SHANGHAI MING YUAN HOLDINGS LIMITED
上海銘源控股有限公司*

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2002

FINANCIAL RESULTS

The board of directors of Shanghai Ming Yuan Holdings Limited (the "Company") announces that the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2002 were as follows:

Following the change of the financial year end date of the Company from 31st March to 31st December in the year 2001, the comparative amounts presented herein are for a period of 9 months ended 31st December, 2001.

CONSOLIDATED INCOME STATEMENT

	Notes	1.1.2002 to 30.6.2002 *HK$'000*	1.7.2002 to 31.12.2002 *HK$'000*	**1.1.2002 to 31.12.2002** ***HK$'000***	1.4.2001 to 31.12.2001 *HK$'000*
Turnover		538,825	124	**538,949**	932,908
Cost of Sales		(332,588)	–	**(332,588)**	(598,017)
Gross profit		206,237	124	**206,361**	334,891
Other operating income		2,180	680	**2,860**	6,713
Restructuring and relaunch costs		(3,935)	–	**(3,935)**	(19,043)
Selling and distribution costs		(77,383)	–	**(77,383)**	(133,561)
Administrative expenses		(130,546)	(4,322)	**(134,868)**	(199,742)
Other operating expenses		(5,133)	–	**(5,133)**	(37,963)
Profit on disposal of subsidiaries		146,889	–	**146,889**	–
Profit (loss) from operations	4	138,309	(3,518)	**134,791**	(48,705)
Finance costs	5	(941)	(11)	**(952)**	(424)
Provision for amount due from jointly controlled entities		(5,378)	–	**(5,378)**	–
Share of profit (loss):					
– Jointly controlled entities		3,779	–	**3,779**	(1,626)
– Associates		(632)	–	**(632)**	5,121
Profit (loss) before taxation		135,137	(3,529)	**131,608**	(45,634)
Taxation	6	(12,722)	3	**(12,719)**	(20,133)
Profit (loss) before minority interests		122,415	(3,526)	**118,889**	(65,767)
Minority interests		–	–	**–**	3
Net profit/(loss) for the year/period		122,415	(3,526)	**118,889**	(65,764)
Earnings (loss) per share					
– Basic and diluted	7	–	–	**28.3 cents**	(15.7) cents

Notes:

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Following the appointment of the present directors on 30th August, 2002, the present directors found that all of the Group's accounting records and supporting vouchers for the period from 1st January, 2002 to 22nd August, 2002, the date prior to the change of the substantial shareholders of the Company on 23rd August, 2002, were missing. Accordingly, the financial statements of the Company and of the Group for the year ended 31st December, 2002 have been prepared on the following bases.

(A) In respect of the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement:

(a) The financial statements of the Group, including the notes disclosures, were prepared (i) on the basis of the amounts set out in the published unaudited interim report for the six months ended 30th June, 2002 issued by the Company on 27th September, 2002 (the "Interim Report"), (ii) with reference to the net assets as shown in an unaudited statement of net assets of the Group as at 22nd August, 2002 prepared by the former management after the distribution of shares in Sing Tao Media Holdings Limited (the "Completion Accounts") and, (iii) on the basis of transactions entered into by the Group since 23rd August, 2002.

(b) In the absence of accounting records and supporting vouchers, the present directors have not included the results of operations of the Group for the period from 1st July, 2002 to 22nd August, 2002.

(c) In the absence of information regarding the cash flows of the Group for the period from 1st January, 2002 to 22nd August, 2002, the consolidated cash flow statement only presents the cash flows of the Group for the period from 23rd August, 2002 to 31st December, 2002.

(B) In respect of the results of the Company:

(a) In the absence of the accounting records and supporting vouchers, the present directors have not included in the profit for the year the results of operations of the Company for the period from 1st January, 2002 to 22nd August, 2002.

(b) The dividend in specie (the "Dividend in Specie") disclosed as a movement in Company's reserve in the financial statements has been determined as the difference between the net assets of the Group at 30th June, 2002 as shown in the Interim Report and the net assets of the Group as shown in the Completion Accounts, being after the distribution of shares in Sing Tao Media Holdings Limited.

