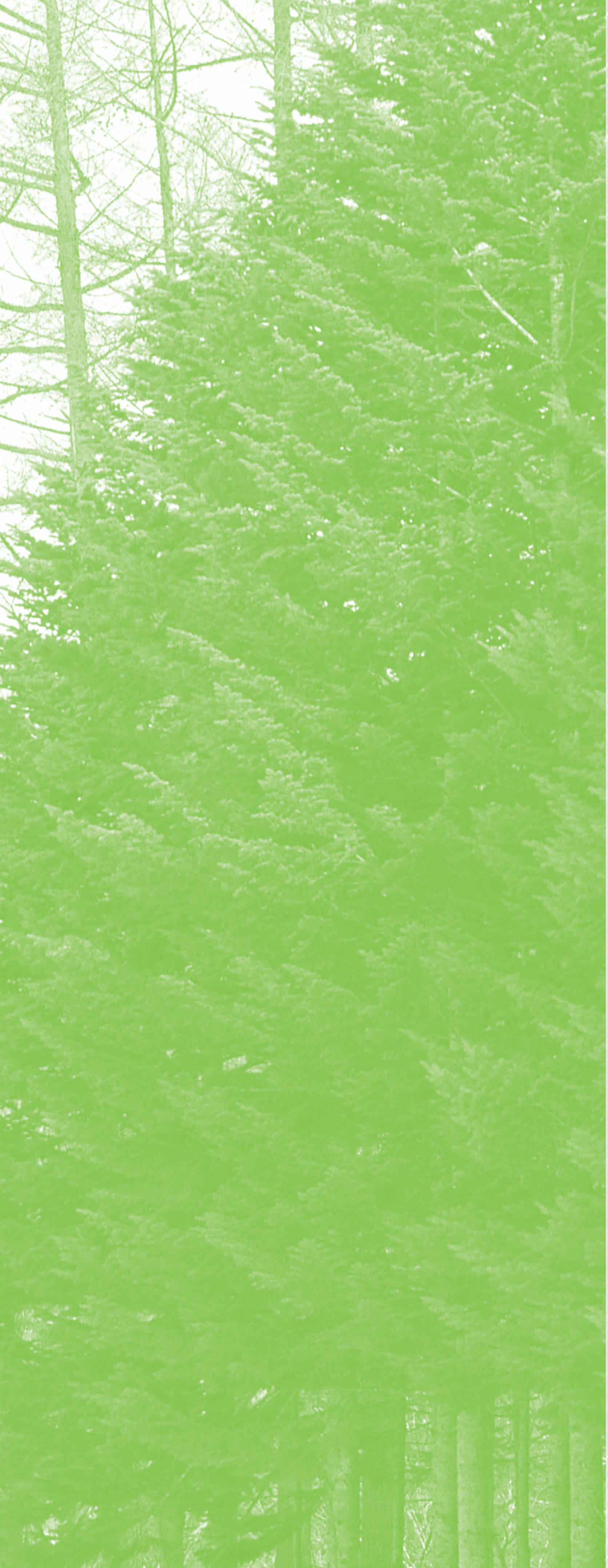
明報

Ming Pao Enterprise Corporation Limited
明報企業有限公司

ANNUAL REPORT 2005 年報



Contents

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
Mr Victor YANG

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

STOCK CODE

685

WEB SITE

http://www.mingpao.com

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

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

PRINCIPAL REGISTRARS AND TRANSFER OFFICE

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
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

MING PAO ENTERPRISE CORPORATION LIMITED

- **Newspapers, Internet and Printing**
  - Ming Pao Daily News
  - Ming Pao Daily News – Toronto Edition
  - Ming Pao Daily News – Vancouver Edition
  - Ming Pao Daily News – New York Edition
  - Ming Pao Daily News – San Francisco Edition
  - Mingpao.com
  - Kin Ming Printing
  - Guangzhou Kin Ming Printing
  - MP Printing
- **Cultural and Current Affairs Magazines and Book Publications**
  - Ming Pao Monthly
  - Yazhou Zhoukan
  - Ming Pao Publications / Crystal Window Publications / Ming Man Publications
- **Lifestyle Magazines**
  - Ming Pao Weekly
  - Hi-TECH Weekly
  - City Children's Weekly
  - Popular Science
  - TopGear
  - Digital Camera
  - T3 – Tomorrow's Technology Today
- **Travel and Travel Related Services**
  - Charming Holidays
  - Charming Online Travel
  - Delta Tour & Travel Services (USA)
  - Delta Tour & Travel Services (Canada)

Tan Sri Datuk
TIONG Hiew King
Chairman

Chairman's Report

On behalf of the board, I am glad to present the Annual Report of Ming Pao Enterprise Corporation Limited and its subsidiaries (the "Group") for the year ended 31st March 2005. This financial year was a stable and prosperous one with multi-faceted challenges. It was also a year of preparation and transformation, leading towards our vision of becoming a truly global Chinese media group to serve the Chinese communities and to promote Chinese culture around the world. It paved the way for another phase of the Group's growth and expansion.

REVIEW

The year 2004 was a year of eminent rebound for Hong Kong's newspaper industry. Hong Kong's economy has shown remarkable improvements throughout the year. Both the property and the stock markets were strong and full of vitality. Unemployment rate gradually dropped. Consumption confidence was back to an all-time high. Thus, advertisements of financial services and consumption products evidently increased. The Group achieved strong growth in both its revenues and operating results for the year despite the escalating newsprint prices and the significant start-up costs incurred for *Ming Pao Daily News'* new edition in San Francisco which is still in the investment stage.

Business performance of the Group's publications and travel services in North America has also improved. The newly launched *San Francisco edition* was well received by the Chinese community.

Last year, the Group acquired a group of companies, Media2U Group, which operates content licensing and advertising business of several Chinese magazines in Mainland China. Together with the Group's lifestyle publications namely *Ming Pao Weekly*, *Hi-TECH Weekly* and *City Children's Weekly*, a new lifestyle magazine flagship was formed within the Group. We named it One Media Group. It provides a platform for the Group to tap into the economic success of Mainland China.

In May 2005, we submitted an application to spin-off One Media Group on the main board of The Stock Exchange of Hong Kong Limited. If the application is approved, it will enable One Media Group to obtain funds from the market and to focus on the fast-growing magazine and advertising markets in Mainland China, while the Group's other publications, mainly newspapers, will concentrate on expanding the overseas markets to serve Chinese communities around the world.

OUTLOOK

Globalisation presents a unique challenge to all business operators including Chinese media publishers. The world is connected irrespective of geographical differences. A global Chinese community is quickly emerging. For example, overseas Chinese residing in North America, Europe or Australasia would like to keep abreast of what is happening in Mainland China. Either they or their children may go there to seek business and investment opportunities. These expectations generate huge demand for news information. It is our duty to satisfy them.

The question of how to better serve this emerging global Chinese community is on the top of our agenda. Various thoughts came to our mind. Some have been put into actions. Some are still in the pipeline. For example, the Group has completed the task of publishing overseas editions of *Ming Pao Daily News*, a well-established Chinese daily newspaper, in San Francisco, New York, Toronto and Vancouver, where most Chinese population reside in North America. In the past few months, we have forged content exchange agreements with the Guangzhou Daily Group in Southern China and the China Times Group in Taiwan. These strategic alliances would enable the Group's publications to supply more comprehensive and updated information on Mainland China and Taiwan to our readers.

Looking ahead, we are exploring ways of working with the Group's sister companies in Malaysia, which is a leading Chinese newspaper group in Southeast Asia, to better serve the global Chinese community. One obvious example would be content exchanges and mutual assistance in reporting assignments.

Our ultimate goal is to become a truly global Chinese media player with multiple products in all major markets.

SOCIAL RESPONSIBILITY

We believe sincerely in the concept of a company's social responsibility. This year, we continued to serve the communities by sponsoring and participating actively in social welfare events such as the "Guangdong Province Remote Area Education Relief Fund Project" and the "Tsunami Fund Project".

AWARDS

This year, we are again honoured to receive a number of coveted awards from the Society of Publishers in Asia and IFRA in recognition of our newspaper's high journalistic standards of reporting.

APPRECIATION

Lastly, on behalf of the board, I would like to express my sincere gratitude to the management and staff for their commitment, contribution, dedication and hard work. I would also like to sincerely thank our readers, advertisers, customers, suppliers and partners for their continuous support.

Tan Sri Datuk TIONG Hiew King
Chairman

Hong Kong, 30th June 2005

Major Awards of the Year

The 16th Hong Kong Print Awards

Newspaper Printing
★ Merit

Hong Kong News Awards 2004

Best Young Reporter
★ Champion

Best Business News Reporting
★ 1st Runner-up

Best News Reporting
★ 2 Merits

Best News Writing (Chinese)
★ Merit

Photographic Section (Features)
★ 2nd Runner-up
★ Merit

Best News Page Design
★ 2nd Runner-up

Focus at the Frontline 2004

Feature Category
★ 2nd Runner-up

Nature and Environment Category
★ 2nd Runner-up

IFRA Asia Media Awards 2005

Best in Photography Award
(News Photographic Section)
★ Champion

Best in Photography Award
(Sports Photographic Section)
★ 2nd Runner-up

The Society of Publishers in Asia 2005 Awards For Editorial Excellence

Excellence in Newspapers (Chinese Language)
★ Winner : Ming Pao Daily News

Excellence in Newspaper Design (Chinese Language)
★ Winner : Ming Pao Daily News

Excellence in Reporting (Chinese Language)
★ Honourable Mention : Ming Pao Daily News

Excellence in Reporting (Chinese Language)
★ Winner : Yazhou Zhoukan

Excellence in Feature Writing (Chinese Language)
★ Winner & Honourable Mention : Ming Pao Weekly

Excellence in Human Rights Reporting (Chinese Language)
★ Winner : Ming Pao Weekly

Excellence in Magazine Front Cover Design (Chinese Language)
★ Honourable Mention : Ming Pao Weekly

Excellence in Feature Photography (Chinese Language)
★ Winner & Honourable Mention : Ming Pao Weekly

The 10th Annual Human Rights Press Awards

Photojournalism
★ 6 Merits

Consumer Rights Reporting Awards 2005

News
★ Gold Award

Features
★ Merit

Review of Operations and Outlook

RESULTS SUMMARY

The Group's consolidated turnover for the year showed an increase of 16.7% and reached HK$1,169 million versus last year's HK$1,002 million. Consolidated pre-tax profit recorded an increase of 20.3% and amounted to HK$69.2 million (2004: HK$57.5 million). The Group's profit after deduction of taxation and minority shareholders' interests amounted to HK$40.2 million versus HK$41.9 million of last year. The earnings per share was HK10 cents (2004: HK11 cents).

The Group recorded growth in all its business segments; however, the operating profit has been affected by the escalating newsprint prices and start-up costs of *Ming Pao Daily News' (the "Daily")* new edition in San Francisco and the Chinese language magazines in Mainland China which the Group acquired during the year.

During the year, the Group acquired Media2U Group from Redgate Media Inc. ("Redgate"). Pursuant to the transaction, Winmax Resources Limited ("Winmax"), a subsidiary of the Company which operates the Group's lifestyle magazine business, conditionally allotted 40% of its issued share capital to Redgate. As a consideration, Redgate transferred its 100% equity interest in Media2U Group together with a cash payment of HK$8.9 million to Winmax.

As a condition of the above transaction, Redgate has undertaken to Winmax's immediate holding company, Starsome Limited ("Starsome"), that if Media2U Group cannot achieve an agreed pre-tax profit described in the relevant agreements, Redgate shall pay to Starsome a pre-determined cash amount or, at the discretion of Redgate and in lieu of payment of such cash payment, reduce Redgate's shareholding in Winmax by transferring its Winmax shares to Starsome in accordance with an agreed schedule. Details of the transaction were disclosed in the Company's announcement dated 12th March 2004.

