

# Ming Pao Enterprise Corporation Limited

## Notes to the accounts

### 1 Accounting policies

These unaudited consolidated interim accounts ("interim accounts") are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") No. 25, "Interim Financial Reporting", issued by the Hong Kong Society of Accountants, and Appendix 16 of the Listing Rules of The Stock Exchange of Hong Kong Limited.

The comparative figures for the condensed consolidated cash flow statement are not shown by taking advantage of paragraph (37)(5)(37.3) of Appendix 16 of the Listing Rules of The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation used in the preparation of these interim accounts are consistent with those used in the annual accounts for the year ended 31 March 2000.

### 2 Principal activities and geographical analysis of operations

The Company is an investment holding company. The subsidiaries are engaged in the publication of Chinese newspapers, periodicals and books, provision of travel and travel related services, and property investment.

An analysis of the Group's turnover and contribution to profit after taxation by principal activities and markets is as follows:

	Turnover Six months ended 30 September		Contribution to profit after taxation Six months ended 30 September	
	2000 HK\$'000	1999 HK\$'000	2000 HK\$'000	1999 HK\$'000
<b>Principal activities:</b>				
Publishing	418,911	366,787	25,771	11,678
Travel and travel related services	247,009	244,597	5,316	4,592
Property investment	528	2,559	(5,355)	(7,734)
Gain on dilution of shareholdings in a subsidiary	—	—	24,495	—
	<u>666,448</u>	<u>613,943</u>	<u>50,227</u>	<u>8,536</u>

	Turnover Six months ended 30 September		Contribution to profit after taxation Six months ended 30 September	
	2000 HK\$'000	1999 HK\$'000	2000 HK\$'000	1999 HK\$'000
<b>Principal markets:</b>				
Hong Kong	463,012	426,028	24,808	18,706
North America	187,859	171,926	2,085	(4,767)
The Mainland China	15,577	15,989	(1,161)	(5,403)
Gain on dilution of shareholdings in a subsidiary	—	—	24,495	—
	<u>666,448</u>	<u>613,943</u>	<u>50,227</u>	<u>8,536</u>

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## Notes to the accounts (Cont'd)

### 3 Operating profit before finance costs

Operating profit before finance costs is stated after charging depreciation amounted to HK\$16,977,000 (1999: HK\$17,135,000).

### 4 Taxation

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

	Six months ended 30 September	
	2000 HK\$'000	1999 HK\$'000
Hong Kong profits tax		
– current period	3,417	4,836
– under/(over) provision in previous years	3,854	(196)
Overseas taxation	–	–
	<u>7,271</u>	<u>4,640</u>

Hong Kong profits tax has been provided at the rate of 16% (1999: 16%) on the estimated assessable profits of the companies within the Group operating in Hong Kong for the period. Overseas taxation is provided at the relevant rates on the estimated assessable profits of the companies within the Group operating overseas for the period.

### 5 Interim dividend

	Six months ended 30 September	
	2000 HK\$'000	1999 HK\$'000
Interim, proposed, of HK3 cents (1999: Nil) per share	<u>11,767</u>	<u>–</u>

### 6 Earnings per share

The calculation of basic earnings per share is based on the unaudited profit attributable to shareholders for the period of HK\$50,227,000 (1999: HK\$7,888,000) and the weighted average of 392,059,000 shares (1999: 390,345,000 shares) in issue during the period.

Diluted earnings per share is not shown as there is no dilution effect arising from the share options granted by the Company.

### 7 Trade receivables

	Current to 60 days HK\$'000	61 to 120 days HK\$'000	121 to 180 days HK\$'000	Over 180 days HK\$'000	Total HK\$'000
Balance at 30 September 2000	<u>113,243</u>	<u>49,316</u>	<u>9,735</u>	<u>3,397</u>	<u>175,691</u>
Balance at 31 March 2000	<u>100,611</u>	<u>44,803</u>	<u>16,794</u>	<u>2,503</u>	<u>164,711</u>

The majority of the Group's sales are with credit terms of up to 90 days.

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## Notes to the accounts (Cont'd)

### 8 Trade payables

	Current to 60 days HK\$'000	61 to 120 days HK\$'000	121 to 180 days HK\$'000	Over 180 days HK\$'000	Total HK\$'000
Balance at 30 September 2000	<u>61,894</u>	<u>3,132</u>	<u>336</u>	<u>1,807</u>	<u>67,169</u>
Balance at 31 March 2000	<u>45,387</u>	<u>3,226</u>	<u>1,446</u>	<u>1,581</u>	<u>51,640</u>

### 9 Bank loans and overdrafts – secured

	30 September 2000 HK\$'000	31 March 2000 HK\$'000
Secured		
Bank overdrafts	19,706	15,220
Trust receipt loans	33,593	31,574
Bank loans	178,549	194,863
	<u>231,848</u>	<u>241,657</u>
Amounts repayable		
– within one year	198,608	185,392
– in the second year	28,415	51,043
– in the third to fifth year inclusive	1,321	1,367
– over five years	3,504	3,855
	<u>33,240</u>	<u>56,265</u>
	<u>231,848</u>	<u>241,657</u>

### 10 Share capital

	Authorised shares of HK\$0.10 each	
	No. of shares	HK\$'000
At 1 April and 30 September 2000	<u>500,000,000</u>	<u>50,000</u>
	Issued and fully paid shares of HK\$0.10 each	
	No. of shares	HK\$'000
At 1 April 2000	391,972,000	39,197
Exercise of share options during the period	273,000	28
At 30 September 2000	<u>392,245,000</u>	<u>39,225</u>

### 11 Comparative figures

Certain comparative figures have been reclassified to conform with current period's presentation.