

EXECUTIVE DIRECTORS

Tan Sri Datuk TIONG Hiew King (*Chairman*)
Mr TIONG Kiu King
Dr TIONG Ik King
Mr TIONG Kiew Chiong

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr TANG Ying Yu
Mr David YU Hon To

COMPANY SECRETARY

Ms LAW Yuk Kuen

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
Hang Seng Bank Limited

AUDITORS

PricewaterhouseCoopers

SOLICITORS

Johnson Stokes & Master
Or, Ng & Chan

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

15th Floor, Block A
Ming Pao Industrial Centre
18 Ka Yip Street, Chai Wan
Hong Kong

REGISTERED OFFICE

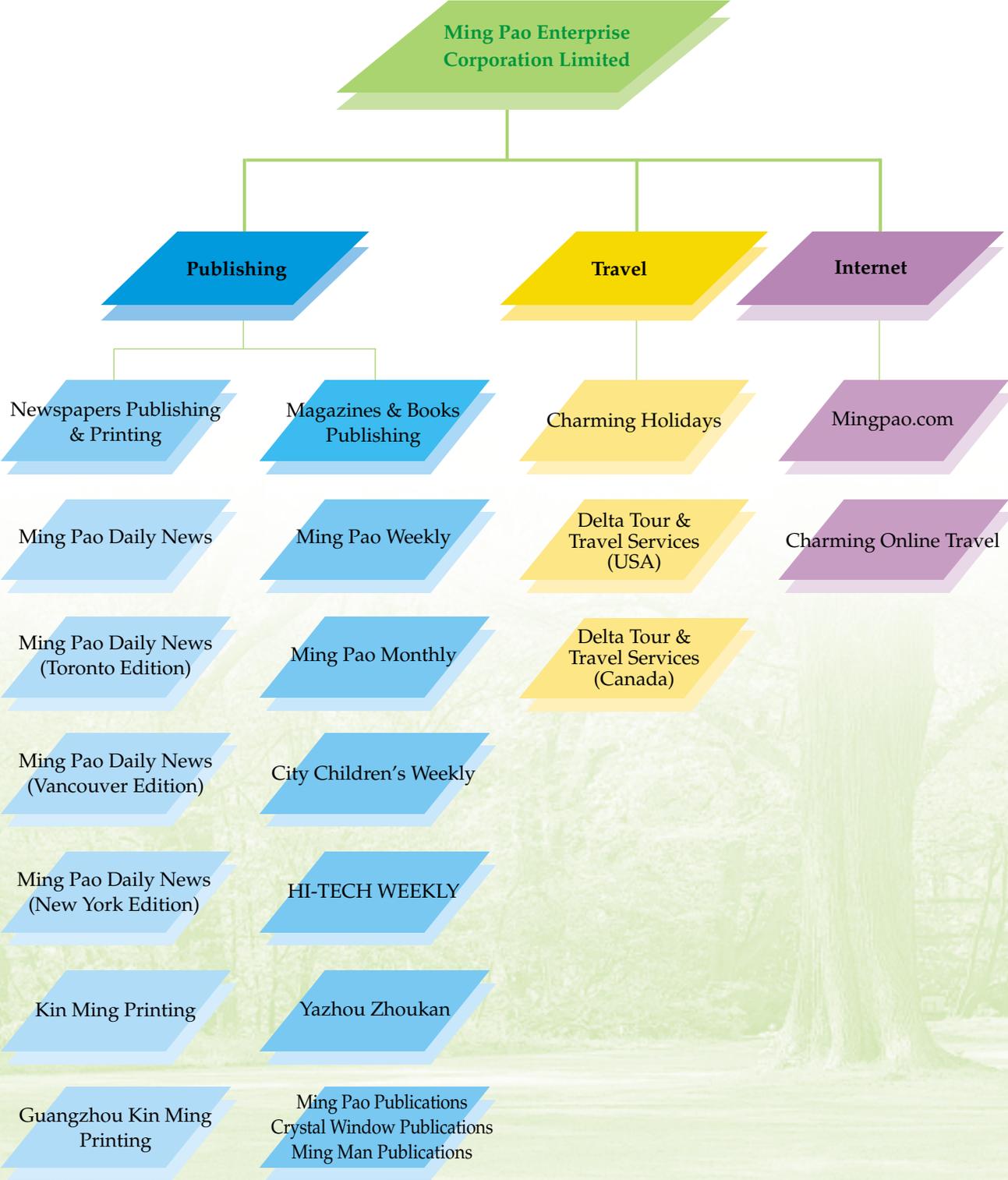
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

PRINCIPAL REGISTRARS AND TRANSFER OFFICE

Butterfield Corporate Services Limited
Rosebank Centre
14 Bermudiana Road
Hamilton
Bermuda

HONG KONG BRANCH REGISTRARS AND TRANSFER OFFICE

Tengis Limited
4th Floor, Hutchison House
10 Harcourt Road
Hong Kong



Chairman's Report

I am pleased to present the Annual Report and audited accounts of Ming Pao Enterprise Corporation Limited and its subsidiaries for the year ended 31st March 2002.

BUSINESS REVIEW

The financial year under review was a year of excitement and challenges. As a Chinese media group, we witnessed China cheerfully gaining the hosting rights for the Year 2008 Olympic Games and its long awaited accession to the World Trade Organization (WTO), events that signalled China's continuous progress towards a prosperous, open and modern society.

Meanwhile, Hong Kong's economic downturn posed a challenge to companies in all sectors. Media corporations were not immune. The advertisement pie shrank significantly as a result of the weakening and sluggish economy, adversely affecting the Group which suffered a decline in turnover of about 14% and a net loss of almost HK\$14 million in the first half of the financial year 2001-2002.

The second half of the financial year faced the full negative impact of the world-shocking terrorist attack on September 11. Competitions and price wars intensified in the advertising industry and cutthroat packages offered in the travel businesses were unheard of.

With the dedication and competency of the Group's management staff, decisive cost cutting measures and aggressive explorations to tap new revenues were promptly and effectively implemented for the Group to stay competitive. Total headcount was reduced by 7% when compared to that of last year and year-end obligatory double pay was replaced by a performance-based bonus. Lower newsprint prices were locked in over a longer period of time. New and existing advertising customers were offered innovative packages. Productivity evidently improved and overall advertisement volume was maintained at a comparable level with that of last year. By the end of the financial year, the Group has emerged stronger, with a healthier financial position than at mid-year and the net loss for the year was reduced to below HK\$5 million.

We would like to highlight and share our pride in that the higher efficiency and better than expected results were achieved without any sacrifice on the quality of news reporting that Ming Pao Daily News ("Ming Pao") stands for. In fact, Ming Pao received in the past year a historic number of awards and prizes for its outstanding editorial content and presentation.

In an authoritative survey conducted by the Chinese University of Hong Kong, Ming Pao was designated the most credible media organisation in Hong Kong, out-performing all other Chinese and English newspapers and electronic media. A report on the repeated occurrence of dust storms in Beijing, together with other in-depth reports, have won the championship prize for Ming Pao in the annual news contest organised by The Newspaper Society of Hong Kong. Awards were also granted by The Society of Publishers in Asia (SOPA) and Ifra, both respected media organisations of regional standing, in recognition of Ming Pao's editorial excellence and newspaper design respectively.

Ming Pao's overseas editions (in Toronto, Vancouver and New York) and Charming Holidays, the Group's travel business which has presence in both Hong Kong and North America, have returned to a normal growth path after suffering from a sudden deterioration in business as a result of the September 11 Incident. Mingpao.com Limited, the Group's Internet arm, has shown significant



Tan Sri Datuk
TIONG Hiew King
Chairman

improvement in its operating results after a re-structuring in October last year. It continues to provide real-time updated news to over 2,200,000 readers/unique users every month on the Internet.

As regards the legal action commenced by the Group against CIM Company Limited ("CIM") for the enforcement of the indemnity given by CIM for the repayment of a loan of approximately HK\$186,000,000, the Group, through its solicitors, completed all interlocutory matters of such action and obtained dates for the hearing of the trial. The trial is scheduled to take place on 20th January 2003.

OUTLOOK

The outlook for the year 2002-2003 remains uncertain and challenging. On the one hand, the slow but steady recovery of the US economy and China's strong GDP growth make the economic picture more promising than the previous year. On the other hand, the emergence of a free newspaper in underground railway stations has added competition to an already volatile media market. Nonetheless, we are still cautiously optimistic about our business performance in the coming year.

APPRECIATION

Lastly, on behalf of the Board of Directors, I would like to express my sincere gratitude to the management and staff for their commitments, contributions, dedication and hard work. I would also like to truly thank our readers, advertisers, customers, suppliers and partners for their continuous support.

Tan Sri Datuk TIONG Hiew King
Chairman

Hong Kong, 5th July 2002

RESULTS SUMMARY

During the period under review, the Group's core business was adversely affected by the slowdown in global economy and weak consumer spending. The Group's audited consolidated turnover for the year ended 31st March 2002 was HK\$1,044,155,000, representing a decrease of 14% when compared to last year. Loss attributable to shareholders for the year amounted to HK\$4,735,000 and loss per share was HK1 cent. Last year's corresponding figures were a profit of HK\$110,955,000 and earnings per share of HK28 cents respectively. Included in last year's profit were gains arising from the dilution of shareholdings in the Group's Internet business Mingpao.com and disposal of interests in Yazhou Zhoukan amounted to HK\$74,493,000.

NEWSPAPERS

Ming Pao Daily News

During the year under review, Hong Kong's economy remained sluggish with rising unemployment rate and the overall sentiment continued to be poor. With the support of its readers, Ming Pao Daily News actively tried to find a breakthrough in the current difficult environment. Several new columns were added to the Local News Pages, including "Ways out for Hong Kong", "100 Reasons for being in love with Hong Kong again" and "Dance with the Dragon", in which stories of notables from various walks of life were introduced and shared with the readers. These systematic and well-planned reports and stories met with tremendous responses from the public. A number of the Daily's exclusive news stories have become talk of the town, including "KCRC-Siemens Contract Scandal", "Macau Casino's Messy Books", "Project Hope Got Stained" and "Olympic Medalist Wins Financial Secretary's Heart".

In view of the current economic downturn, the Financial Desk brought more and improved reports and analyses on risk-contained and personal investments to readers to help them formulate their long-term financial plans. In addition, the Financial Desk is planning to provide more useful information to readers through new columns such as "New Venture", in which a series of successful cases and the keys to success will be shared with readers who wish to establish their own businesses.

The International Desk published two extra issues on the September 11 Incident and the US Military Operations in Afghanistan to provide readers with up-to-the-minute and comprehensive coverage on these two pieces of world-shaking news. The reports were highly praised by the readers.

More refined contents were added to the Life Supplement Pages. The Travel Section, Food & Beverage Section and Kids and Parents Section added an array of interesting and trendy information to the readers in a bid to enhance readers' quality of life. "Merry Christmas 2001", the special feature supplement printed in art paper, and two fashion special editions produced in last year were well received by the readers.

The Sports Desk and Entertainment Desk continued to add to their contents new columns like "No. 8's Inside Stories", "Chinese Hero" and "Sports Shots". Aiming at providing the latest information to our readers on the once-every-four-years big event World Cup 2002, reporters from the Sports Desk delivered comprehensive coverage of news straight from the spots. The Entertainment Desk's "Sunday Ming Pao" has been further strengthened on exclusive interviews with popular artists. More special issues will be released to deliver more infotainment to our readers.

The Daily's Saturday supplement, the NT Edition, brought news and information of the local communities in the New Territories to readers in those areas. Approaching its fifth anniversary, NT Edition has unveiled a new face with enhanced coverage and more attractive designs. The new face is appealing to the readers in the New Territories.