Media2U Group, which is in the start-up stage, operates content licensing and advertising businesses of several Chinese language lifestyle magazines in Mainland China. The board considered that the strategic alliance with Redgate would create synergies among the Group's lifestyle magazines and pave the way for the Group's penetration into the lucrative and fast-growing advertising market in Mainland China.

BUSINESS SEGMENT RESULTS

Results of both the Group's publishing and travel businesses have improved, with increase in the segments' turnover of 10.0% and 32.7% respectively. The publishing business segment recorded a 5.3% improvement in its segment result this year while the travel business segment achieved a turnaround from last year's loss to a profit of HK$1.4 million.

Revenues from the publishing business, which accounted for 66.6% of the Group's turnover, increased year on year by 10.0% to HK$779 million. The growth was mainly attributable to the improvement in the worldwide economy and the press advertising markets. The Group recorded an overall 16.2% increase in its advertising revenues when compared to last year. The growth in advertising revenues was achieved across all the Group's publications, with particularly strong performance from *the Daily* and *Ming Pao Weekly*.

As more marketing effort was put into promoting *the Daily's San Francisco edition* and the newly acquired Chinese language magazines in Mainland China market, the overall selling and distribution expenses of the Group for the year rose by 24.7%. These new businesses contributed approximately 3.4% to the Group's advertising revenues for the year.

Revenues from the Group's tour business were up by 32.7% or approximately HK$96 million when compared to the prior year. The significant growth was attributable to the global economic recovery, which helps to boost both business activities and consumer confidence. As a result more leisure and business travelling were conducted this year. The provision of high quality services and the introduction of new tour packages also contributed to the improvement in revenues and the bottom line of this business segment.

BUSINESS REVIEW

Newspapers

Ming Pao Daily News

The year under review was underpinned by satisfactory growth in the advertising revenues of *Ming Pao Daily News*. Benefiting from the recovery in the local economy, *the Daily* in Hong Kong recorded sales growth in most of its advertising sectors. Significant improvement was seen in *the Daily's* advertisements for finance sector, recruitment classified and travel related businesses. Revenues from these advertising sectors went up by 71.7%, 45.2% and 44.3% respectively when compared to the prior year. *The Daily* in Hong Kong, which is well acclaimed by the local education sector for its high journalistic standard, saw a 7.5% growth in its education-related advertisements during the year. In addition, packages with special prices and tailored advertorial services proved hugely successful. The subscription service for Mainland China readers started during the year was well received while school subscriptions remained stable and generated solid circulation revenues for the year.

The Daily opened its Beijing Office in August 2004 to enhance coverage of China news in view of increasingly close ties between Hong Kong and Mainland China. In another development, the Group established co-operative agreements with the Guangzhou Daily Group in Mainland China and the China Times Group in Taiwan to enhance news coverage across the Strait.

During the year, *the Daily* provided CD-ROMs containing up-to-date information on current affairs free-of-charge to our readers as a means to promote general education with the aid of multi-media, which received positive response from the public.

In May 2005, the Financial desk enhanced its online financial news reporting through increased news sharing between *the Daily's* print and Mingpao.com's online editions. This provides readers with a platform that supplies financial information on a round-the-clock basis and an exhaustive database for financial news updates, real-time market analyses as well as property market information.

The Supplement desk produced a series of highly acclaimed special supplements that generated additional advertising revenues. *The Daily's* position in fashion news was further recognised with the publication of four special reports on brand name fashion, while its status as a travel expert was also underpinned by publishing travel guides to Japan in three booklets, a new attempt in this regard.

Overseas Editions of Ming Pao Daily News
The overall results of *the Toronto* and *Vancouver editions* of *the Daily* were satisfactory. The advertising revenues of the two editions registered a double-digit growth, and reached record highs in the second half of the year.

Turnover of the *New York edition* remained stable, coupled with stringent cost-control efforts, its loss was further reduced. To supplement growth of its business, the Group set up *the Daily's San Francisco edition* in April 2004. The edition received strong support from the local community and a stable growth in turnover was recorded for the year. While break-even was yet to be achieved in the start-up stage, the edition's overall results were in line with expectations.

Looking ahead, the overseas editions are expected to fare better on the back of enhanced China news in *the Daily* and closer co-operation with news media in China and Taiwan. The *San Francisco edition* should also benefit from the daily hour-long radio broadcast of its news Monday to Friday.

Internet
Mingpao.com
Mingpao.com had an outstanding year in reporting major news, leveraging increased news sharing with *the Daily's* print edition. The portal entertained record daily page views of over 8 million for its special issue on "Legco Elections 2004", which provided real-time vote-counting updates through the night on 13th September. Other special issues such as the "Tsunami" and "US Elections 2004" were equally impressive. During the year, Mingpao.com registered average daily page views of over 5 million and it currently has a 560,000-strong membership subscribing to its content.

Mingpao.com achieved a double-digit growth in Internet advertising revenues and its profit nearly doubled that of last year to reach over HK$4 million, owing largely to the successful strategy of cross-media sales of advertising spaces with *the Daily*.

Cultural and Current Affairs Magazines and Book Publications
Ming Pao Monthly
Ming Pao Monthly enhanced its focus on political, economic and cultural developments in Mainland China during the year in the light of permission for Hong Kong travels granted to individual Mainlanders and a generally more liberalized atmosphere in Mainland China. Features and columns such as "China Ponders", "History in Archives" and "Old Times to Remember" proved immensely popular with readers. The placing of selected contents from past issues of *Ming Pao Monthly* on its web site and stronger efforts to promote "Instant Online Subscription" also proved effective.

Yazhou Zhoukan
During the year, *Yazhou Zhoukan*, the Group's renowned Chinese newsweekly, organised or jointly sponsored a number of economic and trade forums to provide platforms for interaction and exchange of views between speakers and readers with a view to foster stronger sensitivities to current affairs and a broader China vision. The performance of *Yazhou Zhoukan* continued to improve and the Group's share of losses was further reduced to HK$3.7 million, 31.7% lower than that of the previous year.

Ming Pao Publications/Crystal Window Publications/Ming Man Publications
Ming Pao Publications published over 100 titles during the year underscoring improvements both in terms of quality and quantity. The "21st Century Encyclopedia of Science" series were strongly commended by the education sector, while the "Old Times to Remember" series published in 2004 were also well received by book-lovers. Ming Pao Publications will continue to publish high quality books in the ensuing year, including dedicated efforts to develop the "General Education Series" covering a broad range of topics in practical knowledge in a move to support general

education. These publications are intended to benefit readers from different age groups, helping them to upgrade themselves and broaden their vision.

Lifestyle Magazines

Ming Pao Weekly

Ming Pao Weekly, the Group's flagship lifestyle magazine, also had an excellent year and registered a growth of 18.4% in its advertising revenues. The increase was largely due to the advertisements placed by international premium brand name advertisers.

A new financial column featuring wealth management advice from well-acclaimed financial experts was introduced during the year to meet the needs of the growing investing public amid local economic recovery. *Ming Pao Weekly* is committed to the ongoing pursuit of excellence by adding new elements and contents from time to time and gaining further understanding in readers' interest through surveys and polls.

Ming Pao Weekly staged the Fifth Showbiz Award at its 36th anniversary celebration party during the year to commend local artists who produced outstanding performances in the past year and the turnout was magnificent. Over the years, *Ming Pao Weekly* has not only enjoyed the support of general readers and members of the show business, but has also won recognition from among its industry peers by receiving six major awards from the Society of Publishers in Asia in 2005 for its unfailing effort in providing a rich variety of news and information on entertainment and fashionable culture.

Hi-TECH Weekly

Hi-TECH Weekly continued to enhance its contents both in terms of quality and quantity to cater readers' changing preferences and market trends. In addition to the latest news on global IT developments, digital products, computer software/hardware and e-commerce, *Hi-TECH Weekly* broadened its coverage by introducing a new section during the year on home entertainment and audio-visual systems named @HOME in its split book @WORK.

Power Handbook, which is a practical guide to readers with a different subject for each issue, is another new feature of *Hi-TECH Weekly*. It has also become a major attraction of the magazine.

Coupled with effective marketing strategies, sales promotion and publicity efforts, *Hi-TECH Weekly* was well received by readers and advertisers and achieved satisfactory overall result with advertising revenue grew at a significant 39%.

City Children's Weekly

During the year, a new column on multiple intelligences was introduced in *City Children's Weekly*. The initiative to open a forum where child readers could express their views was also met with encouraging response. Meanwhile, *City Children's Weekly* continued to co-organise educational activities and events for children with various organisations. Such activities generated satisfactory advertising revenues and project revenues from sponsors.

In September 2004, *City Children's Weekly* launched the "Multiple-intelligences for Kids" program among primary schools in Hong Kong to encourage the development of multiple intelligences. With the support of principals, teachers and parents, the program was greeted with a strong turnout rate of child participants. The program will continue in the new school year for more children to realise their diverse potentials while consolidating the profile of *City Children's Weekly* as a dedicated partner of the education sector.

Media2U Group

To supplement growth of its business, the Group acquired Media2U Group early this year. This acquisition effectively expands the Group's presence in Mainland China and provides the Group with a solid operation platform, which in turn leads to increase in the opportunities of cross-selling across regions and acceleration of sales growth.

Media2U Group, which becomes a subsidiary of the Group after the acquisition, holds the exclusive licenses to provide contents of a number of famous international magazines, including *Popular Science*, *TopGear*, *Digital Camera* and *T3 - Tomorrow's*

Technology Today, to and sells advertising space in the Chinese magazines in Mainland China. All of these magazines that incorporate the licensed contents enjoyed stable growth in advertising and circulation revenues during the year. In response to the increasing market demands, Media2U Group is planning to launch more new titles in the coming year.

Travel and Travel Related Services

Charming Holidays

Charming Holidays, which specialises in the long haul travel business, achieved encouraging results with turnover and number of tourist customers increased by nearly 40% and 35% respectively. This was attributable to the recovery of tourism industry and its efforts on launching new travel routes.

Charming Holidays will continue to focus on popular routes in the coming year while developing new routes in response to market demands. Our target is to promote our new products to potential customers in the entire South China market. As the study tours offered by Charming Holidays in recent years are being held in high esteem by the market, plans are underway to expand this project internationally, arranging Hong Kong or China tours for overseas Chinese students returning from the US, Canada, Europe and Australia, on top of the mainstream business of sending Hong Kong students abroad.

Delta Group

With operating networks formed in the US and Canada by Charming Holidays' local branches, Delta Group, tour information has become more easily accessible to customers in North America. The branches on a collaborated basis have successfully developed tours to China, South America, Europe and Southeast Asia resulting in better results for the travel business segment.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's revenues and costs are mainly denominated in HK dollars, Canadian dollars, US dollars and RMB. Since HK dollars and RMB remain pegged to US dollars, the Group does not foresee a substantial exposure for US dollars and RMB in this regard.

For the revenues and costs denominated in Canadian dollars, the Group generally endeavours to hedge its foreign currency positions with the appropriate level of borrowings in the same currency.

COMMUNITY SERVICES

Industry and School Activities

In March 2005, *the Daily* co-organised the "Flying Dragon Finance Symposium 2005" with Hong Kong Commercial Radio. Prominent speakers from government authorities and commercial fields were invited to share their views on the position and economic future of Hong Kong. The event was very successful and was highly praised by the participants.

The "Ming Pao Daily News Student Reporters Scheme" was in its eighth year to train up talented students and pass on to them the expertise of journalism. The year under review saw the scheme broaden its scope by covering primary schools as well, with a view to cultivating critical thinking skills among the younger generation at an early stage.

For the third year in a row, *the Daily* and *City Children's Weekly* were awarded the "Caring Company" logo by the Hong Kong Council of Social Service in recognition and commendation of their zealous promotion of community welfare.