(C) In respect of the notes disclosure:

The following required disclosures have not been made in the financial statements:

(a) Details of deferred taxation disclosures as required by Statements of Standard Accounting Practice ("SSAPs") 12 "Accounting for Deferred Tax";

(b) Details of diluted earnings (loss) per share disclosures as required by SSAP 5 (Revised) "Earnings Per Share".

(D) In respect of comparative figures:

The comparative figures are those given in the statutory financial statements of the Company as at 31st December, 2001. The present directors do not represent that the financial statements to 31st December, 2001 are free from material misstatement.

Against this background, the present directors have been unable to satisfy themselves as to the amounts in the consolidated income statement figures for the six months ended 30th June, 2002 are free from material misstatement.

Furthermore, the present directors believe that the consolidated income statement figures for the six months ended 31st December, 2002, consolidated statement of changes in equity and consolidated cash flow statement are not complete because these statements do not include information relating to the Group's transactions for part of the year as explained above. Accordingly, the present directors do not consider that the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement and any notes disclosure relating to the period prior to 23rd August, 2002 are free from material misstatement.

The present directors are satisfied however, that the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31st December, 2002.

2. ADOPTION OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE

During the year, the Group has adopted, for the first time a number of new and revised SSAPs issued by the Hong Kong Society of Accountants, which has resulted in the adoption of the following new and revised accounting policies. The adoption of these SSAPs have resulted in a change in the format of presentation of the cash flow statement and the statement of changes in equity and, save as disclosed in note 1 above, has had no material effect on the results for the current year. Further details of these new and revised SSAP(s) are as follows:

Foreign Currencies

The revisions to SSAP 11 "Foreign Currency Translation" have eliminated the choice of translating the income statements of overseas subsidiaries/associates at the closing rate for the year. This change in accounting policy has not had any material effect on the results for the current year.

Employee Benefits

SSAP 34 "Employee Benefits" introduces measurement rules for employee benefits, including retirement benefit plans. Because the Group participates only in defined contribution retirement benefit schemes, the adoption of SSAP 34 has not had any material impact on the financial statements.

Discontinuing Operations

SSAP 33 "Discontinuing Operations" is concerned with the presentation of financial information regarding discontinuing operations and replaces the requirements previously included in SSAP 2 "Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies". Under SSAP 33, financial statement amounts relating to the discontinuing operation are disclosed separately from the point at which either a binding sale agreement is entered into or a detailed plan for the discontinuance is announced. The adoption of SSAP 33 has resulted in the identification of the Group's segment of newspaper publishing and commercial printing as discontinuing operations in the current year, details of which are disclosed in note 3.

3. SEGMENT INFORMATION

An analysis of the Group's turnover and contribution to operating results for the year is as follows:

Business segments
An analysis of the Group's turnover and contribution to operating results and segmental assets and liabilities by business segments is as follows:

	Discontinuing operations (Note)				Continuing operations							
	Newspaper publishing		Commercial printing		Corporate and others		Property investment		Investment in securities		Eliminations	Consolidated
	1.1.2002 to 30.6.2002	1.7.2002 to 31.12.2002	1.1.2002 to 30.6.2002	1.7.2002 to 31.12.2002	1.1.2002 to 30.6.2002	1.7.2002 to 31.12.2002	1.1.2002 to 30.6.2002	1.7.2002 to 31.12.2002	1.1.2002 to 30.6.2002	1.7.2002 to 31.12.2002		
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31st December, 2002												
REVENUE												
External sales	407,965	–	101,177	–	29,683	–	–	124	–	–	–	538,949
Inter-segment sales	5,048	–	2,422	–	3,158	–	–	–	–	–	(10,628)	–
Total revenue	413,013	–	103,599	–	32,841	–	–	124	–	–	(10,628)	538,949
RESULTS												
Segment results	1,627	–	5,356	–	(13,808)	(4,043)	–	(155)	–	606	–	(10,417)
Interest and dividend income												2,254
Restructuring and relaunch cost												(3,935)
Profit on disposal of subsidiaries												146,889
Profit from operations												134,791
Finance costs												(952)
Provision for amount due from jointly controlled entities												(5,378)
Share of profit (loss) of:												
jointly controlled entities	3,779	–	–	–	–	–	–	–	–	–	–	3,779
associates	–	–	–	–	(632)	–	–	–	–	–	–	(632)
Profit before taxation												131,608
Taxation												(12,719)
Profit before minority interests												118,889
Minority interests												–
Net profit for the year												118,889

