

Corporate Information

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 Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

HONG KONG BRANCH REGISTRARS AND TRANSFER OFFICE

Tengis Limited
Ground Floor
Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong

Group's Principal Activities



CHAIRMAN'S REPORT

Tan Sri Datuk
TIONG Hiew King
Chairman



On behalf of the Board, I have the pleasure to present the Annual Report of Ming Pao Enterprise Corporation Limited and its subsidiaries ("the Group") for the year ended 31st March 2003.

BUSINESS REVIEW

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

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

Chairman's Report (Cont'd)

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

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

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

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

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

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

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

Chairman's Report (Cont'd)

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

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

During the year, the Group has continued its commitment to help the less fortunate in our society by participating in various community affairs, including the recent "Project Blossom", a fundraising campaign which seeks to establish an educational fund aim at providing immediate financial assistance to the children victimised by the recent SARS epidemic. The project is a joint effort campaign with the Hong Kong Performing Artistes Guild ("HKPAG"). Various fundraising events have been held including the ground-breaking All-Stars Concert on 24th May 2003. The campaign met with enthusiastic response from the public - pledges and contributions totalling over HK\$13 million have been received up to 30th June 2003. I would like to extend my sincere appreciation to HKPAG for its professionalism, dedication and ingenuity in conducting the campaign, as well as to all the donors, hospital employees, volunteers, businesses and media partners who all made the campaign a huge success.

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

Chairman's Report [\(Cont'd\)](#)

OUTLOOK

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

APPRECIATION

The pace of change in media business is ever accelerating. The Group needs to cope with these changes and, as ever, is reliant on the hard work and creativity of our people. This year's good result would not have been possible without the dedication of our staff and I would like to thank them, on behalf of the Board of Directors, for their contribution. I would also like to extend my sincere appreciation to our readers, advertisers, customers and suppliers for their continuous support throughout the year.

Tan Sri Datuk TIONG Hiew King

Chairman

Hong Kong, 4th July 2003

Review of Operations and Outlook



擁有知識，逆境自強

RESULTS SUMMARY

During the year under review, in spite of the persistent sluggish economic conditions and deflation pressure, the Group was able to achieve an overall performance that was much better than last year's. The Group's audited consolidated turnover for the year ended 31st March 2003 was HK\$1,090,537,000, representing an increase of 4% over that of last year. Profit attributable to shareholders for the year amounted to HK\$31,258,000, a marked contrast to last year's loss of HK\$3,932,000. The current year's earnings per share was HK8 cents while the year 2001-2002 reported a loss per share of HK1 cent.

NEWSPAPERS

Ming Pao Daily News

Advertising revenues for the year of Ming Pao Daily News was about the same level as that of last year, nevertheless, an increase in the number of advertising pages was recorded mainly attributed to the growth in advertisements from the education sector. Regarding its editorial content, Ming Pao Daily News has been innovative in revamping the newspaper's design and layout and in enriching the editorial content. The changes were well received by the readers and helped boosting the Daily's circulation sales during the year. Supported by effective cost controls and lower newsprint prices, the Daily achieved a satisfactory overall operating result for the year.

In March 2003, there was an outbreak of an unprecedented illness, Severe Acute Respiratory Syndrome ("SARS"), in Hong Kong. Ming Pao Daily News was among the first local newspapers to give a detailed and in-depth report on the incident.

Sunday Ming Pao expanded its life-style column from 8 to 20 pages, in which elements on entertainment, leisure and parenting were added to the content. In addition, Sunday Ming Pao co-organised promotional activities with shopping arcades in which purchasing privileges were offered to the Daily's readers.

The Daily's China Desk has been closely following the latest political and economic developments in the Mainland China. Several special reports like "New Leadership in China", "Merging of the Pearl River Delta" and "The Emerging Yangtze River Delta" were published during the year, containing in-depth coverage on the latest update of events in the Mainland China.

Review of Operations and Outlook (Cont'd)

The International Desk produced detailed reports and analyses on the Iraq war, two extra editions were published within the first four hours when the war broke out.

The feature column on the Financial Desk focuses on practical financial planning and provides readers with information and analyses regarding the subject. During the year, this column was awarded with two honors in the News on Consumer Rights Reporting Awards by the Consumer Council.

The Sports Desk delivered comprehensive coverage of news on the two big world sports events: the World Cup and the Asian Games. The “No. 8’s Inside Stories” column presents sports news in a light and humorous style, whereas “The Sports Discovery” column provides readers with the latest sports related technological information.

The “Super-Star Interviews” column of the Entertainment Desk and its reports on interviews from new perspectives with various artistes under the “Talented Stars” column add more color of the contemporary culture and lifestyle to the section.

The Daily’s recruitment classified section “JUMP” seeks for changes unceasingly. Besides the general recruitment advertisement services, the section also provides the latest news and information on job hunting and career enhancement for its young readers who are now faced with a more knowledge demanding economic environment.

The Daily’s Saturday free supplement, the NT Edition, continues to bring news and information of the local communities and other cultural and recreational activities and to provide advertising services. In addition, it goes with the flow of the Daily’s strategy in expanding commercial advertisements, such as those on property markets in the New Territories and the Mainland China, travel industry, etc., which opened up new business opportunities for the Daily.

In the coming year, Ming Pao Daily News will stand fast on its principles and devotion in reportage, keep pace with the marketing changes and extend its circulation network. Strategic mutual beneficial advertising packages will be introduced, so as to captivate more potential advertisers and expand the Daily’s advertising income.

Overseas Editions of Ming Pao Daily News

During the year under review, the financial performance of the overseas editions of Ming Pao Daily News was satisfactory.

From mid March of 2003, SARS erupted in Hong Kong and the Mainland China before spreading to Toronto in Canada and at about the same time, US declared war on Iraq. These two incidents boosted up the circulation sales of the overseas editions, with the highest growth recorded for both the Toronto Edition and the New York Edition. The Vancouver Edition’s circulation also showed a steady growth during the year under review.

Toronto was the hardest hit city by the SARS epidemic in North America. Local businesses operated by Chinese citizens like catering, retail, tourism, etc. were adversely affected. Although the impact on the advertising income of the Toronto Edition is yet to be ascertained, the Group holds an optimistic view on Toronto’s future economic situation.

Review of Operations and Outlook (Cont'd)

In the year under review, there has been a pick-up in Vancouver's economy and the Vancouver Edition reported a 10% increase in its advertising revenue for the year. It is expected that the Vancouver Edition will benefit from the gradual recovery in local economy and show further improvement in its performance next year.

For the New York Edition, it is expected that a more promising economic future will come after the end of the Iraq war. This will speed up the pace of the Edition's business development.

MAGAZINES

Ming Pao Weekly

The circulation and advertising revenues of Ming Pao Weekly showed a slight downturn during the year under review. Nevertheless, through effective cost controls and benefited from the drop in newsprint prices, Ming Pao Weekly managed to record a satisfactory growth on its operating profit for the year.

During the year, Hong Kong showbiz lost two super stars: Roman Tam and Leslie Cheung. Ming Pao Weekly quickly responded by producing several exclusive interviews and reports on these two legendary artistes, which won acclaim from readers as well as a boost on its circulation. The special memorial supplement featuring Leslie Cheung was regarded more excellent than other publications of its kind in aspects of content, pictures and graphic design.

The Weekly's renovated "Health Life" page gives detailed updates on medical and health information which are of concern to the readers. During the year, Ming Pao Weekly co-organised consumption driven subscription programs with banks and other business organisations. The projects were successful and they brought about growth on the Weekly's circulation income.

In November 2003, Ming Pao Weekly will celebrate its 35th Anniversary. To mark this milestone, the Weekly will further enhance its content and add in more new columns of readers' interests to win more reader support.

Ming Pao Monthly

The clean-cut styled Ming Pao Monthly covers on the pan-cultural areas of humanities, current affairs and knowledge. Its stance on incorporating articles with different opinions and ideas is well recognised by local and overseas academics and well considered by readers. To track events closely, in the coming year, Ming Pao Monthly will put more emphasis on the political and economic aspects of the Mainland China, and will further explore local social problems and global focal affairs.

Ming Pao Monthly's target subscribers this year are secondary schools' teachers and students. In the second half of 2003, it will extend its subscription campaigns to local tertiary institutions. In the Mainland China, promotional activities have also been launched in major cities like Beijing, Shanghai, Dalian, Xian and Guangzhou. These promotions will be continued in the coming year.

Review of Operations and Outlook (Cont'd)

City Children's Weekly

City Children's Weekly had a makeover during the year. Besides enhancing its content on information technology and education, City Children's Weekly also actively participates in all sorts of children's cultural, educational and recreational activities. It was awarded the "Caring Company" logo by the Hong Kong Council of Social Service, acknowledging its contributions to the local children.

