 31.12.2006 RM'000
Revenue	390,792	360,051
Consolidated Profit before taxation	85,002	63,227
Consolidated Profit after taxation	61,073	46,133

**B2. Variation of results against preceding quarter**

	Current Quarter 31.12.2007 RM'000	Preceding Quarter 30.09.2007 RM'000
Revenue	134,721	131,283
Consolidated Profit after taxation	23,235	19,166

Both the profit before taxation and profit after taxation for the quarter is higher as compared to the immediate preceding quarter due to higher advertisement and circulation revenue despite higher operating costs.

**B3. Current year prospect**

Against rising inflation, higher newsprint prices and intense competition for adex from non-print media, the Group will continue to manage costs and enhance revenue to achieve satisfactory results for the current financial year.

**B4 Profit forecast**

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

**B5. Taxation**

Taxation comprises the following: -

	Individual Quarter		Cumulative Quarter	
	31.12.2007 RM'000	31.12.2006 RM'000	31.12.2007 RM'000	31.12.2006 RM'000
<u>In respect of current year</u>				
- Malaysian taxation	7,675	4,460	18,335	12,742
- Deferred taxation	1,595	1,359	5,594	4,352
	9,270	5,819	23,929	17,094

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



## **Sin Chew Media Corporation Berhad (98702-V)**

### **B6. Quoted investments**

There is no Investment in quoted securities as at 31 December 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.

On 28 June 2007, the Company submitted the proposals to the Securities Commission to seek their approval of the same.

On 27 November 2007, the Securities Commission had granted its approval to the Proposals subject to certain conditions.

On 30 November 2007, the Ministry of International Trade and Industry Malaysia had also granted its approval to the Proposals subject to certain conditions.

On 9 January 2008, the shareholders of Company approved the Proposals at the Court Convened Meeting and Extraordinary General Meeting of the Company.

On 30 January 2008, the parties to the Proposals including the Company have agreed to extend the expiry date for the fulfillment of the conditions precedent to the Proposals from 31<sup>st</sup> January 2008 to 30<sup>th</sup> April 2008.

Further to the above, amongst others, the approvals that are pending for the Proposals are the sanction of the S176 scheme by the High Court of Malaya and the approval of Bursa Malaysia Securities Berhad for the listing and quotation of MingPao Shares.

## Sin Chew Media Corporation Berhad (98702-V)

### B8. Borrowing and debt securities

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

	As at 31.12.2007 RM'000	As at 31.12.2006 RM'000
<b>Unsecured</b>		
Short term borrowings	-	9,830
<b>Secured</b>		
Hire purchase	1,171	1,553
Term loans	17,141	26,322
<b>Total</b>	<b>18,312</b>	<b>37,705</b>

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

### 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 does not recommend any payment of dividend for the quarter under review.

### 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	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Group's profit after taxation (RM'000)	23,235	15,788	61,073	46,133
Weighted average number of ordinary shares in issue ('000)	302,000	302,000	302,000	302,000
<b>Earnings per share (sen)</b>	<b>7.70</b>	<b>5.23</b>	<b>20.22</b>	<b>15.28</b>

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

18 February 2008