Note: As explained in note 1, the present directors do not have accounting records and supporting vouchers prior to 23rd August, 2002 and accordingly, an analysis of the turnover, segment results, the carrying amount of assets and liabilities and cash flows information of the discontinuing operations at the date of discontinuance are not presented.

	Newspaper publishing *HK$'000*	Commercial printing *HK$'000*	Corporate and others *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
For the nine months ended 31st December, 2001					
REVENUE					
External sales	578,315	347,444	7,149	–	932,908
Inter-segment sales	15,061	2,358	2,052	(19,471)	–
Total revenue	593,376	349,802	9,201	(19,471)	932,908
RESULTS					
Segment results	(57,918)	43,568	(22,025)	–	(36,375)
Interest and dividend income					6,713
Restructuring and relaunch costs					(19,043)
Loss from operation					(48,705)
Finance costs					(424)
Share of profits (losses) of:					
Jointly controlled entities	(1,484)	–	(142)	–	(1,626)
Associates	–	–	5,121	–	5,121
Loss before taxation					(45,634)
Taxation					(20,133)
Loss before minority interests					(65,767)
Minority interests					3
Net loss for the period					(65,764)

Inter-segment revenue are charged at market rates.

Geographical segment

The following table provides an analysis of the Group's turnover by geographic markets, irrespective of the origin of the goods and services:

	1.1.2002 to 30.6.2002 *HK$'000*	1.7.2002 to 31.12.2002 *HK$'000*	**1.1.2002 to 31.12.2002** ***HK$'000***	1.4.2001 to 31.12.2001 *HK$'000*
Hong Kong	300,258	101	**300,359**	441,178
Canada	–	23	**23**	–
The People's Republic of China	–	–	**–**	–
North America	181,359	–	**181,359**	371,174
Australia and New Zealand	17,699	–	**17,699**	29,857
Europe	39,509	–	**39,509**	90,699
	538,825	124	**538,949**	932,908

The following is an analysis of the carrying amount of segment assets and capital additions analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		Capital additions			
	31.12.2002	31.12.2001	1.1.2002 to 30.6.2002	1.7.2002 to 31.12.2002	**1.1.2002 to 31.12.2002**	1.4.2001 to 31.12.2001
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**89,169**	815,721	–	1,199	**1,199**	32,394
Canada	**12,469**	–	–	–	**–**	–
The People's Republic of China	**2,095**	–	–	–	**–**	–
North America	**–**	228,953	–	–	**–**	15,502
Australia and New Zealand	**–**	16,191	–	–	**–**	338
Europe	–	21,890	–	–	–	260
	103,733	1,082,755	–	1,199	**1,199**	48,494

4. PROFIT (LOSS) FROM OPERATIONS

	1.1.2002 to 30.6.2002	1.7.2002 to 31.12.2002	**1.1.2002 to 31.12.2002**	1.4.2001 to 31.12.2001
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Profit (loss) from operations has been arrived at after charging:				
Depreciation	18,167	271	**18,438**	29,340
Staff costs				
– present directors' remuneration	–	118	**118**	16,132
– other staff costs	215,190	920	**216,110**	356,958
– retirement benefits scheme contributions, excluding present directors	–	23	**23**	–
Total staff costs	215,190	1,061	**216,251**	373,090
Loss on disposal/write-off of property, plant and equipment	–	–	**–**	1,564
Amortisation of goodwill	875	–	**875**	–
Impairment loss recognised in respect of goodwill included in other operating expenses	–	–	**–**	808
Impairment loss recognised in respect of land and buildings included in other operating expenses	–	–	**–**	12,858
Impairment loss recognised in respect of club membership included in other operating expenses	–	–	**–**	885
Provision for amount due from a jointly controlled entity	5,378	–	**5,378**	11,572
Impairment loss recognised in respect of properties held for sale	–	–	**–**	1,000
and after crediting:				
Gain on disposal of property, plant and equipment	2,322	–	**2,322**	–