City Children's Weekly believes that new ideas are the prerequisites to advancement. In the coming year, it will continue to provide quality reading materials that incorporate knowledge, information and entertainment for children, parents and teachers.

HI-TECH WEEKLY

In the highly competitive computer magazines market, HI-TECH WEEKLY successfully positioned itself as an "e-Life" magazine and has become a household name with steady circulation sales during the year.

HI-TECH WEEKLY follows closely the market trend and readers' needs. New columns like "Mobile IT" and "eBiz Today" which focus on personal IT applications and e-commerce respectively were introduced during the year. "Smart User Manual", the useful tool-book of the three-book magazine, has also become a must-read and collector item for its readers. HI-TECH WEEKLY co-organised a number of seminars and workshops on business and personal computer applications with various organisations during the year which were all well received. HI-TECH WEEKLY will continue to play its role as a communication platform between its readers and advertisers of computer products.

Yazhou Zhoukan

During the year, Yazhou Zhoukan published a number of special reports on researches about the Asian region and the countries therein, including Malaysia, Korea, Hong Kong, Japan, Singapore and Thailand. These reports enabled readers to grasp the keys of the ever-changing political and economic climate in Asia.

Yazhou Zhoukan came to its 15th Anniversary in December 2002. A series of celebrating events like the first Young Entrepreneur Award ceremony and other cocktails and luncheons were organised in which readers were shown the important role played by this international Chinese publication in the progress of globalisation over the years.

Yazhou Zhoukan provides significant research data on an annual basis, listings like "Chinese Businesses 500", "China's Top 100 Listed Companies", "Asia's Corporations 1000" and "Asia Financial Institutions 300" are all results of sophisticated researching work and are valuable references for the readers.

Review of Operations and Outlook (Cont'd)

PUBLISHING

Ming Pao Publications/Crystal Window Publications/Ming Man Publications

In the past year, Ming Pao Publications and Crystal Window Publications explored new business opportunities and opened up new markets with satisfactory results, as reflected by a decent growth in their combined publishing revenues.

During the year under review, Ming Pao Publications published the historical series "A Wide Vision of 5000 Years of Chinese Culture" compiled by over 100 academics from the Peking University. The series has sold over 50,000 copies. The translated version of the classical "History of European Culture" and the newly introduced Chinese language and bilingual educational books also generated satisfactory revenues for the Group.

Following last year's "Great Stories of 5000 Years", Ming Pao Publications will publish more educational books for primary and secondary school students in the coming year, e.g. the "Great Stories about Western Culture" series, and learning books tailor made for primary school students. It is expected that these educational books, which usually have higher profit margins, will account for about 40% of all the books to be published in the coming year, bringing in significant revenue for the Group.

Ming Man Publications has published more than 30 new books since its establishment in early 2002. Next year, Ming Man Publications will actively explore the Mainland China market, providing mainland writers and academics with opportunities to publish their personal writings and academic theses.

TRAVEL

Charming Holidays

During the year under review, Charming Holidays endeavored to explore new business opportunities and to control spending. However, with the global economic slowdown and the Iraq war affecting tourism this year, Charming Holidays inevitably recorded an operating loss. The SARS outbreak in March 2003 significantly affected the tourist industry in the following few months and it is expected that Charming Holidays' businesses will suffer a further set back in the first half of the next financial year.

Summer study tours are getting more popular in recent years. Leveraging on the good relationship between Ming Pao Daily News and the local education sector, study tours organised by Charming Holidays have acquired a good reputation, and it is expected that a greater market share will be enjoyed by the company in the future.

With many countries simplifying the visa application procedures for the Mainland Chinese citizens; along with the agreements reached between the Chinese government and many countries, Chinese citizens can now travel to more countries. Charming Holidays, with its extensive market experience, will grasp this business opportunity to explore this new market, hoping to gain better business developments and returns.

In response to the market demand, Charming Holidays re-designed its traditional tour routes, adding new elements to high quality services in order to maintain its market position.

Review of Operations and Outlook (Cont'd)

Charming Holidays' subsidiaries in North America, the Delta Group of Companies, performed as good as expected, bringing in reasonably good profit for the year. In the coming year, Delta will put more effort in introducing diversified travel products to explore the local outbound travel market; a stable and healthy development is expected.

INTERNET

Mingpao.com

During the year Mingpao.com continued to adopt aggressive measures to increase income and reduce expenditure; it expects to breakeven by the end of 2003.

The number of unique users of Mingpao.com has increased to over 4 million per month in the past year. "mingpaonews.com" and "mpinews.com" have become major sources of information for Internet users. Mingpao.com has also become a major content provider, providing many websites and telecommunications providers with updated and reliable information. For the third year in a row, Mingpao.com was awarded one of the top ten healthy websites by the Television and Entertainment Licensing Authority.

Mingpao.com launched a subscription service in February 2003. Subscribers can search for Ming Pao Daily's news archive and columns of well-known writers in the supplement section. Response has been overwhelming, with the number of subscribers growing satisfactorily. Mingpao.com will introduce more value-added services to its different user groups.

In view of the growing popularity of online shopping, Mingpao.com will provide more quality goods and services to its subscribers in addition to developing its core businesses.

COMMUNITY SERVICES

Readers' donations

As a service to our society, Ming Pao Daily News continues to pass donations from our readers to designated families, helping them cope with their daily needs. Those helped not only include local unfortunate families, but also people in the Mainland China.

During the year, Ming Pao Daily News co-organised the "Guangdong Province Remote Area Education Relief Fund" program with several educational establishments. Donations received for the program are used to build schools in poor and remote areas of Guangdong, to buy books for the students and to improve the teaching facilities there. In just a few months donations have exceeded HK\$1.5 million, boosting the total donations for the program to nearly HK\$3 million.

After the outbreak of SARS, Ming Pao Daily News and the Hong Kong Performing Artistes Guild quickly co-organised the "Project Blossom" in May 2003. The goal was to raise education funds for children of SARS victims, and within a month the campaign had raised over HK\$13 million, which is being distributed to needy families.

Review of Operations and Outlook (Cont'd)

School and industry activities

The "School Reporters Scheme" organised by Ming Pao Daily News entered its sixth year. The activity was themed "Cross-Media, Broaden Vision". Hundreds of students who took part in the program immersed themselves in the multi-media world through different activities, learning different media knowledge.

For the third year, the Daily organised the "Project CompuAid" program. This year there are more than 1,300 beneficiaries, including students and other needy people in the society.

Ming Pao Daily News organised and co-organised various school activities with many organisations, encouraging students to take part in extra-curricular activities and to pay attention to social affairs. To foster relations with other sectors of the society, the Daily also supported various social activities such as the Outstanding Social Workers Award, Hong Kong Arts Development Awards and the Hong Kong Outstanding Women Professionals and Entrepreneurs Award.

FINANCIAL POSITION

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

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

OUTLOOK

Affected by the outbreak of SARS, the local economy continues to remain uncertain. Nevertheless, the Group is well prepared to face the keen competition and the challenges ahead. We will expand our core businesses cautiously to maximize our market share; reinforce Ming Pao's brand name and goodwill; provide quality news and information; continue to control costs and better coordinate resources to obtain higher economic result. The Group is also equipped with a strong financial position and a hard working and dedicated workforce. With another set of new economic stimulating measures to be taken out by the local government, it is expected that in the coming year the local economy will recover gradually and the citizens will regain their confidence. The Group should have a steady growth and development next year which marked the 45th Anniversary of Ming Pao Daily News.

AWARDS RECEIVED DURING THE YEAR



The Newspaper Society of Hong Kong

Hong Kong News Awards 2002

- Best News Reporting
1st Runner-up
- Best Young Reporter
Merit
- Best Business News Writing (Chinese)
2nd Runner-up Merit
- Best Business News Reporting
Merit
- Photographic Section (News)
2nd Runner-up
- Photographic Section (Features)
2nd Runner-up Merit
- Photographic Section (Sport)
1st Runner-up
- Best News Page Design
Merit



The Society of Publishers In Asia

2003 Awards For Editorial Excellence

- Excellence in Newspapers (Chinese Language)
- Winner : Ming Pao Daily News
- Excellence in Reporting (Chinese Language)
- Winner : Ming Pao Daily News & Yazhou Zhoukan
- Honourable Mention: Ming Pao Weekly
- Excellence in Business Reporting (Chinese Language)
- Winner : Ming Pao Daily News
- Excellence in Feature Writing (Chinese Language)
- Winner : Ming Pao Weekly
- Best Magazine Front Cover (Chinese Language)
- Winner & Honourable Mention: Ming Pao Weekly
- Excellence in Magazines (Chinese Language)
- Honourable Mention: Ming Pao Monthly
- Best Feature Photography
- Honourable Mention: Ming Pao Weekly
- Best Website (Chinese Language)
- Winner : Mingpao.com



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Consumer Council

Consumer Rights Reporting Awards 2003

- Features
Gold Award Bronze Award
- News
Silver Award

The Hong Kong Journalists Association

The Foreign Correspondents' Club

Amnesty International Hong Kong Section

The Eighth Annual Human Rights Press Awards

- Photography Winner 8 Merits
- Commentary & Analysis Merit
- Newspaper Feature Merit



Notice of Annual General Meeting

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

1. To receive and consider the audited financial statements, the reports of directors and auditors for the year ended 31st March 2003.
2. To declare a final dividend.
3. To re-elect directors and to authorise the board of directors to fix their remuneration.
4. To re-appoint auditors and to authorise the board of directors to fix their remuneration.

