

Prolific feats

From humble beginnings, Anita Leung Fung-yee Maria has spawned a creative powerhouse, writes **Karen Wong**

"FILL YOUR LIFE with as many moments and experiences of joy and passion as you humanly can. Start with one experience and build on it."

That is what famous American motivational speaker and dream coach Marcia Wieder advised, and a path that Hong Kong media entrepreneur Anita Leung Fung-yee Maria has seemingly followed in her rise to success.

Leung, chief executive of Qin Jia Yuan Media Services (2366), started as a part-time script writer at age 16 and drew on all the work experiences she picked up along the way before co-founding her own media empire.

"I was not thinking much when I started out as a script writer. It all started with the need to earn some extra cash to support myself," she recalled.

Penning four scripts a day, Leung said she earned more money than her friends who had to moonlight as tutors to make ends meet.

"Later, I had the privilege to work in public relations for several companies, and that really taught me the discipline and the corporate environment."

She also held senior management positions in prominent companies including Sun Hung Kai Securities, and the Hong Kong Stock Exchange.

Switching from pillar to post, Leung said it is important to be flexible. "We should be open to changes, and willing to adapt to a new environment."

With her flair for writing, Leung gained fame as a romantic novelist, publishing more than 100 books, with at least 30 of them turned into television shows or movies.

Through the overwhelming response for her books, she discovered the potential in China's media market.

"I saw a great market in China when many of my novels were adapted for movies and TV drama series in China, Taiwan and Hong Kong over the years," Leung said.

So in 1995, she and her husband started Qin Jia Yuan Media Services. "The company was very small at the beginning, we produced about one project a year."

At first, the private company was all self-funded, but in about 2000, when the mainland market became more open to foreign businesses, the principals decided to expand, bringing several close friends on board as investors.

"We restructured the company, we didn't want to miss out on the opportunity," Leung said.

In June 2004, Qin Jia Yuan Media went public, listing on the Hong Kong stock exchange. Its market capitalization currently exceeds HK\$2.66 billion.

Leung said she envisions the company being involved in more than just TV production.

"It is a company that provides a full-range of media services. We want to include public



relations, marketing, advertising, talent management, and production," she said. "We have no desire to have our own TV network. We are more like an outsourcing company, we provide the need."

Leung said she sees very few foreign companies doing what she is doing. "The market in China is big, and we still have lots of room to grow. But now, it has become more than just China. We need to look into Greater China. We also have to look internationally at other markets outside China."

Throughout her life, Leung learned the importance of seeing beyond the horizon and long-range planning.

"We need to have the ability to see beyond the existing situation, to look for opportunities and chances that are presented to us," said Leung, who holds a doctorate degree in philosophy.

"If you have the ability to foresee the situation and to plan for it, you have a 90 percent chance of succeeding."

She said a baby's growth is a perfect analogy for describing her firm. "At the beginning, we really needed to pay attention and to nurture it, but as it got bigger, we needed to start letting it go." Her goal is to see the company's market value reach between HK\$4 billion and HK\$8 billion in three years.

"We are definitely entering the mature stage. I do wish that one day, the company, like a child, will mature to a [stage] where it will require very little instruction from me."

When it comes to money, Leung said it is paramount to be careful. "It is not about saving

every penny, but to use your money in a wise and necessary situation. Don't spend it on something that is unnecessary."

She said her employees rarely travel in business or first class unless it is with a client or for public appearance's sake.

When it comes to an investment plan, Leung said she is prudent and practical. "I personally don't invest in stocks but in properties. I don't want to get involved with something I don't know about."

Leung revealed that she does invest in some funds, but those are handled by professionals. "I leave funds to professionals because they know what they are doing."

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TIMELINE

1979 Founded Bexley Filipina Agency

1983-1984 Senior consultant, Oglivy & Mather Advertising

1985 Head of advertising, PR and administration, Sun Hung Kai Securities

1986 In charge of PR and advertising, Hong Kong Stock Exchanges and Clearing

1990 Founded Qin Jia Yuan Publishing Company

1992 Founded Qin Jia Yuan Media Service

2004 Listed Qin Jia Yuan Media on the main board

Trading



By Ronald Chan

P/E contraction ahead?

THE PRICE/EARNINGS ratio (P/E) is probably the most often used metric to evaluate the relative attractiveness of a company's stock price or a stock market index.

In a stable period when inflation is low and market sentiment is positive, P/E gives us a good estimate of valuation. Yet when sentiment turns poor or inflation rises, this simple tool might be a trap.

Other factors aside, one of the dangers ahead is how inflationary pressures might lead to P/E ratio contractions in stock markets.

As mentioned, the P/E ratio is a metric for relative valuation, so how much investors are willing to pay up for stocks is relative to their overall market sentiment and expectations of the future.

When inflation is stable, interest rates are low, and economic growth is solid, stocks can demand higher P/E multiples because investors are willing to pay higher premiums for positive sentiments.

But if inflation rises and the economy becomes uncertain, investors not only become pessimistic, but they might adjust P/E multiples lower to compensate for uncertainty.

Inflation is generally bad for the stock market because it decreases investors purchasing power. As money depreciates in value quickly during high inflation, people ask for lower P/E multiples to justify their purchase of stocks.

Consider a company that generates HK\$3 per share annually. If the market gives it a P/E multiple of 20x, then its stock is worth HK\$60.

Now if inflation fears cause investors to reduce the multiple from 20x to 15x, then even if the company continues to earn HK\$3, its stock price would still fall HK\$15, or 25 percent.

Currently, the forward P/E ratio for the S&P 500 in the US is 14.3x. Although some investors think that current P/E suggests the market is attractive, one should be wary of how this figure can be a trap if worldwide P/E ratios contract due to inflationary pressure.

The same holds true in Hong Kong. At first glance, the Hang Seng Index is tempting with a forward P/E multiple of 13x. But if China and Hong Kong cannot find a way to tame inflation, then the market might call for lower P/E multiples, thus demanding cheaper valuations to compensate investors.

Whether the world can tackle inflation is anybody's guess, but when things turn from bad to worse, the bears will have another excuse, P/E ratio contractions, to drive share prices lower.

As president Ronald Reagan said in the 1980s, inflation is as violent as a mugger, as frightening as an armed robber, and as deadly as a hit man.

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