5. FINANCE COSTS

	1.1.2002 to 30.6.2002	1.7.2002 to 31.12.2002	**1.1.2002 to 31.12.2002**	1.4.2001 to 31.12.2001
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Interest on bank borrowings wholly repayable within five years	941	5	**946**	424
Interest on margin loan payable	–	6	**6**	–
	941	11	**952**	424

6. TAXATION

	1.1.2002 to 30.6.2002 *HK$'000*	1.7.2002 to 31.12.2002 *HK$'000*	**1.1.2002 to 31.12.2002** ***HK$'000***	1.4.2001 to 31.12.2001 *HK$'000*
The credit (charge) comprises:				
Hong Kong Profits Tax	(519)	–	**(519)**	(5,417)
Taxation refund (charge) in other jurisdictions	(9,147)	3	**(9,144)**	(15,886)
	(9,666)	3	**(9,663)**	(21,303)
Deferred taxation	10	–	**10**	1,631
Share of taxation attributable to jointly controlled entities	(3,066)	–	**(3,066)**	(461)
	(12,722)	3	**(12,719)**	(20,133)

Hong Kong profits tax has been provided at the rate of 16% on the estimated assessable profits arising in Hong Kong during the year/period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

In the opinion of the present directors, the revaluation reserve of the Group's property interests does not constitute a timing difference for tax purposes as any profits realized on future disposal of the investment properties would not give rise to a significant taxation.

7. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings (loss) per share is based on the Group's net profit for the year of HK$118,889,000 (period ended 31st December, 2001: loss of HK$65,764,000) and 419,619,246 (2001: 419,619,246) shares in issue during the year/period.

No diluted earnings per share for the year ended 31st December, 2002 is disclosed because, as explained in the note 1(C)(b), in the absence of complete records in respect of outstanding share options before 23rd August, 2002, the present directors have been unable to calculate the effect of dilutive potential ordinary shares.

Diluted loss per share for the period ended 31st December, 2001 has not been shown as the share options outstanding during the period had an anti-dilutive effect on the basic loss per share for that period.

8. CONTINGENT LIABILITIES

At 31st December, 2002 the Group did not have any significant contingent liabilities.

As at 31st December, 2001, the Group had the following contingent liabilities:

(a) The Group had given a several guarantee in favour of a bank to secure 50% of the bank facilities granted to, and utilised by, a jointly controlled entity. As at 31st December, 2001, the Group's proportionate share of such utilised bank facilities was approximately HK$66,320,000.

(b) The Group had an interest in a joint venture which, until December 1996, owned a property which was financed in part by a loan secured by a mortgage on the property. Each joint venturer was committed to the repayment of its proportionate share of the liability under the mortgage and this was reflected in a several guarantee given by the venturers to the mortgagee. During 1996, the property was sold by the mortgagee and the Group wrote off its investment in the joint venture and provided for its proportionate share of the mortgage liability under the guarantee. There was a contingent liability in respect of the remaining excess mortgage liability of approximately HK$110 million as at 31st December, 2001, in the event that the Group's obligations are determined to be joint and several, and the other venturers fail to honour their attributable portions. The Group had obtained legal advice which confirmed that such a claim, whilst possible, is unlikely to succeed.

(c) Claims had been made against certain subsidiaries for damages in respect of alleged defamation. Based on legal opinion, the directors considered that the likelihood of the Group suffering any material loss in respect of these claims is remote and, accordingly, no provision was made in the financial statements.

The above contingent liabilities were all related to the subsidiaries distributed as part of the Dividend in Specie on 21st August, 2002. In the opinion of the present directors, because those subsidiaries were no longer part of the Group, the present directors are satisfied that there was no material exposure to contingent liabilities as at 31st December, 2002.