Readers' Donations

The "East China Flood Relief Project", started by *the Daily* in 2003, was concluded in August 2004 with over HK$8 million raised for the relief of victims of the Huai River flood. More than 90,000 people living mainly in counties and districts in Hunan and Anhui benefited from the financial aid.

During the year, *the Daily* continued the operation of the "Project Blossom", which was set up in 2003 together with the Hong Kong Performing Artistes Guild, to offer financial assistance to the children of SARS victims.

The Daily also co-organised the "Guangdong Province Remote Area Education Relief Fund" in association with several education groups in Hong Kong to provide assistance to the development of education in remote and deprived areas in Guangdong Province. Approximately HK$0.9 million were raised during the year for 20 schools in hill areas.

Towards the end of 2004, *Yazhou Zhoukan* started a campaign to raise funds for Tsunami victims in Indonesia. The donations were passed on to the Red Cross instantly to provide emergency aids.

OUTLOOK

In the coming year, we expect stable growth in our newspaper and magazine publishing businesses under the improving Hong Kong economic environment. Furthermore, we expect that *the Daily's editions* in the US will continue to improve their operating results. Our enhanced product range, coupled with effective marketing strategies will fuel this growth.

To supplement organic growth in the business, the board will continue to seek out synergistic acquisitions that will add value to our customers and to our earnings. With a strong balance sheet and operational cash flow, the Group is now well positioned to take advantage of the opportunities for profitable growth across all our focus markets.

The board anticipates that the newsprint prices and labour costs may continue to rise in the coming year. Stringent controls will continue to be exercised on the Group's headcount as well as the purchases and consumption of newsprint. At the same time, the management will continue its strive to improve efficiencies in all operating units.

In May 2005, an application was made for the separate listing of One Media Group, the newly formed company which operates the Group's lifestyle magazine business, on the main board of The Stock Exchange of Hong Kong Limited. The board believes that the successful spin-off and listing of One Media Group will help the Group to tap into the fast growing Chinese language lifestyle magazine market in Mainland China.

Report of the Directors

The directors submit their report together with the audited accounts for the year ended 31st March 2005.

PRINCIPAL ACTIVITIES AND SEGMENT INFORMATION

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 32 to the accounts.

An analysis of the Group's performance for the year by business and geographical segment 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 27.

The directors have declared an interim dividend of HK3 cents per ordinary share, totalling HK$11,858,000 which was paid on 7th January 2005. The directors recommend the payment of a final dividend of HK4 cents per ordinary share, totalling HK$15,777,000.

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in note 22 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 21 to the accounts.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31st March 2005, calculated under the Companies Act 1981 of Bermuda, amounted to HK$492,218,000 (2004: HK$513,834,000).

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 76.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year, the Company repurchased a total of 2,924,000 of its listed shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the purpose of enhancing the net asset value per share of the Company. Details of the repurchases are summarised as follows:

Month/Year	Number of shares repurchased	Purchase price per share Highest HK$	Lowest HK$	Aggregate purchase consideration HK$
August 2004	1,770,000	1.45	1.40	2,541,400
September 2004	235,000	1.41	1.35	323,530
October 2004	87,000	1.57	1.43	129,030
December 2004	178,000	1.50	1.45	261,940
January 2005	224,000	1.47	1.44	325,750
February 2005	280,000	1.60	1.47	425,350
March 2005	150,000	1.55	1.50	228,550
	2,924,000			4,235,550

All the repurchased shares were cancelled during the year. Accordingly, the issued share capital of the Company was reduced by the par value of the repurchased shares and the premiums paid on these shares were charged against the share premium account. An amount equivalent to the par value of the shares cancelled was transferred from the Company's retained profits to the capital redemption reserve.

Save as disclosed above, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the year.

DIRECTORS

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

Tan Sri Datuk TIONG Hiew King *(Chairman)*
Mr TIONG Kiu King
Dr TIONG Ik King
Mr TIONG Kiew Chiong
* Mr TANG Ying Yu
* Mr David YU Hon To
* Mr Victor YANG *(appointed on 23rd September 2004)*

* *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 Mr TANG Ying Yu retire by rotation and, being eligible, offer themselves for re-election.

In accordance with bye-law 102(B) of the Company's bye-laws, Mr Victor YANG retires and, being eligible, offers himself for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive directors

Tan Sri Datuk TIONG Hiew King, aged 71, 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. He is also the President of The Chinese Language Press Institute Limited.

Mr TIONG Kiu King, aged 70, has been an executive director of the Company since October 1995 and is a member of the Executive Committee of the Group. 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 54, 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 45, joined the Company as an executive director on 2nd May 1998 and is a member of the Executive Committee of the Group. Mr TIONG graduated with a Bachelor of Business Administration Degree from York University, Toronto, Canada in 1982.

Independent non-executive directors

Mr TANG Ying Yu, aged 60, has been an independent non-executive director of the Company since April 1995. Mr TANG is a civil engineer and acts as the managing director of both Southern Petroleum Company Limited and Wan Lai Company Limited.

Mr David YU Hon To, aged 57, 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 Institute of Certified Public 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.

Mr Victor YANG, aged 59, was appointed as an independent non-executive director of the Company on 23rd September 2004. Mr YANG is a partner with Boughton Peterson Yang Anderson, Solicitors, Hong Kong SAR and is also a qualified lawyer in Canada and the United Kingdom. He has extensive experience in the areas of corporate finance, commercial law, mergers, acquisitions and taxation.

Senior management

Mr ONG See Boon, aged 54, joined the Group in 1997. He is a member of the Executive Committee of the Group and is the Special Assistant to Chairman and Group Editorial Director. Mr ONG, who started his career as a journalist, has over 30 years of experience in the newspaper industry in Hong Kong and Malaysia.

Mr CHEUNG Kin Bor, aged 50, joined the Group in 1986. He is a member of the Executive Committee of the Group, and is a director and the Editor-in-chief of Ming Pao Newspapers Limited. Mr CHEUNG graduated from the Chinese University of Hong Kong with a Bachelor of Business Administration Degree and has over 27 years of publishing and editorial experience in Hong Kong.

Mr KAM Woon Ting, Keith, aged 47, joined the Group in 1995. He is a member of the Executive Committee of the Group, and is a director and the General Manager of Ming Pao Newspapers Limited. Mr KAM oversees the sales and marketing as well as circulation of Ming Pao Daily News and has more than 20 years of experience in the media and advertising industries.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), the Company discloses that during the year, Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King, directors of the Company, held directorships in Sin Chew Media Corporation Bhd ("SCMC") which is engaged in the business of newspaper publishing in Malaysia.

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

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 upon payment of a 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.

Pursuant to the Listing Rules' new requirements governing share option schemes which came into effect on 1st September 2001, certain provisions of the Scheme were no longer applicable which included 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 on the five trading days immediately preceding the granting of the options, 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 share options.

SHARE OPTION SCHEME (Cont'd)

(b) During the year, movements of the share options granted under the Scheme are as follows:

Grantees	Number of shares involved in share options: Balance at 1st April 2004	Granted during the year	Exercised during the year	Lapsed during the year *(note)*	Balance at 31st March 2005	Percentage of issued ordinary shares at 31st March 2005	Exercise price per share HK$	Date of grant	Exercisable period
Directors:									
Tan Sri Datuk TIONG Hiew King	300,000	—	—	—	300,000	0.076%	1.592	31/08/2001	01/09/2001–20/08/2011
Tan Sri Datuk TIONG Hiew King	300,000	—	—	—	300,000	0.076%	1.800	15/09/2003	16/09/2003–20/08/2011
Mr TIONG Kiu King	300,000	—	—	—	300,000	0.076%	1.592	31/08/2001	01/09/2001–20/08/2011
Mr TIONG Kiu King	300,000	—	—	—	300,000	0.076%	1.800	15/09/2003	16/09/2003–20/08/2011
Dr TIONG Ik King	300,000	—	—	—	300,000	0.076%	1.592	31/08/2001	01/09/2001–20/08/2011
Dr TIONG Ik King	300,000	—	—	—	300,000	0.076%	1.800	15/09/2003	16/09/2003–20/08/2011
Mr TIONG Kiew Chiong	300,000	—	—	—	300,000	0.076%	1.592	31/08/2001	01/09/2001–20/08/2011
Mr TIONG Kiew Chiong	300,000	—	—	—	300,000	0.076%	1.800	15/09/2003	16/09/2003–20/08/2011
	2,400,000	—	—	—	2,400,000	0.608%			
Full time employees	1,787,000	—	—	(30,000)	1,757,000	0.446%	1.592	31/08/2001	01/09/2001–20/08/2011
Full time employees	1,100,000	—	—	(60,000)	1,040,000	0.264%	1.320	29/08/2003	30/08/2003–20/08/2011
Total	5,287,000	—	—	(90,000)	5,197,000	1.318%			

Note: During the year, 90,000 share options have lapsed by reason of the grantees ceased to be full time employees of the Company or its subsidiaries.

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 INTERESTS HELD BY DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES

At 31st March 2005, the interests of the directors, chief executives and their associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") are as follows:

	Number of shares/underlying shares held						
Name of director	**Personal interests**	**Family interests**	**Corporate interests** *(note 1)*	**Total interests in shares**	**Interests in underlying shares pursuant to share options** *(note 2)*	**Aggregate interests**	**Percentage of issued ordinary shares at 31st March 2005**
Tan Sri Datuk TIONG Hiew King	150,000	—	252,487,700	252,637,700	600,000	253,237,700	64.20%
Dr TIONG Ik King	—	—	252,487,700	252,487,700	600,000	253,087,700	64.17%
Mr TIONG Kiu King	611,000	147,000	—	758,000	600,000	1,358,000	0.34%
Mr TIONG Kiew Chiong	1,200,000	—	—	1,200,000	600,000	1,800,000	0.46%

Notes:

(1) The corporate interests of Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King in the Company are 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.

(2) These represent share options granted by the Company to the relevant directors under the Share Option Scheme to subscribe for shares of the Company.

Save as disclosed above and those disclosed under "Share Option Scheme", at 31st March 2005, none of the directors, chief executives and their associates had any interests in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO), which are required to be recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Apart from the Share Option Scheme, at no time during the year were rights to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company granted to any directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company or its holding company or any its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS

The register of interests in shares and short positions maintained under Section 336 of the SFO shows that at 31st March 2005, the Company had been notified of the following interests in shares representing 5% or more of the Company's issued share capital:

Name of shareholder	Number of ordinary shares held	Percentage of issued ordinary shares at 31st March 2005
Conch Company Limited *(note 1)*	252,487,700	64.01%
Dr Louis CHA *(note 2)*	40,463,400	10.26%

All the interests stated above represent long positions in the shares of the Company.

Notes:

(1) Conch Company Limited ("Conch") owns 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.

(2) Dr Louis CHA beneficially owns 38,798,400 shares of the Company and Snowdrop Limited, a company wholly owned by Dr Louis CHA, owns 1,665,000 shares of the Company.

Save as disclosed above and those disclosed under "Particulars of interests held by Directors, Chief Executives and their Associates", the Company had not been notified of any other interests representing 5% or more of the issued share capital of the Company at 31st March 2005.

CONTINUING CONNECTED TRANSACTIONS

Following the completion of the strategic alliance with Redgate Media Inc. ("Redgate") in April 2004, Redgate became a connected person of the Company by virtue of Redgate's 40% interest in Winmax Resources Limited and its subsidiaries ("Winmax Group"), an indirect non-wholly owned subsidiary of the Company and currently operates the magazine business of the Group. Winmax Resources Limited became an associate of Redgate and the continuing connected transactions (the "Transactions") between Winmax Group and the Group are subject to disclosure requirements under the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS (Cont'd)

Save for the Transactions exempted under Rule 14A.33(2) and Rule 14A.33(3)(b) of the Listing Rules, details of the Transactions entered into between Winmax Group and the Group during the year are set out as follows:

Nature of transactions	**2005** **HK$'000**	**Annual Caps** **HK$'000**
Royalty fee paid by Winmax Group *(note 1)*	13,307	18,100
Circulation support services charge *(note 2)*	3,240	4,200
Charges for the leasing of:		2,500
(i) computers and other office equipment *(note 3)*	326	(total of
(ii) office space, storage space and parking spaces *(note 4)*	1,257	items (i) & (ii))

Notes:

(1) The royalty fee was determined with reference to the range of royalty fees charged by independent market practitioners in the magazine licensing industry in Hong Kong and Mainland China markets.

