



(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH 2003

The directors of Ming Pao Enterprise Corporation Limited ("the Company") announce that the audited consolidated results of the Company and its subsidiaries ("the Group") for the year ended 31st March 2003 are as follows:

	Notes	2003 HK\$'000	As restated 2002 HK\$'000
Turnover	1	1,090,537	1,044,155
Cost of sales		<u>(782,386)</u>	<u>(771,723)</u>
Gross profit		308,151	272,432
Other revenues		4,839	10,164
Selling and distribution expenses		(138,522)	(148,524)
Administrative expenses		(112,587)	(113,689)
Other operating expenses		<u>(8,095)</u>	<u>(8,872)</u>
Operating profit	2	53,786	11,511
Finance costs	3	(2,286)	(6,954)
Share of losses of associated companies		<u>(7,622)</u>	<u>(5,840)</u>
Profit/(loss) before taxation		43,878	(1,283)
Taxation	4	<u>(12,847)</u>	<u>(5,032)</u>
Profit/(loss) after taxation		31,031	(6,315)
Minority interests		227	2,383
Profit/(loss) attributable to shareholders		<u>31,258</u>	<u>(3,932)</u>
Dividends	5	<u>(19,617)</u>	<u>(15,694)</u>
Basic earnings/(loss) per share	6	<u>8 cents</u>	<u>(1 cent)</u>

Notes:

1 Segment information

The Group is principally engaged in the publication of Chinese newspapers, periodicals and books and provision of travel and travel related services. The Group's turnover and results for the year, analysed by business segments and geographical segments, are as follows:

	Turnover		Segment results	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Business segments:				
Publishing	685,962	695,859	57,236	28,775
Travel and travel related services	383,217	300,186	(1,816)	(486)
Internet businesses (note)	21,358	48,110	(858)	(22,868)
	<u>1,090,537</u>	<u>1,044,155</u>	54,562	5,421
Interest income			3,171	7,307
Unallocated expenses			<u>(3,947)</u>	<u>(1,217)</u>
Operating profit			53,786	11,511
Finance costs			(2,286)	(6,954)
Share of losses of associated companies			<u>(7,622)</u>	<u>(5,840)</u>
Profit/(loss) before taxation			<u>43,878</u>	<u>(1,283)</u>

Note: Internet businesses comprise advertising, provision of contents and travel related services through the Group's various portals.

	Turnover		Segment results	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Geographical segments:				
Hong Kong	697,442	713,250	61,232	23,846
Canada	241,401	210,439	8,450	4,451
The United States of America	138,891	102,378	(10,530)	(18,535)
The Mainland China	<u>12,803</u>	<u>18,088</u>	<u>(4,590)</u>	<u>(4,341)</u>
	<u>1,090,537</u>	<u>1,044,155</u>	54,562	5,421

MING PAO ENTERPRISE CORPORATION LIMITED

Interest income	3,171	7,307
Unallocated expenses	(3,947)	(1,217)
Operating profit	53,786	11,511
Finance costs	(2,286)	(6,954)
Share of losses of associated companies	(7,622)	(5,840)
Profit/(loss) before taxation	43,878	(1,283)

2 Operating profit

Operating profit is stated after charging depreciation amounted to HK\$34,180,000 (2002: HK\$35,504,000).

3 Finance costs

	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest expenses on bank loans and overdrafts	1,978	6,458
Interest element of finance leases	308	496
	2,286	6,954

4 Taxation

Hong Kong profits tax has been provided at the rate of 16% (2002: 16%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

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

	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong profits tax		
– current year	10,449	2,413
– (over)/under provision in prior years	(466)	2,080
Overseas taxation		
– current year	2,864	703
– over provision in prior years	–	(164)
	12,847	5,032

5 Dividends

	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim, paid, of HK2 cents (2002: HK2 cents) per ordinary share	7,847	7,847
Final, proposed, of HK3 cents (2002: HK2 cents) per ordinary share	11,770	7,847
	19,617	15,694

6 Basic earnings/(loss) per share

The calculation of basic earnings per share is based on the profit attributable to shareholders for the year of HK\$31,258,000 (2002: loss attributable to shareholders of HK\$3,932,000, as restated) and the weighted average of 392,345,000 shares (2002: 392,345,000 shares) in issue during the year.