By Order of the Board

LAW Yuk Kuen

Secretary

Hong Kong, 4th July 2003

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the head office and principal place of business of the Company at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The register of members will be closed from Monday, 1st September 2003, to Friday, 5th September 2003, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 29th August 2003.

Report of the Directors

The directors submit their report together with the audited accounts for the year ended 31st March 2003.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 30 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 results of the Group for the year are set out in the consolidated profit and loss account on page 25.

The directors have declared an interim dividend of HK2 cents per ordinary share, totalling HK\$7,847,000, which was paid on 8th January 2003. The directors recommend the payment of a final dividend of HK3 cents per ordinary share, totalling HK\$11,770,000.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 21 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 20 to the accounts.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31st March 2003, calculated under the Companies Act of 1981 of Bermuda (as amended), amounted to HK\$530,262,000 (2002: HK\$545,137,000).

FIVE-YEAR 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 70.

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.

Report of the Directors (Cont'd)

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 TIONG Kiu King and Dr TIONG Ik King 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 69, 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 68, 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 52, 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.

Mr TIONG Kiew Chiong, aged 43, 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 58, 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.

Report of the Directors (Cont'd)

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

Mr David YU Hon To, aged 55, 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 Listing Rules"), 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 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 and for the primary purpose of providing incentive to full time employees, 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. The offer of a grant of share option may be accepted within 28 days from the date of offer with a payment of nominal consideration of HK\$1.00 by the grantee. Options granted are exercisable within ten years after the date of grant or ten years after the adoption date of the Scheme (i.e. 20th August 2011), whichever is earlier.

Report of the Directors (Cont'd)

SHARE OPTION SCHEME (Cont'd)

(a) Summary of terms (Cont'd):

Pursuant to the Listing Rules' new requirements governing share option schemes 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 highest of (i) the nominal value of the shares of the Company, (ii) the average of the closing prices of the shares of the Company as stated in the daily quotation sheet by The Stock Exchange of Hong Kong Limited ("the Stock Exchange") on the five business days immediately preceding the granting of the option, and (iii) the closing price of the shares of the Company as stated in the daily quotation sheet by the Stock Exchange on the date of grant of the option.

(b) Movements in the share options granted under the Scheme during the year 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 2002	Granted during the year	Exercised during the year	Balance at 31st March 2003			
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			

No options were granted, exercised, lapsed or cancelled during the year.

Report of the Directors (Cont'd)

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's businesses 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 2003, 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 ordinary 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, or had been granted, or had exercised, any rights to subscribe for shares of the Company, any of its subsidiaries or its associated corporations at 31st March 2003 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 2003, 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 2003.

Report of the Directors (Cont'd)

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 retirement benefit scheme (“the Scheme”) and a Mandatory Provident Fund Scheme (“MPF”) for its employees in Hong Kong. Overseas employees are under separate pension schemes which are defined contribution plans set up in the countries that the Group operates. The assets of all retirement plans are held separately from those of the Group in independently administered funds. The defined benefit plans and defined contribution plans are generally funded by payments from the relevant Group companies and/or employees.

During the year, the Scheme was funded by contributions from both the employees and the Group at 5% and 4% of the monthly basic salaries of the employees respectively. 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 plans. The total amount available for such purpose amounted to HK\$12,280,000 at 31st March 2003 (2002: HK\$14,658,000).

The most recent independent actuarial valuation of the Scheme (“the Valuation”) 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 joiners of the Group are eligible to join the MPF. The Group’s contributions to MPF 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.

EMPLOYEES

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

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.

Report of the Directors (Cont'd)

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws and there is 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 2003 except that non-executive directors were not appointed for a specific term as recommended under the guidelines set out in Appendix 14 of the Listing Rules. According to the Company's bye-laws 182(iv), directors, including independent non-executive directors, shall retire by rotation at annual general meetings 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, 4th July 2003

Auditors' Report



羅兵咸永道會計師事務所

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

AUDITORS' REPORT TO THE SHAREHOLDERS OF MING PAO ENTERPRISE CORPORATION LIMITED

(incorporated in Bermuda with limited liability)

We have audited the accounts on pages 25 to 69 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 2003 and of the Group's profit and cash flows 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, 4th July 2003

Consolidated Profit and Loss Account

For the year ended 31st March 2003

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

Consolidated Balance Sheet

As at 31st March 2003

		2003	As restated 2002
	<i>Notes</i>	HK\$'000	HK\$'000
Fixed assets	11	356,597	375,026
Interests in associated companies	13	18,022	12,893
Defined benefit plan's assets	14	14,286	13,498
Current assets			
Inventories	15	53,816	56,160
Trading securities	16	1,527	2,860
Accounts receivable, deposits and prepayments	17	156,838	165,119
Tax recoverable		226	1,329
Bank balances and cash	18	179,821	160,535
		392,228	386,003
Current liabilities			
Accounts payable and accrued charges	19	112,328	103,318
Taxation payable		12,058	3,134
Short-term bank loans, secured		25,111	57,294
Bank overdrafts, secured		12,056	13,628
Current portion of long-term liabilities	22	3,807	3,137
		165,360	180,511
Net current assets		226,868	205,492
Total assets less current liabilities		615,773	606,909
Financed by:			
Share capital	20	39,234	39,234
Reserves	21	566,599	548,788
Shareholders' funds		605,833	588,022
Minority interests		1,605	8,914
Long-term liabilities	22	8,335	9,973
		615,773	606,909

On behalf of the Board

TIONG Kiu King
Director

TIONG Kiew Chiong
Director

Balance Sheet

As at 31st March 2003

	Notes	2003 HK\$'000	2002 HK\$'000
Interests in subsidiaries	12	1,071,518	1,147,424
Current assets			
Trading securities	16	1,527	2,860
Deposits and prepayments	17	207	3,028
Bank balances and cash		90,194	52,611
		91,928	58,499
Current liabilities			
Amounts due to subsidiaries		114	92
Accrued charges	19	3,549	4,010
Taxation payable		166	29
Short-term bank loan, secured		–	27,300
		3,829	31,431
Net current assets		88,099	27,068
Total assets less current liabilities		1,159,617	1,174,492
Financed by:			
Share capital	20	39,234	39,234
Reserves	21	1,120,383	1,135,258
Shareholders' funds		1,159,617	1,174,492

On behalf of the Board

TIONG Kiu King
Director

TIONG Kiew Chiong
Director

Consolidated Statement of Changes in Equity

For the year ended 31st March 2003

	<i>Notes</i>	2003 HK\$'000	2002 HK\$'000
Total equity as at 1st April, as previously reported		574,524	630,416
Effect of adopting SSAP 34 (revised)	21	13,498	12,695
Total equity as at 1st April, as restated		588,022	643,111
Exchange differences arising on translation of the financial statements of foreign subsidiaries – not recognised in the consolidated profit and loss account	21	543	(152)
Profit/(loss) attributable to shareholders	21	31,258	(3,932)
Adjustment on goodwill previously written off against reserves	21	1,704	–
Dividends paid	21	(15,694)	(51,005)
Total equity as at 31st March		<u>605,833</u>	<u>588,022</u>

Consolidated Cash Flow Statement

For the year ended 31st March 2003

		2003	As restated 2002
	<i>Note</i>	HK\$'000	HK\$'000
Net cash inflow generated from operations	23(a)	105,829	25,929
Interest on bank loans and overdrafts		(1,978)	(6,458)
Interest element of finance lease payments		(308)	(496)
Hong Kong profits tax paid		(2,127)	(1,551)
Overseas tax paid		(693)	(137)
Net cash inflow from operating activities		100,723	17,287
Investing activities			
Purchase of fixed assets		(12,197)	(10,109)
Proceeds from disposals of fixed assets		26	65
Purchase of trading securities		–	(2,934)
Advance to an associated company		(12,751)	(10,487)
Interest received		3,171	7,307
Dividends received from trading securities		25	25
Consideration paid for the repurchase of shares in a subsidiary		(7,000)	–
Net cash outflow from investing activities		(28,726)	(16,133)
Net cash inflow before financing carried forward to page 30		71,997	1,154

Consolidated Cash Flow Statement (Cont'd)

For the year ended 31st March 2003

	<i>Note</i>	2003 HK\$'000	As restated 2002 HK\$'000
Net cash inflow before financing brought forward from page 29		71,997	1,154
Financing activities	23(b)		
Dividends paid		(15,694)	(51,005)
Repayment of bank loans		(32,630)	(131,687)
Capital element of finance lease payments		(2,955)	(2,524)
Net cash outflow from financing		(51,279)	(185,216)
Increase/(decrease) in cash and cash equivalents		20,718	(184,062)
Cash and cash equivalents at 1st April		145,530	329,688
Effect of foreign exchange rate changes		(696)	(96)
Cash and cash equivalents at 31st March		<u>165,552</u>	<u>145,530</u>
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		177,608	159,158
Bank overdrafts		(12,056)	(13,628)
		<u>165,552</u>	<u>145,530</u>

Notes to the Accounts

31st March 2003

1 PRINCIPAL ACCOUNTING POLICIES

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

(a) Basis of preparation

- (i) 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"). They have been prepared under the historical cost convention except that, as disclosed in the accounting policies below, certain properties and trading securities are stated at fair value.