(2) The circulation support services charge was relating to the distribution, sales and promotion of the publications of Winmax Group and was determined on cost reimbursement basis.

(3) Charges for the leasing of computers and other office equipment were determined on cost reimbursement basis and were based on the depreciation charges of the equipment provided.

(4) Charges for the leasing of office space, storage space and parking spaces were determined on cost reimbursement basis and were based on prevailing market rates of comparable premises.

The directors, including the independent non-executive directors of the Company, have reviewed the Transactions including obtaining a letter from the Company's auditors in respect of the factual findings on the Transactions and confirmed that the Transactions were entered into by the Group:

(i) in the ordinary and usual course of the Group's business;

(ii) on normal commercial terms or on terms that are fair and reasonable so far as the shareholders of the Company are concerned;

(iii) in accordance with the terms of the agreements governing such transactions or on terms no less favourable than terms available to or from independent third parties; and

(iv) within the relevant cap amounts as agreed by the Stock Exchange.

The above transactions were approved by the Company's board of directors on 30th March 2004 and the details of the above connected transactions were disclosed in an announcement dated 6th April 2004.

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 (the "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% each of the monthly basic salaries of the employees. Actual contributions paid by the Group was only 4% of the monthly basic salaries of the employees, the difference was funded from the forfeiture reserve. Forfeited employers' contributions arising from early termination of services by employees are credited to a forfeiture reserve for the purposes of funding the differences in the Group's contributions as aforesaid and for covering any shortfall on the defined benefit plans. The total amount available for such purposes amounted to HK$16,616,000 at 31st March 2005 (31st March 2004: HK$15,531,000).

The most recent independent actuarial valuation of the Scheme (the "Valuation") was carried out as at 1st January 2004 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 the 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 (the "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 2005, the Group has approximately 1,470 employees (31st March 2004: approximately 1,400 employees), the majority of whom are employed in Hong Kong. The Group remunerates its employees based on industry practice and performance of individual employees. The Group also adopts a share option scheme for its staff of senior grade.

MAJOR CUSTOMERS AND SUPPLIERS

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

PRE-EMPTIVE RIGHTS

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

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

In the opinion of the board, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules (in force prior to 1st January 2005) throughout the year ended 31st March 2005.

The Audit Committee was established with written terms of reference which deal clearly with its authorities and duties in pursuance of Appendix 14 of the Listing Rules. Amongst the Audit Committee's principal duties are the review and supervision of the Company's financial reporting process and internal controls, including the review of the Group's audited financial statements for the year ended 31st March 2005.

MAINTAINING HIGH STANDARD OF CORPORATE GOVERNANCE

Sound corporate governance is crucial to the smooth, effective and transparent operation of a company and its ability to attract investment, protect rights of shareholders and stakeholders, and enhance shareholder value. The Company has always attached great importance to corporate governance so as to ensure its sustainable development.

During the year, the Company continued to comply with the Code of Best Practice as set out in Appendix 14 of the Listing Rules issued by the Stock Exchange. On 1st January 2005, the Code of Best Practice was replaced by the Code on Corporate Governance Practices (the "new Code"). Listed issuers are expected to comply with the new Code's provisions starting from 1st January 2005.

BOARD OF DIRECTORS

The existing board of directors of the Company consists of four executive directors and three independent non-executive directors. The four executive directors are Tan Sri Datuk TIONG Hiew King, Mr TIONG Kiu King, Dr TIONG Ik King and Mr TIONG Kiew Chiong who have extensive experience in the media industry. The executive directors meet regularly to review and discuss management reports on the performance of the Group, current plans and long term opportunities, and any other issues of immediate concern. They are responsible for the day to day management of the Group's operations. They conduct regular meetings with the senior management of the Company, its subsidiaries and associated companies, at which operational issues and financial performance are evaluated.

The independent non-executive directors are Mr TANG Ying Yu, Mr David YU Hon To, and Mr Victor YANG. They are independent to the Company and do not assume any management position in the Company. They are appointed for a specific term until 31st December 2005 and their appointment are subject to re-election following retirement by rotation at annual general meeting pursuant to the bye-laws of the Company. All of them satisfy the regulatory requirements for independence.

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiries of all directors, the Company confirmed that the directors have complied with the required standard set out in the Model Code and its code of conduct regarding the directors' securities transactions.

At present, an Audit Committee, a Remuneration Committee and a Nomination Committee have been set up under the board of directors.

AUDIT COMMITTEE

The Company's Audit Committee is composed of the three independent non-executive directors. It reports directly to the board and reviews matters relating to the Group's financial reporting system and internal controls procedures.

The Audit Committee meets at least twice a year and also meets with the Company's external auditors to discuss the audit process and accounting issues, and reviews the effectiveness of internal controls. The written terms of reference which specify the authorities and duties of the Audit Committee are regularly reviewed and updated by the board.

REMUNERATION COMMITTEE

The Company's Remuneration Committee was established on 25th May 2005 with specific terms of reference that specify its authorities and duties. The current members of the committee are the Company's three independent non-executive directors, Mr TANG Ying Yu, Mr David YU Hon To and Mr Victor YANG, and an executive director, Mr TIONG Kiew Chiong. The Remuneration Committee is responsible for the review of the Company's policies for the remuneration of its directors and senior management and the making of any recommendations in relation to such policies to the board.

NOMINATION COMMITTEE

The Company's Nomination Committee was established on 25th May 2005 with specific terms of reference that specify its authorities and duties. The current members of the committee are the Company's three independent non-executive directors, Mr TANG Ying Yu, Mr David YU Hon To and Mr Victor YANG, and an executive director, Mr TIONG Kiew Chiong. The Nomination Committee's responsibilities include reviewing the structure, size and composition of the board on a regular basis and making recommendations to the board regarding any proposed changes.

INTERNAL CONTROLS

The board places great importance on internal controls and risk management and is responsible for establishing and maintaining adequate internal controls over financial reporting for the Group and assessing the overall effectiveness of those internal controls.

The results of the implementation of its internal controls mechanism are reviewed by the executive directors in order to ensure that internal monitoring and control mechanism operate soundly, stably and effectively.

COMMUNICATIONS WITH SHAREHOLDERS

The objective of communications with the shareholders is to provide our shareholders with detailed information about the Company so they can exercise their shareholders' rights in an informed manner.

The Company uses a range of communication tools to ensure its shareholders are kept well informed of the Company's key business imperatives. These include the Company's annual general meetings, annual reports, interim reports, various notices, announcements and circulars.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received annual confirmation from each of the independent non-executive directors as regards their independence to the Company and considers that each of the independent non-executive directors is independent to the Company.

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, 30th June 2005

Auditors' Report

PRICEWATERHOUSECOOPERS

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 27 to 75 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 solely to you, as a body, in accordance with section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public 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 2005 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, 30th June 2005

Consolidated Profit and Loss Account

For the year ended 31st March 2005

	Notes	2005 HK$'000	2004 HK$'000
Turnover	2	**1,168,679**	1,001,788
Cost of sales		**(828,499)**	(691,821)
Gross profit		**340,180**	309,967
Other revenues	2	**3,822**	3,269
Selling and distribution expenses		**(165,952)**	(133,051)
Administrative expenses		**(106,287)**	(114,254)
Other operating income/(expenses)		**3,414**	(707)
Operating profit	3	**75,177**	65,224
Finance costs	4	**(2,325)**	(2,349)
Share of losses of associated companies		**(3,677)**	(5,380)
Profit before taxation		**69,175**	57,495
Taxation	5	**(21,152)**	(15,573)
Profit after taxation		**48,023**	41,922
Minority interests		**(7,833)**	(58)
Profit attributable to shareholders	6	**40,190**	41,864
Dividends	7	**(27,635)**	(23,716)
Basic earnings per share	8	**10 cents**	11 cents
Diluted earnings per share	8	**10 cents**	11 cents

Consolidated Balance Sheet

As at 31st March 2005

	Notes	2005 HK$'000	2004 HK$'000
Non-current assets			
Fixed assets	*11*	**359,631**	373,198
Goodwill	*12*	**2,028**	—
Interests in associated companies	*14*	**22,210**	21,669
Defined benefit plan's assets	*15*	**14,687**	14,377
Deferred tax assets	*26*	**749**	1,044
Current assets			
Inventories	*16*	**51,043**	52,967
Trading securities	*17*	**1,948**	1,799
Accounts receivable, deposits and prepayments	*18*	**199,553**	168,094
Tax recoverable		**894**	1,380
Bank balances and cash	*19*	**190,158**	188,389
		443,596	412,629
Current liabilities			
Accounts payable and accrued charges	*20*	**118,204**	125,998
Taxation payable		**7,589**	5,079
Short-term bank loans, secured		**22,081**	16,095
Bank overdrafts, secured		**12,504**	17,253
Current portion of long-term liabilities	*23*	**5,943**	4,206
		166,321	168,631
Net current assets		**277,275**	243,998
Total assets less current liabilities		**676,580**	654,286
Financed by:			
Share capital	*21*	**39,442**	39,735
Reserves	*22*	**574,121**	561,397
Shareholders' funds		**613,563**	601,132
Minority interests		**12,318**	1,664
Non-current liabilities			
Long-term liabilities	*23*	**22,448**	23,126
Deferred tax liabilities	*26*	**28,251**	28,364
		676,580	654,286

On behalf of the Board

TIONG Kiu King
Director

TIONG Kiew Chiong
Director

Balance Sheet

As at 31st March 2005

	Notes	2005 HK$'000	2004 HK$'000
Interests in subsidiaries	*13*	**1,042,457**	1,049,291
Current assets			
Trading securities	*17*	**1,948**	1,799
Deposits and prepayments	*18*	**215**	192
Tax recoverable		**52**	—
Bank balances and cash		**80,917**	102,771
		83,132	104,762
Current liabilities			
Amounts due to subsidiaries		**118**	113
Accrued charges	*20*	**695**	3,537
Taxation payable		**—**	68
		813	3,718
Net current assets		**82,319**	101,044
Total assets less current liabilities		**1,124,776**	1,150,335
Financed by:			
Share capital	*21*	**39,442**	39,735
Reserves	*22*	**1,085,334**	1,110,600
Shareholders' funds		**1,124,776**	1,150,335

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 2005

	Notes	2005 HK$'000	2004 HK$'000
Total equity as at 1st April		**601,132**	570,923
Exchange differences arising on translation of the financial statements of foreign subsidiaries not recognised in the consolidated profit and loss account	*22*	**2,185**	862
Exercise of share options		**—**	7,146
Profit attributable to shareholders	*22*	**40,190**	41,864
Dividends paid	*22*	**(27,681)**	(19,663)
Goodwill written off due to disposal of partial interests in subsidiaries	*22*	**1,973**	—
Repurchase of ordinary shares	*21(a) & 22*	**(4,236)**	—
Total equity as at 31st March		**613,563**	601,132

Consolidated Cash Flow Statement

For the year ended 31st March 2005

	Notes	2005 HK$'000	2004 HK$'000
Net cash inflow generated from operations	*24(a)*	**63,319**	100,751
Interest on bank loans and overdrafts		**(1,695)**	(1,874)
Interest element of finance lease payments		**(630)**	(475)
Hong Kong profits tax paid		**(13,561)**	(20,899)
Overseas tax paid		**(4,536)**	(3,571)
Net cash inflow from operating activities		**42,897**	73,932
Investing activities			
Purchase of fixed assets		**(8,821)**	(41,513)
Net cash inflow in respect of the acquisition of subsidiaries	*24(b)*	**4,615**	—
Proceeds from disposals of fixed assets		**1,116**	1,421
Advance to an associated company		**(4,218)**	(9,027)
Interest received		**2,949**	2,483
Dividends received from trading securities		**42**	25
Net cash outflow from investing activities		**(4,317)**	(46,611)
Net cash inflow before financing		**38,580**	27,321
Financing activities	*24(c)*		
Issue of ordinary shares		**—**	7,146
Repurchase of ordinary shares		**(4,236)**	—
Dividends paid		**(27,681)**	(19,663)
New loans payable		**5,986**	7,538
Repayment of bank loans		**(1,771)**	(9,736)
Capital element of finance lease payments		**(3,751)**	(5,610)
Net cash outflow from financing		**(31,453)**	(20,325)
Increase in cash and cash equivalents		**7,127**	6,996
Cash and cash equivalents as at 1st April		**171,136**	165,552
Effect of foreign exchange rate changes		**(609)**	(1,412)
Cash and cash equivalents as at 31st March		**177,654**	171,136
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		**190,158**	188,389
Bank overdrafts		**(12,504)**	(17,253)
		177,654	171,136

1. PRINCIPAL ACCOUNTING POLICIES

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

(a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). 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.

HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (herein collectively referred to as the "new HKFRSs") which are generally effective for accounting periods beginning on or after 1st January 2005. The Group has not early adopted these new HKFRSs in the preparation of these accounts.

The Group is in the process of making an assessment of the impact of these new HKFRSs and has so far concluded that the more significant differences between new HKFRSs and current accounting policies that are expected to affect the Group are as follows:

Goodwill
Under HKFRS 3 "Business Combinations", goodwill will no longer be amortised but instead will be subject to rigorous annual impairment testing. This will result in a change to the Group's current accounting policy under which goodwill is amortised over its useful life of not exceeding 15 years and assessed for any indication of impairment at each balance sheet date. Under the new policy, amortisation will no longer be charged, but goodwill will be tested annually for impairment, as well as when there are indications of impairment. This new policy will be applied prospectively from 1st January 2005.

The Group will be continuing with the assessment of the impact of the other new HKFRSs and other significant changes may be identified as a result.

(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.

1. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(b) Group Accounting (Cont'd)

(i) *Consolidation (Cont'd)*

The gain or loss on disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets 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 goodwill (net of accumulated amortisation) /negative goodwill on acquisition.

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.

1. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(c) Intangible assets

(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, which is not to exceed 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.

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 and are 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.

1. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(d) Fixed assets (Cont'd)

(i) *Other properties (Cont'd)*
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%.

(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 used 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 balance 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.

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. Gains or losses on disposals 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 all production overhead expenditure. 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 the employees. A provision is made for the estimated liability for annual leave as a result of services rendered by the employees up to the balance sheet date.

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

(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 the 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.

1. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(h) Employee benefits (Cont'd)

(iii) *Pension obligations*

The Group operates a hybrid retirement benefit scheme (the "Scheme") and a Mandatory Provident Fund Scheme (the "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 defined benefit plans of the Scheme are made based on the periodic recommendations of independent qualified actuaries.

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

For the defined benefit plans, the pension cost 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. 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.

(iv) *Long service payments*

The Group's net obligations in respect of long service payments on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefits that the employees have earned in return for their services in the current and prior periods.

The obligation is calculated using the projected unit credit method, discounted to its present value and reduced by entitlements accrued under the Group's retirement plans that are attributed to contributions made by the Group. The discount rate is the yield at balance sheet date on high quality corporate bonds which have terms to maturity approximating the terms of the related liability.

(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.

1. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(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 provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries and associated companies, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

(m) Revenue recognition

Advertising income, net of trade discounts, is recognised when the newspapers and periodicals are published.

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.

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.

Travel agency commission income earned from the provision of travel agency services is recognised in accordance with the respective agency agreements, which generally coincides with the time when the services are rendered.

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

Management fee income is recognised on an accrual basis.

1. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(m) Revenue recognition (Cont'd)

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 segment 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.

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:

	Group	
	2005 HK$'000	2004 HK$'000
Turnover		
Advertising income, net of trade discounts	**585,989**	504,414
Sales of newspapers, periodicals and books, net of trade discounts and returns	**192,597**	203,326
Travel and travel related services income	**387,100**	290,979
Travel agency commission income	**2,993**	3,069
	1,168,679	1,001,788
Other revenues		
Interest income	**2,949**	2,483
Rental and management fee income	**831**	761
Dividend income from trading securities	**42**	25
	3,822	3,269
Total revenues	**1,172,501**	1,005,057

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 *(notes (a) & (b))* 2005 HK$'000	Travel and travel related services *(note (b))* 2005 HK$'000	Elimination 2005 HK$'000	Group 2005 HK$'000
Turnover	778,586	390,093	—	1,168,679
Segment results	72,074	1,359	—	73,433
Interest income				2,949
Net unallocated expenses				(1,205)
Operating profit				75,177
Finance costs				(2,325)
Share of losses of associated companies				(3,677)
Profit before taxation				69,175
Taxation				(21,152)
Profit after taxation				48,023
Minority interests				(7,833)
Profit attributable to shareholders				40,190
Segment assets	717,863	42,168	(28,768)	731,263
Interests in associated companies	22,210	—	—	22,210
Unallocated assets				89,428
Total assets				842,901
Segment liabilities	(142,715)	(43,334)	28,768	(157,281)
Unallocated liabilities				(59,739)
Total liabilities				(217,020)
Capital expenditure	15,411	592	—	16,003
Depreciation	31,838	794	—	32,632
Amortisation of goodwill	137	—	—	137
Net other non-cash expenses	1,573	123	—	1,696

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

Business segments: (Cont'd)

	Publishing *(notes (a) & (b))* 2004 HK$'000	Travel and travel related services *(note (b))* 2004 HK$'000	Elimination 2004 HK$'000	Group 2004 HK$'000
Turnover	707,740	294,048	—	1,001,788
Segment results	68,466	(1,071)	—	67,395
Interest income				2,483
Unallocated expenses				(4,654)
Operating profit				65,224
Finance costs				(2,349)
Share of losses of associated companies				(5,380)
Profit before taxation				57,495
Taxation				(15,573)
Profit after taxation				41,922
Minority interests				(58)
Profit attributable to shareholders				41,864
Segment assets	673,241	35,112	(19,054)	689,299
Interests in associated companies	21,669	—	—	21,669
Unallocated assets				111,949
Total assets				822,917
Segment liabilities	(139,822)	(41,568)	19,054	(162,336)
Unallocated liabilities				(57,785)
Total liabilities				(220,121)
Capital expenditure	46,164	1,273	—	47,437
Depreciation	30,711	716	—	31,427
Amortisation of goodwill	—	—	—	—
Other non-cash expenses	2,749	—	—	2,749

Notes:

(a) Publishing turnover comprises sales of newspapers, periodicals and books, advertising income and income derived from the Group's various Internet portals.

(b) Following a change in the Group's business strategy, relevant turnover and results of the previously reported Internet business segment have been combined with the publishing business segment and the travel and travel related services business segment. The directors are of the opinion that this change in reportable segment information provides a more appropriate presentation of the Group's business operations. Certain comparative figures have been restated to conform with current year's presentation.

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

Geographical segments:

	Hong Kong 2005 HK$'000	Canada 2005 HK$'000	The United States of America 2005 HK$'000	Mainland China 2005 HK$'000	Elimination 2005 HK$'000	Group 2005 HK$'000
Turnover	737,114	221,548	176,272	33,745	—	1,168,679
Segment results	100,850	12,330	(36,404)	(3,343)	—	73,433
Interest income						2,949
Net unallocated expenses						(1,205)
Operating profit						75,177
Segment assets	832,382	93,284	39,058	81,736	(315,197)	731,263
Interests in associated companies						22,210
Unallocated assets						89,428
Total assets						842,901
Segment liabilities	(96,110)	(50,915)	(220,540)	(104,913)	315,197	(157,281)
Unallocated liabilities						(59,739)
Total liabilities						(217,020)
Capital expenditure	6,086	5,751	3,306	860	—	16,003

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

Geographical segments: (Cont'd)

	Hong Kong 2004 HK$'000	Canada 2004 HK$'000	The United States of America 2004 HK$'000	Mainland China 2004 HK$'000	Elimination 2004 HK$'000	Group 2004 HK$'000
Turnover	653,927	191,891	138,370	17,600	—	1,001,788
Segment results	74,178	8,233	(12,558)	(2,458)	—	67,395
Interest income						2,483
Unallocated expenses						(4,654)
Operating profit						65,224
Segment assets	766,638	83,825	31,844	72,568	(265,576)	689,299
Interests in associated companies						21,669
Unallocated assets						111,949
Total assets						822,917
Segment liabilities	(102,157)	(50,728)	(172,425)	(102,602)	265,576	(162,336)
Unallocated liabilities						(57,785)
Total liabilities						(220,121)
Capital expenditure	10,187	15,475	14,537	7,238	—	47,437

3. OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

	Group	
	2005	2004
	HK$'000	HK$'000
Crediting		
Net exchange gain	**953**	2,395
Unrealised gain on trading securities	**149**	272
Gain on disposals of fixed assets	**29**	75
Gain on disposal of partial interests in subsidiaries	**2,054**	—
Write-back of over provision for inventory obsolescence	**164**	—
Charging		
Auditors' remuneration		
Current year	**2,094**	2,074
Under/(over) provision in prior years	**228**	(72)
Cost of inventories sold	**180,552**	142,363
Depreciation		
Owned fixed assets	**31,067**	30,497
Leased fixed assets	**1,565**	930
Amortisation of goodwill	**137**	—
Staff costs (including directors' emoluments) *(note 9)*	**322,699**	290,218
Operating lease expenses		
Land and buildings	**8,569**	6,218
Machineries	**143**	71
Provision for inventory obsolescence	**—**	829
Provision for doubtful debts and bad debts written off	**1,860**	4,192
Impairment loss on fixed assets	**—**	1,494

4. FINANCE COSTS

	Group	
	2005	2004
	HK$'000	HK$'000
Interest on bank loans and overdrafts	**1,695**	1,874
Interest element of finance leases	**630**	475
	2,325	2,349

5. TAXATION

Hong Kong profits tax is provided at the rate of 17.5% (2004: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profit is calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

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

	Group	
	2005	2004
	HK$'000	HK$'000
Hong Kong profits tax		
Current year	**16,879**	13,304
Under provision in prior years	**9**	285
Overseas taxation		
Current year	**4,527**	3,112
Over provision in prior years	**(445)**	(364)
Deferred taxation *(note 26)*	**182**	(764)
	21,152	15,573

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rates of the countries in which the Group operates as follows:

	Group	
	2005	2004
	HK$'000	HK$'000
Profit before taxation	**69,175**	57,495
Notional tax calculated at the taxation rates applicable in the countries concerned	**6,703**	9,177
Income not subject to taxation	**(4,960)**	(829)
Expenses not deductible for taxation purposes	**3,875**	1,103
Utilisation of previously unrecognised tax losses	**(1,463)**	(700)
Increase in opening net deferred tax liabilities resulting from an increase in tax rate	**—**	50
Temporary differences not recognised	**1,542**	631
Tax losses not recognised	**15,891**	6,220
Over provision in prior years	**(436)**	(79)
	21,152	15,573

6. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the accounts of the Company to the extent of HK$6,358,000 (2004: HK$3,235,000).