No diluted earnings/(loss) per share is presented as the exercise of the outstanding share options of the Company would have an anti-dilutive effect for both of the years ended 31st March 2003 and 2002.

7 Comparative figures

Due to the adoption of the new and revised Statements of Standard Accounting Practice issued by the Hong Kong Society of Accountants, certain comparative figures have been restated to conform with the current year's presentation.

BUSINESS REVIEW

Overall

The Group has had a challenging and successful year. Challenging because of the continued global economic weakening during the year which adversely affected our publication and tour businesses. Successful as reflected by our ability to prevail against the adversity and achieve a better operating result than last year. While the Group's turnover for the year of HK\$1.1 billion was only marginally higher than that of last year, its bottom-line improved from last year's HK\$3.9 million loss to this year's HK\$31.3 million profit. This decent result is attributed to strong management with innovation and capabilities of achieving high productivity and efficiency.

Publishing

The weak and uncertain local economy has resulted in advertisers tightening their advertising budgets and resorting to aggressive new marketing initiatives to promote their products. To be competitive, more value-added services and innovative packages have to be provided to meet our advertisers' changing marketing needs. Our comprehensive tailor-made packages to our customers are well accepted and unparalleled.

As usual and consistently, Ming Pao Daily News upholds its principle of maintaining high journalistic standards in its address of social, political and business issues in both local and international arenas and continues to provide our readers with authoritative news and analyses. Recently, the Daily's quick response and comprehensive reports on the events surrounding the Iraq war and the Severe Acute Respiratory Syndrome ("SARS") epidemic were lauded by the readers.

Considerable efforts have been exerted into enriching the Daily's education section during the year so that more news and useful information are now provided to the students, as well as to their parents and teachers. In addition, a series of new books have been published with the aim to provide and equip the students with relevant and comprehensive information for their local and overseas studies. Recent publications like "HKCEE Guidebook" and "Promotion to Secondary Schools Guidebook" are well received by the public. In February 2003, we saw the revamp of a "brand new" Sunday Ming Pao with the addition of a number of new features and columns. The responses from our readers for these

MING PAO ENTERPRISE CORPORATION LIMITED

changes are very positive and indeed encouraging.

Ming Pao Daily News recorded a three-fold increase in operating profit this year. Apart from the acclaimed editorial content and aggressive marketing strategies, this year's good result is also leveraging on the declining newsprint costs and the efficient cost controls exercised on all operating units during the year.

The Daily's two Canadian Editions also performed very well during the year under review. Their combined turnover recorded a 7% increase while their operating profit was up by a hefty 83%. The New York Edition also showed substantial improvement and delivered an operating result that was better than the management's expectation.

The Group's ground-breaking project of establishing Ming Man Publications in early 2002 which publishes books for aspiring and potential writers has proved to be a successful new venture. We are encouraged by the project's popularity and its positive contributions towards the Group's operating results.

To maintain our continuous circulation growth, understanding and close relationships with our readers have always been the Group's priorities. In order to fulfill readers' needs and perspectives, extensive surveys on focus groups have been carried out to find out their opinions on the content of the Group's publications and areas for improvement. Continuous changes will be made to reflect the readers' tastes, needs and preferences.

Ming Pao Daily News is recognised once again by well-known media organisations for its journalistic excellence. It is again accredited with a number of prestigious media awards during the year, among which are: ten awards given by The Society of Publishers in Asia (SOPA) in its recent 2003 Awards for Editorial Excellence, including the awards in the Chinese Language Media category of "Excellence in Newspapers", "Excellence in Reporting" and "Excellence in Business Reporting; ten awards from The Newspaper Society of Hong Kong and ten awards in the Eighth Annual Human Rights Press Awards. We take immense pride when our efforts and hard work are acknowledged and accredited by these organisations.