Regarding its advertising business, the Daily continued to explore new markets. Advertising packages that cater for advertisers' needs were launched and were well received by the advertisers. The Daily's recruitment classified section "JUMP" organised a series of thematic seminars on self-enhancement to promote lifetime learning. Feedbacks from jobseekers proved that it was a great success. According to the report on the global standard in Internet audience measurement and analysis released in April 2002 by Nielsen//NetRatings, "JUMP" ranked number one in terms of the number of unique users among the recruitment media in Hong Kong which were both in print and online.

The circulation of the Daily continued to grow during the year under review and its average daily circulation grew by 3% over last year.

Overseas Editions of Ming Pao Daily News

The stock downtrend and the September 11 Incident last year had negative impact on the overall economy of North America which began to show signs of recovery only towards the end of the financial year. The Overseas Editions thus suffered a drop in their advertising income. On the contrary, the world-shaking September 11 Incident stimulated a surge in circulation sales of the Overseas Editions especially in New York City where the World Trade Center was located, the growth on circulation copies was over 20%.

Toronto was less affected by the economic downturn of North America and recovered faster than other cities in the region. As the Toronto Edition is the number one local Chinese newspaper in terms of readership, it is expected that it will benefit more than the others from the economic recovery.

The economy in Vancouver also showed some signs of recovery and the Daily's Vancouver Edition was able to maintain its annual turnover at the same level as that of last year. After several years' effort, the Vancouver Edition has developed a solid foothold and secured a leading position in the local Chinese newspaper market with the largest readership. It is expected that the Vancouver Edition will achieve a better performance in the coming year.

The New York Edition experienced a significant growth in circulation stimulated by the September 11 Incident. The quality and extent of the Incident's coverage were highly appraised by the local Chinese community. In view of the economic recovery of the United States, it is expected that the Edition will achieve more encouraging results next year.

MAGAZINES

Ming Pao Weekly

The advertising income of Ming Pao Weekly was inevitably hit as a result of the unfavourable economic environment in Hong Kong. However, by adopting effective marketing strategies, its advertising income only recorded a slight decrease comparing with that of last year.

The Weekly continued to organise the annual "Showbiz Award" to recognise the outstanding performance and contribution of the artists in the show business. The event was greatly supported by the entertainment circle.

In addition to its comprehensive coverage of news of artists and socialites, the Weekly also extended and explored new contents for its supplementary Book B, which has been strengthening its image as a quality life magazine. The "Ultimate Frontier of the Socialites" VCD and "2002 Macau Street Guide" supplement produced during the year were well received by the readers.

Looking forward to the coming year, in addition to gathering more entertainment news of interest to its readers, the Weekly will continue to provide more new information of lifestyle. Emphasis will be placed on better contents and layout designs.

Ming Pao Monthly

Ming Pao Monthly has seen a significant increase in its subscribers in recent years and its circulation sales rose by more than 40% when compared to last year.

The Monthly always strives for innovation. To bring readers closer to the heartbeat of the society, the Monthly has enriched its contents to include current social and intellectual issues. Renowned writers and academics were invited to contribute articles in each issue. Thematic features were launched with topics like social progress and development of Hong Kong, China's issues in focus and all cultural and social matters of concern to Chinese communities all over the world.

The Monthly has always upheld the definite principle of being a journal of strong social, cultural and intellectual senses. It will continue to expand its markets in Southeast Asia and North America.

City Children's Weekly

Apart from enhanced subscription services for schools, a number of promotional activities and events were held by City Children's Weekly during the year, among which the "Fun School - Fun and Games on Wednesdays" was the most successful. Since September 2001, staff from City Children's Weekly and volunteers have visited various schools on a regular basis to introduce the "Learn with Fun" culture to schools and families through a series of creative and diversified games and activities. Such activities helped further strengthening the healthy and caring image of City Children's Weekly. In addition, various events such as carnivals and birthday parties jointly organised by City Children's Weekly with its advertisers and sponsors won enthusiastic support from the readers. At the same time, these events also generated profits for City Children's Weekly.

In the coming year, City Children's Weekly will continue to provide more quality contents to its young readers and actively introduce the concept of "Fun School" to more teachers and parents.

HI-TECH WEEKLY

After turning into a stand-alone magazine for sale during the year, the three-book HI-TECH WEEKLY has repositioned itself as an e-Life magazine. Not only does it provide its readers with the latest news and information, but it also helps integrate information technology into its readers' life. The circulation of HI-TECH WEEKLY grew steadily and its total turnover recorded a more than 13% increase compared with that of last year.

In the coming year, HI-TECH WEEKLY will introduce more specialised, life-oriented and practical contents. Regarding its advertising sales strategy, HI-TECH WEEKLY will continue to solicit traditional advertisements as well as to organise more interactive advertising programs with its advertisers to expand the clientele and room for further development. In addition, HI-TECH WEEKLY will continue to hold thematic seminars jointly with different organisations for readers and strengthen cooperation with other publications within the Group in order to add synergy to its marketing potential.

Yazhou Zhoukan

Yazhou Zhoukan has become a "spiritual homeland" of Chinese across the world and also served as an information platform for Chinese merchants. Results of the Research on Asian Businessman Readership Survey 2002 revealed that Yazhou Zhoukan was the most popular Chinese newsweekly for Asian business executives.

During the period under review, Yazhou Zhoukan recorded a decrease in advertising income due to the global economic downturn. Despite the difficult business environment, Yazhou Zhoukan managed to maintain its circulation copies and publishing revenues as that of last year.

In 2001, Yazhou Zhoukan underwent significant changes in layout design to improve its quality. While the depth and width of news coverage were being maintained, the charm and power of pictures and artwork were further enhanced.

In the coming year, Yazhou Zhoukan will put more emphasis on subscription drives so as to capture more readers from Asian region. Regarding advertising, Yazhou Zhoukan targets to explore the China market with an aim to expand its customer base with the assistance of our partner, TOM.COM LIMITED.

PUBLISHING

Ming Pao Publications and Crystal Window Publications

Ming Man Publications was established in early 2002 to offer aspiring and potential writers the opportunities to publish their works. Various renowned academics and writers were invited to form a consultancy panel. Within months, a number of quality books written by local and overseas writers were published.

Jointly with Ming Pao Monthly and four other leading cultural organisations, Ming Pao Publications organised the "International Chinese Reportage Contest" during the year. The response was overwhelming with twenty-one Chinese writers' organisations and newspapers from all over the world participated in the contest.

During the year, Ming Pao Publications published nearly 150 new books of broad range of titles, all of which were highly appraised by the readers.

In the coming year, while continuing to publish quality books and knowledge-type titles, Ming Pao Publications will strengthen its tie with readers by organising more forums hosted by professionals.

TRAVEL

Charming Holidays

During the year under review, the tourism industry was hit by the economic slowdown and the September 11 Incident and travel products saw weakened demand. Charming Holidays immediately took a series of corresponding measures to control costs and further diversified its products and services. Such effective measures contributed to small profits for the year under review.

In view of the growth potential of overseas study tours business during summer time, Charming Holidays plans to devote more resources on developing summer international study tours in the coming year. In addition, there sees the trend that Hong Kong people prefer to go to the Mainland for travelling and spending over short vacations and more Chinese citizens travel abroad for sightseeing and business. It is anticipated that the gradual opening of the China market will bring more opportunities for the tourism industry. Charming Holidays will seize such opportunities to explore this market of considerable potential. While vigorously exploring new travel markets, Charming Holidays will continue to provide traditional travel routes packages and higher standard services to maintain its reputation and leading position in the industry.

For the North America market, the continuous effort of the various Charming Holidays' branches in the region yielded profits for the year. These branches will continue to develop outbound travel businesses and it looks promising that they will generate considerable profits in the coming year.

INTERNET

Mingpao.com

Mingpao.com maintained a steady growth of business during the year under review. In October 2001, Mingpao.com underwent a restructuring and trimmed its staff in a bid to improve its operating efficiency. Its operating results have since shown significant improvement.

Despite slower than expected growth of online advertising income, which hindered the development of online contents provision, Mingpao.com is still committed to provide instantly updated up-to-the-minute news including real-time financial news on trading days to keep our visitors abreast of the latest and more comprehensive news and events in a click. Currently, the number of readers/unique visitors has exceeded 2.2 million per month.

Mingpao.com also cooperated with a number of educational and vocational training organisations to launch a one-stop learning website "LIFE", which stressed both theory and practice and was popular with the education sector. With rising popularity of broadband fixed network communications and the emerging Third Generation Wireless Communications (that is, wireless broadband communications services, 3G), it is expected that there will be a great demand for multimedia contents by broadband Internet users and tremendous room for future development. With extensive experience in multimedia contents production, Mingpao.com is well positioned to develop further in this business.

Charming Online Travel

The business of Charming Online Travel inevitably contracted due to the overall adverse economic condition. However, its operating loss was small due to the prudent strategic plans adopted. For the coming year, Charming Online Travel will develop the ticketing and hotel package businesses while at the same time expand its tour business in Southeast Asia. It is expected that more profits will be generated for the Group in next year.

COMMUNITY SERVICES

Readers' Donations

Ming Pao Daily News has been giving emergency assistance to numerous needy people over the years. When any news or stories of the less fortunate are reported, many readers will immediately give a helping hand to them through Ming Pao Daily News, which will turn over readers' donations to the needy families or individuals as designated.

School Reporters Scheme

The "School Reporters Scheme" organised by Ming Pao Daily News is one of our key programs for schools and has entered into its fifth anniversary. 400 students were selected from over one thousand candidates who signed up to join this year's program. The selected students received training on basic knowledge and skills of editing, news gathering, photography and production. They were then given on-the-job training as well as opportunities to attend monthly meetings with celebrities and government officials for real experience of being a reporter. The outstanding performers were selected and arranged to meet with communications students from the Mainland for experience sharing.

Project CompuAid

To provide fair learning opportunities, encourage recycling and promote the idea of self-help and helping others, Ming Pao Daily News jointly organised the "Project CompuAid" with various organisations to collect donated computers and give them to the people in need. This charitable program had received sponsorship from the Hong Kong Jockey Club for three straight years. This year, it also received grants from the Information Technology Services Department, which increased the number of people benefited from the program to 1,350 and expanded the recipient base from students to the underprivileged class in the community.

Others

In order to nourish the next generation of Hong Kong, Ming Pao Daily News also co-organised different educational activities with various organisations for all the young people in Hong Kong.

FINANCIAL POSITION

Despite the adverse economic conditions, the financial position of the Group remained sound and healthy. As at 31st March 2002, total shareholders' funds were HK\$574,524,000 (31st March 2001: HK\$630,416,000, as restated), long-term liabilities were HK\$9,973,000 (31st March 2001: HK\$10,493,000) and the gearing ratio was 1.74% (31st March 2001: 1.66%, as restated).

The Group had cash deposits of HK\$160,535,000 at 31st March 2002 (31st March 2001: HK\$342,458,000) whereas total outstanding bank borrowings amounted to HK\$84,032,000 (31st March 2001: HK\$213,660,000).

OUTLOOK

Notwithstanding the general forecast that Hong Kong economy will start to recover in the second half of the year, the business environment is expected to continue to be difficult. Nevertheless, with a solid financial position and a team of devoted staff, the Group is poised to face any challenges ahead and will adopt flexible and diversified business strategies to grasp the opportunities brought by the improving economy. Coupled with well-controlled expenditures and lowered newsprint price, the Group is confident to achieve better results in the coming year. Furthermore, the Board will continue to explore new business and investment opportunities for further growth of the Group.