7. DIVIDENDS

	Group and Company	
	2005	2004
	HK$'000	HK$'000
Interim, paid, of HK3 cents (2004: HK2 cents) per ordinary share	**11,858**	7,893
Final, proposed, of HK4 cents (2004: HK3 cents, paid) per ordinary share *(notes (a) & (b))*	**15,777**	11,868
Special, proposed, of Nil (2004: HK1 cent, paid) per ordinary share *(note (b))*	**—**	3,955
	27,635	23,716

Notes:

(a) The board of directors has resolved to recommend a final dividend of HK4 cents (2004: HK3 cents) per ordinary share for the year ended 31st March 2005. Upon approval by the shareholders, the final dividend will be paid on 15th September 2005 to shareholders whose names appear on the register of members of the Company on 11th August 2005.

(b) The actual 2004 final dividend and special dividend paid during the year ended 31st March 2005 were different from the proposed 2004 final dividend and special dividend as disclosed in the 2004 annual report as 1,770,000 ordinary shares were repurchased by the Company between the accounts approval date and the ex-dividend date.

8. EARNINGS PER SHARE

The calculations of basic and diluted earnings per share are based on the Group's profit attributable to shareholders for the year of HK$40,190,000 (2004: HK$41,864,000).

The basic earnings per share is based on the weighted average number of 395,924,441 (2004: 393,616,421) ordinary shares in issue during the year. The diluted earnings per share is based on 396,065,963 (2004: 394,080,481) ordinary shares which is the weighted average number of ordinary shares in issue during the year plus the weighted average number of 141,522 (2004: 464,060) ordinary shares deemed to be issued at no consideration if all outstanding options having dilutive effect had been exercised.

9. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	Group	
	2005	2004
	HK$'000	HK$'000
Wages and salaries	**293,369**	263,020
Unutilised annual leave	**1,618**	1,000
Pension costs — defined contribution plans	**7,021**	6,632
Pension costs — defined benefits plans *(note 15)*	**685**	929
Other staff costs	**20,006**	18,637
	322,699	290,218

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	
	2005	2004
	HK$'000	HK$'000
Directors' fees	**303**	240
Other emoluments		
Basic salaries, housing allowances, other allowances and benefits in kind	**1,823**	1,808
Contributions to pension scheme	**93**	93
	2,219	2,141

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

(b) During the year, no option (2004: 1,200,000 options) was granted to the directors under the Share Option Scheme approved by the shareholders at the Special General Meeting held on 21st August 2001.

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

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

	Number of directors	
	2005	2004
From HK$Nil to HK$1,000,000	**6**	5
From HK$1,000,001 to HK$1,500,000	**—**	—
From HK$1,500,001 to HK$2,000,000	**1**	1

No directors waived any emoluments in respect of the years ended 31st March 2005 and 31st March 2004.

(d) The five highest paid individuals during the year include one executive director whose emoluments are reflected in the analysis presented above. The emoluments paid to the remaining four (2004: four) individuals during the year are as follows:

	Group	
	2005	2004
	HK$'000	HK$'000
Basic salaries, housing allowances, other allowances and benefits in kind	**6,047**	5,922
Contributions to pension scheme	**287**	287
	6,334	6,209

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

	Number of individuals	
	2005	2004
From HK$1,000,001 to HK$1,500,000	**2**	2
From HK$1,500,001 to HK$2,000,000	**2**	2

11. FIXED ASSETS

	Group							
	Other properties							
	Freehold land and buildings outside Hong Kong HK$'000	Land and buildings held on long term leases outside Hong Kong HK$'000	Land and buildings held on medium term leases in Hong Kong HK$'000	Land and buildings held on medium term leases outside Hong Kong HK$'000	Leasehold improve- ments, furniture, fixtures and office equipment HK$'000	Machinery and printing equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost or valuation								
At 1st April 2004	21,779	7,067	282,638	35,346	117,276	234,557	4,321	702,984
Additions	—	—	—	—	11,987	3,734	282	16,003
Acquisition of subsidiaries	—	—	—	—	242	—	—	242
Exchange adjustment	1,686	—	—	—	3,472	4,802	42	10,002
Disposals	—	—	—	—	(2,575)	(2,572)	(619)	(5,766)
At 31st March 2005	23,465	7,067	282,638	35,346	130,402	240,521	4,026	723,465
Accumulated depreciation								
At 1st April 2004	1,968	895	62,296	6,532	101,095	154,185	2,815	329,786
Charge for the year	247	105	7,797	768	9,481	13,717	517	32,632
Exchange adjustment	235	—	—	—	3,043	2,778	39	6,095
Disposals	—	—	—	—	(2,528)	(1,569)	(582)	(4,679)
At 31st March 2005	2,450	1,000	70,093	7,300	111,091	169,111	2,789	363,834
Net book value								
At 31st March 2005	21,015	6,067	212,545	28,046	19,311	71,410	1,237	359,631
At 31st March 2004	19,811	6,172	220,342	28,814	16,181	80,372	1,506	373,198

11. FIXED ASSETS (Cont'd)

	Group							
	Other properties							
	Freehold land and buildings outside Hong Kong HK$'000	Land and buildings held on long term leases outside Hong Kong HK$'000	Land and buildings held on medium term leases in Hong Kong HK$'000	Land and buildings held on medium term leases outside Hong Kong HK$'000	Leasehold improvements, furniture, fixtures and office equipment HK$'000	Machinery and printing equipment HK$'000	Motor vehicles HK$'000	Total HK$'000

The analysis of the cost or valuation at 31st March 2005 of the above assets is as follows:

At cost	5,457	—	7,014	—	130,402	240,521	4,026	387,420
At professional valuation in 1995	18,008	7,067	275,624	35,346	—	—	—	336,045
At 31st March 2005	23,465	7,067	282,638	35,346	130,402	240,521	4,026	723,465

The analysis of the cost or valuation at 31st March 2004 of the above assets is as follows:

At cost	3,771	—	7,014	—	117,276	234,557	4,321	366,939
At professional valuation in 1995	18,008	7,067	275,624	35,346	—	—	—	336,045
At 31st March 2004	21,779	7,067	282,638	35,346	117,276	234,557	4,321	702,984

(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$15,132,000 (2004: HK$18,351,000).

(c) The carrying amounts of other properties would have been HK$143,797,000 (2004: HK$149,277,000) 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 25 to the accounts.

12. GOODWILL

	Group HK$'000
Cost	
At 1st April 2004	—
Acquisition of subsidiaries	2,165
At 31st March 2005	2,165
Accumulated amortisation	
At 1st April 2004	—
Amortisation charge *(note 3)*	137
At 31st March 2005	137
Net book value	
At 31st March 2005	2,028
At 31st March 2004	—

13. INTERESTS IN SUBSIDIARIES

	Company	
	2005 HK$'000	2004 HK$'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 *(note)*		
Interest-free	**459,360**	457,962
Interest-bearing	**118,626**	126,858
	1,042,457	1,049,291

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 32 to the accounts.

14. INTERESTS IN ASSOCIATED COMPANIES

	Group	
	2005	2004
	HK$'000	HK$'000
Share of net liabilities other than goodwill *(note (a))*	**(22,519)**	(18,842)
Amounts due from associated companies *(note (b))*	**44,729**	40,511
	22,210	21,669

Notes:

(a) The following is a list of the Group's associated companies at 31st March 2005:

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

Note: These 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 2004.

All the above companies operate in their respective places of incorporation, except for Yazhou Zhoukan Holdings Limited which operates principally in Hong Kong.

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

15. 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.

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

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 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	
	2005	2004
	HK$'000	HK$'000
Defined benefit plan's assets	**14,687**	14,377

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

	Group	
	2005	2004
	HK$'000	HK$'000
Fair value of plan assets	**36,345**	33,088
Present value of funded obligations	**(28,053)**	(25,082)
	8,292	8,006
Unrecognised actuarial losses	**6,395**	6,371
Assets in the balance sheet	**14,687**	14,377

15. PENSIONS AND OTHER POST RETIREMENT ASSETS (Cont'd)

(b) Defined benefit schemes for Special Member and DB Member (Cont'd)

The limit of net asset to be recognised is disclosed as follows:

	Group	
	2005	2004
	HK$'000	HK$'000
Cumulative unrecognised net actuarial losses and past service cost	**6,395**	6,371
Present value of available future refunds or reductions in future contributions	**8,292**	8,006
	14,687	14,377

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

	Group	
	2005	2004
	HK$'000	HK$'000
Current service cost	**(1,776)**	(1,469)
Interest cost	**(997)**	(867)
Expected return on plan assets	**2,340**	1,705
Net actuarial losses recognised in the year	**(252)**	(298)
Total pension costs, included in staff costs *(note 9)*	**(685)**	(929)

The actual return on plan assets recognised as an asset was HK$3,094,000 (2004: HK$7,992,000).

Movements in the assets recognised in the balance sheet:

	Group	
	2005	2004
	HK$'000	HK$'000
At 1st April	**14,377**	14,286
Total pension costs — as shown above	**(685)**	(929)
Contributions paid	**995**	1,020
At 31st March	**14,687**	14,377

15. PENSIONS AND OTHER POST RETIREMENT ASSETS (Cont'd)

(b) Defined benefit schemes for Special Member and DB Member (Cont'd)

The principal actuarial assumptions used were as follows:

	Group	
	2005	2004
	%	%
Discount rate	**4.0**	4.0
Expected rate of return on plan assets	**7.0**	7.0
Expected rate of future salary increases		
2005 to 2007	**1.5**	4.0
2008 and onwards	**4.0**	4.0

16. INVENTORIES

	Group	
	2005	2004
	HK$'000	HK$'000
Raw materials	**46,917**	49,921
Finished goods	**4,126**	3,046
	51,043	52,967

At 31st March 2005, the carrying amounts of inventories that are carried at net realisable value amounted to HK$1,183,000 (2004: HK$1,154,000).

17. TRADING SECURITIES

	Group and Company	
	2005	2004
	HK$'000	HK$'000
Listed shares in Hong Kong, at market value	**1,948**	1,799

18. ACCOUNTS RECEIVABLE, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2005	2004	**2005**	2004
	HK$'000	HK$'000	**HK$'000**	HK$'000
Accounts receivable *(note)*	**161,342**	146,609	**—**	—
Deposits and prepayments	**38,211**	21,485	**215**	192
	199,553	168,094	**215**	192

Note: The Group allows in general a credit period ranging from 7 days to 90 days and 30 days to 180 days to its trade customers in Hong Kong and Mainland China respectively. At 31st March 2005, the ageing analysis of the Group's accounts receivable is as follows:

	Group	
	2005	2004
	HK$'000	HK$'000
0 to 60 days	**96,999**	91,910
61 to 120 days	**44,124**	36,006
121 to 180 days	**16,093**	12,876
Over 180 days	**4,126**	5,817
	161,342	146,609

19. BANK BALANCES AND CASH

Included in the bank balances and cash of the Group are cash and bank deposits denominated in Renminbi placed with banks in Mainland China amounting to HK$8,507,000 (2004: HK$9,287,000).

20. ACCOUNTS PAYABLE AND ACCRUED CHARGES

	Group		Company	
	2005	2004	**2005**	2004
	HK$'000	HK$'000	**HK$'000**	HK$'000
Accounts payable *(note)*	**50,140**	57,114	**—**	—
Accrued charges	**49,219**	50,284	**695**	3,537
Subscriptions received in advance	**18,845**	18,600	**—**	—
	118,204	125,998	**695**	3,537

20. ACCOUNTS PAYABLE AND ACCRUED CHARGES (Cont'd)

Note: At 31st March 2005 the ageing analysis of the Group's accounts payable is as follows:

	Group	
	2005 HK$'000	2004 HK$'000
0 to 60 days	**46,465**	50,658
61 to 120 days	**2,648**	2,614
121 to 180 days	**852**	268
Over 180 days	**175**	3,574
	50,140	57,114

21. SHARE CAPITAL

	Group and Company	
	Authorised ordinary shares of HK$0.10 each	
	Number of shares	HK$'000
At 31st March 2004 and 2005	500,000,000	50,000

	Issued and fully paid ordinary shares of HK$0.10 each			
	2005		2004	
	Number of shares	**HK$'000**	Number of shares	HK$'000
At 1st April	**397,355,000**	**39,735**	392,345,000	39,234
Exercise of share options	**—**	**—**	5,010,000	501
Repurchase of ordinary shares *(note (a))*	**(2,924,000)**	**(293)**	—	—
At 31st March	**394,431,000**	**39,442**	397,355,000	39,735

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, 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.

