

# Chairman's Statement

## 主席報告

2005 was a year of sustained economic recovery and growth for Hong Kong, which witnessed stable GDP growth, low levels of unemployment and, perhaps with some concern, the return of inflation. 2005 was also an eventful year for the local print media industry, with new stimulus introduced by new publications in particular in the free newspaper market, and renewed competition brought on by incumbent industry players in response to the challenges.

For the Group, 2005 was a year of achievement and development. Whilst our existing media operations accomplished strong growth with an impressive turnaround in profitability, we also took on new ventures in the media business to pave the way for the Group's longer-term growth and expansion. Most notably, we launched the free newspaper *Headline Daily* in July 2005. Since its inauguration, *Headline Daily* has received high acclaim from both its readers and advertisers, and has been recognised in the market as a major contender to be reckoned with. Its financial performance to date has well exceeded expectations, and the product is on track to become one of the key contributors to the Group's results in the medium and longer term.

Among the Group's core media businesses, *Sing Tao Daily* benefited from the stronger economy and property market in 2005, which in turn motivated advertising sales to reach a record high in recent years. Although market competition was heightened as competitors reacted to the emergence of the free newspapers, there was no impact on *Sing Tao Daily* as the market positioning of *Sing Tao Daily* was uniquely distinct from the more mass-market free newspapers, including *Headline Daily*. In terms of readership, *Sing Tao Daily* achieved a double-digit growth in 2005 (January to December 2005) as compared with mid-year (July 2004 to June 2005), according to AC Nielsen. This proves not only the success of our strategy in going into the free newspaper market, but also the editorial excellence demonstrated by the *Sing Tao Daily* team. As in

二零零五年是香港經濟持續復甦及增長的一年，本地生產總值平穩增長，失業率維持低水平，甚至有通脹回歸的憂慮。二零零五年對本地平面媒體業界而言亦是多變動的一年，新免費報章出現所帶來的刺激，及現有業界為面對挑戰而發起的新一輪競爭尤為矚目。

對本集團而言，二零零五年同樣是見證了佳績及發展的一年。一方面，本集團的現有媒體業務增長強勁，盈利狀況明顯扭轉勢頭。另一方面，本集團亦積極在媒體業務上開展新項目，為長期發展及擴張鋪路。其中最受注目為本集團於二零零五年七月推出免費報章《頭條日報》。自創刊以來，《頭條日報》深受讀者及廣告商支持，更在市場上被公認為不容忽視的主要競爭者。《頭條日報》至今的財務表現遠超預期，並已走上軌道，在中、長期而言，可望成為本集團其中一項主要收入來源。

在本集團的核心媒體業務中，《星島日報》受惠於二零零五年蓬勃的經濟及地產市場，廣告銷售量創下近年新高。縱使市場競爭因免費報章的出現而愈趨激烈，但由於《星島日報》以中產階層為目標讀者群，與《頭條日報》等普羅大眾化免費報章的定位有別，故未有受其影響。根據尼爾森研究顯示，《星島日報》於二零零五年（二零零五年一月至十二月）的讀者人數相較年中（二零零四年七月至二零零五年六月）錄得雙位數字增長，這不但證明了本集團進軍免費報章市場之策略成功，更肯定了《星島日報》編採隊伍

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previous years, their high standards of journalism were recognised by a number of media awards during the year, including the revered Hong Kong News Awards 2005 in which Sing Tao Daily won major prizes in the news and business categories.

The investment in our magazine business over the last few years has begun to bear fruit in 2005. East Week has become the number 3 magazine in Hong Kong in terms of readership, according to AC Nielsen, and has established itself as a high quality infotainment magazine, with a strong appeal to high end and branded advertisers. PC Market also reinforced its leadership position during the year, taking the number 1 position in readership among IT magazines, and delivered creditable financial results for the year.

In 2005, the Group sold its office building in Kowloon Bay for a consideration of approximately HK\$370 million, which gave rise to a one-time net disposal gain of approximately HK\$186 million in the 2005 results. The transaction took advantage of the buoyant real estate market and allowed the Group to realize the potential redevelopment value of its property asset whilst remaining focused on its core media business. The Group will be moving into new premises in 2006 and will be able to generate savings in office-related operating expenses due to more efficient use and maintenance of office space. Armed with a yet stronger financial position, the Group will continue to expand its business base, raise the quality of its publications and improve the profitability of its operations in 2006.

I would like to thank the Board of Directors for their guidance and support, and management and staff for their commitment and hard work. I also wish to thank our readers, advertisers, business partners and shareholders for their continuous support.

**Ho Tsu Kwok, Charles**  
*Chairman*

Hong Kong, 18 April 2006

之傑出表現。一如往年，他們高水準的新聞工作在本年度為《星島日報》摘取多項媒體獎項，其中包括於備受推崇的「2005年香港最佳新聞獎」中贏得新聞及經濟類別的大獎。

本集團在過去數年於雜誌業務上的投資，在二零零五年漸見成果。根據尼爾森研究顯示，《東周刊》讀者人數已晉身全港雜誌的第三位，並已建立其優質資訊娛樂雜誌的地位，成為高檔及品牌產品廣告商首選的推廣平台之一。《電腦廣場》於本年度亦進一步鞏固其領導地位，讀者人數於所有資訊科技雜誌中名列榜首，並錄得理想的財務業績。

於二零零五年，本集團以約370,000,000港元的代價出售位於九龍灣的辦公大樓，從而為二零零五年業績帶來約186,000,000港元的一次性出售淨收益。本集團有見及當時暢旺的房地產市場，出售該物業從而獲取其潛在重建價值，同時維持專注於核心媒體業務。本集團將於二零零六年搬遷至新的辦公地點，透過更有效使用及保養辦公場所，將能節省辦公室相關營運開支。具備更穩健的財務狀況，本集團於二零零六年將繼續擴展其業務基礎，致力提高旗下刊物質素及提升業務的盈利能力。

本人謹向董事會、管理層和全體員工致意，感謝他們所作出之努力及貢獻。同時，我亦向一直支持本集團之讀者、廣告商、業務夥伴及股東表示謝意。

**何柱國**  
*主席*

香港，二零零六年四月十八日