9. PLEDGE OF ASSETS

At the balance sheet date, the following assets were pledged to secure general banking and credit facilities granted to the Group:

	2002	2001
	HK$'000	*HK$'000*
Land and buildings	**–**	64,291
Machinery	**–**	6,583
Time deposit	**–**	26,206
Investments in securities	**5,408**	–
	5,408	97,080

10. EXTRACT OF AUDITORS' REPORT

The auditors' report on the Group's financial statements for the year ended 31st December, 2002 contained a qualified opinion arising from limitation of audit scope and from disagreement about accounting treatment and the extent of disclosure.

The followings are extracted from the auditors' report:

Basis Opinion

We planned 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 financial statements are free from material misstatement. However, the evidence available to us was limited. As explained in note 1(A)(a), the income statement figures for the six months ended 30th June, 2002 have been prepared based on the amounts set out in the published unaudited interim report issued by the Company dated 27th September, 2002 (the "Interim Report"). However, the present directors have been unable to satisfy themselves as to these amounts are free from material misstatement. Any adjustments found to be necessary would affect the profit of the Group for the year ended 31st December, 2002.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Qualified opinion arising from limitation of audit scope and from disagreements about accounting treatment and the extent of disclosure

1. As explained in note 1(A)(b), in the absence of accounting records and supporting vouchers, the present directors have not included the results of operations of the Group for the period from 1st July, 2002 to 22nd August, 2002. Accordingly, the income statement for the year is incomplete. It is not practical for us to quantify the effect of these omissions on the income statement for the year.

2. As explained in note 1(B)(b), the interim dividend in specie (the "Dividend in Specie") disclosed as a movement in Company's reserve in the financial statements and also in the consolidated statement of changes in equity has been determined as the difference between the net assets of the Group at 30th June, 2002 as shown in the Interim Report and the net assets as shown in the unaudited statement of net assets of the Group as at 22nd August, 2002, being after the distribution of shares in Sing Tao Media Holdings Limited. However, adjustment should be made to the Dividend in Specie to take into account the results of the Group for the period from 1st July, 2002 to 22nd August, 2002 as explained in 1. above. It is not practical for us to quantify the effect of this omission on the amount of the Dividend in Specie.

3. As explained in note 1(B)(a), in the absence of the accounting records and supporting vouchers, the present directors have not included in the net profit of the Company for the year disclosed in the financial statements the results of operations of the Company for the period from 1st January, 2002 to 22nd August, 2002. It is not practical for us to quantify the effect of theses omissions on the Company's reserve movement for the year.

4. As explained in note 1(A)(c), the consolidated cash flow statement only presents the cash flows of the Group for the period from 23rd August, 2002 to 31st December, 2002. This is not in accordance with the requirements of SSAP 15 "Cash Flow Statements.

5. As explained in note 1(C), the following disclosures have not been made in the financial statements as required by the relevant SSAPs

   – Details of deferred taxation disclosures as required by SSAP 12 "Accounting for Deferred Tax";

   – Details of diluted earnings (loss) per share as required by SSAP 5 (Revised) "Earnings Per Share".

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December, 2002. Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the income statement figures for the six months ended 30th June 2002 and except for the effects of the disagreement about accounting treatment and the extent of disclosure described above, in our opinion the financial statements give a true and fair view of profit and cash flows of the Group for the year ended 31st December, 2002 and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

As explained in note 1, following the appointment of the present directors, the present directors found that all of the Group's accounting records and supporting vouchers for the period from 1st January, 2002 to 22nd August, 2002 were missing. Accordingly:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and

- proper books of accounts have not been kept.

Without qualifying our opinion we drawn attention to note 1(D) in which the present directors explain that they are unable to represent that the comparative figures for the year ended 31st December, 2001 are free from material misstatement.

LIQUIDITY AND FINANCING

The Group adopts a prudent approach in managing its liquidity and treasury function and sets out guidelines to achieve these objectives. These guidelines cover the Group's debt profile, financing horizon and interest rate risks management.

The Group did not have any borrowings as at 31st December, 2002 (period ended 31st December, 2001: HK$36.5 million). The group maintained a bank balance of HK$41.6 million as at 31st December, 2002 (2001: HK$128.3 million). The directors consider the financial position of the Group healthy and solid in view of the above financial indicators.