In the current year, the Group adopted the following Statements of Standard Accounting Practice ("SSAPs") issued by the HKSA which are effective for accounting periods commencing on or after 1st January 2002:

SSAP 1 (revised)	:	Presentation of financial statements
SSAP 11 (revised)	:	Foreign currency translation
SSAP 15 (revised)	:	Cash flow statements
SSAP 34 (revised)	:	Employee benefits

The changes to the Group's accounting policies and the effect of adopting these new and revised standards are set out in the accounting policies below.

- (ii) The effect of the adoption of SSAP 34 (revised):

With effect from 1st April 2002, the Group has adopted SSAP 34 (revised) "Employee Benefits". The details of pension obligations are set out in note 1 (h)(iii) to the accounts.

The adoption of SSAP 34 (revised) represents a change in accounting policy, which has retrospective effect and the changes are set out below:

There are defined benefit plan's assets of HK\$14,286,000 as at 31st March 2003 (2002: HK\$13,498,000) which resulted from the fair value of plan assets exceeding the present value of funded obligations.

The effect of this change was accounted for as a prior year adjustment. As a result, the accumulated losses at 31st March 2002 were reduced by HK\$13,498,000, and the loss after taxation for the year ended 31st March 2002 was reduced by HK\$803,000.

Notes to the Accounts (Cont'd)

31st March 2003

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(b) Group Accounting

(i) 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 Company, directly or indirectly, controls more than one half of the voting power, or has the power to govern the financial and operating policies, or to appoint or remove the majority of the members of the board of directors, or to cast majority of votes at the meetings of the board of directors.

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.

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

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 together with any goodwill (net of accumulated amortisation) or goodwill/negative goodwill taken to reserves and which was not previously charged or recognised in the consolidated profit and loss account and any related accumulated foreign currency translation reserve.

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.

(ii) Associated companies

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

Notes to the Accounts (Cont'd)

31st March 2003

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(b) Group Accounting (Cont'd)

(ii) *Associated companies (Cont'd)*

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.

Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

(iii) *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 and associated companies 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.

(c) 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.

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, but not exceeding 15 years.

Goodwill on acquisitions that occurred prior to 1st January 2001 was eliminated against reserves. Any impairment arising on such goodwill is accounted for in the profit and loss account.

Negative goodwill represents the excess of the fair value of the Group's share of the net assets over the cost of acquisition.

Notes to the Accounts (Cont'd)

31st March 2003

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(c) Intangibles (Cont'd)

(i) *Goodwill/negative goodwill (Cont'd)*

For acquisitions on or 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 values 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 values 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.

(ii) *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.

(d) Fixed assets

(i) *Other properties*

Other properties are interests in land and buildings stated at cost or fair value which is determined by the directors based on independent valuations.

Effective from 30th September 1995, no further revaluations of the Group's freehold and leasehold land and buildings 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 on a straight-line basis over their expected useful lives to the Group, the principal annual rate used for this purpose is 2.5%.

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 rates range from 2% to 2.6%.

Notes to the Accounts (Cont'd)

31st March 2003

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(d) Fixed assets (Cont'd)***(ii) Other fixed assets*

Other fixed assets, comprising leasehold improvements, furniture, fixtures, office equipment, machinery, printing equipment and motor vehicles, are stated at cost less accumulated depreciation and accumulated impairment losses. They are depreciated at rates sufficient to write off their cost 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, fixtures and office equipment	10% – 33.33%
Machinery and printing equipment	6.67% – 33.33%
Motor vehicles	25%

(iii) Impairment and gain or loss on disposal

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 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 profits/accumulated losses and is shown as a movement in reserves.

(e) 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.

Notes to the Accounts (Cont'd)

31st March 2003

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(e) Assets under leases (Cont'd)

(i) Finance leases (Cont'd)

Assets held under finance leases are depreciated over the shorter of their estimated useful lives or the lease periods.

(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.

(f) Trading securities

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

(g) Inventories

Inventories comprise raw materials and finished goods and are stated at the lower of cost and net realisable value. Cost, calculated on the first-in first-out basis, comprises materials, direct labour and an appropriate proportion of production overhead. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(h) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

Notes to the Accounts (Cont'd)

31st March 2003

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(h) Employee benefits (Cont'd)

(ii) Profit sharing and bonus plans

The expected cost of profit sharing and bonus plans are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for profit sharing and bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iii) Pension obligations

The Group operates a hybrid retirement benefit scheme (the "Scheme") and a Mandatory Provident Fund Scheme ("MPF") for its employees in Hong Kong. Overseas employees are under separate pension schemes which are defined contribution plans set up in the countries that the Group operates. The assets of all retirement plans are held separately from those of the Group in independently administered funds. The defined benefit plans and defined contribution plans are generally funded by payments from the relevant Group companies and/or employees.

The Group's contributions to the Scheme are made based on the periodic recommendations of independent qualified actuaries. Prior to the adoption of SSAP 34 (revised), they are charged to the profit and loss account.

With effect from 1st April 2002, the Group has adopted SSAP 34 (revised) whereby the pension costs of the Scheme are assessed using the projected unit credit method. Under this method, the cost of providing retirement benefit is charged to the profit and loss account so as to spread the regular pension costs over the service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the Scheme annually. The pension obligation is measured as the present value of the estimated future cash outflows of the Scheme by reference to market yields of Government securities which have similar terms as the terms of the related liabilities. Actuarial gains and losses are recognised over the average remaining service lives of employees. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested.

The adoption of SSAP 34 (revised) represents a change in accounting policy, which has retrospective effect. The comparative figures presented in the accounts have been restated to conform to the changed policy. The details of effect of adoption of SSAP 34 (revised) are set out in note 1(a)(ii) to the accounts.

Notes to the Accounts (Cont'd)

31st March 2003

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(h) Employee benefits (Cont'd)

(iii) Pension obligations (Cont'd)

The Group's contributions to the defined contribution retirement schemes and MPF scheme are expensed as incurred. The Group's contributions to the defined contribution schemes are reduced by the Group's contributions forfeited by those employees who leave the schemes prior to vesting fully in the Group's contributions.

(i) Accounts receivable

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

(j) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, cash investments with a maturity of three months or less from dates of investments and bank overdrafts.

(k) Provisions

Provisions are recognised when the Group has a present 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 a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(l) 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.

(m) Revenue recognition

Revenue from the circulation and subscription sales of newspapers, periodicals and books, net of trade discounts and returns, 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.

Notes to the Accounts (Cont'd)

31st March 2003

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(m) Revenue recognition (Cont'd)

Advertising income, net of trade discounts, is recognised 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 services.

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.

(n) 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 fixed assets, defined benefit plan's assets, inventories, receivables and operating cash, and exclude trading securities, tax recoverable and corporate assets. Segment liabilities comprise operating liabilities and exclude items such as taxation payable and certain corporate borrowings. Capital expenditure comprises additions of fixed assets.

In respect of geographical segments reporting, revenues and results are based on the location in which the customer is located. Total assets and capital expenditure are based on where the assets are located.

