

RESULTS SUMMARY

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

NEWSPAPERS

Ming Pao Daily News

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

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

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

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

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

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

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

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

Overseas Editions of Ming Pao Daily News

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

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

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

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

MAGAZINES

Ming Pao Weekly

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

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

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

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

Ming Pao Monthly

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

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

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

City Children's Weekly

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

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

HI-TECH WEEKLY

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

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

Yazhou Zhoukan

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

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

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

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

PUBLISHING

Ming Pao Publications and Crystal Window Publications

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

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

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

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

TRAVEL

Charming Holidays

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

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

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

INTERNET

Mingpao.com

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

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

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

Charming Online Travel

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

COMMUNITY SERVICES

Readers' Donations

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

School Reporters Scheme

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

Project CompuAid

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

Others

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

FINANCIAL POSITION

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

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

OUTLOOK

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

AWARDS FOR EXCELLENCE RECEIVED DURING THE YEAR



The Newspaper Society of Hong Kong

Hong Kong News Awards 2001

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

Hong Kong Press Photographers Association

Focus at the Frontline 2001

People Section	1st Runner-up
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Consumer Council

Consumer Rights Reporting Competition

Feature Story	Gold Award	Silver Award	Bronze Award
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Publish Asia 2002 Awards	Gold Award for Best in Design
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Radio Television Hong Kong

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The Society of Publishers In Asia

2002 Awards For Editorial Excellence

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

The Hong Kong Journalists Association

Amnesty International (Hong Kong Branch)

The Foreign Correspondents' Club of Hong Kong

The Seventh Annual Human Rights Press Awards

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