DIVIDENDS

A distribution by the Company of a dividend in specie to its shareholders of its entire shareholdings in Sing Tao Media Holdings Limited was completed on 21st August, 2002. Apart from the dividend in specie, no further interim dividend was paid to shareholders during the year. (period ended 31st December, 2001: nil).

The directors do not recommend the payment of a final dividend for the year ended 31st December, 2002 (period ended 31st December, 2001: nil).

CLOSURE OF TRANSFER BOOKS

The Principal Register and Hong Kong Branch Register of Members of the Company will be closed from 2nd June, 2003 to 6th June, 2003, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the attendance of the forthcoming annual general meeting of the Company, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Central Registration Hong Kong Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00p.m. on 30th May, 2003.

MANAGEMENT DISCUSSION AND ANALYSIS

Performance

The consolidated turnover of the Group amounted to HK$538.9 million (period ended 31st December, 2001: HK$932.9 million). The net profit attributable to shareholders was HK$118.9 million (period ended 31st December, 2001: loss of HK$65.8 million). Earning per share was 28.3 cents (period ended 31st December, 2001: loss per share of HK$15.7 cents).

The decline in turnover was mainly attributable to the disposal of the Group's commercial printing operations on 19th April, 2002 and publishing operations on 21st August, 2002.

Based on the interim report prepared by the previous management for the six months ended 30th June, 2002 (the "Period"), the Group recorded an exceptional gain of HK$146.9 million from the disposal of its commercial printing operations.

Publishing Operations

The publishing operations was disposed by the Group by way of a distribution in specie of its entire shareholding in Sing Tao Media Holdings Limited ("STM") to the shareholders of the Company in the proportion of one STM share for every share in the Company held by the shareholders on 21st August, 2002 (the "Distribution"). Based on the interim report prepared by the previous management, during the Period, the publishing operations recorded an operating profit of HK$1.6 million (period ended 31st December, 2001: loss of HK$57.9 million) on a turnover of HK$413.0 million (period ended 31st December, 2001: HK$578.3 million). The marked improvement was a result of continuous cost cutting efforts with improving gross margin.

Commercial Printing Operations

The Group disposed off the commercial printing operations on 19th April, 2002. Based on the interim report prepared by the previous management, commercial printing operations recorded a turnover and operating profit from 1st January, 2002 to 19th April, 2002 of HK$103.6 million (period ended 31st December, 2001: HK$347.4 million) and HK$5.4 million (period ended 31st December, 2001: HK$43.6 million) respectively.

Results Shared from Jointly Controlled Entities and Associates

Based on the interim report prepared by the previous management, share of profits from jointly controlled entities for the Period was HK$3.7 million (period ended 31st December, 2001: loss of HK$1.6 million). Increased contribution from the Canadian newspaper operations was offset by a non-recurrent provision for one of the Group's investment and losses sustained by the Colony Hotel in Toronto.

OUTLOOK

On 3rd July, 2002, Ming Yuan Investments Group Limited ("Ming Yuan") entered into an agreement with Global China Group Holdings Limited to purchase 312,624,443 shares in the Company. The completion of purchase took place on 23rd August, 2002 whereby Ming Yuan held approximately 74.5% interest in the Company.

Subsequently, the Company changed its name to Shanghai Ming Yuan Holdings Limited in September 2002. The Chinese name adopted by the Company for identification purpose only is "上海銘源控股有限公司".

Following the change of the substantial shareholder and after the Distribution, the principal assets of the Group consist of investment properties in Hong Kong, the PRC, and Canada. The Group will continue to take a proactive but cautious approach towards consolidating its existing business. The Group will continue to seize investment opportunities arising both locally and in the PRC. The Group believes that with its extensive management and investment experience in the PRC, and in particular in Shanghai, the Group's interest together with the interest of all shareholders will be maximized.

On 24th February, 2003, the Group successfully increased its rental property portfolio by acquiring the entire shareholding of Fieldcrown Investment Limited ("Fieldcrown"). Fieldcrown is the beneficial owner of the level 2 and level 3, East Phase, New Century Plaza in Shanghai. The increased portfolio will generate a steady stream of rental revenue, boosting the Group's medium and long term capacity for earnings growth. Revenue from property rental is expected to rise significantly in the year 2003, following the acquisition of various quality rental properties.