AWARDS FOR EXCELLENCE RECEIVED DURING THE YEAR



The Newspaper Society of Hong Kong

Hong Kong News Awards 2001

Writing Section	Grand Prize	
Best News Reporting	Winner	1st Runner-up
Best News Writing	1st Runner-up	Merit
Photographic Section (Features)	Winner	Merit
Best Young Reporter Award		

Hong Kong Press Photographers Association

Focus at the Frontline 2001

People Section	1st Runner-up
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Consumer Council

Consumer Rights Reporting Competition

Feature Story	Gold Award	Silver Award	Bronze Award
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Ifra

Publish Asia 2002 Awards	Gold Award for Best in Design
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Radio Television Hong Kong

< 傳媒春秋 - 每周一選 > 2001-2002 年新聞總選	Champion
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The Society of Publishers In Asia

2002 Awards For Editorial Excellence

- Excellence In Newspapers - Chinese Language
- Excellence In Reporting - Chinese Language
- Excellence In Business Reporting - Chinese Language

The Hong Kong Journalists Association

Amnesty International (Hong Kong Branch)

The Foreign Correspondents' Club of Hong Kong

The Seventh Annual Human Rights Press Awards

Newspaper, Feature	Champion	
Newspaper Commentary & Analysis	Champion	Merit
Newspaper, Photography	Champion	5 Merits
Magazines	Champion	



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 Tuesday, 20th August 2002 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 2002.
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 2002

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 Thursday, 15th August 2002, to Tuesday, 20th August 2002, 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 Wednesday, 14th August 2002.

The directors submit their report together with the audited accounts for the year ended 31st March 2002.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 29 to the accounts.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 2 to the accounts.

RESULTS AND APPROPRIATIONS

The Group's results for the year are set out in the consolidated profit and loss account on page 23.

The directors have declared an interim dividend of HK2 cents per ordinary share, totalling HK\$7,847,000, which was paid on 18th January 2002.

The directors recommend the payment of a final dividend of HK2 cents per ordinary share, totalling HK\$7,847,000.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 20 to the accounts.

FIXED ASSETS

Movements in the fixed assets of the Group are set out in note 11 to the accounts.

SHARE CAPITAL

Movements in the share capital of the Company are set out in note 19 to the accounts.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31st March 2002, calculated under the Companies Act of 1981 of Bermuda (as amended), amounted to HK\$545,137,000 (2001: HK\$724,937,000).

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 66.

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.

DIRECTORS

The directors who held office during the year and up to the date of this report were:

Tan Sri Datuk TIONG Hiew King (*Chairman*)
Mr TIONG Kiu King
Dr TIONG Ik King
Mr TIONG Kiew Chiong

- * Mr TANG Ying Yu
- * Mr David YU Hon To

* *independent non-executive directors*

In accordance with bye-laws 99(A) and 182(iv) of the Company's bye-laws, Mr TANG Ying Yu and Mr David YU Hon To retire by rotation and, being eligible, offer themselves for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Tan Sri Datuk TIONG Hiew King, aged 68, has been the Chairman of the Company since October 1995. Tan Sri Datuk TIONG Hiew King has extensive experience in a number of industries including timber, newspaper publishing and property development and investment.

Mr TIONG Kiu King, aged 67, has been an executive director of the Company since October 1995. Mr TIONG graduated with a Diploma in Civil Engineering from Tak Ming College in Hong Kong in 1964. He is a brother of Tan Sri Datuk TIONG Hiew King.

Dr TIONG Ik King, aged 51, has been an executive director of the Company since October 1995. Dr TIONG graduated with a M.B.B.S. Degree from the National University of Singapore in 1975 and obtained a M.R.C.P. from the Royal College of Physicians in the United Kingdom in 1977. He is a brother of Tan Sri Datuk TIONG Hiew King.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Cont'd)

Mr TIONG Kiew Chiong, aged 42, joined the Company as an executive director on 2nd May 1998. Mr TIONG graduated with a Bachelor of Business Administration Degree from York University, Toronto, Canada in 1982.

Mr TANG Ying Yu, aged 57, has been an independent non-executive director of the Company since April 1995. Mr TANG is a civil engineer and acts as the managing director of both Southern Petroleum Company Limited and Wan Lai Company Limited.

Mr David YU Hon To, aged 54, was appointed as an independent non-executive director of the Company on 30th March 1999. Mr YU is a fellow of the Institute of Chartered Accountants in England and Wales and an associate of the Hong Kong Society of Accountants. He was a partner of an international accounting firm with extensive experience in corporate finance. Mr YU is a founder and director of Management Capital Limited, which specialises in direct investment and financial advisory activities, and also on the board of several listed companies in Hong Kong.

Note: Various aspects of the Group's businesses are respectively under the direct responsibility of the four directors holding executive offices of the Company as named above. These executive directors are regarded as members of the Group's senior management.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Pursuant to paragraph 8.10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company discloses that during the year, Tan Sri Datuk TIONG Hiew King, Dr TIONG Ik King and Mr TIONG Kiew Chiong, directors of the Company, held directorships in Pemandangan Sinar Sdn Bhd ("PSSB") which is engaged in the business of newspaper publishing in Malaysia. Mr TIONG Kiew Chiong subsequently resigned as director of PSSB in July 2002.

As the board of directors of the Company is independent of the board of PSSB, the Group operates its business independently of, and at arm's length from, the business of PSSB.

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

SHARE OPTION SCHEME

Pursuant to a Share Option Scheme ("the Scheme") approved at the Special General Meeting of the Company held on 21st August 2001, the directors of the Company may at their discretion invite full time employees including executive directors of the Company and its subsidiaries to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein.

(a) Summary of terms:

The maximum individual entitlement of options shall not exceed 25% of the maximum aggregate number of shares in the capital of the Company in respect of which options may at that time be granted under the Scheme. The maximum number of shares in respect of which options may be granted (together with options exercised and options then outstanding) under the Scheme may not exceed 10% of the issued share capital of the Company from time to time excluding (i) any shares which have been duly allotted and issued pursuant to the Scheme and other schemes; and (ii) any pro-rata entitlements to further shares issued in respect of those shares mentioned in (i). The Scheme will remain valid for a period of ten years commencing on 21st August 2001 after which period no further options will be offered.

Pursuant to the new requirements governing share option schemes of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") which came into effect on 1st September 2001, certain provisions of the Scheme are no longer applicable which include the basis of determining the subscription price. According to the Listing Rules, the share subscription price will be determined as the higher of (i) the nominal value of the shares of the Company and (ii) the average of the closing prices of the shares of the Company on the five trading days immediately preceding the granting of the option.

(b) Movements of the share options granted during the year under the Scheme are as follows:

Grantees	Number of shares involved in share options				Exercise price per share HK\$	Date of grant	Exercisable period
	Balance at 1st April 2001	Granted during the year	Exercised during the year	Balance at 31st March 2002			
Directors:							
Tan Sri Datuk TIONG Hiew King	-	300,000	-	300,000	1.592	31/08/2001	01/09/2001 - 20/08/2011
Mr TIONG Kiu King	-	300,000	-	300,000	1.592	31/08/2001	01/09/2001 - 20/08/2011
Dr TIONG Ik King	-	300,000	-	300,000	1.592	31/08/2001	01/09/2001 - 20/08/2011
Mr TIONG Kiew Chiong	-	300,000	-	300,000	1.592	31/08/2001	01/09/2001 - 20/08/2011
	-	1,200,000	-	1,200,000			
Full time employees	-	4,275,000	-	4,275,000	1.592	31/08/2001	01/09/2001 - 20/08/2011
Total	-	5,475,000	-	5,475,000			

The directors are of the view that the value of options granted during the year depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of theoretical bases and speculative assumptions. Accordingly, the directors believe that any calculation of the value of options will not be meaningful and may be misleading to shareholders in the circumstances.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Company's business to which the Company, its subsidiaries, its holding company or its fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

PARTICULARS OF SHARES HELD BY DIRECTORS, CHIEF EXECUTIVES AND ASSOCIATES

At 31st March 2002, the interests of the directors, chief executives and their associates in the ordinary shares of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") are as follows:

Name of director	Number of shares held			
	Personal interests	Family interests	Corporate interests	Total interests
Tan Sri Datuk TIONG Hiew King	150,000	–	252,487,700 (note)	252,637,700
Dr TIONG Ik King	–	–	252,487,700 (note)	252,487,700
Mr TIONG Kiu King	611,000	147,000	–	758,000
Mr TIONG Kiew Chiong	1,200,000	–	–	1,200,000

Note: The corporate interest of Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King in the Company was jointly held through Conch Company Limited ("Conch") which holds 252,487,700 shares of the Company. 40% of the interest in Conch is held by Seaview Global Company Limited, a company jointly owned by Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King. In addition, Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King directly hold 25% and 22% of the interest in Conch respectively.

Save as disclosed above and those disclosed under "Share Option Scheme", none of the directors, chief executives and their associates had any beneficial or non-beneficial interests in the share capital of the Company, any of its subsidiaries or its associated corporations at 31st March 2002 which is required to be disclosed pursuant to the SDI Ordinance.

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that at 31st March 2002, the Company had been notified of the following interests by shareholders in shares representing 10% or more of the Company's issued share capital:

Name of shareholder	Number of ordinary shares
Conch Company Limited	252,487,700
China Strategic Holdings Limited	39,248,000

Save as disclosed above, the Company had not been notified of any other interests representing 10% or more of the issued share capital of the Company at 31st March 2002.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

PENSION SCHEME ARRANGEMENT

The Group operates a hybrid scheme ("the Scheme"). Employees who joined the Group on or before 1st July 1990 are under a defined benefit plan provided they terminate their services with the Group upon reaching their normal retirement age. Other employees are under a defined contribution plan. The Scheme is administered by an independent trustee.

During the year, the Scheme was funded by contributions by both the employees and the Group at 5% and 4% of the monthly basic salaries of the employees respectively. The Group's contributions to the Scheme are charged against the profit and loss account as they are incurred and the total amount charged for the year amounted to HK\$5,648,000 (2001: HK\$7,800,000). Forfeited employers' contributions arising from early termination of services by employees are credited to a forfeiture reserve for the purpose of covering any shortfall on the defined benefit plan. The total amount available for such purpose amounted to HK\$14,658,000 (2001: HK\$18,044,000) at 31st March 2002.

The most recent independent actuarial valuation ("the Valuation") of the Scheme was carried out at 1st January 2001 by Watson Wyatt Hong Kong Limited, a professionally qualified independent actuary. According to the Valuation, the Scheme was solvent at the date of the Valuation.

With effect from 1st December 2000, all new employees of the Group are eligible to join a mandatory provident fund scheme ("MPF Scheme"). The Group's contributions to the MPF Scheme are at 5% of the employees' relevant income as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance up to a maximum of HK\$1,000 per employee per month ("MPF Contributions"). The MPF Contributions are fully and immediately vested in the employees as accrued benefit once they are paid.

The total MPF Contributions payable to the MPF Scheme for the year ended 31st March 2002 was HK\$3,274,000 (2001: HK\$939,000). The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

EMPLOYEES

As at 31st March 2002, the Group has approximately 1,370 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.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group purchased less than 30% of its goods and services from its 5 largest suppliers and sold less than 30% of its goods and services to its 5 largest customers.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws and there was no restriction against such rights under the laws in Bermuda.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

The Code of Best Practice has been complied with by the Company throughout the year ended 31st March 2002 except that non-executive directors were not appointed for a specific term as recommended under the guidelines set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. According to the Company's bye-laws 182(iv), directors, including independent non-executive directors, shall retire by rotation at the annual general meeting and, being eligible, offer themselves for re-election where their re-appointments are reviewed. In the opinion of the Board of Directors, this meets the same objective of the Code of Best Practice.

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. The committee comprises two independent non-executive directors, namely Mr TANG Ying Yu and Mr David YU Hon To. Two meetings were held during the current financial year.