Movements in the number of share options under the Scheme during the year are as follows:

	Number of share options	
	2005	2004
At 1st April	**5,287,000**	5,475,000
Granted during the year	**—**	5,351,000
Exercised during the year	**—**	(5,010,000)
Lapsed during the year *(note (b))*	**(90,000)**	(529,000)
At 31st March *(note (c))*	**5,197,000**	5,287,000

21. SHARE CAPITAL (Cont'd)

Notes:

(a) During the year, the Company repurchased a total of 2,924,000 of its listed shares on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the purpose of enhancing the net asset value per share of the Company. Details of the repurchases are summarised as follows:

Month/Year	Number of shares repurchased	Purchase price per share Highest HK$	Lowest HK$	Aggregate purchase consideration HK$
August 2004	1,770,000	1.45	1.40	2,541,400
September 2004	235,000	1.41	1.35	323,530
October 2004	87,000	1.57	1.43	129,030
December 2004	178,000	1.50	1.45	261,940
January 2005	224,000	1.47	1.44	325,750
February 2005	280,000	1.60	1.47	425,350
March 2005	150,000	1.55	1.50	228,550
	2,924,000			4,235,550

All the repurchased shares were cancelled during the year. Accordingly, the issued share capital of the Company was reduced by the par value of the repurchased shares and the premiums paid on these shares were charged against the share premium account. An amount equivalent to the par value of the shares cancelled was transferred from the Company's retained profits to the capital redemption reserve.

(b) During the year, 90,000 share options (2004: 529,000 share options) have lapsed by reason of the grantees ceased to be full time employees of the Company or its subsidiaries.

(c) Share options outstanding at the end of the year have the following terms:

End of exercisable period	Exercise price per share HK$	Number of share options 2005	2004
Directors			
20th August 2011	1.592	**1,200,000**	1,200,000
20th August 2011	1.800	**1,200,000**	1,200,000
		2,400,000	2,400,000
Employees			
20th August 2011	1.592	**1,757,000**	1,787,000
20th August 2011	1.320	**1,040,000**	1,100,000
		2,797,000	2,887,000

22. RESERVES

	Group							
	Share premium 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$'000	Total HK$'000
At 1st April 2003	589,765	119,297	356	305	(22,400)	3,582	(159,216)	531,689
Exercise of share options	6,645	—	—	—	—	—	—	6,645
Profit attributable to shareholders	—	—	—	—	—	—	41,864	41,864
Exchange adjustment	—	—	—	862	—	—	—	862
2003 final dividend paid	—	—	—	—	—	—	(11,770)	(11,770)
2004 interim dividend paid *(note 7)*	—	—	—	—	—	—	(7,893)	(7,893)
At 31st March 2004	596,410	119,297	356	1,167	(22,400)	3,582	(137,015)	561,397
Representing:								
2004 final dividend paid *(note 7)*							11,868	
2004 special dividend paid *(note 7)*							3,955	
Others							(152,838)	
Accumulated losses at 31st March 2004							(137,015)	
Company and subsidiaries	596,410	119,297	356	1,167	(22,400)	3,582	(118,168)	580,244
Associated companies	—	—	—	—	—	—	(18,847)	(18,847)
At 31st March 2004	596,410	119,297	356	1,167	(22,400)	3,582	(137,015)	561,397

22. RESERVES (Cont'd)

	Group							
	Share premium 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$'000	Total HK$'000
At 1st April 2004	596,410	119,297	356	1,167	(22,400)	3,582	(137,015)	561,397
Goodwill written off due to disposal of partial interests in subsidiaries	—	—	—	—	—	1,973	—	1,973
Repurchase of ordinary shares *(note 21(a))*	(3,943)	—	293	—	—	—	(293)	(3,943)
Profit attributable to shareholders	—	—	—	—	—	—	40,190	40,190
Exchange adjustment	—	—	—	2,185	—	—	—	2,185
2004 final dividend paid *(note 7)*	—	—	—	—	—	—	(11,868)	(11,868)
2004 special dividend paid *(note 7)*	—	—	—	—	—	—	(3,955)	(3,955)
2005 interim dividend paid *(note 7)*	—	—	—	—	—	—	(11,858)	(11,858)
At 31st March 2005	592,467	119,297	649	3,352	(22,400)	5,555	(124,799)	574,121
Representing:								
2005 final dividend proposed *(note 7)*							15,777	
Others							(140,576)	
Accumulated losses at 31st March 2005							(124,799)	
Company and subsidiaries	592,467	119,297	649	3,352	(22,400)	5,555	(102,275)	596,645
Associated companies	—	—	—	—	—	—	(22,524)	(22,524)
At 31st March 2005	592,467	119,297	649	3,352	(22,400)	5,555	(124,799)	574,121

22. RESERVES (Cont'd)

	Company				
	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000	Retained profits HK$'000	Total HK$'000
At 1st April 2003	589,765	356	200,379	329,883	1,120,383
Exercise of share options	6,645	—	—	—	6,645
Profit attributable to shareholders	—	—	—	3,235	3,235
2003 final dividend paid	—	—	—	(11,770)	(11,770)
2004 interim dividend paid *(note 7)*	—	—	—	(7,893)	(7,893)
At 31st March 2004	596,410	356	200,379	313,455	1,110,600
Representing:					
2004 final dividend paid *(note 7)*				11,868	
2004 special dividend paid *(note 7)*				3,955	
Others				297,632	
Retained profits at 31st March 2004				313,455	
At 1st April 2004	596,410	356	200,379	313,455	1,110,600
Repurchase of ordinary shares *(note 21(a))*	(3,943)	293	—	(293)	(3,943)
Profit attributable to shareholders	—	—	—	6,358	6,358
2004 final dividend paid *(note 7)*	—	—	—	(11,868)	(11,868)
2004 special dividend paid *(note 7)*	—	—	—	(3,955)	(3,955)
2005 interim dividend paid *(note 7)*	—	—	—	(11,858)	(11,858)
At 31st March 2005	592,467	649	200,379	291,839	1,085,334
Representing:					
2005 final dividend proposed *(note 7)*				15,777	
Others				276,062	
Retained profits at 31st March 2005				291,839	

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 1981 of Bermuda, 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.

23. LONG-TERM LIABILITIES

	Group 2005 HK$'000	Group 2004 HK$'000
Bank loans, secured *(note (a))*		
Wholly repayable within five years	**6,047**	7,274
Not wholly repayable within five years	**4,646**	4,753
	10,693	12,027
Obligations under finance leases		
Wholly repayable within five years *(note (b))*	**12,510**	8,403
Provision for long service payments *(note (c))*	**5,188**	6,902
	28,391	27,332
Current portion of long-term liabilities	**(5,943)**	(4,206)
	22,448	23,126

Notes:

(a) At 31st March 2005, the Group's secured bank loans were repayable as follows:

	Group 2005 HK$'000	Group 2004 HK$'000
Bank loans, secured		
Within one year	**1,829**	1,725
In the second year	**1,890**	1,783
In the third to fifth year	**5,048**	6,257
After the fifth year	**1,926**	2,262
	10,693	12,027

(b) At 31st March 2005, the Group's finance lease liabilities were repayable as follows:

	Group 2005 HK$'000	Group 2004 HK$'000
Finance lease liabilities minimum lease payments		
Within one year	**4,657**	2,924
In the second year	**3,541**	3,014
In the third to fifth year	**5,446**	3,407
	13,644	9,345
Future finance charges on finance leases	**(1,134)**	(942)
Present value of finance lease liabilities	**12,510**	8,403

23. LONG-TERM LIABILITIES (Cont'd)

Notes: (Cont'd)

(b) At 31st March 2005, the Group's finance lease liabilities were repayable as follows: (Cont'd)

	Group 2005 HK$'000	Group 2004 HK$'000
The present value of finance lease liabilities was repayable as follows:		
Within one year	**4,114**	2,481
In the second year	**3,211**	2,726
In the third to fifth year	**5,185**	3,196
	12,510	8,403

(c) The provision for long service payments represents present value of the obligation under long service payments and respective actuarial gains. The movement during the year is the net-off of current service costs and interest on obligation against long service payments paid during the year. Current service costs and interest on obligation have been recognised during the year and included in other staff costs *(note 9)*.

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

	Group 2005 HK$'000	Group 2004 HK$'000
Present value of the obligation	**3,645**	4,924
Net unrecognised actuarial gains	**1,543**	1,978
Net liabilities	**5,188**	6,902

Movements in the provision for long service payments are as follows:

	Group 2005 HK$'000	Group 2004 HK$'000
At 1st April	**6,902**	6,826
Net (income)/expenses recognised in the profit and loss account	**(1,447)**	466
Contributions paid	**(267)**	(390)
At 31st March	**5,188**	6,902

The principal actuarial assumption used was as follows:

	Group 2005	Group 2004
Average future working lifetime (in years)	**13**	13

24. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of operating profit to net cash inflow from operating activities

	Group	
	2005	2004
	HK$'000	HK$'000
Operating profit	**75,177**	65,224
Unrealised gain on trading securities	**(149)**	(272)
Amortisation of goodwill	**137**	—
Dividend income from trading securities	**(42)**	(25)
Interest income	**(2,949)**	(2,483)
Depreciation of fixed assets	**32,632**	31,427
Gain on disposal of partial interests in subsidiaries	**(2,054)**	—
Gain on disposals of fixed assets	**(29)**	(75)
Impairment loss on fixed assets	**—**	1,494
Increase in defined benefit plan's assets	**(310)**	(91)
Operating profit before working capital changes	**102,413**	95,199
Decrease in inventories	**2,008**	849
Increase in accounts receivable, deposits and prepayments	**(28,565)**	(11,256)
(Decrease)/increase in provision for long service payments	**(1,714)**	76
Decrease in pledged bank deposits	**—**	2,213
(Decrease)/increase in accounts payable and accrued charges	**(10,823)**	13,670
Net cash inflow generated from operations	**63,319**	100,751

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

(b) Acquisition of subsidiaries

	Group	
	2005	2004
	HK$'000	HK$'000
Fixed assets	**242**	—
Goodwill	**2,165**	—
Inventories	**84**	—
Accounts receivable, deposits and prepayments	**2,894**	—
Bank balances and cash	**216**	—
Accounts payable and accrued charges	**(3,029)**	—
Taxation payable	**(123)**	—
Net cash consideration	**4,399**	—
Minority interests	**(2,739)**	—
Net assets acquired	**4,109**	—
Satisfied by partial interests in subsidiaries	**4,109**	—

The subsidiaries acquired during the year utilised HK$5,881,000 and HK$535,000 for operating activities and investing activities respectively, and paid HK$7,000 in respect of taxation of the Group.

An analysis of the net cash inflow in respect of the acquisition of subsidiaries is as follows:

	Group	
	2005	2004
	HK$'000	HK$'000
Net cash consideration	**4,399**	—
Bank balances and cash acquired	**216**	—
	4,615	—

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

(c) Analysis of changes in financing during the year

	Dividend payable		Short-term and long-term bank loans		Obligations under finance leases		Share capital and share premium	
	2005 HK$'000	2004 HK$'000	**2005 HK$'000**	2004 HK$'000	**2005 HK$'000**	2004 HK$'000	**2005 HK$'000**	2004 HK$'000
At 1st April	**—**	—	**28,122**	29,796	**8,403**	7,457	**636,145**	628,999
Exchange differences	**—**	—	**437**	524	**676**	632	**—**	—
Net cash (outflow)/ inflow from financing	**(27,681)**	(19,663)	**4,215**	(2,198)	**(3,751)**	(5,610)	**(4,236)**	7,146
Inception of finance leases	**—**	—	**—**	—	**7,182**	5,924	**—**	—
Dividends	**27,681**	19,663	**—**	—	**—**	—	**—**	—
At 31st March	**—**	—	**32,774**	28,122	**12,510**	8,403	**631,909**	636,145

(d) Major non-cash transactions

During the year the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of HK$7,182,000 (2004: HK$5,924,000).

