



MING PAO ENTERPRISE CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF RESULTS

FOR THE YEAR ENDED 31ST MARCH 2001

The directors of Ming Pao Enterprise Corporation Limited (“the Company”) are pleased to announce that the audited consolidated results of the Company and its subsidiaries (“the Group”) for the year ended 31st March 2001 are as follows:

		2001	2000
	Note	HK\$'000	HK\$'000
Turnover	1	1,218,340	1,152,593
Cost of sales		(845,992)	(794,802)
Gross profit		372,348	357,791
Other income		75,846	113,616
Selling and distribution expenses		(198,018)	(174,321)
Administrative expenses		(129,222)	(115,057)
Other operating expenses		(6,295)	(79,586)
Operating profit		114,659	102,443
Finance costs		(14,711)	(15,198)
Share of losses of associated companies		(5)	-
Profit before taxation		99,943	87,245
Taxation	2	(8,483)	(3,612)
Profit after taxation		91,460	83,633
Minority interests		1,995	8
Profit attributable to shareholders		93,455	83,641
Dividends	3	(54,925)	(11,762)
Profit for the year retained		38,530	71,879
Earnings per share	4	24 cents	21 cents

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Notes:

1. Turnover

	2001 HK\$'000	2000 HK\$'000
Publishing	826,772	789,229
Travel and travel related services	391,568	363,364
	1,218,340	1,152,593

2. Taxation

The amount of taxation charge in the consolidated profit and loss account represents:

	2001 HK\$'000	2000 HK\$'000
Hong Kong profits tax		
- current year	3,538	2,297
- under provision in previous years	4,859	1,184
Overseas taxation		
- current year	523	-
- (over)/under provision in previous years	(437)	131
Taxation charge	8,483	3,612

Hong Kong profits tax has been provided at the rate of 16% (2000: 16%) on the estimated assessable profits of the companies within the Group operating in Hong Kong for the year.

Overseas taxation is provided at the relevant tax rates on the estimated assessable profits of the companies within the Group operating overseas for the year.

3. Dividends

	2001 HK\$'000	2000 HK\$'000
Interim of HK3 cents (2000: Nil) per ordinary share	11,767	-
Special of HK8 cents (2000: Nil) per ordinary share	31,388	-

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Final, proposed, of HK3 cents (2000: HK3 cents) per ordinary share	11,770	11,762
	54,925	11,762

4. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders for the year of HK\$93,455,000 (2000: HK\$83,641,000) and the weighted average of 392,173,770 shares (2000: 390,583,440 shares) in issue during the year.

Diluted earnings per share is not shown as there is no material dilution effect arising from the share options granted by the Company.

5. Comparative figures

Certain comparative figures in the profit and loss account have been reclassified to conform with current year's presentation. The changes included the re-classification of direct overheads in the production and editorial departments from administrative expenses and other operating expenses to cost of sales, and the exclusion of rental and management fee income from turnover as property investment is no longer considered part of the core business of the Group. The new classification of the accounting items was considered to provide a more appropriate presentation of the Group's operating results.

Business Review

In the first half of the financial year, we achieved strong growth in both newspaper and magazine advertisements, especially in the areas of real estate, telecommunications and technology products as reported in our interim results. However, a sharp economic slowdown in the US triggered a downturn in the local economy in the second half of the year. Though the US interest rates were reduced dramatically over a short period of time and so were the local interest rates because of the local currency's peg to the US dollars, the property and retail markets in Hong Kong remained sluggish. Confidence in consumer spending remained low, which led inevitably to significant cuts in the advertisers' budgets. Escalating newsprint prices for five consecutive quarters exacerbated the already diminished bottom line of many publishing companies.

Despite such difficult business environment, the Group still managed to achieve a revenue growth of about 6%. The operating profit for the year, excluding the results of the online business which is still in a development stage, recorded a respectable 18% increase. In particular,

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the Group's growth in the North America market, in both newspaper publishing and travel business, is significant and noteworthy.

The Group concluded two strategic deals during the year. The first one resulted in having Yahoo! Inc., the world's leading Internet company, become a minority shareholder of Mingpao.com, a subsidiary which is responsible for all the Group's online businesses and developments. The transaction demonstrated that Yahoo! has high confidence in the Group as an Internet content provider.