AUDITORS

The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

TIONG Kiew Chiong

Chairman

Hong Kong, 5th July 2002



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22nd Floor, Prince's Building
Central, Hong Kong

**TO THE SHAREHOLDERS OF
MING PAO ENTERPRISE CORPORATION LIMITED**
(incorporated in Bermuda with limited liability)

We have audited the accounts on pages 23 to 65 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors of the Company are responsible for the preparation of accounts which give a true and fair view. In preparing accounts which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion the accounts give a true and fair view of the state of affairs of the Company and of the Group as at 31st March 2002 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 5th July 2002

Consolidated Profit and Loss Account

For the year ended 31st March 2002

	Notes	2002 HK\$'000	As restated 2001 HK\$'000
Turnover	2	1,044,155	1,218,340
Cost of sales		<u>(771,723)</u>	<u>(845,992)</u>
Gross profit		272,432	372,348
Other income		10,164	93,346
Selling and distribution expenses		(148,524)	(198,018)
Administrative expenses		(114,492)	(129,222)
Other operating expenses		<u>(8,872)</u>	<u>(6,295)</u>
Operating profit	3	10,708	132,159
Finance costs	4	(6,954)	(14,711)
Share of losses of associated companies		<u>(5,840)</u>	<u>(5)</u>
(Loss)/profit before taxation		(2,086)	117,443
Taxation	5	<u>(5,032)</u>	<u>(8,483)</u>
(Loss)/profit after taxation		(7,118)	108,960
Minority interests		<u>2,383</u>	<u>1,995</u>
(Loss)/profit attributable to shareholders	6	<u><u>(4,735)</u></u>	<u><u>110,955</u></u>
Dividends	7	<u><u>(15,694)</u></u>	<u><u>(54,925)</u></u>
Basic (loss)/earnings per share	8	<u><u>(1 cent)</u></u>	<u><u>28 cents</u></u>

Consolidated Balance Sheet

As at 31st March 2002

	Notes	2002 HK\$'000	As restated 2001 HK\$'000
Intangible assets	10	–	–
Fixed assets	11	375,026	397,754
Interests in associated companies	13	12,893	8,246
Current assets			
Inventories	14	56,160	49,793
Other trading investments	16	2,860	427
Accounts receivable, deposits and prepayments	15	165,119	170,369
Tax recoverable		1,329	2,658
Bank balances and cash	17	160,535	342,458
		386,003	565,705
Current liabilities			
Accounts payable and accrued charges	18	103,318	115,213
Taxation		3,134	1,119
Short-term bank loans and overdrafts – secured		70,922	159,056
Current portion of long-term liabilities	21	3,137	44,111
		180,511	319,499
Net current assets		205,492	246,206
		593,411	652,206
Financed by:			
Share capital	19	39,234	39,234
Reserves	20	535,290	591,182
Shareholders' funds		574,524	630,416
Minority interests		8,914	11,297
Long-term liabilities	21	9,973	10,493
		593,411	652,206
On behalf of the Board			
TIONG Kiu King <i>Director</i>		TIONG Kiew Chiong <i>Director</i>	

Balance Sheet

As at 31st March 2002

	Notes	2002 HK\$'000	As restated 2001 HK\$'000
Interests in subsidiaries	12	1,147,424	1,298,107
Current assets			
Other trading investments	16	2,860	427
Accounts receivable, deposits and prepayments	15	3,028	549
Bank balances and cash		52,611	210,218
		58,499	211,194
Current liabilities			
Amounts due to subsidiaries		92	7,088
Accounts payable and accrued charges	18	4,039	5,033
Short-term bank loan – secured		27,300	101,400
Current portion of long-term liabilities	21	–	41,488
		31,431	155,009
Net current assets		27,068	56,185
		1,174,492	1,354,292
Financed by:			
Share capital	19	39,234	39,234
Reserves	20	1,135,258	1,315,058
Shareholders' funds		1,174,492	1,354,292
On behalf of the Board			
TIONG Kiu King <i>Director</i>		TIONG Kiew Chiong <i>Director</i>	

Consolidated Cash Flow Statement

For the year ended 31st March 2002

	<i>Notes</i>	2002 HK\$'000	2001 HK\$'000
Net cash inflow from operating activities	22 (a)	<u>26,516</u>	<u>86,971</u>
Returns on investments and servicing of finance			
Interest received		7,307	16,425
Interest on bank loans and overdrafts		(6,458)	(14,711)
Interest element of finance lease rental payments		(496)	–
Dividends received from other trading investments		25	32
Dividends paid		<u>(51,005)</u>	<u>(23,529)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(50,627)</u>	<u>(21,783)</u>
Taxation			
Hong Kong profits tax paid		(1,551)	(9,300)
Overseas tax (paid)/refund		<u>(137)</u>	<u>367</u>
Total taxes paid		<u>(1,688)</u>	<u>(8,933)</u>
Investing activities			
Purchase of fixed assets		(10,109)	(23,462)
Proceeds from disposals of fixed assets		65	18,717
Purchase of other trading investments		(2,934)	–
Proceeds from disposal/dilution of interests in subsidiaries		–	76,495
Advance to an associated company		(10,487)	(2,818)
Redemption of deferred shares of a subsidiary		<u>–</u>	<u>(3)</u>
Net cash (outflow)/inflow from investing activities		<u>(23,465)</u>	<u>68,929</u>
Net cash (outflow)/inflow before financing carried forward to page 27		<u>(49,264)</u>	<u>125,184</u>

Consolidated Cash Flow Statement (Cont'd)

For the year ended 31st March 2002

	<i>Notes</i>	2002 HK\$'000	2001 HK\$'000
Net cash (outflow)/inflow before financing brought forward from page 26		(49,264)	125,184
Financing	22(b)		
Proceeds from shares issued on exercise of share options		–	650
Capital element of finance leases rental payments		(2,524)	–
Repayment of bank loans		(57,587)	(45,879)
New bank loans raised		–	14,101
Net cash outflow from financing		(60,111)	(31,128)
(Decrease)/increase in cash and cash equivalents		(109,375)	94,056
Cash and cash equivalents at beginning of the year		229,078	133,643
Effect of foreign exchange rate changes		(96)	1,379
Cash and cash equivalents at end of the year		<u>119,607</u>	<u>229,078</u>
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		160,535	342,458
Bank loans and overdrafts		(40,928)	(113,380)
		<u>119,607</u>	<u>229,078</u>

Consolidated Statement of Recognised Gains and Losses

For the year ended 31st March 2002

	<i>Notes</i>	2002 HK\$'000	2001 HK\$'000
Net exchange losses arising on translation of overseas subsidiaries' financial statements			
– not recognised in the consolidated profit and loss account	20	(152)	(194)
(Loss)/profit attributable to shareholders			
– current year/prior year as previously reported		(4,735)	93,455
– prior year adjustment upon adoption of SSAP 29		–	17,500
(Loss)/profit attributable to shareholders			
– current year/prior year as restated		(4,735)	110,955
Total recognised (losses)/gains		(4,887)	110,761
Reversal of goodwill previously taken to reserve upon disposal of a subsidiary	20	–	74
Release of exchange reserve upon disposal of a subsidiary	20	–	943
		<u>(4,887)</u>	<u>111,778</u>
Cumulative effect of changes in accounting policy adopted on 1st April 2001:			
Accumulated losses at 1st April			
– effect of adopting SSAP 29	20	(27,500)	(45,000)
Publishing titles revaluation reserve at 1st April			
– effect of adopting SSAP 29	20	(600,000)	(600,000)
		<u>(627,500)</u>	<u>(645,000)</u>

1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated accounts are set out below:

(a) Basis of preparation

The accounts have been prepared under the historical cost convention as modified by the revaluation of properties and other trading investments. The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA").

In the current year, the Group adopted the following Statements of Standard Accounting Practice ("SSAPs") issued by HKSA which are effective for accounting periods commencing on or after 1st January 2001:

SSAP 9 (revised)	:	Events after the balance sheet date
SSAP 14 (revised)	:	Leases (effective for periods commencing on or after 1st July 2000)
SSAP 26	:	Segment reporting
SSAP 28	:	Provisions, contingent liabilities and contingent assets
SSAP 29	:	Intangible assets
SSAP 30	:	Business combinations
SSAP 31	:	Impairment of assets
SSAP 32	:	Consolidated financial statements and accounting for investments in subsidiaries

The effect of adopting these new standards is set out in the accounting policies below.

(b) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st March. Subsidiaries are those entities in which the Group controls the composition of the board of directors, controls more than half of the voting power or holds more than half of the issued share capital.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate, apart from the Group reorganisation which took place in 1991 and was accounted for using merger accounting.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(b) Consolidation (Cont'd)

The gain or loss on disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets at the date of disposal together with any goodwill (net of accumulated amortisation) or goodwill/negative goodwill taken to reserve and which was not previously charged or recognised in the consolidated profit and loss account.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(c) Associated companies

An associated company is a company, not being a subsidiary, in which an equity interest is held for the long-term and significant influence is exercised on its management.

The consolidated profit and loss account includes the Group's share of results of the associated companies for the year, and the consolidated balance sheet includes the Group's share of the net assets of the associated companies and also goodwill (net of accumulated amortisation)/negative goodwill on acquisition.

In the Company's balance sheet the investments in associated companies are stated at cost less provision for impairment losses. The results of associated companies are accounted for by the Company on the basis of dividends received and receivable.

(d) Intangibles

(i) *Goodwill/negative goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary or associated company at the date of acquisition.

In accordance with SSAP 30, goodwill on acquisitions occurring on or after 1st January 2001 is included in intangible assets and is amortised using the straight-line method over its estimated useful life of not exceeding 20 years.

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(d) Intangibles (Cont'd)***(i) Goodwill/negative goodwill (Cont'd)*

Goodwill on acquisitions that occurred prior to 1st January 2001 was written off against reserves. The Group has taken advantage of the transitional provision 1(a) in SSAP 30 and goodwill previously written off against reserves has not been restated. However any impairment arising on such goodwill is accounted for in accordance with SSAP 31.

Negative goodwill represents the excess of the fair value of the Group's share of the net assets of the acquired subsidiary or associated company at the date of acquisition over the cost of acquisition.

For acquisitions after 1st January 2001, negative goodwill is presented in the same balance sheet classification as goodwill. To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the Group's plan for the acquisition and can be measured reliably, but which do not represent identifiable liabilities at the date of acquisition, that portion of negative goodwill is recognised in the profit and loss account when the future losses and expenses are recognised. Any remaining negative goodwill, not exceeding the fair value of the non-monetary assets acquired, is recognised in the profit and loss account over the remaining weighted average useful life of those assets; negative goodwill in excess of the fair value of those non-monetary assets is recognised in the profit and loss account immediately.

For acquisitions prior to 1st January 2001, negative goodwill was taken directly to reserves on acquisition. The Group has taken advantage of the transitional provisions in SSAP 30 and such negative goodwill has not be restated.

The gain or loss on disposal of an entity includes the unamortised balance of goodwill relating to the entity disposed of or, for acquisitions before 1st January 2001, the related goodwill written off against reserves to the extent it has not previously been realised in the profit and loss account.

(ii) Publishing titles

Prior to the year ended 31st March 2001, publishing titles were stated at cost or valuation. No amortisation was provided for in the financial statements.

In accordance with SSAP 29, internally generated publishing titles should not be recognised as intangible assets.

31st March 2002

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(d) Intangibles (Cont'd)

(ii) *Publishing titles (Cont'd)*

Previously the Group's internally generated principal publishing titles were stated at a value of HK\$600,000,000 based upon a valuation carried out by Arthur Andersen & Co., Certified Public Accountants, on 30th September 1995. The adoption of SSAP 29 represents a change in accounting policy and the effect of this change has been accounted for during the year as a prior year adjustment by setting off the publishing titles against the revaluation reserve by HK\$600,000,000. This change in accounting policy has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy.

Furthermore, SSAP 29 requires the Group's two purchased publishing titles previously included as intangible assets, amounting to HK\$10,000,000 and HK\$35,000,000, be amortised on a straight-line basis over their useful lives since their dates of purchase on 7th July 1992 and 15th January 1994 respectively. The estimated useful lives of the Group's purchased publishing titles are five years and they had been fully amortised by 31st March 1999. As a result, the profit for the year ended 31st March 2001 is increased by HK\$17,500,000 and the accumulated losses at 31st March 2001 and 31st March 2000 are increased by HK\$27,500,000 and HK\$45,000,000 respectively.