(o) Comparative figures

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

Notes to the Accounts (Cont'd)

31st March 2003

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:

	2003	2002
	HK\$'000	HK\$'000
Turnover		
Sales of newspapers, periodicals and books, net of trade discounts and returns	201,590	206,414
Advertising income, net of trade discounts	496,859	501,458
Travel and travel related services income	392,088	336,283
	<u>1,090,537</u>	<u>1,044,155</u>
Other revenues		
Rental and management fee income	1,109	1,381
Interest income	3,171	7,307
Dividend income	25	25
Commission income	534	1,451
	<u>4,839</u>	<u>10,164</u>
Total revenues	<u><u>1,095,376</u></u>	<u><u>1,054,319</u></u>

Notes to the Accounts (Cont'd)

31st March 2003

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 2003 HK\$'000	Travel and travel related services 2003 HK\$'000	Internet businesses (note) 2003 HK\$'000	Elimination 2003 HK\$'000	Group 2003 HK\$'000
Turnover					
External sales	685,962	383,217	21,358	–	1,090,537
Inter segment sales	–	6,250	–	(6,250)	–
	<u>685,962</u>	<u>389,467</u>	<u>21,358</u>	<u>(6,250)</u>	<u>1,090,537</u>
Segment results	<u>57,236</u>	<u>(1,816)</u>	<u>(858)</u>		54,562
Interest income					3,171
Unallocated expenses					<u>(3,947)</u>
Operating profit					53,786
Finance costs					(2,286)
Share of losses of associated companies					<u>(7,622)</u>
Profit before taxation					43,878
Taxation					<u>(12,847)</u>
Profit after taxation					31,031
Minority interests					<u>227</u>
Profit attributable to shareholders					<u><u>31,258</u></u>

Notes to the Accounts (Cont'd)

31st March 2003

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

Business segments (Cont'd):

	Publishing 2003 HK\$'000	Travel and travel related services 2003 HK\$'000	Internet businesses (note) 2003 HK\$'000	Elimination 2003 HK\$'000	Group 2003 HK\$'000
Segment assets	580,726	21,731	60,880	–	663,337
Interests in associated companies	18,022	–	–	–	18,022
Unallocated assets					99,774
Total assets					<u>781,133</u>
Segment liabilities	134,945	13,655	798	–	149,398
Unallocated liabilities					24,297
Total liabilities					<u>173,695</u>
Capital expenditure	12,647	903	386	–	13,936
Depreciation	29,238	469	4,473	–	34,180
Other non-cash expenses	3,001	166	305	–	3,472

Notes to the Accounts (Cont'd)

31st March 2003

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

Business segments (Cont'd):

	As restated Publishing 2002 HK\$'000	As restated Travel and travel related services 2002 HK\$'000	As restated Internet businesses (note) 2002 HK\$'000	Elimination 2002 HK\$'000	As restated 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>28,775</u>	<u>(486)</u>	<u>(22,868)</u>		5,421
Interest income					7,307
Unallocated expenses					<u>(1,217)</u>
Operating profit					11,511
Finance costs					(6,954)
Share of losses of associated companies					<u>(5,840)</u>
Loss before taxation					(1,283)
Taxation					<u>(5,032)</u>
Loss after taxation					(6,315)
Minority interests					<u>2,383</u>
Loss attributable to shareholders					<u>(3,932)</u>

Notes to the Accounts (Cont'd)

31st March 2003

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

Business segments (Cont'd):

	As restated Publishing 2002 HK\$'000	As restated Travel and travel related services 2002 HK\$'000	Internet businesses (note) 2002 HK\$'000	Elimination 2002 HK\$'000	As restated Group 2002 HK\$'000
Segment assets	607,539	20,996	75,697	–	704,232
Interests in associated companies	12,893	–	–	–	12,893
Unallocated assets					<u>70,295</u>
Total assets					<u><u>787,420</u></u>
Segment liabilities	115,891	25,730	1,265	–	142,886
Unallocated liabilities					<u>47,598</u>
Total liabilities					<u><u>190,484</u></u>
Capital expenditure	12,050	640	402	–	13,092
Depreciation	31,680	722	3,102	–	35,504
Other non-cash expenses	4,417	174	221	–	4,812

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

Notes to the Accounts (Cont'd)

31st March 2003

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

Geographical segments:

	Turnover 2003 HK\$'000	Segment results 2003 HK\$'000	Segment assets 2003 HK\$'000	Capital expenditure 2003 HK\$'000
Hong Kong	697,442	61,232	504,442	3,097
Canada	241,401	8,450	74,320	4,238
The United States of America	138,891	(10,530)	11,951	568
The Mainland China	12,803	(4,590)	72,624	6,033
	<u>1,090,537</u>	<u>54,562</u>	<u>663,337</u>	<u>13,936</u>
Interest income		3,171		
Unallocated expenses		(3,947)		
Operating profit		<u>53,786</u>		
Interests in associated companies			18,022	
Unallocated assets			99,774	
Total assets			<u>781,133</u>	

	Turnover 2002 HK\$'000	As restated Segment results 2002 HK\$'000	As restated Segment assets 2002 HK\$'000	Capital expenditure 2002 HK\$'000
Hong Kong	713,250	23,846	550,549	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>	<u>5,421</u>	<u>704,232</u>	<u>13,092</u>
Interest income		7,307		
Unallocated expenses		(1,217)		
Operating profit		<u>11,511</u>		
Interests in associated companies			12,893	
Unallocated assets			70,295	
Total assets			<u>787,420</u>	

Notes to the Accounts (Cont'd)

31st March 2003

3 OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

	Group	
	2003 HK\$'000	2002 HK\$'000
Crediting		
Net exchange gain	<u>1,553</u>	<u>41</u>
Charging		
Auditors' remuneration		
Current year	1,640	1,671
Under/(over) provision in prior years	253	(386)
Cost of inventories sold	140,394	169,648
Depreciation		
Owned fixed assets	33,274	34,881
Leased fixed assets	906	623
Staff costs (including directors' emoluments) (note 9)	296,682	314,501
Operating lease expenses		
Land and buildings	6,415	5,656
Machineries	77	22
Provision for doubtful debts and bad debts written off	4,884	3,840
Loss on disposals of fixed assets	94	147
Unrealised losses on trading securities	<u>1,333</u>	<u>501</u>

4 FINANCE COSTS

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

5 TAXATION

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

Notes to the Accounts (Cont'd)

31st March 2003

5 TAXATION (Cont'd)

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

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

Deferred tax assets for the year have not been recognised in respect of the following:

	Group	
	2003 HK\$'000	2002 HK\$'000
Accelerated depreciation allowances	2,250	5,584
Tax losses	1,633	16,459
	<u>3,883</u>	<u>22,043</u>

6 PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the accounts of the Company to the extent of HK\$819,000 (2002: a loss of HK\$128,795,000).

7 DIVIDENDS

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

Notes to the Accounts (Cont'd)

31st March 2003

8 EARNINGS/(LOSS) PER SHARE

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

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

9 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	Group	
	2003 HK\$'000	2002 HK\$'000
Wages and salaries	267,643	290,077
Unutilised annual leave	4,380	–
Pension costs – defined contribution plans	6,594	6,964
Pension costs – defined benefits plans (note 14)	299	352
Other staff cost	17,766	17,108
	<u>296,682</u>	<u>314,501</u>

10 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

- (a) The aggregate amounts of the emoluments payable to directors of the Company during the year are as follows:

	Group	
	2003 HK\$'000	2002 HK\$'000
Directors' fees	240	240
Other emoluments		
Basic salaries, housing allowances, other allowances and benefits in kind	1,769	1,924
Contributions to pension scheme for directors	93	93
	<u>2,102</u>	<u>2,257</u>

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

- (b) During the year no options (2002: 1,200,000 options) were granted to the directors 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.

Notes to the Accounts (Cont'd)

31st March 2003

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

(c) The emoluments of the directors fell within the following bands:

Emolument bands	Number of directors	
	2003	2002
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	1	–
From HK\$2,000,001 to HK\$2,500,000	–	1
	<u>5</u>	<u>6</u>

No directors waived any emoluments in respect of the years ended 31st March 2003 and 2002.

(d) The five individuals whose emoluments were the highest in the Group for the year include an executive director whose emoluments are reflected in the analysis presented above. The emoluments paid to the remaining four (2002: four) individuals during the year are as follows:

	2003 HK\$'000	2002 HK\$'000
Basic salaries, housing allowances, other allowances and benefits in kind	5,703	6,565
Contributions to pension scheme	273	290
	<u>5,976</u>	<u>6,855</u>

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

Emolument bands	Number of individuals	
	2003	2002
From HK\$1,000,001 to HK\$1,500,000	3	–
From HK\$1,500,001 to HK\$2,000,000	1	4
	<u>4</u>	<u>4</u>

Notes to the Accounts (Cont'd)