CHANGE OF DIRECTORS

Following the change of the substantial shareholder of the Company, Mr. Yao Yuan was appointed as Chairman and Mr. Chien Hoe Yong, Henry and Mr. Hu Jun were appointed Executive Directors of the Company.

EXECUTIVE SHARE OPTIONS SCHEME

On 9th September, 2002, all grantees accepted the general offer made by Ming Yuan Investments Group Limited, the substantial shareholder of the Company, to renounce their respective rights to subscribe for shares in the Company for a consideration of HK$0.18 for each option share. Total number of option shares renounced was 21,000,000 shares.

EMPLOYEES

As at 31st December, 2002, the Group had a total of 13 employees (period ended 31st December, 2001: 2,717), of which 7 were based in Hong Kong, and 6 in China. The substantial reduction in the number of employees of the Group during the year reflected the completion of disposal of its printing business and publishing business.

DEALING IN THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold shares in the Company during the year.

CORPORATE GOVERNANCE

Code of Best practice

The present directors are unable to form an opinion as to whether the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules during the period from 1st January, 2002 to 22nd August, 2002.

In the opinion of the present directors, the Company has complied throughout the period from 23rd August, 2002 to 31st December, 2002 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except that non-executive directors are not appointed for a specific term but are subject to rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws.

Non-executive Directors

The non-executive directors have not been appointed for a specific term as required by paragraph 7 of the Code and they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws.

Bye-law 109 of the Bye-laws of the Company provides that at each annual general meeting of the Company, with the exception of the executive chairman, one-third of the directors of the Company (or if their number is not three or a multiple if three, the then number nearest to but not exceeding one-third) who have been longest in office since their last election shall retire from office and the retiring directors shall be eligible for re-election.

Based on the present number of directors, a non-executive director will serve on the board for a term of about two years until he/she becomes due to retire from the board by rotation. In the opinion of the present directors, this arrangement meets the same objective as the Code of Best Practice.

AUDIT COMMITTEE

The audit committee meets regularly to review the completeness, accuracy and fairness of the Company's financial statements. They consider the nature and scope of internal and external audit reviews. They also assess the effectiveness of the systems of internal control which the Company has established to allow the board to monitor the Group's overall financial position and to protect its assets.

PUBLICATION OF RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

All the information of the Group's results for the year as required by paragraphs 45(1) to 45(3) of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange will be published on the website of the Stock Exchange in due course.

On behalf of the Board
Chien Hoe Yong, Henry

29th April, 2003

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Members of Shanghai Ming Yuan Holdings Limited (the "Company") will be held at Island Ballroom Part A, Level 5, Island Shangri-La, Pacific Place, Supreme Court Road, Hong Kong on Monday, 9th June, 2003 at 2:30 p.m. to transact the following business:

AS ORDINARY BUSINESS

(1) To receive and consider the audited Financial Statements and Reports of the Directors and the Auditors of the Company for the year ended 31st December, 2002.

(2) To elect Directors.

(3) To reappoint Deloitte Touche Tohmatsu as Auditors of the Company for the ensuing year and authorize the Directors to fix their remuneration.

AS SPECIAL BUSINESS

(4) To consider and, if thought fit, pass with or without amendments the following resolution as an Ordinary Resolution:

"**THAT**

(a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to purchase issued shares in the capital of the Company in accordance with the Companies Act 1981 of Bermuda or any other applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Hong Kong Code on Share Repurchases (as amended from time to time) be and is hereby generally and unconditionally approved;

(b) the approval granted in paragraph (a) above shall be in addition to any other authorization given to the Directors of the Company and shall authorize the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its issued shares at such prices and on such other terms as determined by the Directors;

(c) the aggregate amount of the issued shares to be purchased by the Company pursuant to the approval granted in paragraph (a) above shall not exceed ten per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda (as amended from time to time) or any other applicable laws to be held; and

(iii) the date of any revocation or variation of the authority given under this Resolution by an ordinary resolution of the members of the Company in general meeting."