(iii) *Impairment of intangible assets*

Where an indication of impairment exists, the carrying amount of any intangible asset, including goodwill previously written off against reserves, is assessed and written down immediately to its recoverable amount.

(e) Fixed assets

(i) *Investment properties*

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential, any rental income being negotiated at arm's length.

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(e) Fixed assets (Cont'd)***(i) Investment properties (Cont'd)*

Investment properties held on leases with unexpired periods greater than 20 years are revalued annually by independent valuers. The valuations are on an open market value basis related to individual properties and separate values are not attributed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuations are credited to the investment properties revaluation reserve. Decreases in valuations are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited.

The carrying value of investment properties held on leases with unexpired periods of 20 years or less are depreciated over the remaining portion of the leases.

Upon the disposal of an investment property, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the investment properties revaluation reserve to the profit and loss account.

(ii) Other properties

Other properties are interests in freehold and leasehold land and buildings other than investment properties. Other properties are stated at cost or valuation. Valuation represented the fair value at the date of revaluation which was determined by the directors based on independent valuations which were performed every three years. The valuations were performed on an open market basis related to individual properties and separate values are not attributed to land and buildings. Increases in valuations are credited to the properties revaluation reserve. Decreases in valuations are first offset against increases on earlier valuations in respect of the same property and are thereafter debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited.

Effective from 30th September 1995, no further revaluations of the Group's freehold and leasehold land and buildings other than investment properties have been carried out. The Group places reliance on paragraph 80 of SSAP 17 which provides exemption from the need to make regular revaluations for such assets.

Freehold land is not amortised. Freehold buildings are depreciated over their expected useful lives to the Group, the principal annual rate used for this purpose is 2.5%.

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(e) Fixed assets (Cont'd)

(ii) Other properties (Cont'd)

Leasehold land and buildings, which are stated at cost or valuation, are depreciated on a straight-line basis over the unexpired periods of the leases or their expected useful lives to the Group, whichever is shorter. The principal annual rate ranges from 2% to 2.6%.

(iii) Other fixed assets

Other fixed assets, comprising leasehold improvements, machinery and printing equipment, furniture and fixtures and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment losses. They are depreciated at rates sufficient to write off their costs less accumulated impairment losses over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold improvements	15% – 33.33% or over lease periods
Furniture and fixtures	10% – 33.33%
Machinery and printing equipment	6.67% – 33.33%
Motor vehicles	25%

Major costs incurred in restoring fixed assets to their normal working conditions are charged to the profit and loss account. Improvements are capitalised and depreciated over their expected useful lives to the Group.

(iv) Impairment and gain or loss on sale

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that assets included in other properties and other fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

The gain or loss on disposal of a fixed asset other than investment properties is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account. Any revaluation reserve balance remaining attributable to the relevant asset is transferred to retained earnings and is shown as a movement in reserves.

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(f) Assets under leases***(i) Finance leases*

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the leases at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated between the capital and finance charges so as to achieve a constant rate on the capital balances outstanding. The corresponding rental obligations, net of finance charges, are included in long-term liabilities. The finance charges are charged to the profit and loss account over the lease periods.

Assets held under finance leases are depreciated over their estimated useful lives.

(ii) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the profit and loss account on a straight-line basis over the lease periods.

(g) Other trading investments

Other trading investments are carried at fair value. At each balance sheet date, the net unrealised gains or losses arising from the changes in fair value of other trading investments are recognised in the profit and loss account. Profits or losses on disposals of other trading investments, representing the differences between the net sales proceeds and the carrying amounts, are recognised in the profit and loss account as they arise.

(h) Inventories

Inventories comprise raw materials and finished goods and are stated at the lower of cost and net realisable value. Cost, calculated on a first-in first-out basis, is arrived at by reference to the suppliers' invoiced cost. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(i) Pension cost

The Group's contributions to retirement schemes are expensed as incurred, and the assets of the schemes are held separately from those of the Group in independently administered funds.

31st March 2002

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(j) Accounts receivable

Provision is made against accounts receivable to the extent that they are considered to be doubtful. Accounts receivable in the balance sheet is stated net of such provision.

(k) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash net of bank overdrafts and short-term bank loans which are repayable within three months from the dates of advances. In the balance sheet, bank overdrafts and short-term bank loans are included in borrowings in current liabilities. Cash equivalents are carried in the balance sheet at cost.

(l) Provisions

In accordance with SSAP 28, provisions are recognised when the Group has a legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation, and that a reliable estimate of the amount can be made.

(m) Deferred taxation

Deferred taxation is accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset is expected to be payable or recoverable in the foreseeable future.

(n) Revenue recognition

Revenue from the circulation and subscription sales of newspapers, periodicals and books is recognised on the transfer of risks and rewards of ownership, which generally coincides with the date of delivery. Unearned subscription fees received from subscribers are recorded as subscriptions received in advance under accounts payable and accrued charges in the balance sheet.

Advertising income is recognised as and when the newspapers and periodicals are published.

Revenue from packaged tour operations is recognised upon the departure of tours. Revenue from the provision of other travel related services is recognised upon the delivery of the services.

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(n) Revenue recognition (Cont'd)**

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Management fee income and commission income are recognised on an accrual basis.

Operating lease rental income is recognised on a straight-line basis.

Dividend income is recognised when the right to receive payment is established.

(o) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

The balance sheets of subsidiaries expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date whilst the profit and loss accounts are translated at an average rate. Exchange differences are dealt with as movements in reserves.

(p) Segment reporting

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

Unallocated expenses represent corporate expenses. Segment assets consist primarily of intangible assets, fixed assets, inventories, receivables and operating cash, and mainly exclude other trading investments, tax recoverable and corporate bank balances and cash. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions of fixed assets.

In respect of geographical segment reporting, revenues and results are attributed to the segments based on the location of the customers. Total assets and capital expenditure are attributed to the segments based on the location of the assets.

(q) Dividends

In accordance with the revised SSAP 9, the Group no longer recognises dividends proposed or declared after the balance sheet date as a liability at the balance sheet date. This change in accounting policy has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy.

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1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(q) Dividends (Cont'd)**

As detailed in note 20, this change has resulted in an increase in opening retained earnings at 1st April 2001 by HK\$43,158,000 (1st April 2000: increased by HK\$11,762,000) which is the reversal of the provisions for 2001 special and proposed final dividends (1st April 2000: reversal of the provision for 2000 proposed final dividend) previously recorded as liabilities at 31st March 2001 (31st March 2000) but declared after the balance sheet date.

(r) Comparative figures

Due to the adoption of the new and revised SSAPs during the year, certain comparative figures have been restated to conform with the current year's presentation.

2 TURNOVER, REVENUES AND SEGMENT INFORMATION

The Group is principally engaged in the publication of Chinese newspapers, periodicals and books, provision of travel and travel related services. Revenues recognised during the year are as follows:

	2002 HK\$'000	2001 HK\$'000
Turnover		
Sales of newspapers, periodicals and books, net of trade discounts and returns	206,414	228,069
Advertising income, net of trade discounts	501,458	598,703
Travel and travel related services income	336,283	391,568
	<u>1,044,155</u>	<u>1,218,340</u>
Other revenues		
Rental and management fee income	1,381	892
Interest income	7,307	16,425
Dividend income	25	32
Commission income	1,451	1,504
	<u>10,164</u>	<u>18,853</u>
Total revenues	<u><u>1,054,319</u></u>	<u><u>1,237,193</u></u>

2 TURNOVER, REVENUES AND SEGMENT INFORMATION (Cont'd)

An analysis of the Group's turnover and results for the year is as follows:

Business segments:

	Publishing 2002 HK\$'000	Travel and travel related services 2002 HK\$'000	Internet businesses (note) 2002 HK\$'000	Elimination 2002 HK\$'000	Group 2002 HK\$'000
Turnover					
– External sales	695,859	300,186	48,110	–	1,044,155
– Inter-segment sales	–	26,320	–	(26,320)	–
	<u>695,859</u>	<u>326,506</u>	<u>48,110</u>	<u>(26,320)</u>	<u>1,044,155</u>
Segment results	<u>28,043</u>	<u>(557)</u>	<u>(22,868)</u>		4,618
Interest income					7,307
Unallocated expenses					<u>(1,217)</u>
Operating profit					10,708
Finance costs					(6,954)
Share of losses of associated companies					<u>(5,840)</u>
Loss before taxation					(2,086)
Taxation					<u>(5,032)</u>
Loss after taxation					(7,118)
Minority interests					<u>2,383</u>
Loss attributable to shareholders					<u>(4,735)</u>
Segment assets	595,453	19,584	75,697	–	690,734
Interests in associated companies	12,893	–	–	–	12,893
Unallocated assets					<u>70,295</u>
Total assets					<u>773,922</u>
Segment liabilities	115,891	25,730	1,265	–	142,886
Unallocated liabilities					<u>47,598</u>
Total liabilities					<u>190,484</u>
Capital expenditure	12,050	640	402	–	13,092
Depreciation	31,680	722	3,102	–	35,504

Notes to the Accounts (Cont'd)

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2 TURNOVER, REVENUES AND SEGMENT INFORMATION (Cont'd)

Business segments (Cont'd):

	Publishing 2001 HK\$'000	Travel and travel related services 2001 HK\$'000	Internet businesses (note) 2001 HK\$'000	Elimination 2001 HK\$'000	Group 2001 HK\$'000
Turnover					
– External sales	803,056	366,540	48,744	–	1,218,340
– Inter-segment sales	–	21,932	–	(21,932)	–
	<u>803,056</u>	<u>388,472</u>	<u>48,744</u>	<u>(21,932)</u>	<u>1,218,340</u>
Segment results	<u>76,643</u>	<u>4,145</u>	<u>(38,221)</u>		42,567
Gain on disposal/dilution of interests in subsidiaries					74,493
Interest income					16,425
Unallocated expenses					<u>(1,326)</u>
Operating profit					132,159
Finance costs					<u>(14,711)</u>
Share of losses of associated companies					<u>(5)</u>
Profit before taxation					117,443
Taxation					<u>(8,483)</u>
Profit after taxation					108,960
Minority interests					<u>1,995</u>
Profit attributable to shareholders					<u>110,955</u>
Segment assets	609,774	18,546	106,699	–	735,019
Interests in associated companies	8,246	–	–	–	8,246
Unallocated assets					<u>228,440</u>
Total assets					<u>971,705</u>
Segment liabilities	133,263	29,065	2,143	–	164,471
Unallocated liabilities					<u>165,521</u>
Total liabilities					<u>329,992</u>
Capital expenditure	18,980	660	11,706	–	31,346
Depreciation	31,565	1,142	2,115	–	34,822

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

2 TURNOVER, REVENUES AND SEGMENT INFORMATION (Cont'd)**Geographical segments:**

	Turnover 2002 HK\$'000	Segment results 2002 HK\$'000	Segment assets 2002 HK\$'000	Capital expenditure 2002 HK\$'000
Hong Kong	713,250	23,043	537,051	7,360
Canada	210,439	4,451	61,937	5,388
The United States of America	102,378	(18,535)	15,121	285
The Mainland China	18,088	(4,341)	76,625	59
	<u>1,044,155</u>	4,618	690,734	<u>13,092</u>
Interest income		7,307		
Unallocated expenses		(1,217)		
Operating profit		<u>10,708</u>		
Interests in associated companies			12,893	
Unallocated assets			70,295	
Total assets			<u>773,922</u>	
	Turnover 2001 HK\$'000	Segment results 2001 HK\$'000	Segment assets 2001 HK\$'000	Capital expenditure 2001 HK\$'000
Hong Kong	859,646	52,370	573,409	24,719
Canada	224,215	10,457	64,875	5,414
The United States of America	107,409	(16,935)	16,703	949
The Mainland China	27,070	(3,325)	80,032	264
	<u>1,218,340</u>	42,567	735,019	<u>31,346</u>
Gain on disposal/dilution of interests in subsidiaries		74,493		
Interest income		16,425		
Unallocated expenses		(1,326)		
Operating profit		<u>132,159</u>		
Interests in associated companies			8,246	
Unallocated assets			228,440	
Total assets			<u>971,705</u>	

31st March 2002

3 OPERATING PROFIT

	Group	
	2002 HK\$'000	As restated 2001 HK\$'000
Operating profit is stated after crediting and charging the following:		
Crediting		
Gain on disposal/dilution of interests in subsidiaries	–	74,493
Net exchange gain	41	7,399
Charging		
Auditors' remuneration		
– current year	1,671	2,093
– over provision in prior years	(386)	(218)
Cost of inventories sold	169,648	175,687
Depreciation		
– owned fixed assets	34,881	34,822
– leased fixed assets	623	–
Staff costs including directors' emoluments (<i>note</i>)	315,304	346,798
Operating lease expenses		
– land and buildings	5,656	5,871
– machineries	22	20
Outgoings in respect of investment properties	–	7
Provision for doubtful debts and bad debts written off	3,840	5,831
Deficit on revaluation of investment properties not covered by previous surplus	–	60
Loss on disposals of fixed assets	147	2,386
Unrealised losses on other trading investments	501	150
	<u>501</u>	<u>150</u>

Note: Included in staff costs are retirement benefit expenses of HK\$8,922,000 (2001: HK\$8,739,000).