31st March 2003

11 FIXED ASSETS

	Group							Total
	Other properties							
	Freehold land and buildings outside Hong Kong	Land and buildings held on long term leases outside Hong Kong	Land and buildings held on medium term leases in Hong Kong	Land and buildings held on medium term leases outside Hong Kong	Leasehold improve- ments, furniture, fixtures and office equipment	Machinery and printing equipment	Motor vehicles	HK\$'000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost or valuation								
At 1st April 2002	18,553	7,067	282,638	35,346	111,698	186,547	4,904	646,753
Additions	-	-	-	-	4,949	8,702	285	13,936
Exchange adjustment	1,105	-	-	-	1,944	2,091	24	5,164
Disposals	-	-	-	-	(3,873)	(184)	(373)	(4,430)
At 31st March 2003	19,658	7,067	282,638	35,346	114,718	197,156	4,840	661,423
Accumulated depreciation								
At 1st April 2002	1,181	685	46,702	4,996	88,160	125,954	4,049	271,727
Charge for the year	200	105	7,797	768	13,103	11,819	388	34,180
Exchange adjustment	130	-	-	-	1,814	1,261	24	3,229
Disposals	-	-	-	-	(3,758)	(179)	(373)	(4,310)
At 31st March 2003	1,511	790	54,499	5,764	99,319	138,855	4,088	304,826
Net book value								
At 31st March 2003	18,147	6,277	228,139	29,582	15,399	58,301	752	356,597
At 31st March 2002	17,372	6,382	235,936	30,350	23,538	60,593	855	375,026

Notes to the Accounts (Cont'd)

31st March 2003

11 FIXED ASSETS (Cont'd)

The analyses of the cost or valuation of the above assets at 31st March 2003 and 31st March 2002 are as follows:

	Group							Total
	Other properties							
	Freehold land and buildings outside Hong Kong	Land and buildings held on long term leases outside Hong Kong	Land and buildings held on medium term leases in Hong Kong	Land and buildings held on medium term leases outside Hong Kong	Leasehold improve- ments, furniture, fixtures and office equipment	Machinery and printing equipment	Motor vehicles	HK\$'000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At cost	1,650	–	7,014	–	114,718	197,156	4,840	325,378
At professional valuation in 1995	18,008	7,067	275,624	35,346	–	–	–	336,045
At 31st March 2003	<u>19,658</u>	<u>7,067</u>	<u>282,638</u>	<u>35,346</u>	<u>114,718</u>	<u>197,156</u>	<u>4,840</u>	<u>661,423</u>
At cost	545	–	7,014	–	111,698	186,547	4,904	310,708
At professional valuation in 1995	18,008	7,067	275,624	35,346	–	–	–	336,045
At 31st March 2002	<u>18,553</u>	<u>7,067</u>	<u>282,638</u>	<u>35,346</u>	<u>111,698</u>	<u>186,547</u>	<u>4,904</u>	<u>646,753</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.
- (b) The carrying values of machines purchased under finance leases are HK\$12,061,000 (2002: HK\$10,875,000).
- (c) The carrying amounts of other properties would have been HK\$171,241,000 (2002: HK\$176,831,000) had they been stated at cost less accumulated depreciation.
- (d) Certain fixed assets were pledged as securities for the Group's banking facilities. The details are set out in note 24 to the accounts.

Notes to the Accounts (Cont'd)

31st March 2003

12 INTERESTS IN SUBSIDIARIES

	Company	
	2003	2002
	HK\$'000	HK\$'000
Unlisted shares, at cost	745,171	745,171
Less: Provision for impairment	(280,700)	(280,700)
	464,471	464,471
Amounts due from subsidiaries (<i>note</i>)		
Interest-free	453,895	453,868
Interest-bearing	153,152	229,085
	1,071,518	1,147,424

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

Details of the Company's principal subsidiaries are set out in note 30 to the accounts.

13 INTERESTS IN ASSOCIATED COMPANIES

		Group	
	<i>Notes</i>	2003	2002
		HK\$'000	HK\$'000
Share of net liabilities other than goodwill	<i>(a)</i>	(13,462)	(5,840)
Amount due from an associated company	<i>(b)</i>	31,484	18,733
		18,022	12,893

Notes to the Accounts (Cont'd)

31st March 2003

13 INTERESTS IN ASSOCIATED COMPANIES (Cont'd)

(a) The following is a list of the Group's associated companies at 31st March 2003:

Name	Place of incorporation and operation	Effective equity interest %	Particulars of issued share capital/ registered capital	Principal activities
Yazhou Zhoukan Holdings Limited	British Virgin Islands	49.72	10,000 ordinary shares of HK\$1 each	Investment holding
Yazhou Zhoukan Limited	Hong Kong	49.72	9,500 ordinary shares of HK\$1 each	Magazine publishing
亞週股份有限公司	Taiwan	49.72	500,000 ordinary shares of NT\$10 each	Magazine distributing

The above associated companies have 31st December as their financial accounting year end date, 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 year ended 31st December 2002.

(b) The amount due from an associated company is unsecured, not repayable within the next twelve months and interest-bearing, except for an amount of HK\$4,500,000 which is interest-free.

14 PENSIONS AND OTHER POST RETIREMENT ASSETS

The Group operates a number of staff retirement schemes which include a hybrid retirement benefit scheme ("the Scheme") for its employees in Hong Kong.

(a) The Scheme has three categories of members: Regular Member, Special Member and Defined Benefit ("DB") Member.

Regular Member – defined contribution type of benefits based on accumulated contributions and investment gains and losses thereon.

Special Member – benefits based on final salary and service period or accumulated employer's contributions with credited investment gains and losses, whichever is higher.

DB Member – benefits based on final salary and service period only.

Members are also required to contribute monthly at 5% of their basic monthly salaries to the Scheme. The accumulated members' contributions with investment gains and losses will be paid to the members upon their leaving the employment in addition to the benefits described above.

Notes to the Accounts (Cont'd)

31st March 2003

14 PENSIONS AND OTHER POST RETIREMENT ASSETS (Cont'd)

(b) Defined benefit scheme for Special Member and DB Member

With effect from 1st April 2002, the Group has adopted SSAP 34 (revised) whereby pension costs are assessed using the projected unit credit method. The pension costs are charged to the profit and loss account so as to spread the regular pension costs over the service lives of employees. A full valuation of the defined benefit scheme based on the projected unit credit method has been carried out by Watson Wyatt Hong Kong Limited, an independent qualified actuary, and the pension costs are charged to the profit and loss account in accordance with its advice.

	Group	
	2003	2002
	HK\$'000	HK\$'000
Defined benefit plan's assets	14,286	13,498

The amounts recognised in the balance sheet are determined as follows:

	Group	
	2003	2002
	HK\$'000	HK\$'000
Fair value of plan assets	24,070	28,221
Present value of funded obligations	(15,998)	(14,723)
	8,072	13,498
Unrecognised actuarial losses	6,214	–
Assets in the balance sheet	14,286	13,498

The limit of assets to be recognised is disclosed as follows:

	Group	
	2003	2002
	HK\$'000	HK\$'000
Cumulative unrecognised net actuarial losses and past service costs	6,214	–
Present value of available future refunds or reductions in future contributions	8,072	13,498
	14,286	13,498

Notes to the Accounts (Cont'd)

31st March 2003

14 PENSIONS AND OTHER POST RETIREMENT ASSETS (Cont'd)

The amounts recognised in the profit and loss account were as follows:

	Group	
	2003	2002
	HK\$'000	HK\$'000
Current service cost	(1,283)	(1,283)
Interest cost	(1,018)	(890)
Expected return on plan assets	2,002	1,821
	<hr/>	<hr/>
Total pension costs, included in staff costs (note 9)	(299)	(352)
	<hr/> <hr/>	<hr/> <hr/>

The actual return on plan assets recognised as an asset was HK\$3,483,000 (2002: HK\$452,000).

Movements in the assets recognised in the balance sheet:

	Group	
	2003	2002
	HK\$'000	HK\$'000
At 1st April	13,498	12,695
Total pension costs – as shown above	(299)	(352)
Contributions paid	1,087	1,155
	<hr/>	<hr/>
At 31st March	14,286	13,498
	<hr/> <hr/>	<hr/> <hr/>

The principal actuarial assumptions used were as follows:

	Group	
	2003	2002
	%	%
Discount rate	5.5	7.0
Expected rate of return on plan assets	7.0	7.0
Expected rate of future salary increases	4.0	5.0
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Accounts (Cont'd)

31st March 2003

15 INVENTORIES

	Group	
	2003 HK\$'000	2002 HK\$'000
Raw materials	50,678	51,761
Finished goods	3,138	4,399
	<u>53,816</u>	<u>56,160</u>

At 31st March 2003, the carrying amounts of inventories that are carried at net realisable value amounted to HK\$1,372,000 (2002: HK\$1,594,000).

16 TRADING SECURITIES

	Group		Company	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Listed investments in Hong Kong, at market value	<u>1,527</u>	<u>2,860</u>	<u>1,527</u>	<u>2,860</u>

17 ACCOUNTS RECEIVABLE, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Accounts receivable (note)	132,892	136,482	–	–
Deposits and prepayments	23,946	28,637	207	3,028
	<u>156,838</u>	<u>165,119</u>	<u>207</u>	<u>3,028</u>

Note: The Group allows in general a credit period of up to 90 days to its trade customers. At 31st March 2003, the ageing analysis of the Group's accounts receivable is as follows:

	Group	
	2003 HK\$'000	2002 HK\$'000
0 to 60 days	80,994	79,019
61 to 120 days	38,869	41,070
121 to 180 days	10,811	11,835
Over 180 days	2,218	4,558
	<u>132,892</u>	<u>136,482</u>

Notes to the Accounts (Cont'd)

31st March 2003

18 BANK BALANCES AND CASH

- (a) 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 amounting to HK\$13,487,000 (2002: HK\$20,359,000).
- (b) Included in the bank balances were bank deposits of HK\$2,213,000 (2002:HK\$1,377,000) which were pledged to certain banks at 31st March 2003.