(5) To consider and, if thought fit, pass with or without amendments the following resolution as an Ordinary Resolution:

"**THAT**

(a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (d) of Resolution no. 4 above) of all the powers of the Company to issue, allot and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

(b) the approval granted in paragraph (a) above shall be in addition to any other authorization given to the Directors of the Company and shall authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers after the end of the relevant Period.

(c) the aggregate nominal amount of the share capital to be issued, allotted and dealt with or agreed conditionally or unconditionally to be issued, allotted and dealt with (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to the following events, shall not exceed twenty per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution:

(i) a Right Issue (as defined in paragraph (d) below);

(ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities including bonds and debentures which are convertible into shares of the Company;

(iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the Directors, officers and employees of the Company and/or its subsidiaries of shares or rights to acquires shares in the Company; or

(iv) any scrip dividend or similar arrangement providing for the issue and allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company (as amended from time to time);

and the said approval shall be limited accordingly; and

(d) for the purposes of this Resolution:

"Rights Issue" means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company or any class thereof whose names appear on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any relevant jurisdiction applicable to the Company"

(6) To consider and, if thought fit, pass with or without amendments the following resolution as an Ordinary Resolution:

"**THAT** conditional on the passing of the Resolutions no. 4 and 5 set out above, the general and unconditional mandate granted to the Directors of the Company to exercise the powers of the Company to issue, allot and deal with additional shares in the Company and make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such power pursuant to the Resolution no. 5 set out above be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be issued, allotted and dealt with or agreed conditionally or unconditionally to be issued, allotted and dealt with by the Directors of the Company pursuant to such general and unconditional mandate of an amount representing the aggregate nominal amount of the issued shares in the capital of the Company purchased by the Company under the authority granted pursuant to resolution no. 4 set out above, provided that such amount of shares so purchased shall not exceed ten per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution."

By the Order of the Board

Kenny Poon Kwong Wai
Company Secretary

Hong Kong, 29th April, 2003

Notes:

(1) A member entitled to attend and vote at the Annual General Meeting convened by the above notice ("Annual General Meeting") is entitled to appoint another person as his proxy to attend and, on a poll, vote instead of him. A member may appoint a proxy in respect of part only of his holding of shares. A proxy need not be a member of the Company.

(2) A form of proxy for use at the meeting is enclosed.

(3) To be valid, the form of proxy and the power or other authority, if any, under which is signed or a notarially certified copy of that power or authority must be deposited with the Company Secretary at Suite 2903, Tower II, Lippo Centre, 89 Queensway, Hong Kong not less than 48 hours before the time appointed for holding of the meeting or any adjourned meeting. Completion and return of a form of proxy will not preclude a member from attending and voting in person at the meeting or any adjourned meting should he wish to do so, but the authority of the proxy will become invalid forthwith.

(4) The principal Register and Hong Kong Branch Register of Members of the Company will be closed from Monday, 2nd June, 2003 to Friday, 6th June, 2003, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the attendance of the Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Central Registration Hong Kong Limited of Shops 1712-1716. 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Friday, 30th May, 2003.

(5) With respect to Resolution no. 2 above, Mr. Yao Yuan, Mr. Chien Hoe Yong, Henry, Mr. Hu Jun, Mr. Lam Lee G., Mr. Yap Kah On, and Ms. Chiang Su Hui, Susie, the directors appointed by the Board after the conclusion of the 2002 Annual General Meeting, will retire from office as director at the Annual General Meeting pursuant to Bye-law 100 of the Company's Bye-laws and, being eligible, offer themselves for re-election.

(6) With respect to Resolution no. 4 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase the issued shares in the Company in circumstances which they deem appropriate for the benefits of the shareholders. A circular containing the information on the repurchase of shares, as required by the Listing Rules, will be dispatched to the members shortly together with the Annual Report for the year ended 31st December, 2002.

(7) With respect to Resolution no. 5 above, approval is being sought from the members for a general mandate to be given to the Directors to allot and issue shares under the Listing Rules. The Directors have no immediate plans to issue any new shares of the Company.

"Please also refer to the published version of this announcement in The Standard"