4 FINANCE COSTS

	Group	
	2002 HK\$'000	2001 HK\$'000
Interest expenses on bank loans and overdrafts	6,458	14,711
Interest element of finance leases	496	–
	<u>6,954</u>	<u>14,711</u>

5 TAXATION

Hong Kong profits tax has been provided at the rate of 16% (2001: 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.

The amount of taxation charged to the consolidated profit and loss account represents:

	Group	
	2002	2001
	HK\$'000	HK\$'000
Hong Kong profits tax		
– current year	2,413	3,538
– under provision in prior years	2,080	4,859
Overseas taxation		
– current year	703	523
– over provision in prior years	(164)	(437)
	<u>5,032</u>	<u>8,483</u>

Deferred taxation for the year has not been (recognised)/provided for in respect of the following:

	Group	
	2002	2001
	HK\$'000	HK\$'000
Accelerated depreciation allowances	(5,584)	4,670
Tax losses	(16,459)	8,584
Others	–	343
	<u>(22,043)</u>	<u>13,597</u>

6 (LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The loss attributable to shareholders is dealt with in the accounts of the Company to the extent of a loss of HK\$128,795,000 (2001: a profit of HK\$12,308,000).

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7 DIVIDENDS

	2002 HK\$'000	2001 HK\$'000
Interim, paid, of HK2 cents (2001: HK3 cents) per ordinary share	7,847	11,767
Special, proposed, of Nil (2001: HK8 cents) per ordinary share	–	31,388
Final, proposed, of HK2 cents (2001: HK3 cents) per ordinary share	7,847	11,770
	<u>15,694</u>	<u>54,925</u>

Note: The previously recorded special and final dividends proposed and declared after the balance sheet date but accrued in the accounts for the years ended 31st March 2000 and 2001 were HK\$11,762,000 and HK\$43,158,000 respectively. Under the Group's new accounting policy as described in note 1(q), these have been written back against opening reserves at 1st April 2000 and 2001 respectively in note 20 and are now charged in the periods in which they were proposed.

8 (LOSS)/EARNINGS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to shareholders for the year of HK\$4,735,000 (2001: profit attributable to shareholders of HK\$110,955,000, as restated) and the weighted average of 392,345,000 shares (2001: 392,173,770 shares) in issue during the year.

No diluted loss per share for the year ended 31st March 2002 is presented as the exercise of the outstanding share options of the Company would have an anti-dilutive effect. For the year ended 31st March 2001, no diluted earnings per share is presented as there is no material dilutive effect arising from the share options granted by the Company.

9 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

- (a) The aggregate amounts of the directors' emoluments disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance are as follows:

	Group	
	2002	2001
	HK\$'000	HK\$'000
Directors' fees	240	240
Other emoluments		
– basic salaries, housing allowances, other allowances and benefits in kind	1,924	3,531
Contributions to pension scheme	93	86
	<u>2,257</u>	<u>3,857</u>

Directors' fees disclosed above were paid to independent non-executive directors.

- (b) During the year, 1,200,000 share options were granted to the directors of the Company under the Share Option Scheme ("the Scheme") approved by the shareholders at the Special General Meeting held on 21st August 2001. Details of the movements of the said share options during the year are disclosed under "Share Option Scheme" in the Directors' Report.
- (c) The emoluments of the directors fell within the following bands:

Emoluments bands	Number of directors	
	2002	2001
From HK\$Nil to HK\$1,000,000	5	5
From HK\$1,000,001 to HK\$1,500,000	–	–
From HK\$1,500,001 to HK\$2,000,000	–	2
From HK\$2,000,001 to HK\$2,500,000	1	–
	<u>1</u>	<u>–</u>

No directors waived any emoluments in respect of the years ended 31st March 2002 and 2001.

Notes to the Accounts (Cont'd)

31st March 2002

9 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Cont'd)

(d) The five individuals whose emoluments were the highest in the Group for the year include an executive director whose emoluments have been reflected in the analysis presented above. The emoluments paid to the remaining four (2001: four) individuals during the year are as follows:

	2002 HK\$'000	2001 HK\$'000
Basic salaries, housing allowances, other allowances and benefits in kind	6,565	7,249
Contributions to pension scheme	290	251
	<u>6,855</u>	<u>7,500</u>

The emoluments of the four individuals fell within the following bands:

Emoluments bands	Number of individuals	
	2002	2001
From HK\$1,500,001 to HK\$2,000,000	<u>4</u>	<u>4</u>

10 INTANGIBLE ASSETS

	Group HK\$'000
Cost	
At 1st April 2001, as previously reported	610,000
Effect of adopting SSAP 29 (note 1(d)(ii))	(600,000)
At 1st April 2001, as restated and at 31st March 2002	<u>10,000</u>
Accumulated amortisation	
At 1st April 2001, as previously reported	–
Effect of adopting SSAP 29 (note 1(d)(ii))	10,000
At 1st April 2001, as restated and at 31st March 2002	<u>10,000</u>
Net book value	
At 31st March 2001, as restated and at 31st March 2002	<u>–</u>

11 FIXED ASSETS

	Group								Total HK\$'000
	Properties (note 23)				Investment properties in Hong Kong HK\$'000	Leasehold improvements, furniture, fixtures and equipment HK\$'000	Machinery and printing equipment (note 23) HK\$'000	Motor vehicles HK\$'000	
	Freehold land and buildings outside Hong Kong HK\$'000	Land and buildings held on long term leases outside Hong Kong HK\$'000	Land and buildings held on medium term leases in Hong Kong HK\$'000	Land and buildings held on medium term leases outside Hong Kong HK\$'000					
Cost or valuation									
At 1st April 2001	18,645	38,703	282,098	3,710	540	110,378	183,938	4,865	642,877
Transfers	-	(31,636)	540	31,636	(540)	-	-	-	-
Additions	-	-	-	-	-	9,260	3,484	348	13,092
Exchange adjustment	(92)	-	-	-	-	(167)	(158)	(2)	(419)
Disposals	-	-	-	-	-	(7,773)	(717)	(307)	(8,797)
At 31st March 2002	18,553	7,067	282,638	35,346	-	111,698	186,547	4,904	646,753
Accumulated depreciation									
At 1st April 2001	996	4,284	38,915	523	-	82,258	114,298	3,849	245,123
Transfers	-	(3,704)	-	3,704	-	-	-	-	-
Charge for the year	197	105	7,787	769	-	13,672	12,491	483	35,504
Exchange adjustment	(12)	-	-	-	-	(183)	(118)	(2)	(315)
Disposals	-	-	-	-	-	(7,587)	(717)	(281)	(8,585)
At 31st March 2002	1,181	685	46,702	4,996	-	88,160	125,954	4,049	271,727
Net book value									
At 31st March 2002	17,372	6,382	235,936	30,350	-	23,538	60,593	855	375,026
At 31st March 2001	17,649	34,419	243,183	3,187	540	28,120	69,640	1,016	397,754

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11 FIXED ASSETS (Cont'd)

The analysis of the cost or valuation at 31st March 2002 of the above assets is as follows:

	Freehold land and buildings outside Hong Kong HK\$'000	Land and buildings held on long term leases outside Hong Kong HK\$'000	Land and buildings held on medium term leases in Hong Kong HK\$'000	Land and buildings held on medium term leases outside Hong Kong HK\$'000	Investment properties in Hong Kong HK\$'000	Leasehold improvements, furniture, and printing equipment HK\$'000	Machinery and printing equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
At cost	545	-	6,474	-	-	111,698	186,547	4,904	310,168
At professional valuation									
- 1995	18,008	7,067	275,624	35,346	-	-	-	-	336,045
- 2001	-	-	540	-	-	-	-	-	540
	<u>18,553</u>	<u>7,067</u>	<u>282,638</u>	<u>35,346</u>	<u>-</u>	<u>111,698</u>	<u>186,547</u>	<u>4,904</u>	<u>646,753</u>

The analysis of the cost or valuation at 31st March 2001 of the above assets is as follows:

At cost	545	-	6,474	-	-	110,378	183,938	4,865	306,200
At professional valuation									
- 1995	18,100	38,703	275,624	3,710	-	-	-	-	336,137
- 2001	-	-	-	-	540	-	-	-	540
	<u>18,645</u>	<u>38,703</u>	<u>282,098</u>	<u>3,710</u>	<u>540</u>	<u>110,378</u>	<u>183,938</u>	<u>4,865</u>	<u>642,877</u>

- (a) The freehold and leasehold land and buildings stated at professional valuation in 1995 were revalued by Vigers Hong Kong Limited and Royal LePage Appraisal & Consulting Services, independent international property consultants, on an open market value basis at 30th September 1995.

The land and buildings held on medium term leases in Hong Kong stated at professional valuation in 2001 were revalued by DTZ Debenham Tie Leung Limited, independent international surveyors and valuers, on an open market basis at 31st March 2001.

In the opinion of the directors, the carrying amounts of the above land and buildings do not differ materially from their fair values such that regular revaluation need not be made.

11 FIXED ASSETS (Cont'd)

- (b) The carrying values of machines purchased under finance leases are HK\$10,875,000 (2001: HK\$8,526,000).
- (c) The carrying amounts of all freehold and leasehold land and buildings, other than investment properties, would have been HK\$176,831,000 (2001: HK\$181,682,000) had they been stated at cost less accumulated depreciation.

12 INTERESTS IN SUBSIDIARIES

	Company	
	2002	2001
	HK\$'000	HK\$'000
Unlisted shares, at cost	745,171	745,171
Less: Impairment	(280,700)	–
	<u>464,471</u>	<u>745,171</u>
Amounts due from subsidiaries		
Interest free	453,868	313,793
Interest bearing	229,085	239,143
	<u>1,147,424</u>	<u>1,298,107</u>

The amounts due from subsidiaries are unsecured and are not repayable within the next twelve months.

Details of the Company's principal subsidiaries are set out in note 29 to the accounts.