The second deal concerned Yazhou Zhoukan ("YZZK"), the only Chinese language regional magazine on current affairs in Asia which the Group acquired in 1993. Tom.com Limited, a GEM listed company and a member of the Hutchison Group, acquired 50% interest of YZZK in March 2001. Tom.com Limited is committed to help YZZK to broaden its business and advertisers' base throughout the region, especially in the Greater China market.

On the travel business side, Charming Holidays formed a joint venture company with Mingpao.com, both of which are subsidiaries of the Group, to embark on the provision of online travel services. The new company, Charming Online Travel, was granted a full travel agent licence in August 2000 and offers a comprehensive range of travel services including air-ticketing, hotel-booking and tours, under a click-and-mortar model.

In order to maintain a high quality of production, the Group is committed to regularly improve and upgrade its production facilities. During the year, new printing machinery was added to the production plants in Hong Kong, Toronto and Vancouver and the Group is also planning for printing facilities expansion in New York to better serve our readers and advertisers in that Chinese community.

The Board members unanimously agreed to surrender an industrial site in Tseung Kwan O Industrial Estate originally meant for our new office and printing plant. The Board members believed that the existing premises in Chai Wan are sufficient to cater for the Group's foreseeable need. Moreover, the sinking problem at the reclaimed site is still unresolved. A refund on the land premiums was received upon surrendering of the site in accordance with the terms of Agreement for Lease.

As regards the legal action commenced by the Company against CIM Company Limited ("CIM") for the enforcement of the indemnity given by CIM for the repayment of a loan of approximately HK\$186 million the Company has already obtained Counsel's advice on evidence and will be in a position to set the case down for trial soon. It is envisaged that the hearing of the trial will take place next year.

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Outlook

The business outlook for the coming financial year remains cautious. Nonetheless, we are hopeful that with China's admission to the World Trade Organization and the lower interest rates, Hong Kong's economy will slowly pick up in the short term.

The Group will continue to excel itself in its core business, i.e. publishing quality Chinese newspapers and magazines. We will also continue to look to expand our traditional businesses while at the same time explore new investment opportunities.

Our vision is to become a leading global Chinese content provider, serving all Chinese communities around the world with quality news and reliable information in a multi-media framework. The set up of Mingpao.com and the introduction of strategic partners are but the first few steps taken to realize this goal.

Financial Position

The Group's financial position has improved substantially in the recent years. As at the balance sheet date, the Group's shareholders' funds were HK\$1,227 million (2000: HK\$1,175 million). When compared to the Group's long term liabilities of HK\$10 million (2000: HK\$56 million), the gearing ratio at the balance sheet date was 0.81% (2000: 4.8%). This improvement in gearing ratio was mainly attributable to profits retained for the year. At 31st March 2001, the Group held cash deposits of HK\$342 million whilst total outstanding bank borrowings amounted to HK\$213 million.

Purchase, sale or redemption of the Company's shares

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

Employees

The Group has approximately 1,480 employees, the majority of whom are employed in Hong Kong. The Group remunerates its employees largely based on industry practice, including contributing provident funds, insurance and medical benefits. The Group has also adopted a share option scheme for its staff of senior grade with awards determined annually based upon the performance of the Group and individual employees.

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Audit committee

The audit committee has reviewed with management the accounting policies and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters.

Publication of results on the Stock Exchange'S Website

All the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules of The Stock Exchange of Hong Kong Limited ("the Stock Exchange") will be published on the Stock Exchange's website in due course.

By Order of the Board

Tiong Kiew Chiong

Director

Hong Kong, 5th July 2001

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at Coral Room I, 3rd Floor, Furama Hotel, One Connaught Road Central, Hong Kong on Tuesday, 21st August 2001 at 10:30 a.m. for the following purposes:-

1. To receive and consider the audited financial statements and the reports of directors and auditors for the year ended 31st March 2001.
2. To declare a final dividend.
3. To re-elect directors and to authorise the board of directors to fix their remuneration.
4. To re-appoint auditors and to authorise the board of directors to fix their remuneration.

By Order of the Board

Law Yuk Kuen

Secretary

Hong Kong, 5th July 2001

Notes:

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05/07/21

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1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the head office and principal place of business of the Company at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The register of members will be closed from Wednesday, 15th August 2001, to Tuesday, 21st August 2001, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tengis Limited, at 4th Floor, Hutchison House, 10 Harcourt Road, Hong Kong for registration no later than 4:00 p.m. on Tuesday, 14th August 2001.

Please also refer to the published version of this announcement in the Hong Kong iMail Post dated 6-7-2001