Travel

The Group's four operations in Hong Kong and in North America under Charming Holidays and the Delta Group respectively have shown major improvement in their financial performance, much of which can be attributed to the companies' strategic moves towards providing more diversified and competitive tour packages and ticketing services. However, their businesses came to a sudden downturn in March 2003 when the Iraq war broke out, and Charming's business suffered a further setback by the later outbreak of SARS in Hong Kong.

Internet

Mingpao.com, the Group's Internet flagship, was further consolidated during the year, paving the way for a more cost-effective operation mode. The number of its unique users has healthily surged to more than 4 million per month. In February 2003, it successfully launched a subscription program for the company's news archive. Back issues of Ming Pao Daily News from 1998 are now available on the company's website. By the end of June 2003, the number of subscribers has exceeded 2,500, with over 75% registering for the full year's news archive membership. With continuing technology improvements and acceptances in e-technology, Mingpao.com is poised to expand its e-commerce businesses and portal development services. The company is on track to break even by the end of 2003 which is within the management's expectation.

Community Affairs

During the year, the Group has continued its commitment to help the less fortunate in our society by participating in various community affairs, including the recent "Project Blossom", a fundraising campaign which seeks to establish an educational fund aim at providing immediate financial assistance to the children victimised by the recent SARS epidemic. The project is a joint effort campaign with the Hong Kong Performing Artists Guild. Various fundraising events have been held including the ground-breaking All-Stars Concert on 24th May 2003. The campaign met with enthusiastic response from the public - pledges and contributions totaling over HK\$13 million have been received up to 30th June 2003.

Legal Case

On 15th January 2003, the Company obtained a consent judgment against King Corporation Limited ("KCL") (formerly known as CIM Company Limited) for the enforcement of the indemnity given by KCL for the repayment of a loan of approximately HK\$186 million. KCL was later ordered to be wound up by the Court on 26th March 2003. The Company has filed a Proof of Debt in the liquidation of KCL and is exploring the possibility of taking further actions to recover the debt.

OUTLOOK

Hong Kong has been hard hit by SARS in recent months, retail and tour businesses have virtually come to a standstill. Fortunately, signs of improvement are evident in all sectors of businesses of late and it is expected that a moderate but steady rise in consumer spending will resume. Despite this, the Group believes that it will continue to face the challenges of the uncertain economic climate in the months ahead. Nevertheless, the Group has a sound financial position and is well placed to respond when the market picks up. At the same time, we will continue to focus on operational efficiency and organisational effectiveness and to explore new investment opportunities.

FINANCIAL POSITION

As at 31st March 2003, shareholders' funds stood at HK\$605,833,000 (31st March 2002: HK\$588,022,000, as restated); long-term liabilities amounted to HK\$8,335,000 (31st March 2002: HK\$9,973,000); and the gearing ratio was 1.38% (31st March 2002: 1.70%, as restated).

The Group's cash position was maintained at a healthy level, as at 31st March 2003, the Group held cash deposits amounted to HK\$179,821,000 (31st March 2002: HK\$160,535,000), representing a 12% increase over that of the previous year, whilst total outstanding bank borrowings amounted to HK\$49,309,000 (31st March 2002: HK\$ 84,032,000), decreased by 41% as compared with last year.

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

As at 31st March 2003, the Group has approximately 1,350 employees, the majority of whom are employed in Hong Kong. The Group remunerates its employees based on industry practice and performance of individual employees. The Group also adopts a share option scheme for its staff of senior grade.

MING PAO ENTERPRISE CORPORATION LIMITED

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles 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, 4th July 2003

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at Marina Room II, 2nd Floor, The Excelsior Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Friday, 5th September 2003 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited financial statements, the reports of directors and auditors for the year ended 31st March 2003.
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, 4th July 2003

Notes:

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 Monday, 1st September 2003, to Friday, 5th September 2003, 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 G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 29th August 2003.

Please also refer to the published version of this announcement in The Standard dated on 07-07-2003.