Notes to the Accounts (Cont'd)

31st March 2002

13 INTERESTS IN ASSOCIATED COMPANIES

	Notes	Group	
		2002 HK\$'000	2001 HK\$'000
Share of net (liabilities)/assets other than goodwill			
– current year/prior year as previously reported		(5,840)	17,500
– effect of adopting SSAP 29	1(d)(ii)	–	(17,500)
Share of net (liabilities)/assets other than goodwill			
– current year/prior year as restated		(5,840)	–
Amount due from an associated company	(b)	18,733	8,246
Loans to an associated company	(b)	19,100	19,100
		31,993	27,346
Less: Provision against loans to an associated company		(19,100)	(19,100)
		12,893	8,246

(a) The following is a list of the Group's associated companies at 31st March 2002:

Name	Place of establishment/ operation	Effective equity interest %	Issued/ registered capital	Nature of business
Yazhou Zhoukan Holdings Limited (<i>note</i>)	British Virgin Islands	48.525	HK\$10,000	Investment holding
Yazhou Zhoukan Limited (<i>note</i>)	Hong Kong	48.525	HK\$9,500	Magazine publisher
亞週股份有限公司 (<i>note</i>)	Taiwan	48.525	NT\$5,000,000	Magazine distributor
Dazzling Sunshine Limited	Hong Kong	33.33	HK\$1,500	Golf club investment
View On Trading Limited	Hong Kong	30.00	HK\$100	Golf club investment
Guangzhou South China Golf Club Co., Ltd	The Mainland China	30.00	US\$8,000,000	Golf club operations

Note: These associated companies adopted an accounting date of 31st December, which is not coterminous with that of the Group. The results of these associated companies have been equity accounted for based on their audited accounts for the period ended 31st December 2001.

(b) The loans to and amount due from associated companies are unsecured, interest free and not repayable within the next twelve months.

14 INVENTORIES

	Group	
	2002 HK\$'000	2001 HK\$'000
Raw materials	51,761	44,912
Finished goods	4,399	4,881
	<u>56,160</u>	<u>49,793</u>

At 31st March 2002, the carrying amounts of inventories that are carried at net realisable value amounted to HK\$1,594,000 (2001: HK\$1,587,000).

15 ACCOUNTS RECEIVABLE, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
Accounts receivable (<i>note</i>)	136,482	140,611	–	–
Prepayments and deposits	28,637	29,758	3,028	549
	<u>165,119</u>	<u>170,369</u>	<u>3,028</u>	<u>549</u>

Note: The Group allows in general a credit period of up to 90 days to its trade customers. At 31st March 2002, the ageing analysis of the Group's accounts receivable is as follows:

	Group	
	2002 HK\$'000	2001 HK\$'000
0 to 60 days	79,019	89,237
61 to 120 days	41,070	38,625
121 to 180 days	11,835	9,878
Over 180 days	4,558	2,871
	<u>136,482</u>	<u>140,611</u>

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16 OTHER TRADING INVESTMENTS

	Group		Company	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
Hong Kong listed shares, at market value	<u>2,860</u>	<u>427</u>	<u>2,860</u>	<u>427</u>

17 BANK BALANCES AND CASH

Included in the bank balances and cash of the Group are cash and bank deposits denominated in Renminbi placed with banks in The Mainland China amounted to HK\$20,359,000 (2001: HK\$14,778,000).

18 ACCOUNTS PAYABLE AND ACCRUED CHARGES

	Group		Company	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
Accounts payable (<i>note</i>)	54,741	50,970	–	–
Accrued charges	<u>48,577</u>	<u>64,243</u>	<u>4,039</u>	<u>5,033</u>
	<u>103,318</u>	<u>115,213</u>	<u>4,039</u>	<u>5,033</u>

Note: At 31st March 2002 the ageing analysis of the Group's accounts payable is as follows:

	Group	
	2002 HK\$'000	2001 HK\$'000
0 to 60 days	49,671	47,183
61 to 120 days	3,175	2,611
121 to 180 days	1,378	1,176
Over 180 days	<u>517</u>	<u>–</u>
	<u>54,741</u>	<u>50,970</u>

19 SHARE CAPITAL

	Authorised ordinary shares of HK\$0.10 each	
	No. of shares	HK\$'000
At 31st March 2001 and 2002	<u>500,000,000</u>	<u>50,000</u>

	Issued and fully paid ordinary shares of HK\$0.10 each			
	2002		2001	
	No. of shares	HK\$'000	No. of shares	HK\$'000
At 1st April	392,345,000	39,234	391,972,000	39,197
Shares issued on exercise of share options	–	–	373,000	37
At 31st March	<u>392,345,000</u>	<u>39,234</u>	<u>392,345,000</u>	<u>39,234</u>

At the Special General Meeting of the Company held on 21st August 2001, a Share Option Scheme ("the Scheme") was approved and adopted. Pursuant to the Scheme, options to subscribe for 5,475,000 ordinary shares at HK\$1.592 per share of the Company were granted during the year. At 31st March 2002 there were 5,475,000 options outstanding which are exercisable at any time on or before 20th August 2011.

Notes to the Accounts (Cont'd)

31st March 2002

20 RESERVES

	Group								
	Share premium account	Property revaluation reserve	Publishing titles revaluation reserve	Capital redemption reserve	Exchange fluctuation reserve	Difference arising on consolidation	Reserve arising on consolidation	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st April 2000, as previously reported	589,152	145,096	600,000	356	(835)	(22,400)	1,804	(177,615)	1,135,558
Effect of adopting SSAP 9 (revised)	-	-	-	-	-	-	-	11,762	11,762
Effect of adopting SSAP 29	-	-	(600,000)	-	-	-	-	(45,000)	(645,000)
At 1st April 2000, as restated	589,152	145,096	-	356	(835)	(22,400)	1,804	(210,853)	502,320
Premium on issue of shares	613	-	-	-	-	-	-	-	613
Profit attributable to shareholders (as restated for the effect of adopting SSAP 29)	-	-	-	-	-	-	-	110,955	110,955
Goodwill reversed upon disposal of a subsidiary	-	-	-	-	-	-	74	-	74
Release of exchange reserve upon disposal of a subsidiary	-	-	-	-	943	-	-	-	943
Exchange adjustment	-	-	-	-	(194)	-	-	-	(194)
2000 final dividend paid (note 7)	-	-	-	-	-	-	-	(11,762)	(11,762)
2001 interim dividend paid (note 7)	-	-	-	-	-	-	-	(11,767)	(11,767)
At 31st March 2001	589,765	145,096	-	356	(86)	(22,400)	1,878	(123,427)	591,182
2001 special dividend proposed (note 7)	-	-	-	-	-	-	-	(31,388)	(31,388)
2001 final dividend proposed (note 7)	-	-	-	-	-	-	-	(11,770)	(11,770)
At 31st March 2001 after proposed dividends	<u>589,765</u>	<u>145,096</u>	<u>-</u>	<u>356</u>	<u>(86)</u>	<u>(22,400)</u>	<u>1,878</u>	<u>(166,585)</u>	<u>548,024</u>
Company and subsidiaries	589,765	145,096	-	356	(86)	(22,400)	1,878	(123,422)	591,187
Associated companies	-	-	-	-	-	-	-	(5)	(5)
At 31st March 2001	<u>589,765</u>	<u>145,096</u>	<u>-</u>	<u>356</u>	<u>(86)</u>	<u>(22,400)</u>	<u>1,878</u>	<u>(123,427)</u>	<u>591,182</u>

20 RESERVES (Cont'd)

	Group								
	Share premium account HK\$'000	Property revaluation reserve HK\$'000	Publishing titles revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Difference arising on consolidation HK\$'000	Reserve arising on consolidation HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1st April 2001, as previously reported	589,765	145,096	600,000	356	(86)	(22,400)	1,878	(139,085)	1,175,524
Effect of adopting SSAP 9 (revised)	-	-	-	-	-	-	-	43,158	43,158
Effect of adopting SSAP 29	-	-	(600,000)	-	-	-	-	(27,500)	(627,500)
At 1st April 2001, as restated	589,765	145,096	-	356	(86)	(22,400)	1,878	(123,427)	591,182
Loss attributable to shareholders	-	-	-	-	-	-	-	(4,735)	(4,735)
Exchange adjustment	-	-	-	-	(152)	-	-	-	(152)
2001 special dividend paid (note 7)	-	-	-	-	-	-	-	(31,388)	(31,388)
2001 final dividend paid (note 7)	-	-	-	-	-	-	-	(11,770)	(11,770)
2002 interim dividend paid (note 7)	-	-	-	-	-	-	-	(7,847)	(7,847)
At 31st March 2002	589,765	145,096	-	356	(238)	(22,400)	1,878	(179,167)	535,290
2002 final dividend proposed (note 7)	-	-	-	-	-	-	-	(7,847)	(7,847)
At 31st March 2002 after proposed final dividend	<u>589,765</u>	<u>145,096</u>	<u>-</u>	<u>356</u>	<u>(238)</u>	<u>(22,400)</u>	<u>1,878</u>	<u>(187,014)</u>	<u>527,443</u>
Company and subsidiaries	589,765	145,096	-	356	(238)	(22,400)	1,878	(173,322)	541,135
Associated companies	-	-	-	-	-	-	-	(5,845)	(5,845)
At 31st March 2002	<u>589,765</u>	<u>145,096</u>	<u>-</u>	<u>356</u>	<u>(238)</u>	<u>(22,400)</u>	<u>1,878</u>	<u>(179,167)</u>	<u>535,290</u>

Notes to the Accounts (Cont'd)

31st March 2002

20 RESERVES (Cont'd)

	Company				
	Share premium account HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus account HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1st April 2000, as previously reported	589,152	356	200,379	524,017	1,313,904
Effect of adopting SSAP 9 (revised)	—	—	—	11,762	11,762
At 1st April 2000, as restated	589,152	356	200,379	535,779	1,325,666
Premium on issue of shares	613	—	—	—	613
Profit attributable to shareholders	—	—	—	12,308	12,308
2000 final dividend paid (<i>note 7</i>)	—	—	—	(11,762)	(11,762)
2001 interim dividend paid (<i>note 7</i>)	—	—	—	(11,767)	(11,767)
At 31st March 2001	589,765	356	200,379	524,558	1,315,058
2001 special dividend proposed (<i>note 7</i>)	—	—	—	(31,388)	(31,388)
2001 final dividend proposed (<i>note 7</i>)	—	—	—	(11,770)	(11,770)
At 31st March 2001 after proposed dividends	<u>589,765</u>	<u>356</u>	<u>200,379</u>	<u>481,400</u>	<u>1,271,900</u>
At 1st April 2001, as previously reported	589,765	356	200,379	481,400	1,271,900
Effect of adopting SSAP 9 (revised)	—	—	—	43,158	43,158
At 1st April 2001, as restated	589,765	356	200,379	524,558	1,315,058
Loss attributable to shareholders	—	—	—	(128,795)	(128,795)
2001 special dividend paid (<i>note 7</i>)	—	—	—	(31,388)	(31,388)
2001 final dividend paid (<i>note 7</i>)	—	—	—	(11,770)	(11,770)
2002 interim dividend paid (<i>note 7</i>)	—	—	—	(7,847)	(7,847)
At 31st March 2002	589,765	356	200,379	344,758	1,135,258
2002 final dividend proposed (<i>note 7</i>)	—	—	—	(7,847)	(7,847)
At 31st March 2002 after proposed final dividend	<u>589,765</u>	<u>356</u>	<u>200,379</u>	<u>336,911</u>	<u>1,127,411</u>

20 RESERVES (Cont'd)

The contributed surplus of the Company arose when the Company issued shares in exchange for the shares of subsidiaries being acquired, and represented the difference between the nominal value of the Company's shares issued and the value of net assets of the subsidiaries acquired. Under the Companies Act of 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders. At Group's level, the contributed surplus is reclassified into its components of reserves of the underlying subsidiaries.