19 ACCOUNTS PAYABLE AND ACCRUED CHARGES

	Group		Company	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Accounts payable (<i>note</i>)	44,873	54,741	–	–
Accrued charges	56,005	37,746	3,549	4,010
Subscriptions received in advance	11,450	10,831	–	–
	112,328	103,318	3,549	4,010

Note: At 31st March 2003 the ageing analysis of the Group's accounts payable is as follows:

	Group	
	2003 HK\$'000	2002 HK\$'000
0 to 60 days	42,736	49,671
61 to 120 days	1,416	3,175
121 to 180 days	568	1,378
Over 180 days	153	517
	44,873	54,741

Notes to the Accounts (Cont'd)

31st March 2003

20 SHARE CAPITAL

	Authorised ordinary shares of HK\$0.10 each	
	No. of shares	HK\$'000
At 31st March 2002 and 2003	<u>500,000,000</u>	<u>50,000</u>

	Issued and fully paid ordinary shares of HK\$0.10 each	
	No. of shares	HK\$'000
At 31st March 2002 and 2003	<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 financial year ended 31st March 2002. At 31st March 2003 there were 5,475,000 options outstanding which are exercisable at any time prior to 20th August 2011.

Notes to the Accounts (Cont'd)

31st March 2003

21 RESERVES

	Group							Total HK\$'000
	Share premium account HK\$'000	Property 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	
At 1st April 2001, as previously reported	589,765	145,096	356	(86)	(22,400)	1,878	(123,427)	591,182
Effect of adopting SSAP 34 (revised)	-	-	-	-	-	-	12,695	12,695
At 1st April 2001, as restated	589,765	145,096	356	(86)	(22,400)	1,878	(110,732)	603,877
Loss attributable to shareholders, as previously reported	-	-	-	-	-	-	(4,735)	(4,735)
Effect of adopting SSAP 34 (revised)	-	-	-	-	-	-	803	803
Loss attributable to shareholders, as restated	-	-	-	-	-	-	(3,932)	(3,932)
Exchange adjustment	-	-	-	(152)	-	-	-	(152)
2001 special dividend paid	-	-	-	-	-	-	(31,388)	(31,388)
2001 final dividend paid	-	-	-	-	-	-	(11,770)	(11,770)
2002 interim dividend paid (note 7)	-	-	-	-	-	-	(7,847)	(7,847)
At 31st March 2002	<u>589,765</u>	<u>145,096</u>	<u>356</u>	<u>(238)</u>	<u>(22,400)</u>	<u>1,878</u>	<u>(165,669)</u>	<u>548,788</u>
Representing:								
2002 final dividend proposed (note 7)							7,847	
Others							(173,516)	
							<u>(165,669)</u>	
Company and subsidiaries	589,765	145,096	356	(238)	(22,400)	1,878	(159,824)	554,633
Associated companies	-	-	-	-	-	-	(5,845)	(5,845)
At 31st March 2002	<u>589,765</u>	<u>145,096</u>	<u>356</u>	<u>(238)</u>	<u>(22,400)</u>	<u>1,878</u>	<u>(165,669)</u>	<u>548,788</u>

Notes to the Accounts (Cont'd)

31st March 2003

21 RESERVES (Cont'd)

	Group							Total HK\$'000
	Share premium account HK\$'000	Property 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	
At 1st April 2002, as previously reported	589,765	145,096	356	(238)	(22,400)	1,878	(179,167)	535,290
Effect of adopting SSAP 34 (revised)	-	-	-	-	-	-	13,498	13,498
At 1st April 2002, as restated	589,765	145,096	356	(238)	(22,400)	1,878	(165,669)	548,788
Profit attributable to shareholders	-	-	-	-	-	-	31,258	31,258
Adjustment on goodwill (note)	-	-	-	-	-	1,704	-	1,704
Exchange adjustment	-	-	-	543	-	-	-	543
2002 final dividend paid (note 7)	-	-	-	-	-	-	(7,847)	(7,847)
2003 interim dividend paid (note 7)	-	-	-	-	-	-	(7,847)	(7,847)
At 31st March 2003	<u>589,765</u>	<u>145,096</u>	<u>356</u>	<u>305</u>	<u>(22,400)</u>	<u>3,582</u>	<u>(150,105)</u>	<u>566,599</u>
Representing:								
2003 final dividend proposed (note 7)							11,770	
Others							(161,875)	
							<u>(150,105)</u>	
Company and subsidiaries	589,765	145,096	356	305	(22,400)	3,582	(136,638)	580,066
Associated companies	-	-	-	-	-	-	(13,467)	(13,467)
At 31st March 2003	<u>589,765</u>	<u>145,096</u>	<u>356</u>	<u>305</u>	<u>(22,400)</u>	<u>3,582</u>	<u>(150,105)</u>	<u>566,599</u>

Note: Adjustment on goodwill is arising from a price adjustment on the purchase consideration paid for the acquisition of a subsidiary in the previous year. The goodwill arising from the acquisition has been written off against reserves in prior year. 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.

Notes to the Accounts (Cont'd)

31st March 2003

21 RESERVES (Cont'd)

	Company				
	Share	Capital Contributed	surplus	Retained	Total
	premium redemption	reserve			
	account	account	account	account	account
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
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	–	–	–	(31,388)	(31,388)
2001 final dividend paid	–	–	–	(11,770)	(11,770)
2002 interim dividend paid (<i>note 7</i>)	–	–	–	(7,847)	(7,847)
	<u>589,765</u>	<u>356</u>	<u>200,379</u>	<u>344,758</u>	<u>1,135,258</u>
At 31st March 2002					
Representing:					
2002 final dividend proposed (<i>note 7</i>)				7,847	
Others				336,911	
				<u>344,758</u>	
At 1st April 2002	589,765	356	200,379	344,758	1,135,258
Profit attributable to shareholders	–	–	–	819	819
2002 final dividend paid (<i>note 7</i>)	–	–	–	(7,847)	(7,847)
2003 interim dividend paid (<i>note 7</i>)	–	–	–	(7,847)	(7,847)
	<u>589,765</u>	<u>356</u>	<u>200,379</u>	<u>329,883</u>	<u>1,120,383</u>
At 31st March 2003					
Representing:					
2003 final dividend proposed (<i>note 7</i>)				11,770	
Others				318,113	
				<u>329,883</u>	

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.

Notes to the Accounts (Cont'd)

31st March 2003

22 LONG-TERM LIABILITIES

	Group	
	2003	2002
	HK\$'000	HK\$'000
Bank loans, secured		
Not wholly repayable within five years	4,685	4,782
Obligations under finance leases		
Wholly repayable within five years	7,457	8,328
	<u>12,142</u>	<u>13,110</u>
Current portion of long-term liabilities	(3,807)	(3,137)
	<u>8,335</u>	<u>9,973</u>

At 31st March 2003, the Group's bank loans, secured and not wholly repayable within five years, were repayable as follows:

	Group	
	2003	2002
	HK\$'000	HK\$'000
Bank loans, secured		
Within one year	448	417
In the second year	448	417
In the third to fifth year	1,344	1,252
After the fifth year	2,445	2,696
	<u>4,685</u>	<u>4,782</u>

Notes to the Accounts (Cont'd)

31st March 2003

22 LONG-TERM LIABILITIES (Cont'd)

At 31st March 2003, the Group's finance lease liabilities were repayable as follows:

	Group	
	2003	2002
	HK\$'000	HK\$'000
Finance lease liabilities minimum lease payments		
Within one year	3,727	3,140
In the second year	1,866	3,074
In the third to fifth year	2,570	3,086
	<hr/>	<hr/>
	8,163	9,300
Future finance charges on finance leases	(706)	(972)
	<hr/>	<hr/>
Present value of finance lease liabilities	7,457	8,328
	<hr/> <hr/>	<hr/> <hr/>
The present value of finance lease liabilities was repayable as follows:		
Within one year	3,359	2,720
In the second year	1,647	2,784
In the third to fifth year	2,451	2,824
	<hr/>	<hr/>
	7,457	8,328
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Accounts (Cont'd)

31st March 2003

23 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

- (c) Major non-cash transactions
- (i) 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\$1,739,000 (2002: HK\$2,983,000).
- (ii) An amount of HK\$1,703,000 included in accounts payable and accrued charges was waived by a creditor in respect of a price adjustment on the purchase consideration paid for the acquisition of a subsidiary in the previous year.