25. BANKING FACILITIES AND PLEDGE OF ASSETS

At 31st March 2005, the Group's banking facilities were secured by the following:

(a) certain machinery and printing equipment with net book value of HK$17,164,000 at 31st March 2005 (2004: HK$21,697,000);

(b) first legal charges on certain of the Group's freehold and leasehold land and buildings with an aggregate carrying value of HK$261,344,000 at 31st March 2005 (2004: HK$268,726,000) 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$111,706,000 at 31st March 2005 (2004: HK$99,941,000) were pledged to certain banks, including HK$19,716,000 (2004: HK$18,613,000) attributable to freehold properties disclosed under note (b) above; and

(e) corporate guarantees issued by the Company.

26. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2004: 17.5%).

The movements in net deferred tax liabilities/(assets) during the year are as follows:

	Group	
	2005	2004
	HK$'000	HK$'000
At 1st April	**27,320**	28,084
Deferred taxation charged/(credited) to profit and loss account *(note 5)*	**182**	(764)
At 31st March	**27,502**	27,320

The components of deferred tax liabilities/(assets) recognised in the consolidated balance sheet and the movements (prior to offsetting of the balances within the same tax jurisdiction) during the year are as follows:

	Accelerated tax depreciation	General provision on doubtful debts	Decelerated tax depreciation	Tax losses	Revaluation on other properties	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1st April 2003	34,185	(159)	(354)	(865)	(4,723)	28,084
Charged/(credited) to profit and loss account	420	16	162	(686)	(676)	(764)
At 31st March 2004	34,605	(143)	(192)	(1,551)	(5,399)	27,320
At 1st April 2004	34,605	(143)	(192)	(1,551)	(5,399)	27,320
Charged/(credited) to profit and loss account	288	110	12	448	(676)	182
At 31st March 2005	34,893	(33)	(180)	(1,103)	(6,075)	27,502

Deferred tax assets are recognised for tax loss carry forwards to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group has unrecognised tax losses of HK$270,692,000 (2004: HK$231,052,000) to carry forward against future taxable income.

26. DEFERRED TAXATION (Cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income taxes relate to the same tax jurisdiction. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet.

	Group	
	2005	2004
	HK$'000	HK$'000
Deferred tax assets	**(749)**	(1,044)
Deferred tax liabilities	**28,251**	28,364
	27,502	27,320

27. COMMITMENT

At 31st March 2005, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2005	2004
	HK$'000	HK$'000
Within one year	**9,225**	7,806
Later than one year and not later than five years	**17,580**	13,927
Later than five years	**—**	570
	26,805	22,303

At 31st March 2005, the Group has no outstanding forward exchange contracts (2004: to buy EUR200,000 representing approximately HK$1,890,000 and NZD150,000 representing approximately HK$763,000).

28. CONTINGENT LIABILITIES

(a) At 31st March 2005, the Company had contingent liabilities in respect of guarantees issued in favour of certain of its subsidiaries totalling HK$163,820,000 (2004: HK$154,651,000) in connection with general banking facilities granted to those subsidiaries. At 31st March 2005, total facilities utilised amounted to HK$48,595,000 (2004: HK$35,994,000).

(b) One of the Company's subsidiaries is being involved in an investigation by the Chinese authority regarding the printing for third party publishers of certain materials, part of the content of which was alleged to be not allowed under the laws of Mainland China. The subsidiary is now in its normal operation. As of the date on which the Company's accounts are approved, the Company is not able to predict the outcome of the investigation. Having discussed with the legal counsel, the board of directors believes that there is no significant impact on the results of the operations and the financial position of the Group.

29. SUBSEQUENT EVENT

On 10th May 2005, the Company made an application to the Stock Exchange for the approval of the proposed spin-off of One Media Group Limited ("OMG"), a newly formed company that operates the Group's lifestyle magazine business, and OMG submitted an advance booking form (Form A1) to the Stock Exchange for an application for the listing of, and permission to deal in, the shares of OMG on the Main Board of the Stock Exchange. The proposed spin-off is subject to the requirements under Practice Note 15 and other relevant provisions of the Listing Rules.

30. ULTIMATE HOLDING COMPANY

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

31. APPROVAL OF ACCOUNTS

The accounts were approved by the board of directors on 30th June 2005.

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(a) Particulars of principal subsidiaries at 31st March 2005 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
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	60	Magazine publishing

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Cont'd)

(a) Particulars of principal subsidiaries at 31st March 2005 that are incorporated in Hong Kong are as follows: (Cont'd)

Name of subsidiary	Particulars of issued and fully paid share capital/ registered capital	Effective equity interest %	Principal activities
M2U Advertising Company Limited	100 ordinary shares of HK$1 each	60	Advertising business
Maribo Brief Limited	2 ordinary shares of HK$1 each	100	Property investment
Media2U Company Limited	101 ordinary shares of HK$1 each	60	Investment holding
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
Ming Pao Magazines Limited	10 ordinary shares of HK$1 each	60	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

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Cont'd)

(b) Particulars of principal subsidiaries at 31st March 2005 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
Beijing Times Resource Advertising Company Limited *(notes (b) & (d))*	Mainland China	RMB500,000	60	Magazines advertising
Beijing Times Resource Technology Consulting Limited *(notes (b) & (d))*	Mainland China	RMB330,000	60	Magazines operating
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
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	100	Investment holding
Guangzhou Kin Ming Printing Limited *(notes (c) & (d))*	Mainland China	HK$25,000,000	100	Provision of printing services

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Cont'd)

(b) Particulars of principal subsidiaries at 31st March 2005 that are incorporated outside Hong Kong are as follows: (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
Media2U (BVI) Company Limited *(note (e))*	British Virgin Islands	1 ordinary share of US$1	60	Investment holding
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 Holdings (USA) Inc.	The United States of America	1 common share of US$1	100	Investment holding
Ming Pao International Investment Limited	British Virgin Islands	10 ordinary shares of US$1 each	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	100	Newspaper publishing
Ming Pao (San Francisco) Inc.	The United States of America	1 common share of US$1	100	Newspaper publishing
Mingpao.com Holdings Limited	Cayman Islands	717,735 ordinary shares of HK$0.1 each	97.78	Investment holding

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Cont'd)

(b) Particulars of principal subsidiaries at 31st March 2005 that are incorporated outside Hong Kong are as follows: (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
MP Printing Inc.	The United States of America	1 common share of US$1	100	Provision of printing services
One Media Group Limited	Cayman Islands	1,000,000 ordinary shares of HK$0.001 each	60	Investment holding
One Media Holdings Limited (formerly known as One Media Group Limited)	British Virgin Islands	10,000 ordinary shares of US$0.01 each	60	Investment holding
Starsome Limited *(note (e))*	British Virgin Islands	10 ordinary shares of US$1 each	100	Investment holding
Top Plus Limited	British Virgin Islands	10 ordinary shares of US$1 each	60	Investment holding
Winmax Resources Limited *(note (e))*	British Virgin Islands	100,000 ordinary shares of US$0.01 each	60	Investment holding

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Cont'd)

(b) Particulars of principal subsidiaries at 31st March 2005 that are incorporated outside Hong Kong are as follows: (Cont'd)

Notes:

(a) All companies operate in their respective places of incorporation, except for First Collection Limited, Media2U (BVI) Company Limited, Ming Pao Finance Limited, Ming Pao International Investment Limited, Mingpao.com Holdings Limited, One Media Group Limited, One Media Holdings Limited, Starsome Limited, Top Plus Limited and Winmax Resources Limited, which operate principally in Hong Kong.

(b) Beijing Times Resource Advertising Company Limited ("TRA") and Beijing Times Resource Technology Consulting Limited ("TRT") are domestic enterprises in Mainland China owned legally by Mainland China nationals. The Group has entered into contractual arrangements with the legal owners of these companies so that the decision-making rights, operating and financing activities of TRA and TRT are ultimately controlled by the Group. The Group is also entitled to substantially all of the operating profits and residual benefits generated by TRA and TRT under these arrangements. In particular, the legal owners of these companies are required under their contractual arrangements with the Group to transfer their interests in TRA and TRT to the Group or the Group's designee upon the Group's request at a pre-agreed nominal consideration. Further, the Group can receive the cash flow derived from the operations of TRA and TRT through the levying of service and consultancy fees. The ownership interests in TRA and TRT have also been pledged by the legal owners of these companies to the Group. Based on the above, the directors regard these companies as subsidiaries of the Company.

(c) The subsidiary was established in Mainland China in the form of a wholly owned foreign enterprise.

(d) The subsidiaries have 31st December as their financial accounting year end date, which is not coterminous with that of the Group for the reason of compliance with local regulations.

(e) During the year, the Group acquired Media2U (BVI) Company Limited and its subsidiaries (the "Media2U Group") from Redgate Media Inc. ("Redgate"). Pursuant to the transaction, Winmax Resources Limited ("Winmax"), a subsidiary of the Company which operates the Group's lifestyle magazine business, conditionally allotted 40% of its issued share capital to Redgate. As a consideration, Redgate transferred its 100% equity interest in Media2U Group together with a cash payment of HK$8,921,000 to Winmax.

As a condition of the above transaction, Redgate has undertaken to Winmax's immediate holding company, Starsome Limited ("Starsome"), that if Media2U Group cannot achieve an agreed pre-tax profit described in the relevant agreements, Redgate shall pay to Starsome a pre-determined cash amount or, at the discretion of Redgate and in lieu of payment of such cash payment, reduce Redgate's shareholding in Winmax by transferring its Winmax shares to Starsome in accordance with an agreed schedule. Details of the transaction were disclosed in the Company's announcement dated 12th March 2004.

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:

	For the year ended 31st March				
	2005	2004	2003	2002	2001
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Turnover	**1,168,679**	1,001,788	1,013,323	1,044,155	1,218,340
Profit/(loss) attributable to shareholders	**40,190**	41,864	33,207	(3,932)	110,955
Basic earnings/(loss) per share	**10 cents**	11 cents	8 cents	(1 cent)	28 cents

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

	As at 31st March				
	2005	2004	2003	2002	2001
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Fixed assets	**359,631**	373,198	356,597	375,026	397,754
Goodwill	**2,028**	—	—	—	—
Interests in associated companies	**22,210**	21,669	18,022	12,893	8,246
Defined benefit plan's assets	**14,687**	14,377	14,286	13,498	—
Deferred tax assets	**749**	1,044	1,164	—	—
Current assets	**443,596**	412,629	392,228	386,003	565,705
Current liabilities	**(166,321)**	(168,631)	(165,360)	(180,511)	(319,499)
Net current assets	**277,275**	243,998	226,868	205,492	246,206
	676,580	654,286	616,937	606,909	652,206
Minority interests	**(12,318)**	(1,664)	(1,605)	(8,914)	(11,297)
Long-term liabilities	**(22,448)**	(23,126)	(15,161)	(9,973)	(10,493)
Deferred tax liabilities	**(28,251)**	(28,364)	(29,248)	—	—
Shareholders' funds	**613,563**	601,132	570,923	588,022	630,416

Ming Pao Enterprise Corporation Limited
明報企業有限公司

15/F, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong
香港柴灣嘉業街18號明報工業中心A座15樓
電話Tel: 2595 3111　圖文傳真Fax: 2898 2691　網址Web Site: http://www.mingpao.com