21 LONG-TERM LIABILITIES

	Group		Company	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
Bank loans – secured				
Not wholly repayable within five years	4,782	46,720	–	41,488
Obligations under finance leases				
Wholly repayable within five years	8,328	7,884	–	–
	13,110	54,604	–	41,488
Current portion of long-term liabilities	(3,137)	(44,111)	–	(41,488)
	9,973	10,493	–	–

31st March 2002

21 LONG-TERM LIABILITIES (Cont'd)

At 31st March 2002, the Group's bank loans and overdrafts (including trust receipts loans but excluding finance lease liabilities) were repayable as follows:

	Group	
	2002	2001
	HK\$'000	HK\$'000
Bank loans and overdrafts		
Within one year	71,339	200,964
In the second year	417	420
In the third to fifth year	1,252	1,260
After the fifth year	2,696	3,132
	<u>75,704</u>	<u>205,776</u>
	Company	
	2002	2001
	HK\$'000	HK\$'000
Within one year	<u>27,300</u>	<u>142,888</u>

21 LONG-TERM LIABILITIES (Cont'd)

At 31st March 2002, the Group's finance lease liabilities were repayable as follows:

	Group	
	2002	2001
	HK\$'000	HK\$'000
Finance lease liabilities minimum lease payments		
Within one year	3,140	2,622
In the second year	3,074	2,493
In the third to fifth year	3,086	3,707
	<hr/>	<hr/>
	9,300	8,822
Future finance charges on finance leases	(972)	(938)
	<hr/>	<hr/>
Present value of finance lease liabilities	<u>8,328</u>	<u>7,884</u>

The present value of finance lease liabilities was repayable as follows:

Within one year	2,720	2,203
In the second year	2,784	2,233
In the third to fifth year	2,824	3,448
	<hr/>	<hr/>
	<u>8,328</u>	<u>7,884</u>

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22 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**(a) Reconciliation of operating profit to net cash inflow from operating activities**

	2002 HK\$'000	As restated 2001 HK\$'000
Operating profit	10,708	132,159
Unrealised losses on other trading investments	501	150
Deficit on revaluation of investment properties not covered by previous surplus	–	60
Gain on disposal/dilution of interests in subsidiaries	–	(74,493)
Reversal of goodwill previously taken to reserve upon the disposal of a subsidiary	–	74
Dividends received from other trading investments	(25)	(32)
Interest income	(7,307)	(16,425)
Depreciation of fixed assets	35,504	34,822
Loss on disposals of fixed assets	147	2,386
Increase in inventories	(6,367)	(11,079)
Decrease in accounts receivable, deposits and prepayments	5,250	29
(Decrease)/increase in accounts payable and accrued charges	(11,895)	19,320
Net cash inflow from operating activities	<u>26,516</u>	<u>86,971</u>

(b) Analysis of changes in financing during the year

	Share capital and share premium		Bank loans (including trust receipts loans)		Obligations under finance leases	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
At 1st April	628,999	628,349	92,396	124,654	7,884	–
Exchange differences	–	–	(33)	(480)	(15)	–
Net cash outflow from financing	–	–	(57,587)	(31,778)	(2,524)	–
Shares issued on exercise of share options	–	650	–	–	–	–
Inception of finance leases	–	–	–	–	2,983	7,884
At 31st March	<u>628,999</u>	<u>628,999</u>	<u>34,776</u>	<u>92,396</u>	<u>8,328</u>	<u>7,884</u>

22 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Cont'd)**(c) Major non-cash transactions**

During the year the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of HK\$2,983,000 (2001: HK\$7,884,000).

23 BANKING FACILITIES AND PLEDGE OF ASSETS

At 31st March 2002, the Group's trust receipts loans, bank loans and overdrafts are secured by the following:

- (a) certain machinery and printing equipment of the Group with net book value of HK\$24,305,000 at 31st March 2002 (*note 11*);
- (b) first legal charges on certain of the Group's freehold and leasehold land and buildings and investment properties with an aggregate carrying value of HK\$283,440,000 at 31st March 2002 (*note 11*) and assignment of rental income derived therefrom;
- (c) first legal charges on the Group's publishing titles;
- (d) general security agreements under which all the assets of certain subsidiaries with net book value of HK\$66,920,000 at 31st March 2002 (including HK\$16,354,000 attributable to freehold properties disclosed under note (b) above) were pledged to certain banks;
- (e) certain bank deposits and accounts receivable of a subsidiary totalling HK\$1,647,000 at 31st March 2002; and
- (f) corporate guarantees issued by the Company.

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24 DEFERRED TAXATION

The potential deferred taxation assets/(liabilities) not recognised/(provided for) in the accounts amounted to:

	Group	
	2002 Potential assets/ (liabilities) HK\$'000	2001 Potential assets/ (liabilities) HK\$'000
Accelerated depreciation allowances	(6,478)	(12,062)
Tax losses	39,933	23,474
	<u>33,455</u>	<u>11,412</u>

- (a) Potential deferred tax assets and liabilities have not been recognised in the accounts as it is uncertain whether these amounts will crystallise in the foreseeable future.
- (b) The revaluation of the Group's properties does not constitute a timing difference for deferred taxation purposes as realisation of the revaluation surplus would not result in a taxation liability.

25 COMMITMENTS**(a) Operating lease commitments**

At 31st March 2002, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2002 HK\$'000	As restated 2001 HK\$'000
Within one year	6,528	5,482
In the second to fifth year inclusive	4,253	4,653
	<u>10,781</u>	<u>10,135</u>

(b) Financial commitments

At 31st March 2002, the Group was committed to advance to an associated company an amount of HK\$3,900,000 (2001: HK\$3,900,000) for investment purposes.

26 CONTINGENT LIABILITIES

At 31st March 2002, the Company had contingent liabilities in respect of guarantees issued in favour of certain of its subsidiaries totalling HK\$149,747,000 (2001: HK\$119,747,000) in consideration of general banking facilities granted to those subsidiaries. At 31st March 2002, total facilities utilised amounted to HK\$43,167,000 (2001: HK\$58,792,000).

27 ULTIMATE HOLDING COMPANY

The directors regard Conch Company Limited, a company incorporated in British Virgin Islands, as being the ultimate holding company.

28 APPROVAL OF ACCOUNTS

The accounts were approved by the Board of Directors on 5th July 2002.

29 PARTICULARS OF PRINCIPAL SUBSIDIARIES

(a) Particulars of principal subsidiaries at 31st March 2002 that are incorporated in Hong Kong are as follows:

Name of subsidiary	Issued and fully paid share capital	Effective equity interest %	Nature of business
<i>Indirect subsidiaries:</i>			
Centricon Enterprises Limited	HK\$2	100	Property investment
Charming Holidays Limited	HK\$750,000	100	Provision of travel and travel related services
Charming Holidays (North America) Limited	HK\$2	100	Investment holding
Charming Online Travel Limited	HK\$800,000	94.1	Provision of travel and travel related services
Cheerlane Development Limited	HK\$2	100	Property investment
Holgain Limited	HK\$20	100	Property investment
Intelligent Printing Limited	HK\$2	100	Investment holding
Intelligent Publications (China) Limited	HK\$1,000,000	100	Investment holding

31st March 2002

29 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Cont'd)

- (a) Particulars of principal subsidiaries at 31st March 2002 that are incorporated in Hong Kong are as follows: (Cont'd)

Name of subsidiary	Issued and fully paid share capital	Effective equity interest %	Nature of business
<i>Indirect subsidiaries: (Cont'd)</i>			
Kin Ming Printing Company Limited	HK\$10,000	100	Provision of printing services
Lisport Company Limited	HK\$1,650,000	100	Magazine publisher
Maribo Brief Limited	HK\$2	100	Property investment
Ming Pao Holdings Limited	Ordinary HK\$900,000 Deferred HK\$100,000	100	Investment holding
Ming Pao Magazines Limited	HK\$10	100	Magazines publisher
Ming Pao Newspapers Limited	HK\$2	100	Newspaper publisher
Ming Pao Publications Limited	HK\$10	100	Books publisher
Mingpao.com Limited	HK\$2	88.2	Internet related businesses
Perfect Gain Development Limited	HK\$2	100	Property investment

- (b) Particulars of principal subsidiaries at 31st March 2002 that are incorporated outside Hong Kong are as follows:

Name of subsidiary	Place of establishment/ operation	Issued and fully paid share capital	Effective equity interest %	Nature of business
<i>Direct subsidiary:</i>				
Ming Pao International Investment Limited	British Virgin Islands	US\$10	100	Investment holding
<i>Indirect subsidiaries:</i>				
Delta Tour & Travel Services (Canada), Inc.	Canada	CAD\$530,000	99.82	Provision of travel and travel related services
Delta Tour & Travel Services, Inc.	The United States of America	US\$300,500	99.9	Provision of travel and travel related services

29 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Cont'd)

(b) Particulars of principal subsidiaries at 31st March 2002 that are incorporated outside Hong Kong are as follows: (Cont'd)

Name of subsidiary	Place of establishment/ operation	Issued and fully paid share capital	Effective equity interest %	Nature of business
<i>Indirect subsidiaries: (Cont'd)</i>				
Delta Tour & Travel Services (New York), Inc.	The United States of America	US\$10,000	99.9	Provision of travel and travel related services
First Collection Limited	British Virgin Islands	US\$1	100	Investment holding
Guangzhou Kin Ming Printing Limited*	The Mainland China	HK\$25,000,000	100	Provision of printing services
Ming Pao Finance Limited	British Virgin Islands	US\$10	100	Publishing titles holding
Ming Pao Holdings (Canada) Limited	Canada	CAD\$1	100	Investment holding
Ming Pao Newspapers (Canada) Limited	Canada	CAD\$11	100	Newspapers publisher
Ming Pao (New York) Inc.	The United States of America	US\$1	100	Newspaper publisher
Mingpao.com Holdings Limited	Cayman Islands	HK\$79,572	88.2	Investment holding

Note: All companies operate in their respective places of incorporation or establishment, except for Ming Pao International Investment Limited, Ming Pao Finance Limited, Mingpao.com Holdings Limited and First Collection Limited, which operate principally in Hong Kong.

* *The subsidiary was established in The Mainland China in the form of a wholly owned foreign enterprise. The subsidiary adopted an accounting date of 31st December. The directors consider that the subsidiary's financial year could not be co-terminus with that of the Company for the reason of compliance with local regulations.*

The above table includes the subsidiaries of the Company which, in the opinion of the directors, principally affected the Group's results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Five Year Summary

The results of the Group for the last five financial years are as follows:

	2002 HK\$'000	Year ended 31st March			
		As restated 2001 HK\$'000	As restated 2000 HK\$'000	As restated 1999 HK\$'000	As restated 1998 HK\$'000
Turnover	<u>1,044,155</u>	<u>1,218,340</u>	<u>1,152,593</u>	<u>1,105,704</u>	<u>1,220,207</u>
(Loss)/profit attributable to shareholders	<u>(4,735)</u>	<u>110,955</u>	<u>83,641</u>	<u>(29,637)</u>	<u>(174,438)</u>
(Loss)/earnings per share	<u>(1 cent)</u>	<u>28 cents</u>	<u>21 cents</u>	<u>(8 cents)</u>	<u>(45 cents)</u>

The assets and liabilities of the Group for the last five financial years are as follows:

	2002 HK\$'000	As at 31st March			
		As restated 2001 HK\$'000	As restated 2000 HK\$'000	As restated 1999 HK\$'000	As restated 1998 HK\$'000
Intangible assets	–	–	–	–	5,250
Fixed assets	375,026	397,754	424,446	494,199	571,667
Interests in associated companies	12,893	8,246	–	19,100	19,100
Deferred expenditure	–	–	–	5,086	6,105
Current assets	386,003	565,705	499,376	346,925	337,980
Current liabilities	(180,511)	(319,499)	(325,937)	(312,308)	(337,551)
Net current assets	<u>205,492</u>	<u>246,206</u>	<u>173,439</u>	<u>34,617</u>	<u>429</u>
	593,411	652,206	597,885	553,002	602,551
Minority interests	(8,914)	(11,297)	(103)	(103)	(103)
Long-term liabilities	(9,973)	(10,493)	(56,265)	(96,158)	(117,361)
Net assets	<u>574,524</u>	<u>630,416</u>	<u>541,517</u>	<u>456,741</u>	<u>485,087</u>