



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