24 BANKING FACILITIES AND PLEDGE OF ASSETS

At 31st March 2003, the Group's banking facilities were secured by the following:

- (a) certain machinery and printing equipment with net book value of HK\$20,154,000 at 31st March 2003;
- (b) first legal charges on certain of the Group's freehold and leasehold land and buildings with an aggregate carrying value of HK\$275,663,000 at 31st March 2003 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\$77,052,000 at 31st March 2003 (including HK\$17,064,000 attributable to freehold properties disclosed under note (b) above) were pledged to certain banks;
- (e) certain bank deposits of a subsidiary totalling HK\$2,213,000 at 31st March 2003; and
- (f) corporate guarantees issued by the Company.

25 DEFERRED TAXATION

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

	Group	
	2003	2002
	HK\$'000	HK\$'000
Accelerated depreciation allowances	(4,228)	(6,478)
Tax losses	41,566	39,933
	<u>37,338</u>	<u>33,455</u>

Notes to the Accounts (Cont'd)

31st March 2003

25 DEFERRED TAXATION (Cont'd)

- (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.

26 OPERATING LEASE COMMITMENTS

At 31st March 2003, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2003	2002
	HK\$'000	HK\$'000
Within one year	4,652	6,528
Later than one year and not later than five years	3,615	4,253
Later than five years	9	–
	8,276	10,781

27 CONTINGENT LIABILITIES

At 31st March 2003, the Company had contingent liabilities in respect of guarantees issued in favour of certain of its subsidiaries totalling HK\$127,015,000 (2002: HK\$149,747,000) in connection with general banking facilities granted to those subsidiaries. At 31st March 2003, total facilities utilised amounted to HK\$37,253,000 (2002: HK\$43,167,000).

28 ULTIMATE HOLDING COMPANY

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

29 APPROVAL OF ACCOUNTS

The accounts were approved by the Board of Directors on 4th July 2003.

Notes to the Accounts (Cont'd)

31st March 2003

30 PARTICULARS OF PRINCIPAL SUBSIDIARIES

- (a) Particulars of principal subsidiaries at 31st March 2003 that are incorporated in Hong Kong are as follows:

Name of subsidiary	Particulars of issued and fully paid share capital/ registered capital	Effective equity interest %	Principal activities
<i>Indirect subsidiaries:</i>			
Centricon Enterprises Limited	2 ordinary shares of HK\$1 each	100	Property investment
Charming Holidays Limited	1,000,000 ordinary shares of HK\$1 each	100	Provision of travel and travel related services
Charming Holidays (North America) Limited	2 ordinary shares of HK\$1 each	100	Investment holding
Charming Online Travel Limited	800,000 ordinary shares of HK\$1 each	98.89	Provision of travel and travel related services
Cheerlane Development Limited	2 ordinary shares of HK\$1 each	100	Property investment
Holgain Limited	2 ordinary shares of HK\$10 each	100	Property investment
Intelligent Printing Limited	2 ordinary shares of HK\$1 each	100	Investment holding
Intelligent Publications (China) Limited	1,000,000 ordinary shares of HK\$1 each	100	Investment holding
Kin Ming Printing Company Limited	100 ordinary shares of HK\$100 each	100	Provision of printing services
Lisport Company Limited	165,000 ordinary shares of HK\$10 each	100	Magazine publishing
Maribo Brief Limited	2 ordinary shares of HK\$1 each	100	Property investment
Ming Pao Holdings Limited	900 ordinary shares of HK\$1,000 each and 100 non-voting deferred shares of HK\$1,000 each	100	Investment holding

Notes to the Accounts (Cont'd)

31st March 2003

30 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Cont'd)

Name of subsidiary	Particulars of issued and fully paid share capital/ registered capital	Effective equity interest %	Principal activities
<i>Indirect subsidiaries (Cont'd):</i>			
Ming Pao Magazines Limited	10 ordinary shares of HK\$1 each	100	Magazines publishing
Ming Pao Newspapers Limited	2 ordinary shares of HK\$1 each	100	Newspaper publishing
Ming Pao Publications Limited	10 ordinary shares of HK\$1 each	100	Books publishing
Mingpao.com Limited	2 ordinary shares of HK\$1 each	97.78	Internet related businesses
Perfect Gain Development Limited	2 ordinary shares of HK\$1 each	100	Property investment

(b) Particulars of principal subsidiaries at 31st March 2003 that are incorporated outside Hong Kong are as follows:

Name of subsidiary	Place of incorporation and operation	Particulars of issued and fully paid share capital/ registered capital	Effective equity interest %	Principal activities
<i>Direct subsidiary:</i>				
Ming Pao International Investment Limited	British Virgin Islands	10 ordinary shares of US\$1 each	100	Investment holding
<i>Indirect subsidiaries:</i>				
Delta Tour & Travel Services (Canada), Inc.	Canada	850,000 common shares at no par value for CAD\$530,000	100	Provision of travel and travel related services
Delta Tour & Travel Services, Inc.	The United States of America	461,500 common shares at no par value for US\$300,500	100	Provision of travel and travel related services

Notes to the Accounts (Cont'd)

31st March 2003

30 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Cont'd)

Name of subsidiary	Place of incorporation and operation	Particulars of issued and fully paid share capital/ registered capital	Effective equity interest %	Principal activities
<i>Indirect subsidiaries (Cont'd):</i>				
Delta Tour & Travel Services (New York), Inc.	The United States of America	20 common shares at no par value for US\$10,000	100	Provision of travel and travel related services
First Collection Limited	British Virgin Islands	1 ordinary share of US\$1 each	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	10 ordinary shares of US\$1 each	100	Publishing titles holding
Ming Pao Holdings (Canada) Limited	Canada	1 common share at no par value for CAD\$1	100	Investment holding
Ming Pao Newspapers (Canada) Limited	Canada	1,001 common shares at no par value for CAD\$11	100	Newspaper publishing
Ming Pao (New York) Inc.	The United States of America	1 common share of US\$1 each	100	Newspaper publishing
Mingpao.com Holdings Limited	Cayman Islands	717,735 ordinary shares of HK\$0.1 each	97.78	Investment holding

Note: All companies operate in their respective places of incorporation, 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 has a financial accounting year end 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 Financial Summary

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

	Year ended 31st March				
	2003 HK\$'000	As restated 2002 HK\$'000	2001 HK\$'000	2000 HK\$'000	1999 HK\$'000
Turnover	<u>1,090,537</u>	<u>1,044,155</u>	<u>1,218,340</u>	<u>1,152,593</u>	<u>1,105,704</u>
Profit/(loss) attributable to shareholders	<u>31,258</u>	<u>(3,932)</u>	<u>110,955</u>	<u>83,641</u>	<u>(29,637)</u>
Earnings/(loss) per share	<u>8 cents</u>	<u>(1 cent)</u>	<u>28 cents</u>	<u>21 cents</u>	<u>(8 cents)</u>

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

	As at 31st March				
	2003 HK\$'000	As restated 2002 HK\$'000	2001 HK\$'000	2000 HK\$'000	1999 HK\$'000
Fixed assets	<u>356,597</u>	<u>375,026</u>	<u>397,754</u>	<u>424,446</u>	<u>494,199</u>
Interests in associated companies	<u>18,022</u>	<u>12,893</u>	<u>8,246</u>	<u>–</u>	<u>19,100</u>
Defined benefit plan's assets	<u>14,286</u>	<u>13,498</u>	<u>–</u>	<u>–</u>	<u>–</u>
Deferred expenditure	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>5,086</u>
Current assets	<u>392,228</u>	<u>386,003</u>	<u>565,705</u>	<u>499,376</u>	<u>346,925</u>
Current liabilities	<u>(165,360)</u>	<u>(180,511)</u>	<u>(319,499)</u>	<u>(325,937)</u>	<u>(312,308)</u>
Net current assets	<u>226,868</u>	<u>205,492</u>	<u>246,206</u>	<u>173,439</u>	<u>34,617</u>
	<u>615,773</u>	<u>606,909</u>	<u>652,206</u>	<u>597,885</u>	<u>553,002</u>
Minority interests	<u>(1,605)</u>	<u>(8,914)</u>	<u>(11,297)</u>	<u>(103)</u>	<u>(103)</u>
Long-term liabilities	<u>(8,335)</u>	<u>(9,973)</u>	<u>(10,493)</u>	<u>(56,265)</u>	<u>(96,158)</u>
Net assets	<u>605,833</u>	<u>588,022</u>	<u>630,416</u>	<u>541,517</u>	<u>456,741</u>

The figures for the year ended 31st March 2002 have been restated pursuant to the adoption of SSAP 34 (revised). Figures for the year ended 31st March 2001 and prior corresponding years have not been restated as it would involve delay and expenses out of proportion to the benefit to shareholders.